

2024 Healthcare Compliance Benchmark Survey Results

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STRATEGIC MANAGEMENT SERVICES

SAI360

Presented by:

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STRATEGIC MANAGEMENT SERVICES

In 1992 Strategic Management became the first national consulting firm to focus exclusively with healthcare compliance. Over the last 30 years, more than 3,000 organizations have engaged the firm for development, evaluation, management, and enhancement of compliance programs. Services include providing compliance and privacy staffing, compliance evaluations and assessments, gap analysis, claims processing data analytics, litigation support, document development, and serving as CIA IROs and Board Compliance Experts. Compliance Resource Center (CRC), is sister entity provides hotline services, and sanction checking/resolution services.



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PRESENTER



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2024 SURVEY OVERVIEW / OBJECTIVES

OIG and DOJ both updated their guidance documents in 2023, noting that all Compliance Programs are a work in progress, never completed, and must respond to the ever-changing legal, regulatory, and business environment. They also made it clear that the level of Compliance Program effectiveness can potentially reduce or aggravate penalties and/or settlement terms. Survey was designed to assist Compliance Officers in gaining useful information on what is happening with others engaged in the same work; and generate ideas as to how they can improve and enhance it.

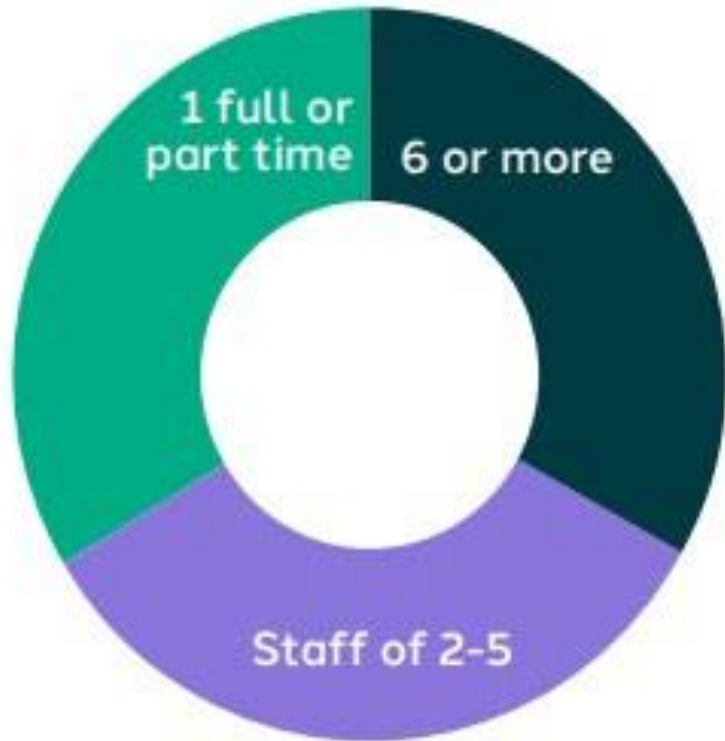
USE OF SURVEY RESULTS

1. Learn about healthcare compliance trending information
2. Identify changes/trends in the everchanging compliance environment
3. Note Compliance Officer current priorities
4. Provide information on how others are responding changing regulatory environment
5. Gain insights as to the general direction of compliance programs
6. Provide useful information to be shared with leadership and Board
7. Evidence how vendors are being used in compliance
8. Assist in evaluating resource needs

RESPONDENT DEMOGRAPHICS

- Nearly sixty percent of respondents were hospital based
- About one in five characterized their organization as a small entity.
- One quarter were from medical practices, clinics, mental health, hospices, home health
- Five percent reported being from managed care
- Two percent were from SNFs
- DME and Clinical Labs participation were insignificant
- Rest ranged from revenue cycle management to telehealth & across various sectors
- 38% reported under 1,000 employees, 34% over 5,000, and 28% 1,000 to 4,999

COMPLIANCE OFFICE STAFF LEVEL



About a **third** of the **respondents** reported Compliance Office at only one full or part-time Compliance Officer

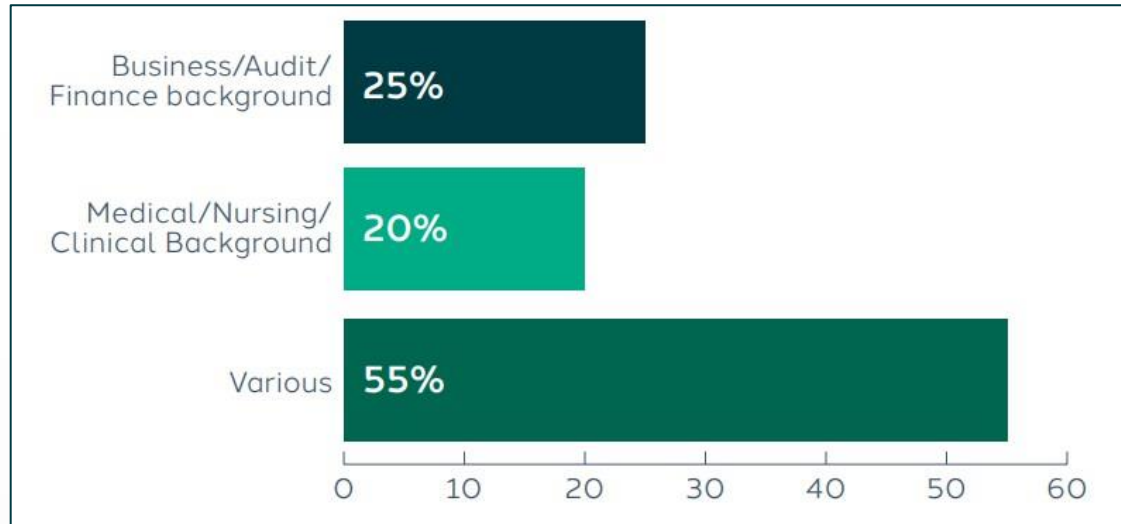
COMPLIANCE BUDGETS AND STAFFING LEVELS

More than two thirds expect resource and staffing levels to remain about the same with one quarter expecting some increases. Very few reported expecting any decreases.

About half reported budget includes direct operating costs and compliance related initiatives. Costs for vendors, outside consultants, and compliance tools and programs. Less than a third included the cost of training in their budget, although the time and effort associated with this compliance activity is likely the costliest part of any Compliance Program.

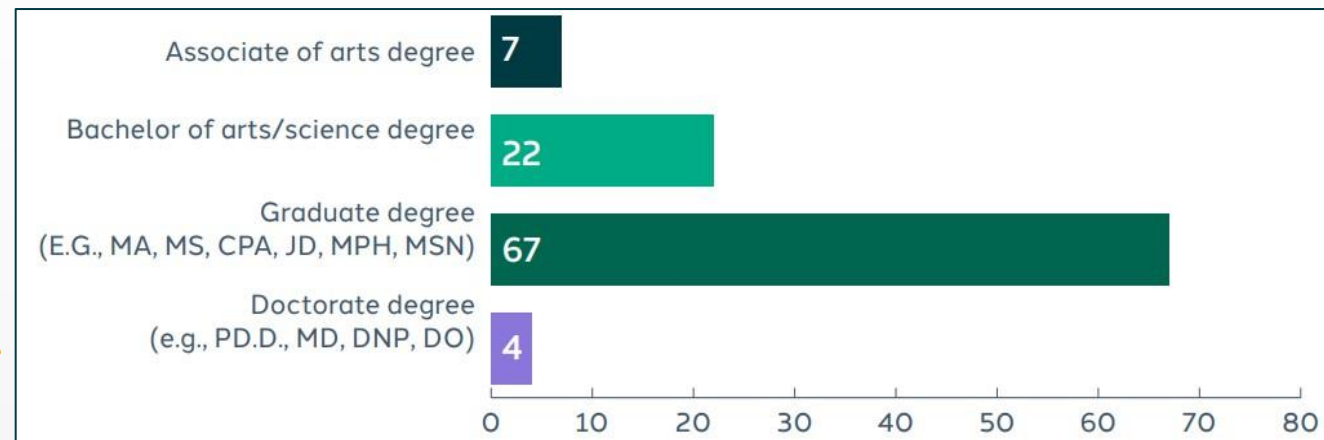
Most significantly is over 40% answered negatively to all these areas, which suggests that many do not have a formalized budget process as called for by OIG Compliance Program Guidance.

COMPLIANCE OFFICER EDUCATIONAL BACKGROUND

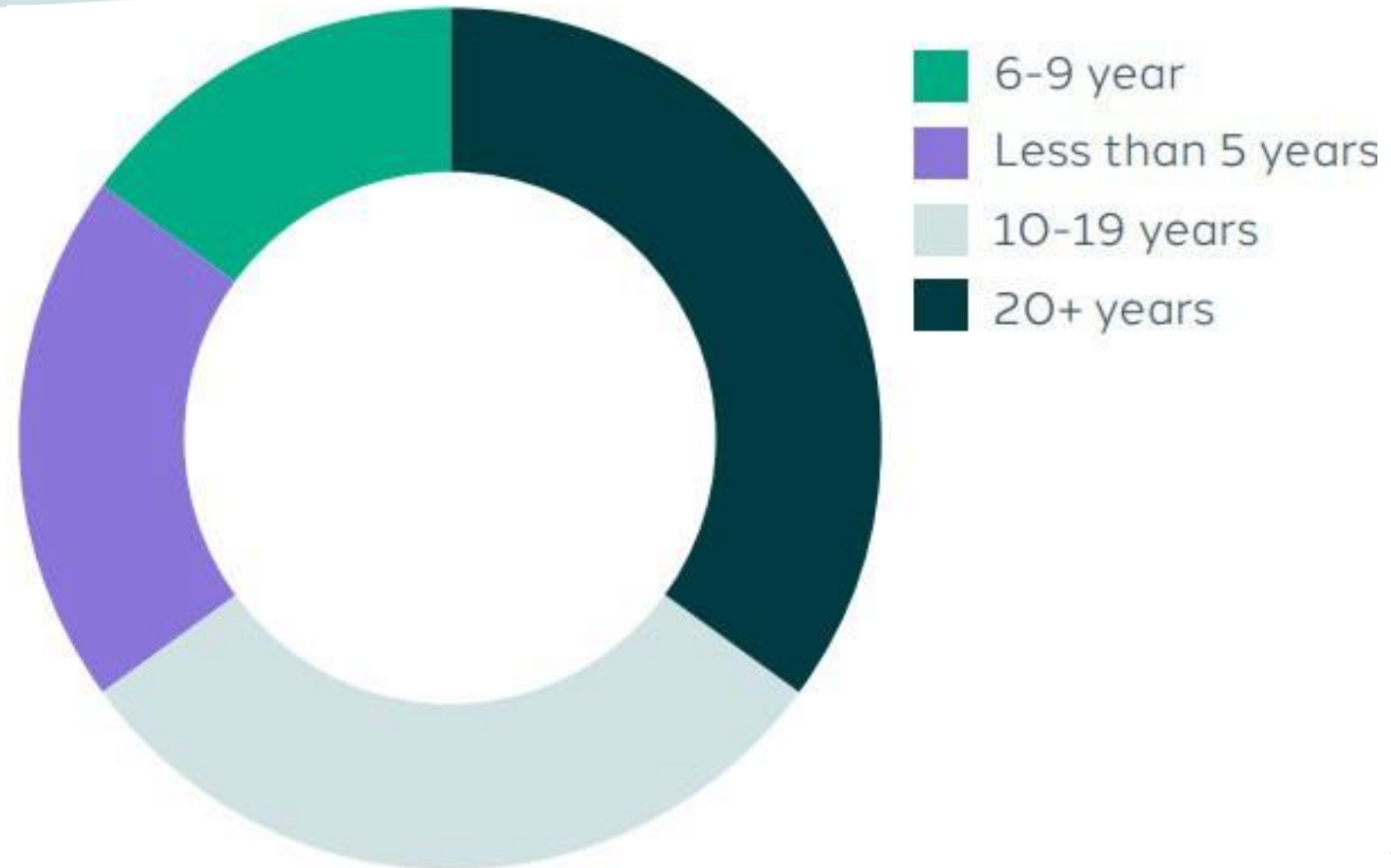


COMPLIANCE OFFICER EDUCATIONAL BACKGROUND

COMPLIANCE OFFICER EDUCATIONAL LEVEL



COMPLIANCE OFFICER'S YEARS OF EXPERIENCE



COMPLIANCE HIRING PROCESS & TIMELINE



COMPLIANCE OFFICER JOB LEVEL

Compliance Officer is a C-Suite member of the organization **41%**

Compliance Officer is at senior management level (e.g., Director) **46%**

Other than the above **13%**

FUTURE CAREER PLANS

56%

Planning to **continue current career track** for the foreseeable future and/or retire in the next couple of years.

12%

Seeking new **compliance opportunities** elsewhere or moving outside of compliance.

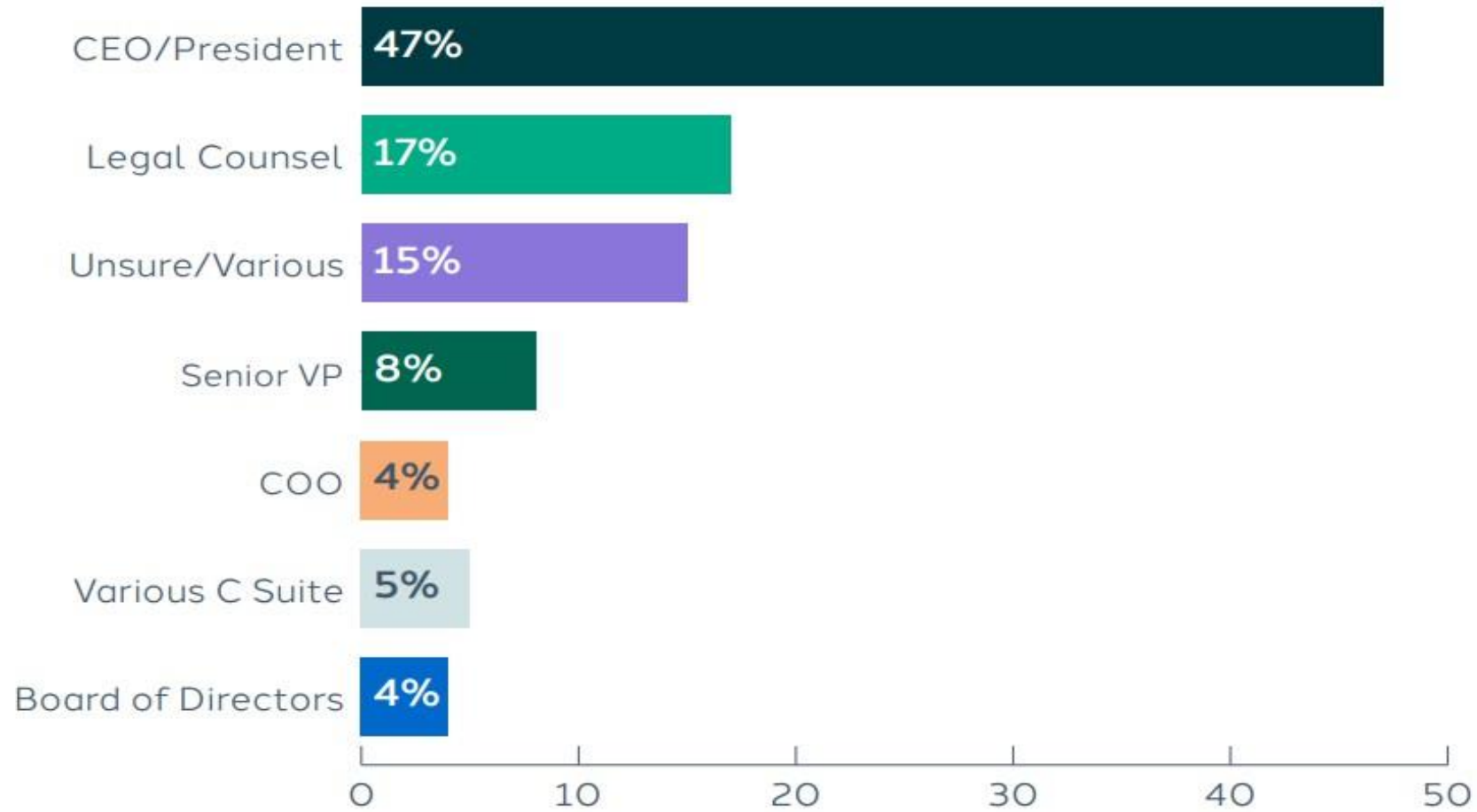
12%

Planning to **retire** in a couple of years from current job

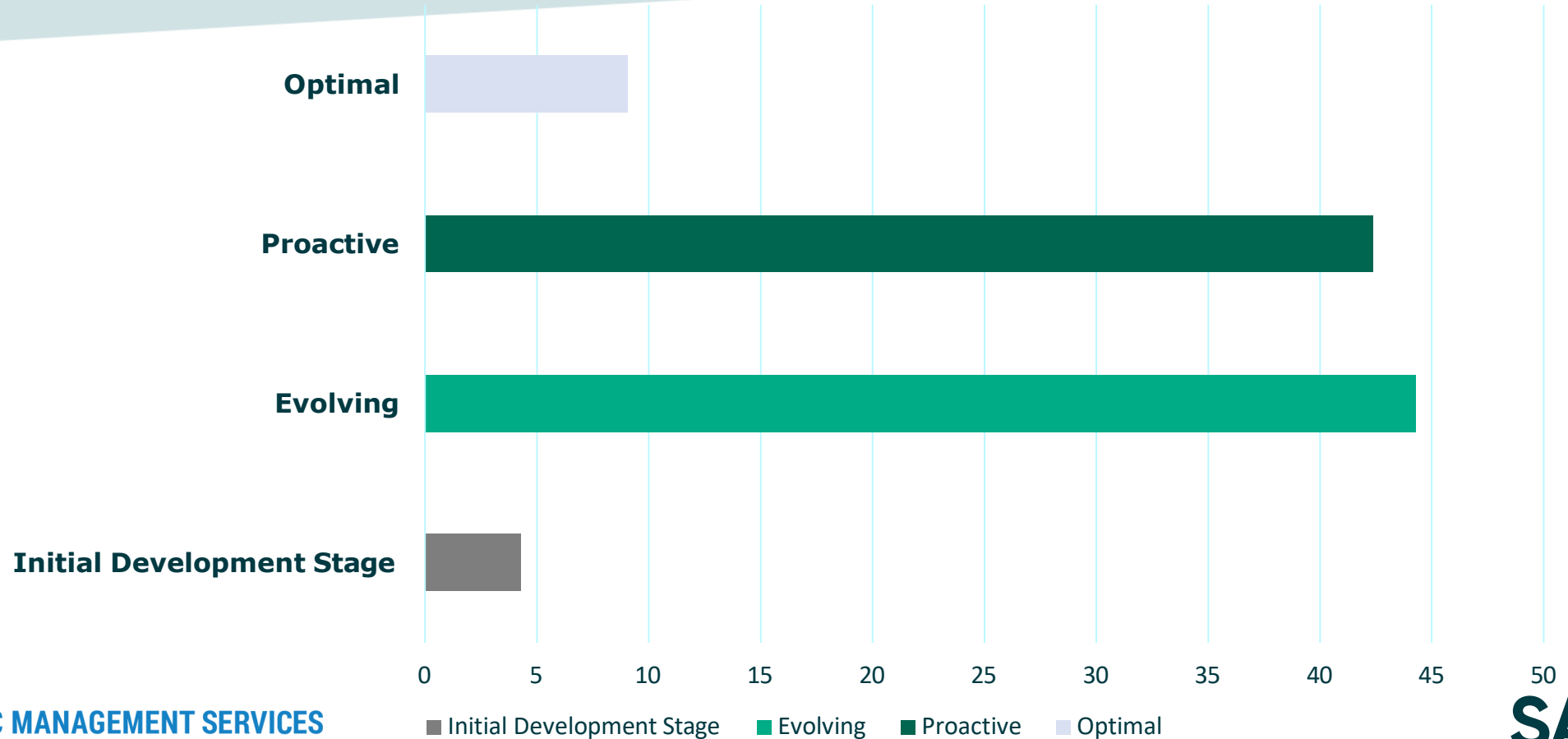
15%

Undecided about their current career plans

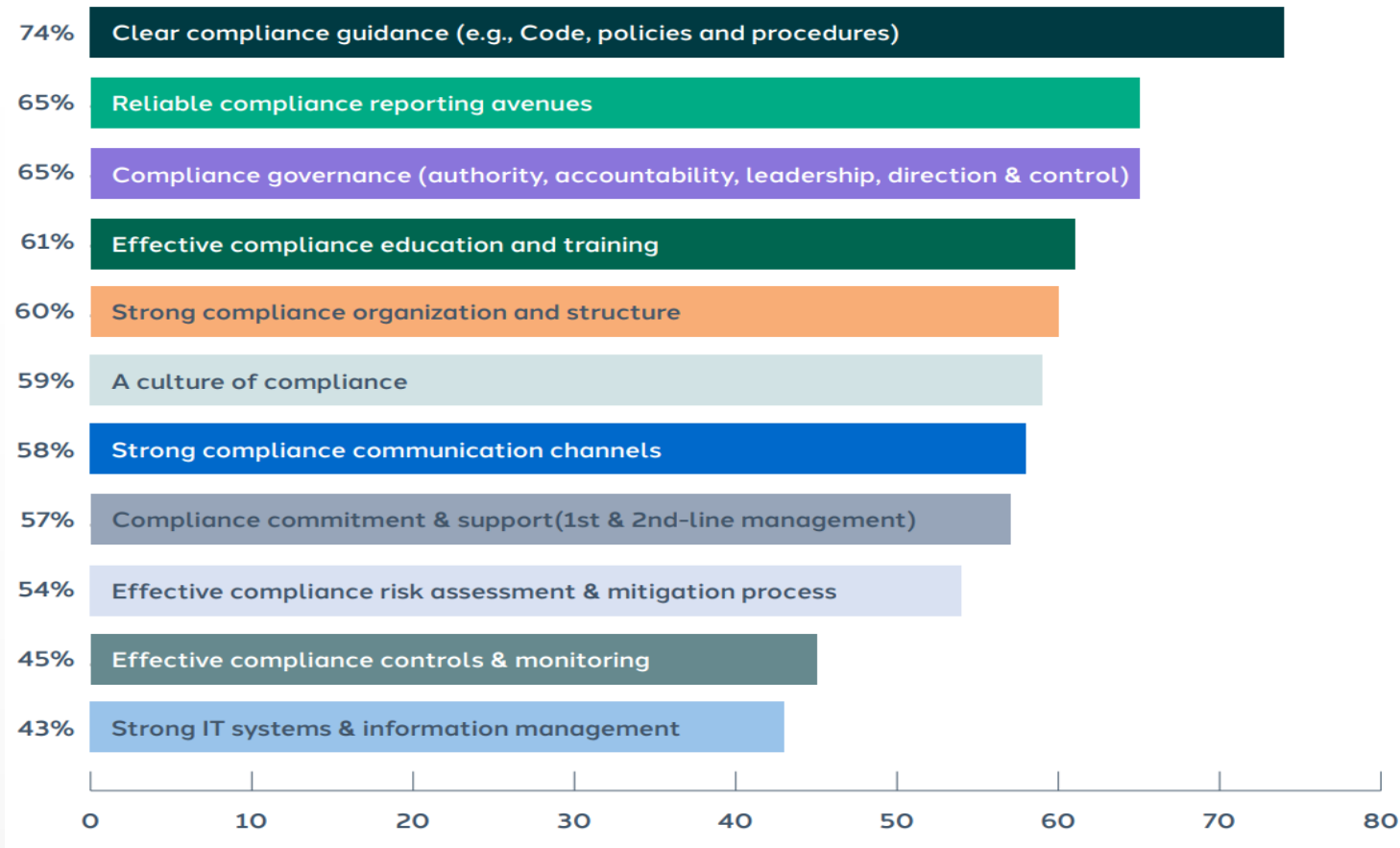
COMPLIANCE OFFICER DIRECTLY REPORTS



COMPLIANCE PROGRAM MATURITY LEVEL



MANAGING BASIC COMPLIANCE RESPONSIBILITIES



TOP 2024 COMPLIANCE OFFICE PRIORITIES

1. Keep up with changing regulatory and enforcement environment
2. Improve ongoing compliance auditing processes
3. Improve quality of compliance education and training
4. Build better relations with leadership and/or board
5. Develop stronger relationships with program managers
6. Improve relationship with legal, human resources, and/or internal audit

INDEPENDENT COMPLIANCE PROGRAM ASSESSMENTS

50%+

Independent reviews been conducted within the last three years.

46%

Only internal evaluations performed, or no evaluations have been conducted, or don't know

COMPLIANCE BUSINESS STRATEGY INVOLVEMENT



LEADERSHIP/BOARD PRESSURE ON COMPLIANCE OFFICE



COMPLIANCE CULTURE ASSESSMENT



GREATEST 2024 COMPLIANCE RISK CONCERNS

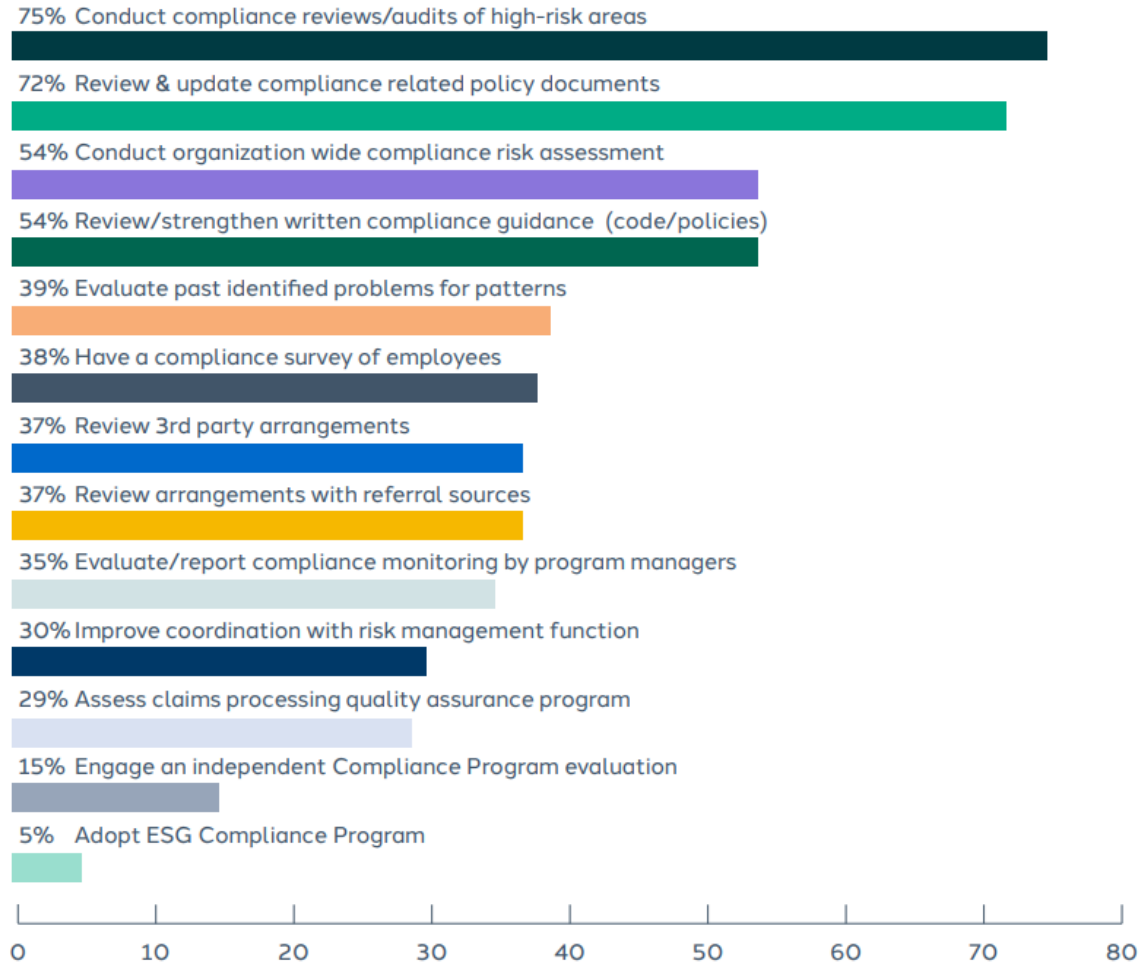
1. RESPONDING TO NEW LAWS/REGULATIONS
2. HIPAA PRIVACY/CYBERSECURITY
3. CLAIMS PROCESSING ACCURACY
4. ARRANGEMENTS WITH REFERRAL SOURCES
5. CONFLICTS OF INTEREST
6. "WHISTLEBLOWER" THREAT

REGULATORY/ENFORCEMENT ENCOUNTERS

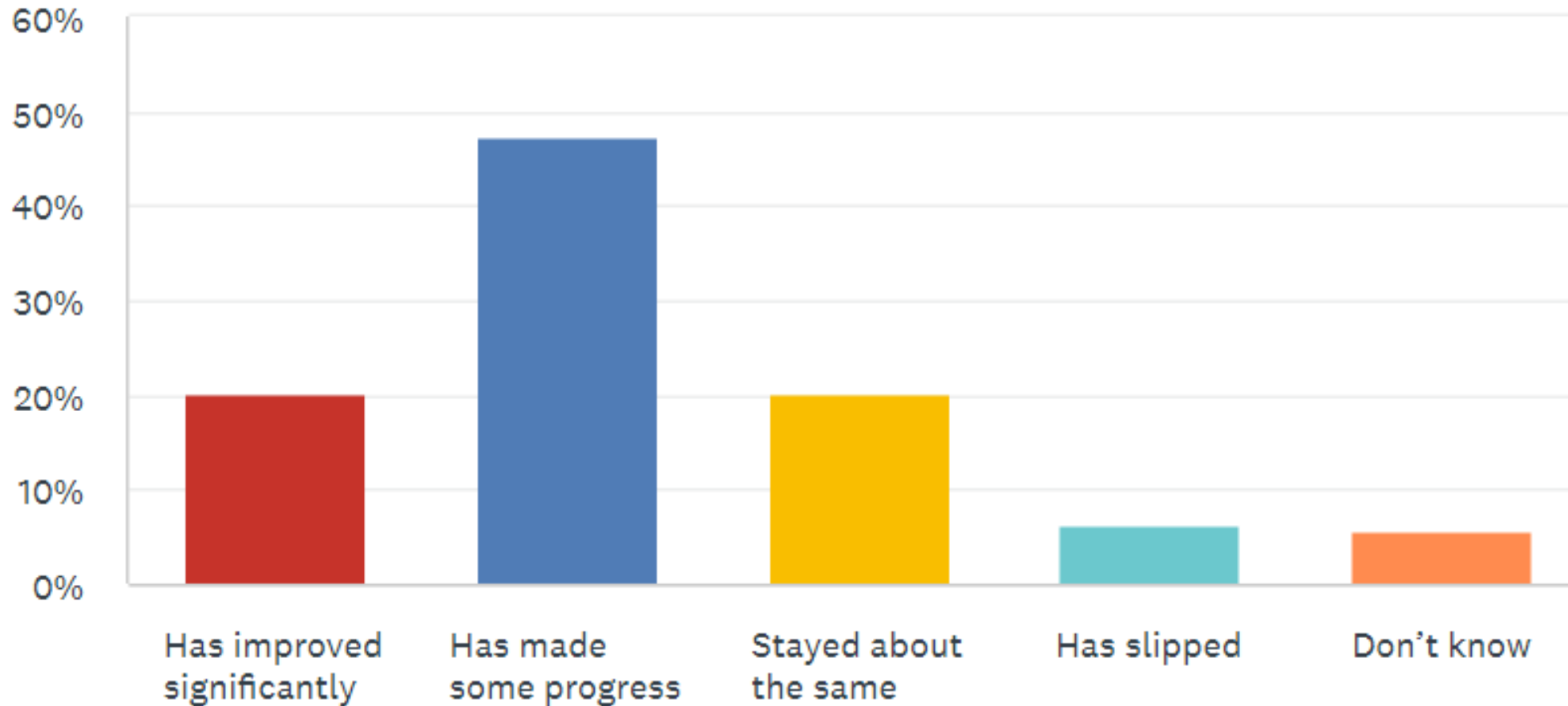
REPORTED ENCOUNTERS BY ENFORCEMENT AGENCIES IN DESCENDING ORDER

OCR	30%
State enforcement agencies (e.g., MFCUS)	21%
OIG	15%
DOJ	14%
Other agencies (e.g., FDA, DEA, CMS, EEOC)	12%
No encounters/don't know	8%

2024 COMPLIANCE PROGRAM PLANS



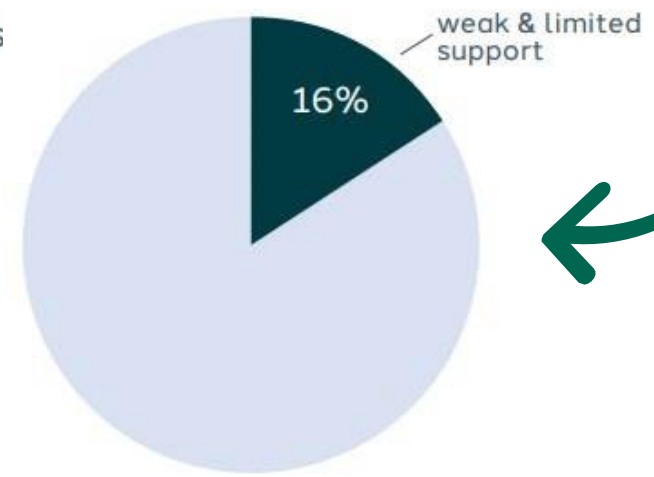
COMPLIANCE OFFICE PERFORMANCE



LEVEL OF EXECUTIVE LEADERSHIP SUPPORT

Overall evidence from respondents was positive about leadership and board support with only 16% of respondents reporting weak and limited support.

EXECUTIVE LEVEL SUPPORT



- Unsure
- Sometimes
- No
- Yes



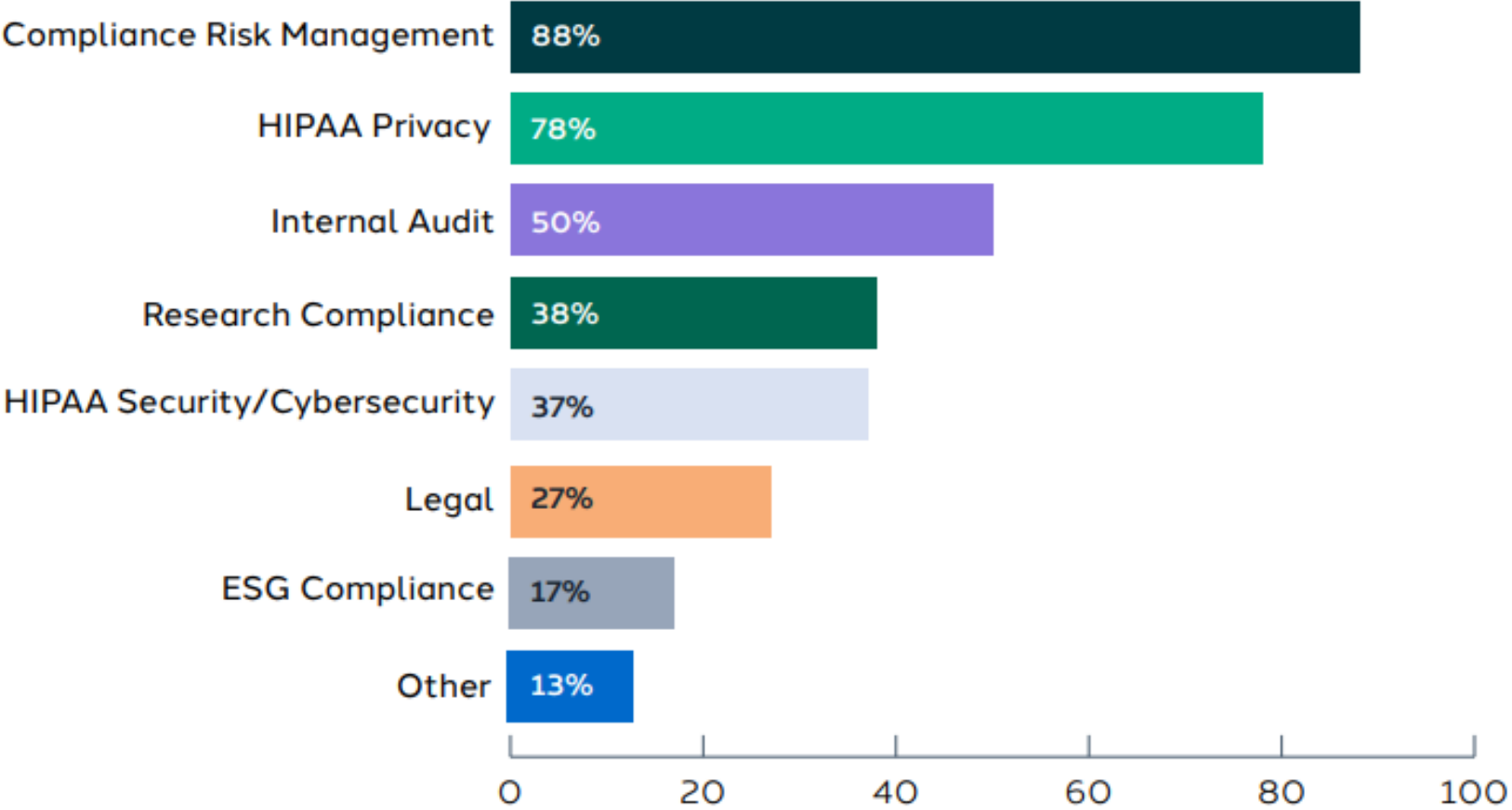
ORGANIZATION ACTIONS ON FINDINGS



COMPLIANCE OFFICER MEETING WITH BOARD

Annually	7%
Quarterly	58%
Monthly	14%
As Needed	7%
Don't Meet with Board	14%

COMPLIANCE OFFICER SCOPE OF RESPONSIBILITIES



INCREASED 36%

REDUCED 4%

NO CHANGE 60%

CODE AVAILABILITY/ACCESS FOR EMPLOYEES

- **POSTED ON INTRANET** 80 %
- **PROVIDED AT HIRING/ ORIENTATION** 90 %
- **PROVIDED DURING ANNUAL TRAINING** 74 %
- **VIA EMAILS** 24 %
- **VIA HARD COPY MANUAL FORM** 14%
- **OTHER CHANNELS** 12%

COMPLIANCE DOCUMENT MANAGEMENT

Manual Process	37%
Policy Management software	47%
Comprehensive Document Management	1%
No formalized process	5%

TYPES/FREQUENCY OF COMPLIANCE TRAINING

- **At orientation and annually thereafter** **74%**
- **Annually** **16%**
- At orientation only 4%
- Periodically/as needed 3%
- No formalized compliance training 1%

DATA BASES USED FOR SANCTION SCREENING



OUTSOURCED COMPLIANCE SERVICES/TOOLS

1. Sanction screening tools/services	52%
2. Hotline function	55%
3. Compliance Training Program	15%
4. Document Management System	15%
6. Independent Compliance Program Assessments/Gap Analyses	16%
5. Code and policy development/review	5%
8. Compliance Investigations	5%
9. Third Party Risk Assessments	10%
10. Compliance Technology Evaluation/Implementation	4%
11. Compliance Knowledge/Culture Surveys	9%

MEASURING COMPLIANCE PROGRAM EFFECTIVENESS

DESCENDING ORDER

1. Analysis of hotline complaints and investigations
2. Analytics of audit and review findings
3. Analysis of self-assessment processes
4. Completion rate of compliance training programs
5. Number of complaints received via the hotline or other means
6. Feedback from compliance knowledge/culture surveys
7. Number/percentage of employees that underwent compliance training
8. Feedback from compliance knowledge/culture surveys
9. Comparison with other organizations (e.g., other surveys/benchmarking)
10. Analysis of regulatory and legal reviews

COMPLIANCE 2024 INITIATIVES

DESCENDING ORDER

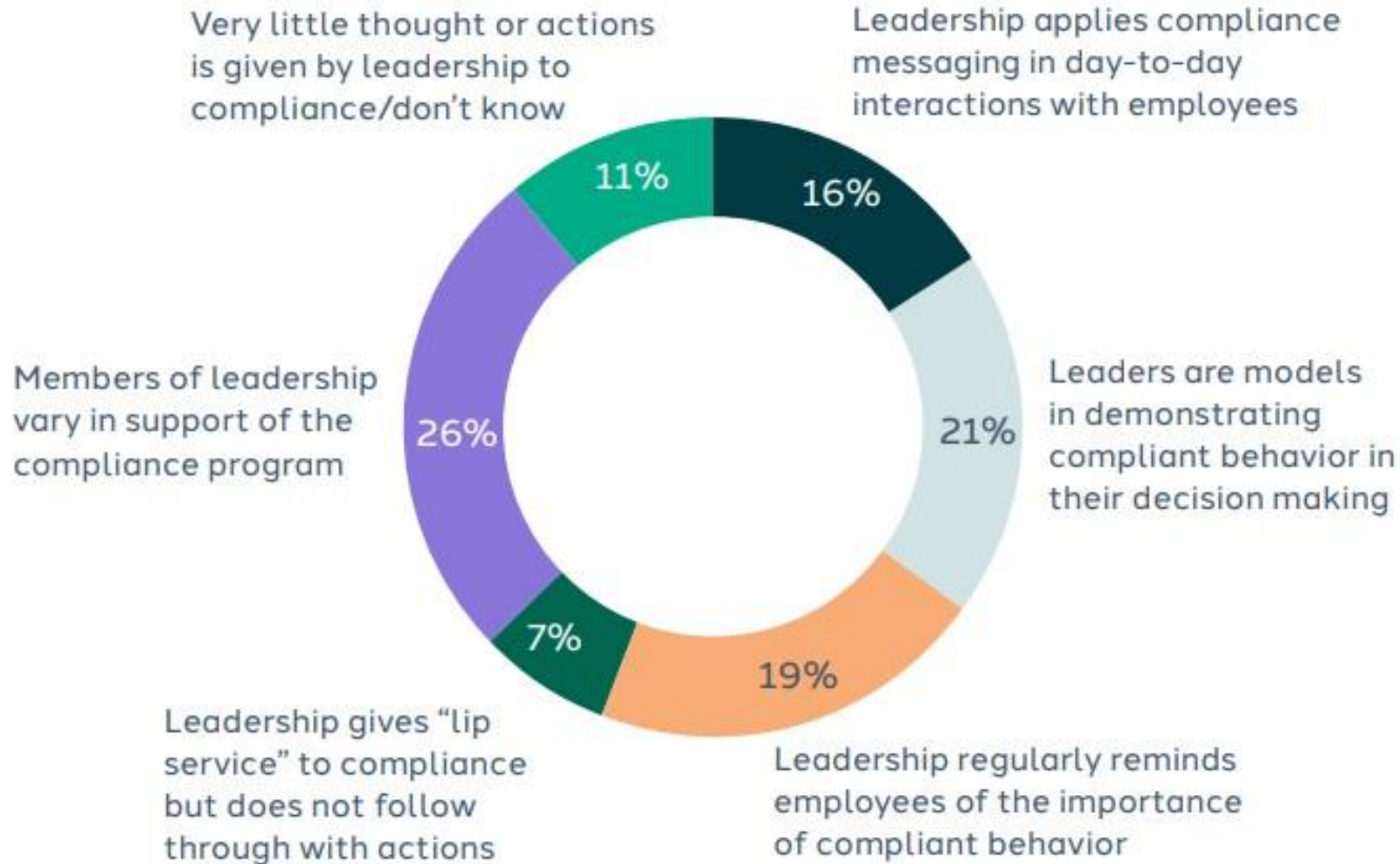
1. Improve ongoing compliance monitoring and auditing
2. HIPAA privacy and security
3. Internal Compliance Program effectiveness assessment
4. HIPAA security/cyber-security compliance assessment
5. Employee compliance knowledge or culture survey
6. Enhancement of conflicts of interest management
7. Enterprise-wide regulatory risk assessment
8. Review of arrangements with physicians
9. Claims processing evaluation
10. Independent Compliance Program effectiveness assessment
11. Independent Compliance Program gap analysis
12. Develop environmental, social, and governance (ESG) compliance

PRIORITIES FOR COMPLIANCE PROGRAM IMPROVEMENT

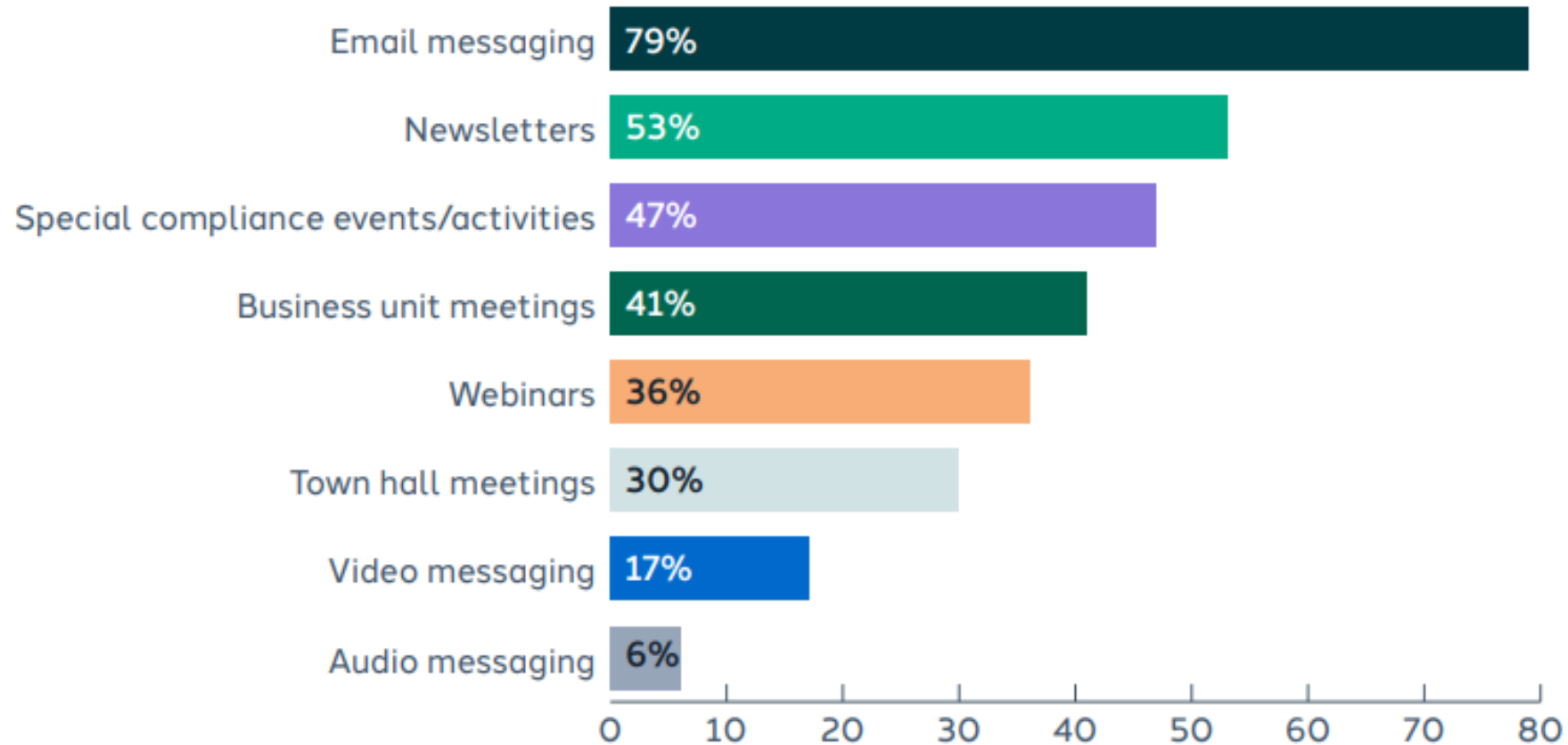
DESCENDING ORDER

1. Evidencing Compliance Program effectiveness
2. Revising and/or updating compliance policy documents
3. Compliance risk assessment process
4. Ongoing compliance auditing
5. Quality and content of compliance training programs
6. Compliance issue tracking and documentation
7. Board compliance reporting
8. Leadership support and involvement
9. Upgrading sanction screening process
10. Program manager ongoing monitoring of compliance risk

“TONE AT THE TOP” REGARDING COMPLIANCE



COMPLIANCE MESSAGING



STATEMENTS THAT APPLY TO THE COMPLIANCE PROGRAM

DESCENDING ORDER

- Compliance Officer is not on the same executive level as legal counsel
- Compliance function is inadequately resourced
- Compliance Office burdens are increasing faster than resources to address them
- Compliance Officer is not fully accepted as part of the senior management team
- Our organization doesn't perform annual organization-wide risk assessments
- Expectations for the Compliance Office is unrealistically high
- Ongoing monitoring process by managers is ineffective in mitigating compliance risks
- Compliance Officer authority is limited in addressing compliance weaknesses
- Have growing concern about Compliance Officer exposure to liability
- Employees don't apply the lessons of compliance training in their work
- Compliance Officer lacks authority to enforce compliance policies and procedures.
- There is tension between compliance and legal counsel
- Strained relations with program managers

REFERRAL SOURCE ARRANGEMENTS RESPONSIBILITY DESCENDING ORDER

1. C-Suite Executives (e.g., CEO, COO, CFO)
2. A Combination of different executives
3. Legal Counsel
4. Compliance Officer
5. Legal Counsel and Compliance Officer jointly
6. Medical staff and/or program managers

RESPONSIBILITY FOR RISK AND PATIENT DATA PRIVACY

Information Technology	45%
Chief Privacy Officer	18%
Chief Information Security Officer	16%
Compliance Officer	11%
Other	10%

SURVEY SUMMARY HIGHLIGHTS

1. 75% percent of respondents reporting the compliance staff work part to fulltime remotely
2. Two thirds reported possessing over 10 years of healthcare compliance experience
3. Most expect compliance resource/staffing levels to remain about the same in 2024
4. Only 40% consider their Compliance Office as a C-level Executive
5. Half reported the Compliance Officer reporting directly to the CEO
6. Only 38% had a Compliance Officer participating in executive business strategy development
7. Half reported increased expectations and pressure on the Compliance Officer
8. Top risk identified was responding to new federal and states laws/regulations
9. OCR was the number one agency cited with having enforcement encounters
10. Top plans: High-risk reviews; Updating compliance documents; Compliance risk assessment
11. One third reported increases in Compliance Office responsibilities over the last year
12. Over half reported independent reviews were conducted within the last three years

Contact Us to Learn More



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**Interim/Designated
Compliance Officer
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**Effectiveness
Evaluations**

Risk Assessments

**HIPAA/Compliance
Staffing**

**Board Compliance
Experts**

IRO Engagements

Regulatory Analysis



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