

Compliance Program Oversight and Designating a Compliance Officer

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Overview

According to the Department of Health and Human Services Office of Inspector General's (OIG) compliance program guidance¹, the OIG recommends designating a Compliance Officer and other appropriate oversight bodies, such as a compliance committee and Board of Directors' subcommittee, to operate and monitor the Compliance Program. The Compliance Officer is responsible for managing the day-to-day operations of the Compliance Program, and maintaining a program that prevents, detects, and corrects violations to the Code of Conduct, the organization's policies and procedures, as well as federal and state laws and regulations.

Designating an External Compliance Officer

The need to fill the Compliance Officer position often requires organizations to look externally in order to find a qualified candidate for the role. And, many times, the search to find a qualified candidate can take anywhere from a few months to a year or more. However, organizations cannot afford to operate without a Compliance Officer for that length of time. To fill the role during this interim period, many organizations turn to outside firms with expertise in health care compliance, practical experience and an understanding of the industry.

The OIG notes in their compliance program guidance documents¹ that, "the compliance function could be outsourced to an expert in compliance" in specific instances where there is a need for someone to step into the role. As such, organizations should explore the option of outsourcing or designating an external compliance expert to fill the Compliance Officer role, whether on an interim basis or long-term.

There are several reasons organizations engage an external compliance expert to take on the role of the Compliance Officer, including:

- An event triggers the need for a compliance expert to manage the Compliance Program.

¹ Federal Register.Vol.63.No. 35.Page 8987 (Published 1998).

- The Compliance Officer leaves the organization, which results in a need to evaluate the organization's compliance needs.
- The executive leadership decides to use a proven expert to enhance the existing Compliance Program.
- The organization determines that engaging a part-time external compliance expert is less expensive than hiring a full-time employee in the Compliance Officer role.

When seeking a compliance expert to fill the Compliance Officer role, organizations should also consider whether the responsibilities require a full-time or part-time position, and whether the expert can handle their responsibilities effectively if they work remotely. Depending on the size and complexity of the organization, many external compliance experts carry out the Compliance Officer responsibilities within about 20-100 hours per month and can perform many tasks remotely.

Outsourcing the Compliance Officer role can also bring added value to the organization and to the compliance program. Benefits include:

- Maintaining independence and objectivity without any preconceived notions about personnel, the current state of the Compliance Program or any investment in prior decisions or actions.
- Having an independent evaluation of the status of the Compliance Program's effectiveness and metrics.
- Bringing a broader perspective due to working with a variety of compliance programs, having experience with proven methods and working with executive leadership and Boards.
- Building confidence in and enhancement of the Compliance Program and the compliance culture at the organization.
- Understanding complex federal and state laws and regulations.

In Review

While it is ideal to hire or promote an internal employee who is already familiar with the organizational culture and Compliance Program, many organizations are still turning to external compliance experts to fill the Compliance Officer role. An external compliance expert acting in the designated Compliance Officer role assumes full responsibility of the Compliance Program and its operations, and works with the current Compliance Department staff to address the needs of the Program. Filling this position externally, particularly by a qualified compliance expert, ensures that the Compliance Officer maintains crucial aspects of an effective compliance program while the organization seeks a permanent candidate.

About the Author

Richard P. Kusserow is currently the President and CEO of Compliance Resource Center. He served as the Inspector General of HHS for 11 years and brings decades of valuable experience from the government sector to Compliance Resource Center. Mr. Kusserow's expertise on compliance policy and regulation as well as his extensive knowledge of compliance solutions including sanction and exclusion screening, hotline programs, compliance surveys, policy resources and compliance training enables Compliance Resource Center to effectively help health care organizations best manage their compliance programs.

About Compliance Resource Center

Compliance Resource Center has been leading the compliance industry since 2010 with our complete suite of solutions that are geared towards improving compliance program operations. Our solutions ensure that organizations regularly meet federal and state laws and supply the necessary resources to sustain long-term compliance.