

Compliance Program Maturity Models

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Care Is Needed when Applying Maturity Models to Health Care Compliance

Maturity refers to the degree to which an organization's processes have been formalized, implemented, and integrated into the business operations and culture of the organization. Maturity models were originally developed as organizational assessment tools, especially by the U.S. Department of Defense in the early 1990s. They have been used in assessing the capacity of software contractors to deliver on projects. Since then, there has been a proliferation of maturity models in the energy and financial sectors, each describing different aspects of organizational capability.

They have now been introduced to the health care sector. These models normally follow a pattern describing a continuous progression where the first level has little or no capabilities while the highest level or stage of development represents a complete state of maturity. Each level is a measure of process maturity that the business must solve to have more predictable outcomes. The higher the maturity, the better the chances that incidents or errors will lead to improvements, either in the quality or in the use of the resources, of the discipline as implemented by the organization. They can provide benchmarks to use when assessing how a set of characteristics has evolved.

There are challenges, however, in adapting maturity models to health care compliance. They were originally developed for and have been most often applied to software architecture and engineering development processes that present clear process metrics. Another challenge relates to the danger in defining a final state of maturity, such as "optimization." That would raise the question of what happens when an organization defines itself as reaching the final level of a maturity model. Does it mean there is no further need of improvement? This would drive against the U.S. Department of Justice (DOJ) and Office of Inspector General (OIG) position that effective health care compliance programs



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are always a work in progress and moving to improve.

Another problem for health care is that process improvements cannot always be defined in terms of a linear progression that implies a static environment. For compliance officers, real-world problems and expectations are constantly evolving and responding to the ever-changing regulatory and enforcement environment that affect orderly progression along a defined path. In a fast-changing environment, what may be regarded as “mature” today might be entirely different tomorrow. Good outcomes most often involve a combination of capabilities, capacity, competence, and potential, rather than a defined level of maturity. These attributes are needed in responding to evolving priorities, rather than a fixed sequence.

There is also the danger of focusing on simple progression in a maturity model that may set the wrong direction for the compliance program by focusing on achieving levels, rather than on meaningful outcomes. Also, describing something as a “model” implies a degree of rigor or scientific method, not present in large measure in health care compliance. This runs the risk of relying upon arbitrary decision-making and untested assumptions and judgment of “very knowledgeable people” who may provide a weak analysis and support for their decisions.

COMPLIANCE PROGRAM MATURITY MODELS

A maturity model is a means for measurement of the ability of an organization for continuous improvement in a particular discipline. In this case, a compliance program. As an organization progresses in maturity, ownership spreads across the organization and becomes embedded within the very culture of the organization. During the maturity assessment, it is very likely that some processes have higher level maturity than others. This is normal,

although the goal is always to get the level that is acceptable by the organization and benchmark each year to ensure progress.

Applying the maturity model concept to health care compliance means identifying and incorporating compliance standards, objectives, context, program structure, operations, processes, and function. These are drawn from details of the U.S. Sentencing Commission “Organizational Integrity Guidelines for Organizations and Entities;” OIG compliance program guidance; DOJ “Compliance Program Guidelines;” and the Centers for Medicare & Medicaid Services (CMS) regulatory guidance. It assigns levels of “maturity” that range from a fragmented ad hoc practice through formally defined steps, to a program managed, mature program relying upon result metrics, to active optimization of processes. The focus is on assisting in the integration of the compliance program into organization business processes.

A maturity model can provide a compliance officer an answer to the question of how effective the compliance program is in meeting its goals and objectives. Applying the maturity model metrics level objectively enables identification of the organization’s capabilities in each of the core processes and functions, as well as identifying gaps in the program which can be closed. Understanding the current level enables the compliance officer to take control and proactively drive the desired goals with clear focus. Most important benefits of setting the base line for each of the seven standard elements of an effective compliance program is clear identification of what can be done to advance the program. In applying a maturity scale, it is recognized that the advancement of programs through various levels often progresses at different rates for the various elements.

Maturity level is derived based on objective review of each key compliance

program element that can provide clear insight into their status and what can be gained by improvement, as well as how that can be accomplished. Maturity is assessed against key capability characteristics for each of the Seven Standard Elements of an effective compliance program; however, it is critical to have enough measurable factors to be able to support a finding concerning the maturity level for any element. The fewer the characteristics measured, the greater the reliance upon expert subjective summary judgment, which translates into a weaker foundation for the result. On the other hand, the more detailed characteristics and factors, the sounder the resulting conclusions about maturity level. For example, Strategic Management Services¹ “Compliance Program Maturity Model (CPMM)” incorporates over 250 characteristics, derived from the USSC, DOJ, and OIG standards, in assessing the maturity levels.

The definition of levels varies according to the maturity model used. Most begin with “Fragmented or Ad Hoc” where there is general lack and/or partial absence of process, function, defined structure, or responsibilities, which results in poor and inconsistent results for the corporate compliance. The next level would be something like “Defined or Planned,” which is the planning phase describing what is needed, including describing the role and responsibilities of the compliance officer, executive and board oversight, as well as the need for a code and compliance-related policies.

The next level, often referred to as “Foundation,” is with the program requirements that have been established with the roles, responsibilities, staffing, and budgeting for the compliance office, as well as executive and board oversight, and dissemination of written compliance guidance. The “Managed” level is generally characterized being fully operational

and routinized, including standardized and consistency of process performance monitored through output metrics from hotline logs, complaint tracking systems, investigation of allegations, compliance training programs, sanction-screening, and executive and board level oversight minutes.

At the “Mature” level, the program is forward looking, flexible to changing conditions and sustainable with compliance control functions being stable and rarely fail, documentation is complete and covers all aspects of the organization, preemptive measures and continual improvement plans are in place with the program undergoing ongoing modification in response to lessons learned and results from outcome metrics. The highest level, “Optimized,” is characterized by the organization’s ability to use outcome data and being able to anticipate and rapidly respond to changes by continuous improvement in compliance process performance and integration into business processes.

CONCLUDING COMMENTS

Compliance maturity models can be a useful tool for measuring and benchmarking progress in development of an effective compliance program. The challenge is finding the means to apply the model that was originally developed for activities related to software development, architectural designing, and engineering that have hard metric standards that can be monitored.

To be fully useful for health care compliance, the factors and characteristics measured to support findings as to the maturity level need to be very detailed, clear, and exact. Too few factors and the maturity level decisions will rely too much upon subjective judgment of reviewers.

Also, beware of maturity assessments that place the compliance program at the highest level (“Optimized”). This is

not the best finding, but the worst, as it means there is no room for improvement. This flies in the face of the DOJ and OIG who stress the compliance programs should always be programs in progress, responding and adapting to ever

changing legal and regulatory standards and conditions.

Endnote

1. www.compliance.com/services/compliance-program-effectiveness-evaluation.

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