STRATEGIC MANAGEMENT SERVICES

Don't Focus On Process Outputs: It Is The Outcome That Is Important!

(Registration is open for the complimentary SAI Global Webinar, *"*Evidencing Compliance Program Effectiveness,*"* that will be held on August 16, 2022, at 2 PM, Eastern.)

Key Points:

- **Compliance Program effectiveness relates to outcome, not output**
- **Outcome and effectiveness are the result of the process**
- **Outputs lend themselves to metrics, not so with outcome**
- **It is common for compliance officers to fall into the trap of measuring only outputs**
- **Focusing on outputs rather than outcomes can be a costly a mistake**

There is no question that output metrics are important in monitoring and measuring the process, activities, and actions by which the Compliance Program functions. However, it is common for Compliance Officers to fall into the trap of over-focusing on measuring the process outputs, such as the number of hotline complaints, employees trained, policies implemented, etc., rather than the outcome from the outputs and how it has impacted compliance. Care should be taken to avoid over-emphasis on reporting metric outputs and being overly prescriptive and detailed in reporting on the compliance framework. Focusing on outputs rather than the outcome of processes significantly undercuts the credibility of the evidence of compliance program effectiveness.

Over-reliance on output data has another potential negative consequence. Executive leadership and a board overwhelmed by reports on numerical output metrics may disregard or have little interest in the information. Metrics may also convey that the Compliance Program is more form over substance and just another administrative cost center the organization is required to have rather than something they need. This reduces the Compliance Officer's effectiveness.

Generating output data solely also falls well short of what the Department of Justice (DOJ) and Department of Health and Human Services Office of Inspector General (OIG) expect to see in an effective Compliance Program. The DOJ and OIG seek evidence of understanding how the compliance program is working in practice.

This is not to say that outputs are not important. On the contrary, outputs contribute to evidencing the result from the process and lead to achieving the desired outcome of an effective Compliance Program. It is far more important to provide evidence of meaningful progress of the compliance program and reporting on Compliance Program outcomes that evidence effectiveness.

Since outcomes can seldom be evidenced in metrics, the challenge is finding the means to provide credible evidence. The OIG cites three methods in their Compliance Program Guidance for providing credible evidence of effectiveness.

1. Having results from Compliance Program Effectiveness Evaluations conducted by recognized experts is by far the best method to evidence how well the program is functioning. The OIG specifically states that it is advisable to have an independent evaluation by experts to verify proper ongoing monitoring of the program and validate effectiveness in achieving goals. The key point here is independent evaluation. Compliance Officers conducting internal evaluations using checklists are not viewed as independent and may be viewed as self-serving and lacking in credibility.
2. Ongoing monitoring and auditing of the claims processing system that evidence reduction in error rates is considered credible evidence.
3. Using surveys and questionnaires to evidence employee knowledge, understanding, and attitudes concerning compliance. OIG guidance states that "Compliance Officers should consider using questionnaires developed to solicit impressions of a broad cross-section of employees and staff and evaluate all elements of a Compliance Program." OIG believes using employee surveys enables management to make assessments and that periodic reviews can benchmark progress and improvement in the Compliance Program. This method was underscored in the "Measuring Compliance Program Effectiveness: A Resource Guide" from the OIG/Health Care Compliance Association Roundtable in 2017.The report included over 60 references to the use of surveys to evidence Compliance Program effectiveness. A key point in gaining results that are credible to outside authorities is (a) having a professionally developed survey instrument, (b) having

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the survey independently administered, and (c) if possible, benchmarking the results against other similar organizations.

Of course, there are many other methods for evidencing outcome and effectiveness in each of the seven standard elements, but they are not easy to develop. *To learn more about this topic register for* the complimentary SAI Global Webinar*, "*Evidencing Compliance Program Effectiveness*,"* that will be held on August 16, 2022, at 2 PM, Eastern*.)*

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