

Why Use a Hotline Vendor?

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Vendor Advantages: Tips on selecting the right hotline vendor

The [Compliance Hotline](#) is a critical element of any effective Compliance Program. It is a compliance communication channel that employees can use to report issues to their management when normal communication with supervisors and others are thought to be a problem. Some organizations provide internally operated hotlines for employees, but it is not considered a best practice to do so for many reasons, including cost and ability to staff it 24/7, employee less trusting of internal channels, etc. The following are advantages for using a vendor to manage the hotline:

Availability. The hotline needs to function 24/7. All calls to the hotline can't be expected to take place during normal business hours as (a) not all incidents occur during that time, (b) many healthcare organizations function outside of normal business hours, and (c) most employees are reluctant to report during scheduled work time and wait until they are away from the job. A vendor should be able to receive reports via live operators or web-based at any time 24/7.

Cost-Effectiveness. Analysis makes it clear that the benefit return on the cost of a vendor hotline is far better than operating one internally. The cost of staffing a hotline internally can be prohibitive, especially if the hotline is 24/7, whereas for vendors the costs are amortized across many clients. The result is that organizations will pay a vendor only a small fraction of what would be an internal hotline operation.

Anonymity. The Federal Sentencing Commission Guidelines, OIG Compliance Program Guidance, DOJ Compliance Program Guidelines, and many laws and regulations at both state and federal levels call for anonymous reporting. Being able to report anonymously provides an added level of assurance and encouragement that reporting potential violations or wrongdoing won't result

in reprisals or adverse actions against the reporter. A reporter may question the anonymity of an internally provided hotline, whereas a vendor can assure it under contract.

Independence. When a vendor operates the hotline, they operate under a contract that ensures they will be objective and independent in taking and reporting caller information. This message can be given to all employees to help assure them that their calls will be handled appropriately.

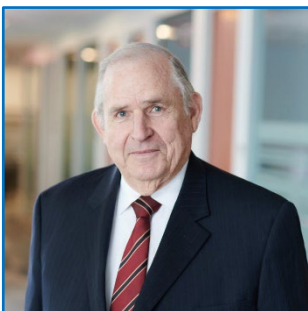
Professionalism. Hotline vendors employ highly trained staff who fully debrief callers in a professional manner to obtain as much usable information as possible. This assists in reassuring callers that their reports will be taken seriously. For an organization using in house staff to answer calls, the same level of professionalism is unlikely.

In selecting the right hotline vendor, consider the following:

- 1. Services Provided by Vendors.** It is advisable to have two levels of service: the option to call and speak with a live operator, and a web-based reporting system that prompts individual complainants. In any case, pass on any vendor not providing both services.
- 2. Hotline Operations Experience.** Experience counts, therefore, look for a service with a long-time record. The more experience, the fewer the problems you will have.
- 3. Industry expertise.** Consider experience in the health care sector and in understanding of the legal and regulatory issues being faced. The problems confronting businesses in their sectors such as banking, finance, manufacturing, construction, retail, etc. are different. The vendor staff should be able to recognize and ask questions about the issues and high-risk areas identified by the HHS OIG, including those related to the Stark Law and Anti-Kickback Statute.
- 4. Method of Report Delivery.** The way the report is delivered is important. Avoid any vendor that provides reports by facsimile or email, as they are not secure and could be a complicating HIPAA privacy factor where PHI is involved. Web-based reporting is the most secure, with notification of a report provided via email.

- 5. Avoid Being Trapped by Contracts.** Hotline vendors should hold clients by good service, not by contracts. The contracts should permit cancellations without cause with a simple 30-day written notice. Look to see if cancellation of service is restricted. If so, consider finding a way out of the arrangement or obtaining service elsewhere.
- 6. Report Timeliness.** It is important that as part of any contract, a full written report will be provided within the same day of receipt of the call. For urgent matters, the report should be available immediately. Reports on individual calls should be well written, clear, concise, and of high quality.
- 7. Anonymity.** The hotline must provide an option for anonymity. The U.S. Sentencing Commission, DOJ, and OIG all call for it in their guidelines. In the healthcare sector, nearly two-thirds of all hotline reporters are anonymous. The hotline vendor's service should include a means of communication for the Compliance Officer and anonymous reporter. Insist on having that included in the service.
- 8. Cost of Service.** Compare costs of service, keeping in mind that a vendor should be able to provide services at a set fee that can be compared to other vendors. A good rule of thumb is that the cost of a hotline service should not be more than \$1 per employee per year. Periodically compare costs of your vendor against others. It may prove an opportunity to save money.

Interested in learning more about Compliance Hotlines? Contact Shelby Cole at scole@complianceresource.com.



About the Author

Richard P. Kusserow established Strategic Management Services, LLC, after retiring from being the DHHS Inspector General, and has assisted over 2,000 health care organizations and entities in developing, implementing and assessing compliance programs.