

When and How Should a Hotline Vendor Be Re-evaluated?

Factors to Consider When Reviewing the Service and Performance Provided by a Vendor

Most health care organizations have been using a hotline vendor for many years. Anyone with the same hotline vendor for more than five years may wish to re-evaluate the agreement and services. Over time, advanced technology and enhanced methodologies have improved the service and reduced costs. There is also a lot more competition out there that provides variations of services and fees. This is good information for negotiating a better deal. Many may find better services at half the cost of their current vendor. Also, this should be part of any ongoing monitoring and auditing of the hotline program, as is called for by the Office of Inspector General (OIG) in its various compliance guidance documents.

The problem for many is determining what factors should be considered in reviewing the service and performance currently being provided by a vendor. The following are issues that can be used in making such an evaluation.¹

1. **Re-examine the current contract for terms, rates, and conditions.** This is the very first thing any organization should do when considering the merits of the terms, fees, and conditions under which a hotline service is provided. Times have changed, competition has increased, and technology has advanced. Is that reflected in your current agreement?
2. **Compare the fees and cost levels for the services provided with what others are charging for the same level of service.** A good rule of thumb is that the cost of a hotline service should be no more than \$1-2 per employee per year.
3. **Perform quality control test calls to your hotline.** It is advisable as part of ongoing monitoring to call your own hotline to test how well they debrief



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you, and then evaluate the timeliness and quality of the resulting report. This should be done periodically (quarterly is the best practice for most).

4. **Determine if your organization is locked in to a vendor by contract terms.** Any vendor that has to maintain you as a client by making it difficult to terminate the agreement should be suspect. It is always advisable to seek agreements that permit termination without cause with simple 30-day notice. Under any circumstances, it is advisable to re-read the terms and conditions of your current contract. Check and see if there is only a window of time during the term of the contract where you can terminate without penalty.
5. **You, not the vendor, should own the hotline call number.** All organizations should have their own hotline number that can be re-pointed or re-directed to the vendor. One way vendors lock in their clients is to have them use their number and have you advertise it internally. In that way, it is difficult to change vendors without having to change the hotline number information in the code, Intranet, posters, et cetera. If you have such a deal and want to have a new vendor, have them assist you in transitioning with minimal disruption or costs.
6. **Re-evaluate the vendor's experience and expertise in the health care industry.** The vendor should be familiar with and have an understanding of health care issues rather than just focus on employee theft or other generic matters common to all industries. This can be critical in recognizing significant issues being raised on the hotline and knowing how to properly debrief the caller.
7. **Determine if the vendor provides multiple levels of service, including both live operator and Web-based reporting.** In today's environment, it is advisable to have a Web-based reporting system that prompts individual complainants, as well as the option to call and speak with a live operator. Either approach alone has its deficiencies and is not a best practice.
8. **Determine if the vendor keeps you informed of changes in the regulatory expectations relating to the hotline operation.** It is a real plus to have your vendor assist you in staying current and be able to assist you with developing operating protocols, policies, and procedures related to hotline reports. Many offer news briefs or alerts as part of their service.
9. **Determine if the vendor provides advisory services in addressing difficult hotline allegations.** It is a real plus if the vendor is able to provide professional knowledge and experience of addressing hotline issues. Having many clients and receiving a host of reports on a wide variety of subjects should enable them to provide professional assistance on occasion without additional fees or costs.
10. **Ensure the contract provides for timeliness standards in submitting hotline call reports.** It is important to insist, and have as part of any contract, provision of a full written report within one business day of receipt of the call. For urgent matters, it should be provided immediately.
11. **Review hotline reports being provided by the vendor to determine if they are well written, clear, concise, and complete.** Reports on individual calls should be of high quality. There are very few more frustrating problems than trying to act upon incomplete or unclear information in a hotline report.
12. **Ensure the manner of hotline report delivery is secure and sensitive to privacy standards.** The manner the report is delivered is important. There can be security problems with reports provided either by facsimile or email. This could

be problematic. Web-based reporting is the most secure with notification of a report being provided via email.

13. **Make sure the vendor has adequate liability insurance coverage.** Like any other vendor, the company should have at least one to three million dollars coverage.
14. **Has your vendor executed a business associate agreement pursuant to Health Insurance Portability and Accountability Act (HIPAA) privacy rules?** Inasmuch as the vendor may receive protected health information (PHI) in calls received, they must sign a business associate agreement.
15. **Evaluate the level of personalized service provided by the vendor.** It is always preferable to have a personal relationship with your vendor and have a single account manager with whom you can discuss any issues related to the service, from an invoicing matter to the quality of a report.
16. **Determine if the vendor provides other benefits within the price of service.** Some vendors provide other

ancillary services, such as policies and procedures for hotline management, newsletter updates, news postings on their Web site, articles relating to hotlines, et cetera. Find out what they offer as part of their services.

No one likes to add to their daily burden by going over old contracts; however, it really needs to be done. Conducting reviews of existing vendor hotline services should be done annually as part of ongoing monitoring and auditing.² Failing to periodically conduct such reviews indicates that the compliance office is not following best practices for an effective program. It is also important to note that doing this may result in significant reductions in cost, improved services, and an all around better hotline program.

Endnotes:

1. Information drawn in part by permission of the author from the "Ultimate Hotline Manual: Tool Kit and Practical Guide for Establishing and Managing a Hotline Operation" (ISBN: 0-9763344-0-2).
2. For more information on details of a vendor operation, www.complianceresource.com/products/hotline-service-center.

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