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TO REQUEST CREDITS

STRATEGIC MANAGEMENT SERVICES

SAI360

In 1992 it became the first national consulting firm that focused exclusively on healthcare compliance. Over the years more than 3,000 organizations and entities has engaged the firm for development, evaluation, management, and enhancement of compliance programs. Services included providing Compliance and Privacy Office staffing, compliance evaluations, assessments, reviews, gap analysis, claims processing data analytics, litigation support document development, serving as CIA IROs/Board Compliance Experts. Its Compliance Resource Center (CRC) (www.complianceresource.com) provides hotline services, and sanction checking/resolution , services.

ABOUT US

SAI360 is giving companies a new perspective on risk management. By integrating Governance, Risk, Compliance software and Ethics & Compliance Learning resources. SAI360 can broaden your risk horizon and increase your ability to identify, manage, and mitigate risk.

See risk from every angle.

SPEAKER

Richard Kusserow

Former DHHS Inspector General
CEO, Strategic Management Services, LLC
rkusserow@strategicm.com

SURVEY OVERVIEW / OBJECTIVES

- DHHS OIG and DOJ note all compliance programs are a work in progress, never completed.

- Compliance programs should be agile and structured to respond to and evolved in response to th3e changing legal, regulatory, and business environments.

- Results and analysis of the 2025 Annual Compliance Benchmark Survey can assist Compliance Officers in gaining industry information based on other healthcare organizations' demographics, resource allocations, reporting structures, operational practices, key challenges, and strategic priorities for the year.

USE OF SURVEY RESULTS

1. Learn about healthcare compliance trending information

2. Identify changes/trends in the everchanging compliance environment

3. Note Compliance Officer priorities for 2025

4. 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

➢ For the first time most respondents were from other than hospitals

➢ Respondent organizations split nearly evenly of those with employees over and under 1,000

➢ Increase participation by medical practices, clinics, SNFs, mental health, hospices & home health

➢ DME, pharmacy & Clinical Labs participation were insignificant

COMPLIANCE OFFICE STAFF LEVEL

- **Part Time Compliance Officer**   **13%**
- **One Full Time Compliance Officer**   **23%**
- **2-5 Compliance Office Staff**   **33%**
- **6-10 Compliance Office Staff**   **14%**
- **Over 11 Compliance Office Staff**   **18%**
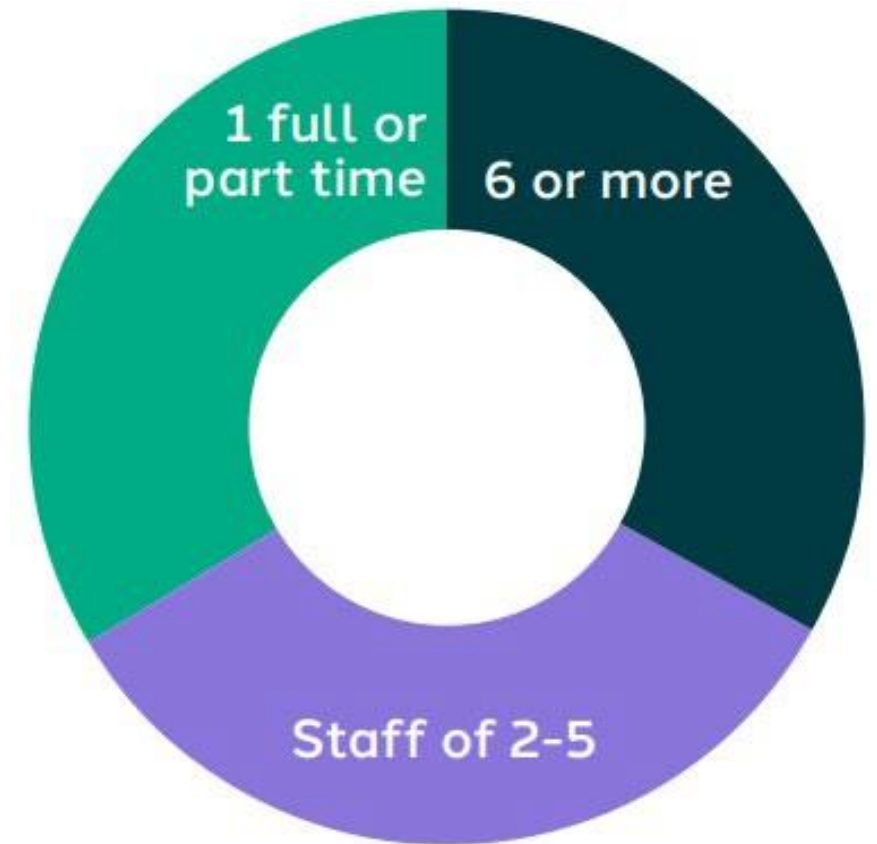
MOST RESPONDENTS REPORTED COMPLIANCE OFFICE BUDGET INCLUDED:

a. Direct staffing and operating costs

b. Cost of compliance support tools and programs

c. Vendor costs (e.g., Hotline, sanction screening)

d. Consulting services (e.g., Compliance evaluations, risk assessments)
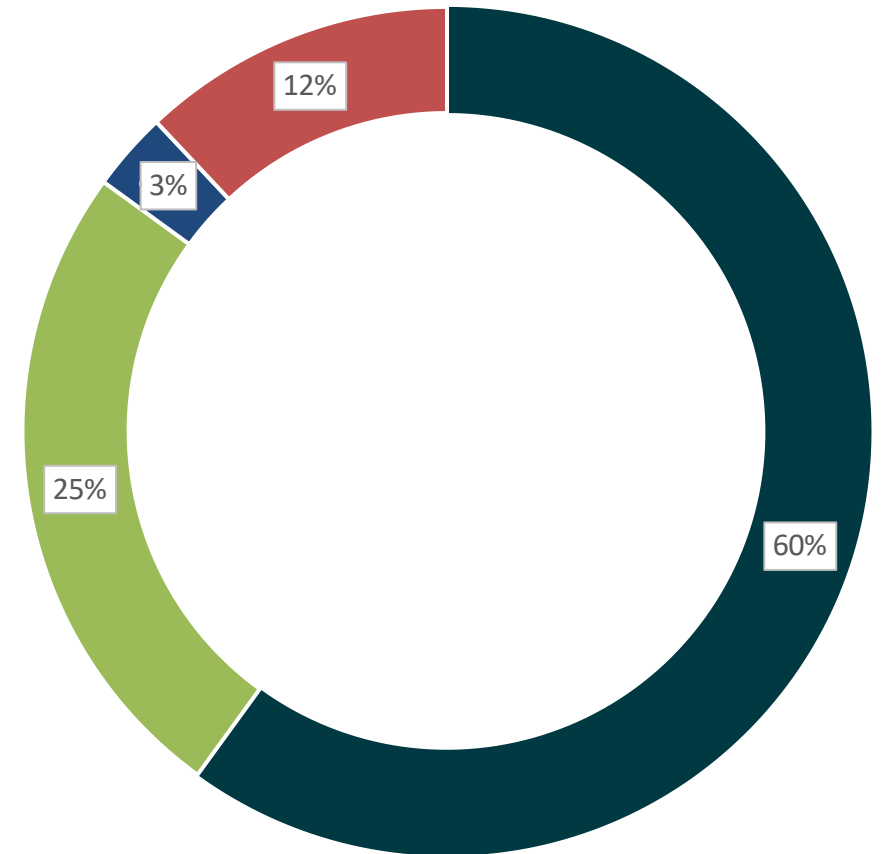
A minority of respondents reported employee compliance training and audit contracts as part of the budget.
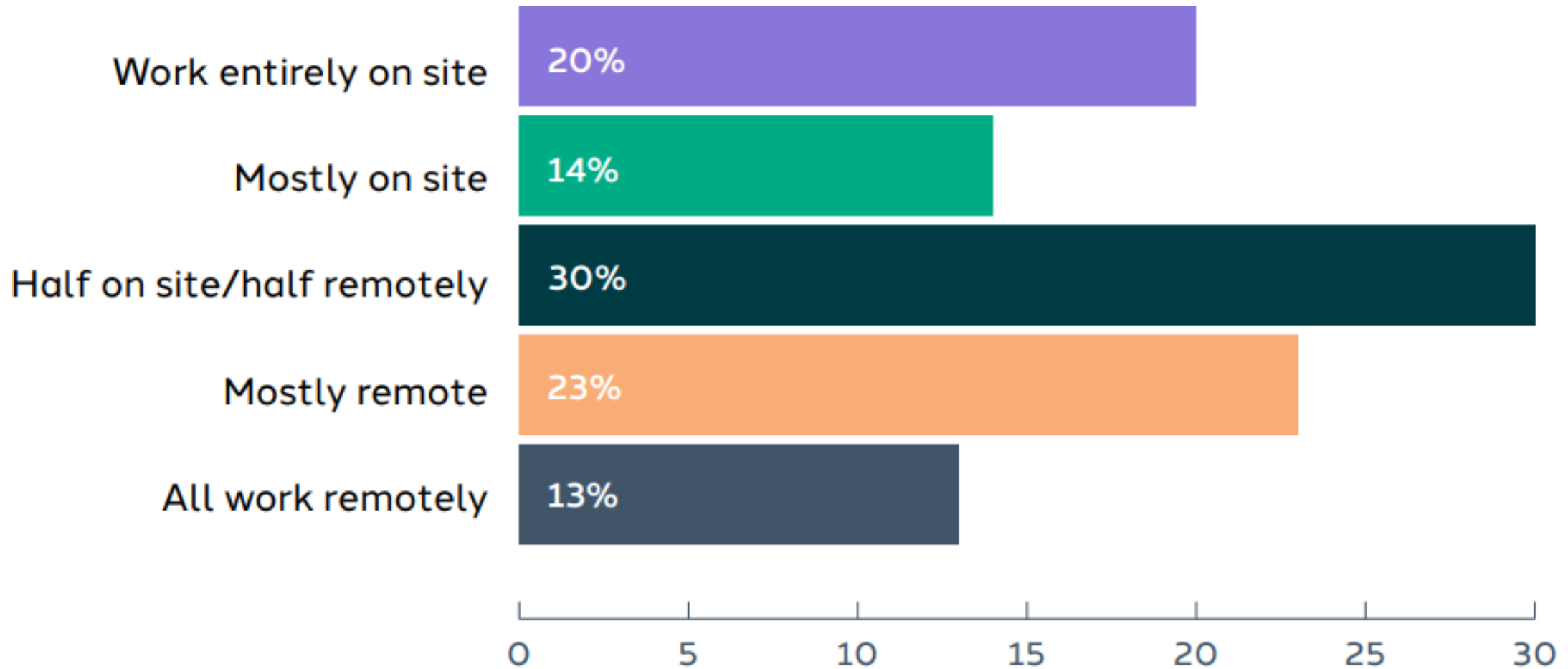
COMPLIANCE OFFICER EDUCATIONAL BACKGROUND

- **Graduate degree (60%)**
- **Associate/Bachelor's degree (25%)**
- **Doctorate degree (3%)**
- **Unlabeled/Other (12%)**

COMPLIANCE OFFICER YEARS OF EXPERIENCE

33%
20+ YEARS

33%
10-19 YEARS

33%
9 YEARS OR LESS

COMPLIANCE OFFICER YEARS OF EXPERIENCE

33%	33%	33%
20+ YEARS	**10-19 YEARS**	**9 YEARS OR LESS**
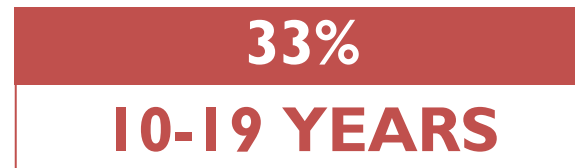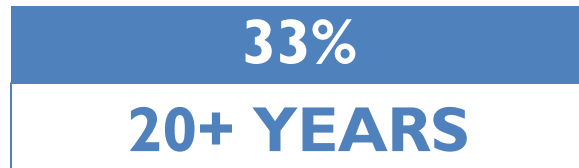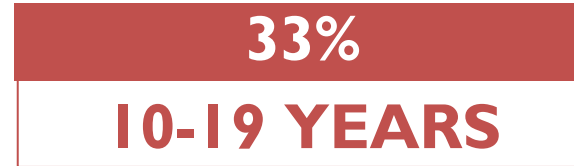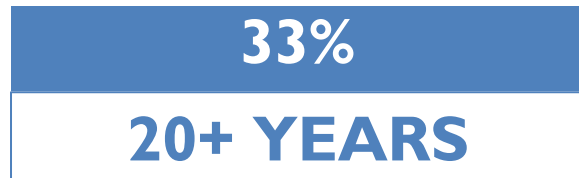
COMPLIANCE HIRING PROCESS & TIMELINE

Legend:
- 1-3 months
- 4-6 months
- 7 months +
- <30 days

38% — 1-3 months
36% — 4-6 months
15% — 7 months +
11% — <30 days
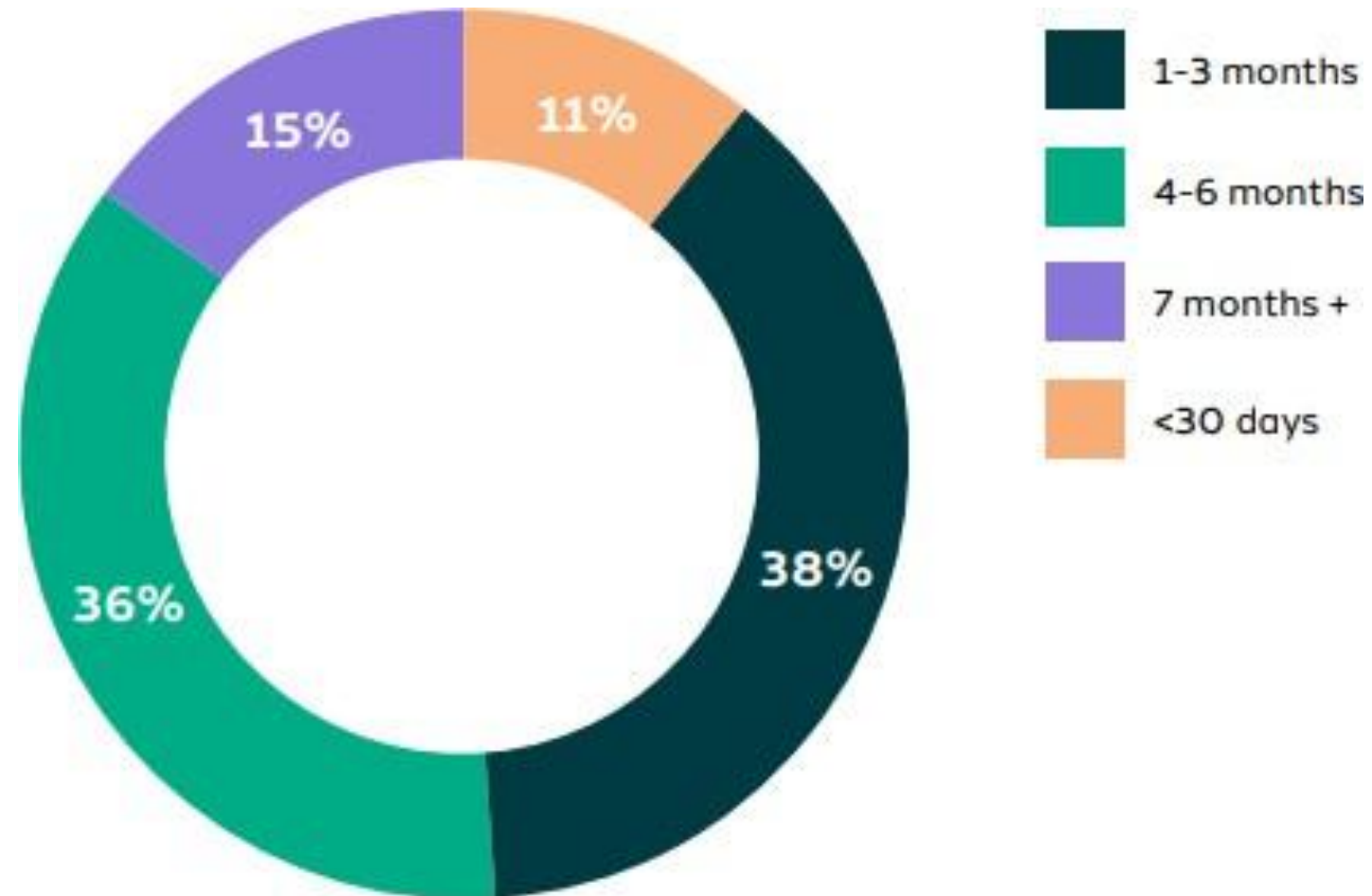
COMPLIANCE OFFICER JOB LEVEL

Compliance Officer is a **C-Suite member** of the organization	**45%**
Compliance Officer is at **senior management** level(e.g., Director)	**45%**
Other than the above	**10%**
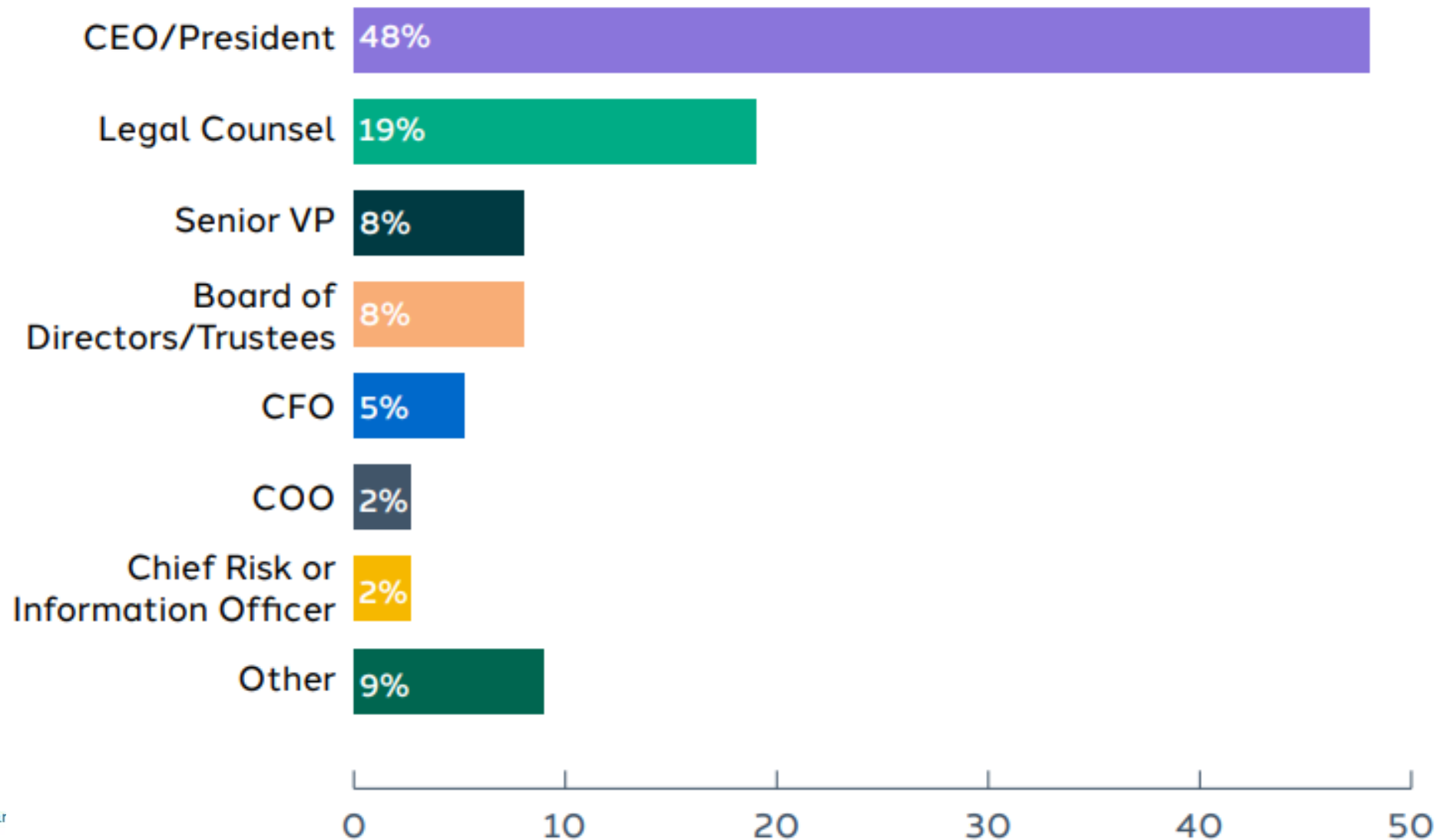
FREQUENCY OF COMPLIANCE OFFICER MEETING WITH THE BOARD

Legend:
- Annually — 10%
- Quarterly — 63%
- Monthly — 12%
- Only As Needed — 6%
- Don't Meet — 9%
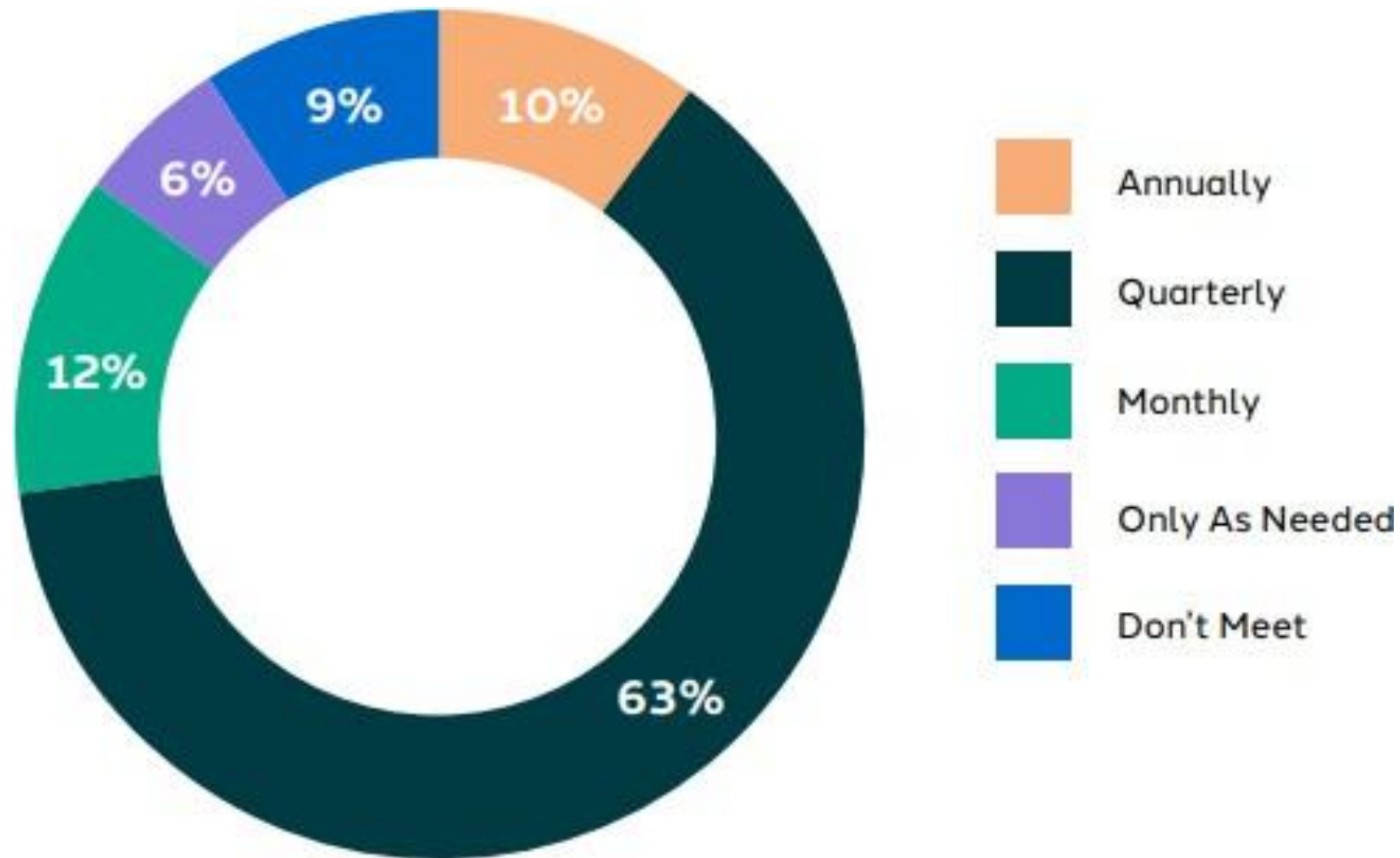
"TONE AT THE TOP" REGARDING COMPLIANCE

ANSWER CHOICES	RESPONSES	
Leadership incorporates compliance messaging in day-to-day interactions with employees	14%	
Leadership regularly reminds employees of the importance of compliant behavior	23%	
Leaders are models in demonstrating compliant behavior in their decision making	23%	
Leadership gives "lip service" to compliance but does not follow through with actions	6%	
Members of leadership vary in support of the compliance program	28%	
Very little thought or actions is given by leadership to compliance	6%	

ORGANIZATION FOCUS ON EMERGING NEW TECHNOLOGIES
(e.g. ARTIFICIAL INTELLIGENCE)

48%

38%

9%

4%

- Yes, being actively discussed/considered
- Yes, some limited discussion/interest
- Not currently discussed
- Don't know/Didn't answer
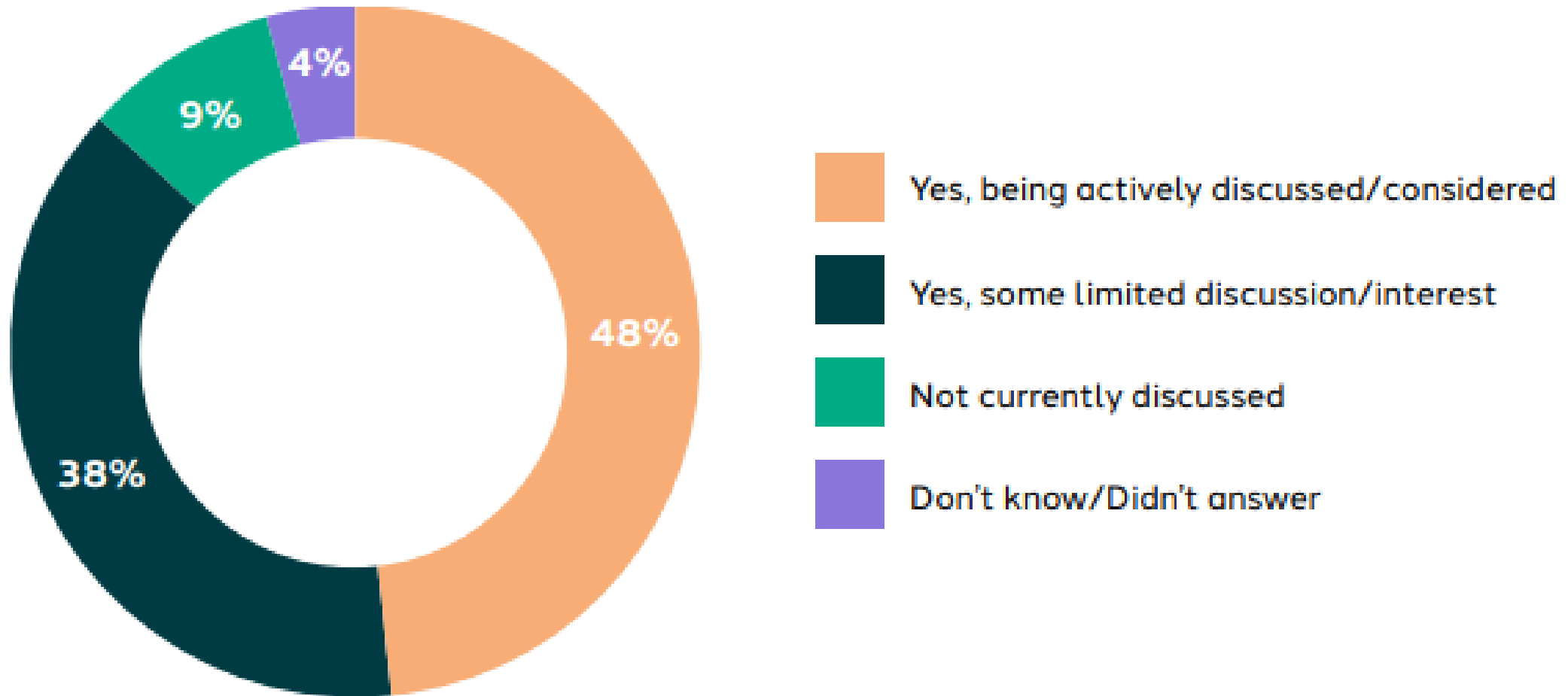
COMPLIANCE OFFICE INVOLVEMENT IN NEW TECHNOLOGIES
(e.g. ARTIFICIAL INTELLIGENCE)

- 19% Active involvement
- 30% Some involvement
- 15% Very little involvement
- 13% Not currently involved
- 22% Don't know/Did not answer
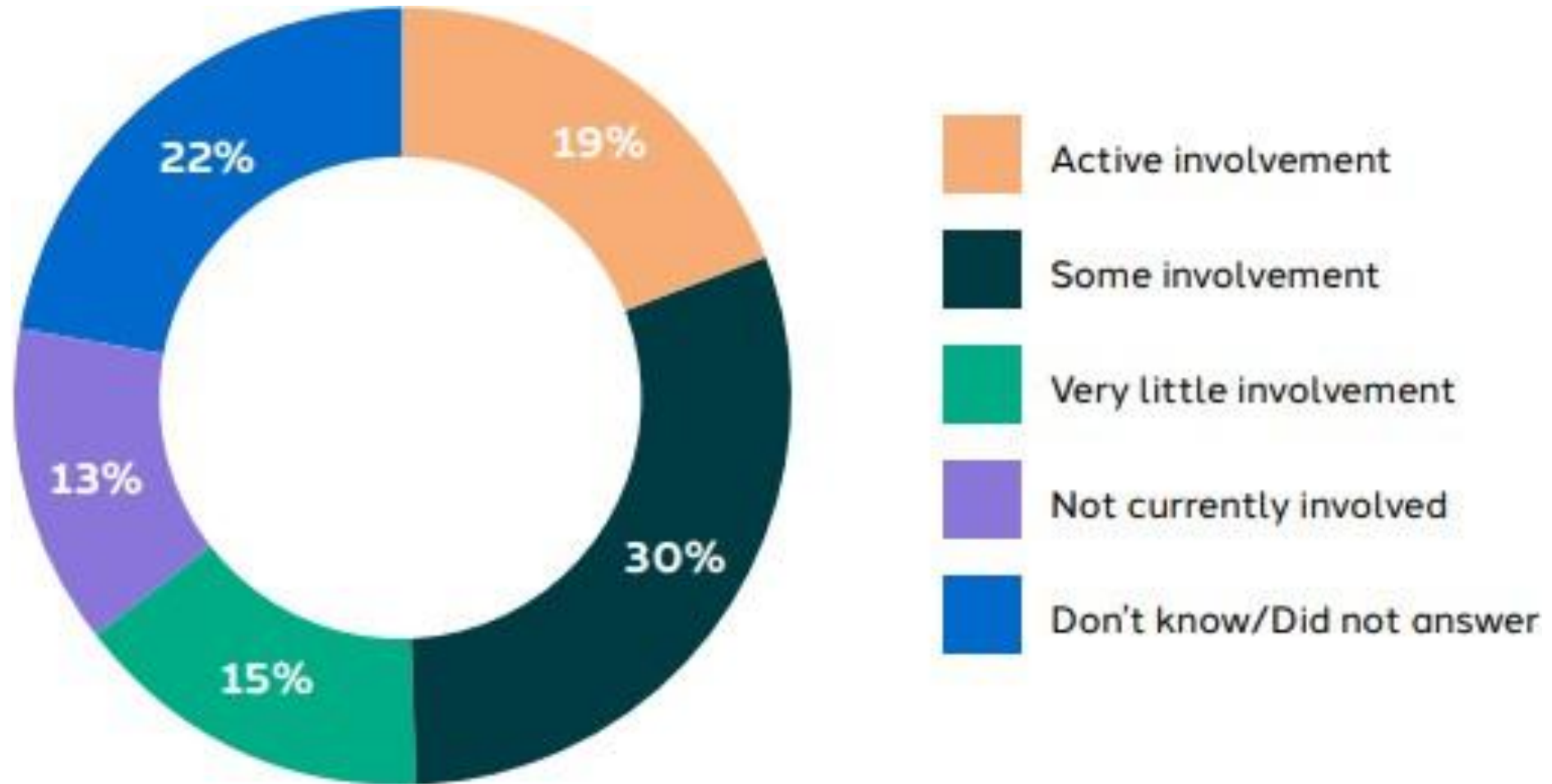
LEVEL OF EXECUTIVE LEADERSHIP SUPPORT

Legend:
- Very supportive — 44%
- Generally supportive — 44%
- Limited support — 6%
- Very weak support — 3%
- Not significantly supportive — 2%
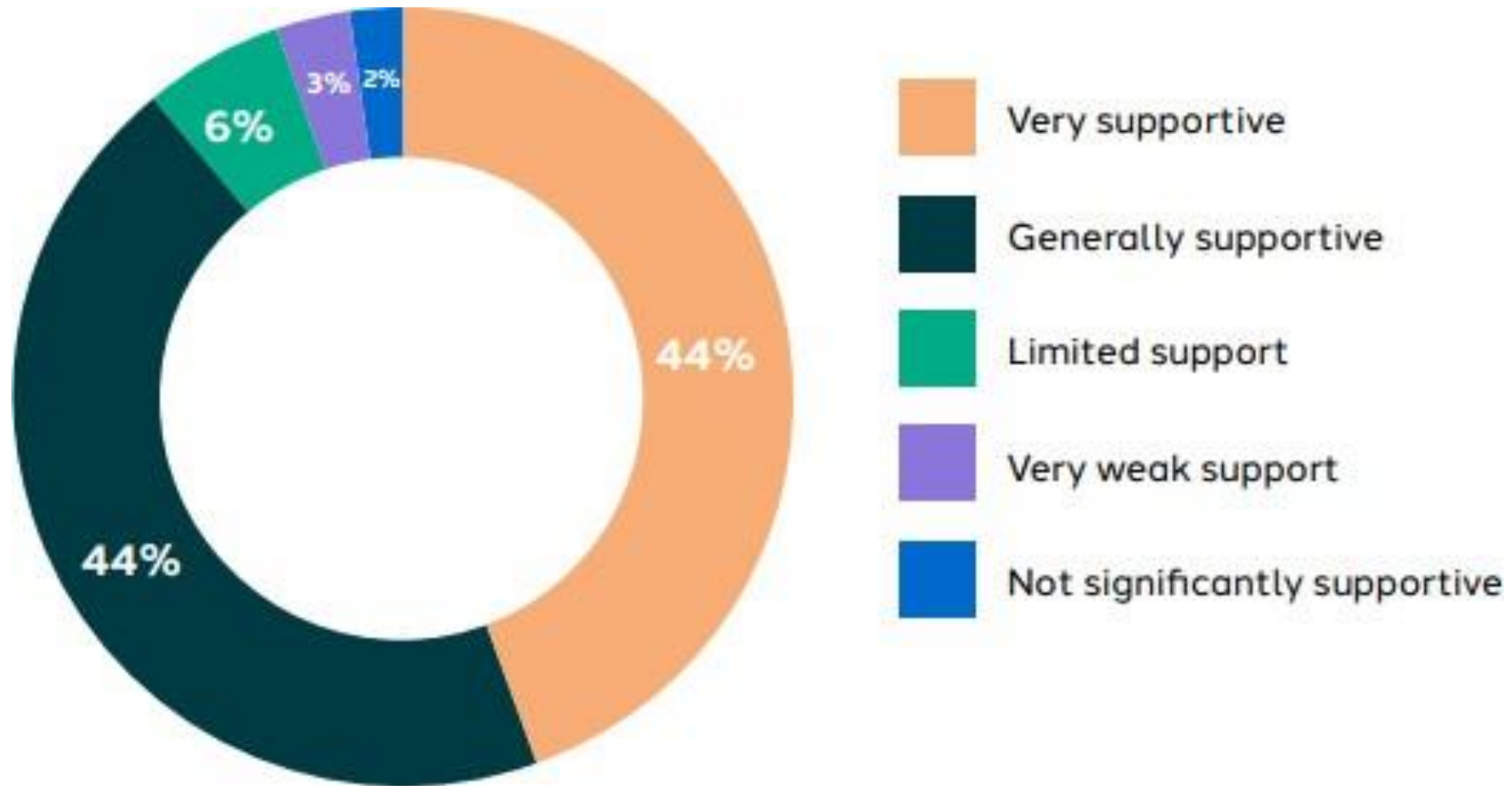
COMPLIANCE OFFICER ROLE IN STRATEGIC PLANNING

Actively involved in the executive business strategy development meetings — 33%

Assists in the implementation of business strategies once decisions are made — 30%

Addresses issues that arise after business strategy is implemented — 25%

Not actively involved in developing or implementing business strategy — 12%

COMMENTS ABOUT THE ORGANIZATION PROGRAM

Respondents were most positive about clear compliance guidance, effective compliance training, and reliable reporting avenues

52% Strong compliance organization and structure

65% Sound compliance governance (authority, accountability, leadership, direction, control)

56% A strong culture of compliance

56% Effective compliance risk assessment and mitigation process
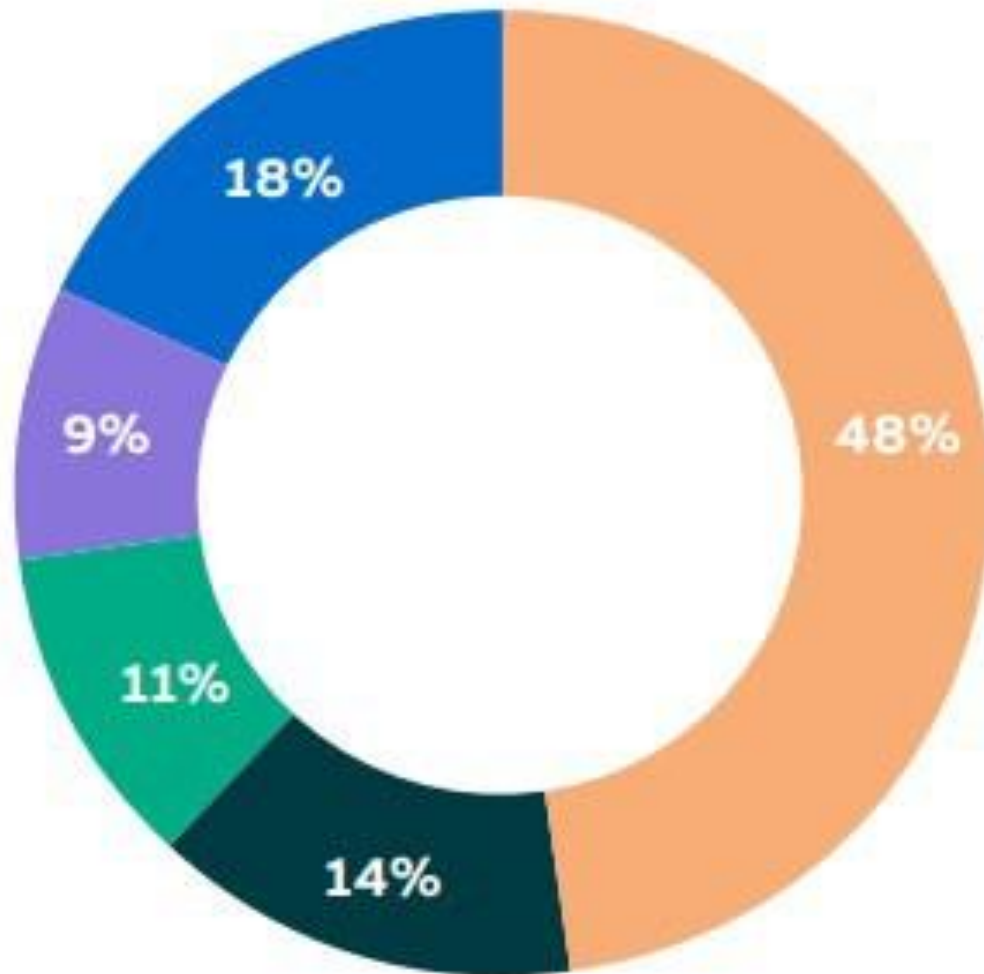
80% Clear compliance guidance (e.g., Code, policies and procedures)

56% Strong compliance communication channels

70% Effective compliance education and training

57% Compliance commitment and support from first- and second-line management

55% Effective compliance controls and monitoring

70% Reliable compliance reporting avenues

51% Strong IT systems and information management

ANNUAL COMPLIANCE WORKPLAN APPROVAL

- 48% — Workplan approved by BOTH Executive Compliance Committee and Board
- 14% — Workplan approved ONLY by Executive Compliance Committee
- 11% — Workplan that is approved ONLY by the Board
- 9% — Workplan unapproved by EITHER Executive Compliance Committee or Board
- 18% — No Annual Workplan

STATEMENTS THAT APPLY TO THE COMPLIANCE PROGRAM
DESCENDING ORDER

1. Compliance Officer is not on e same executive level as legal counsel
2. Compliance Office burdens are increasing faster than resources to address them
3. Compliance function is inadequately resourced
4. Ongoing monitoring process by managers is ineffective in mitigating compliance risks
5. Compliance Officer authority is limited in addressing compliance weaknesses
6. Have growing concern about Compliance Officer exposure to liability
7. Compliance Officer is not fully accepted as part of the senior management team
8. Expectations for the Compliance Office is unrealistically high
9. Compliance Officer lacks authority to enforce compliance policies and procedures
10. Employees don't apply the lessons of compliance training in their work
11. Strained relations with program managers
12. Our organization doesn't perform annual organization-wide risk assessments
13. Employees don't apply the lessons of compliance training in their work
14. There is tension between compliance and legal counsel
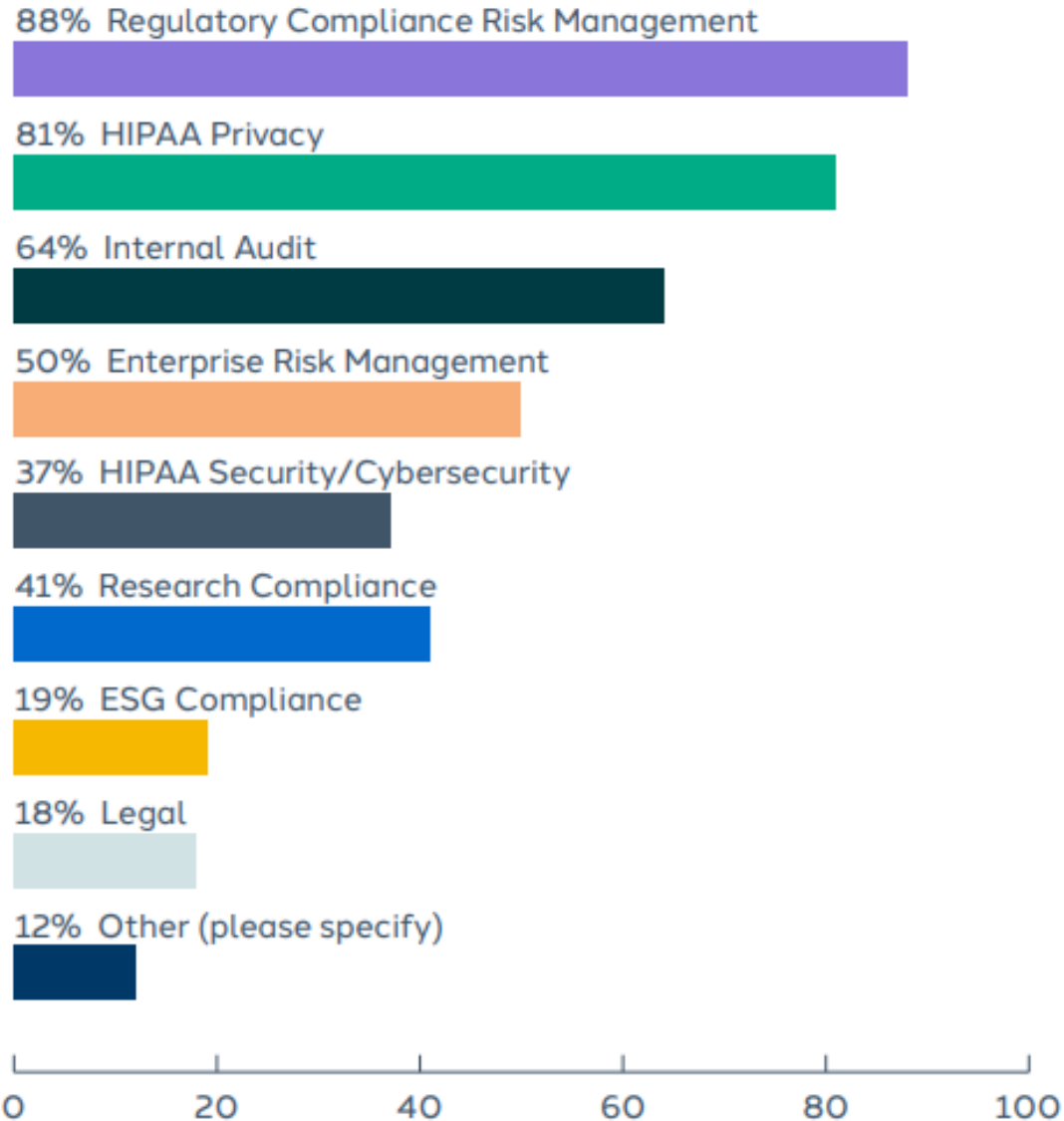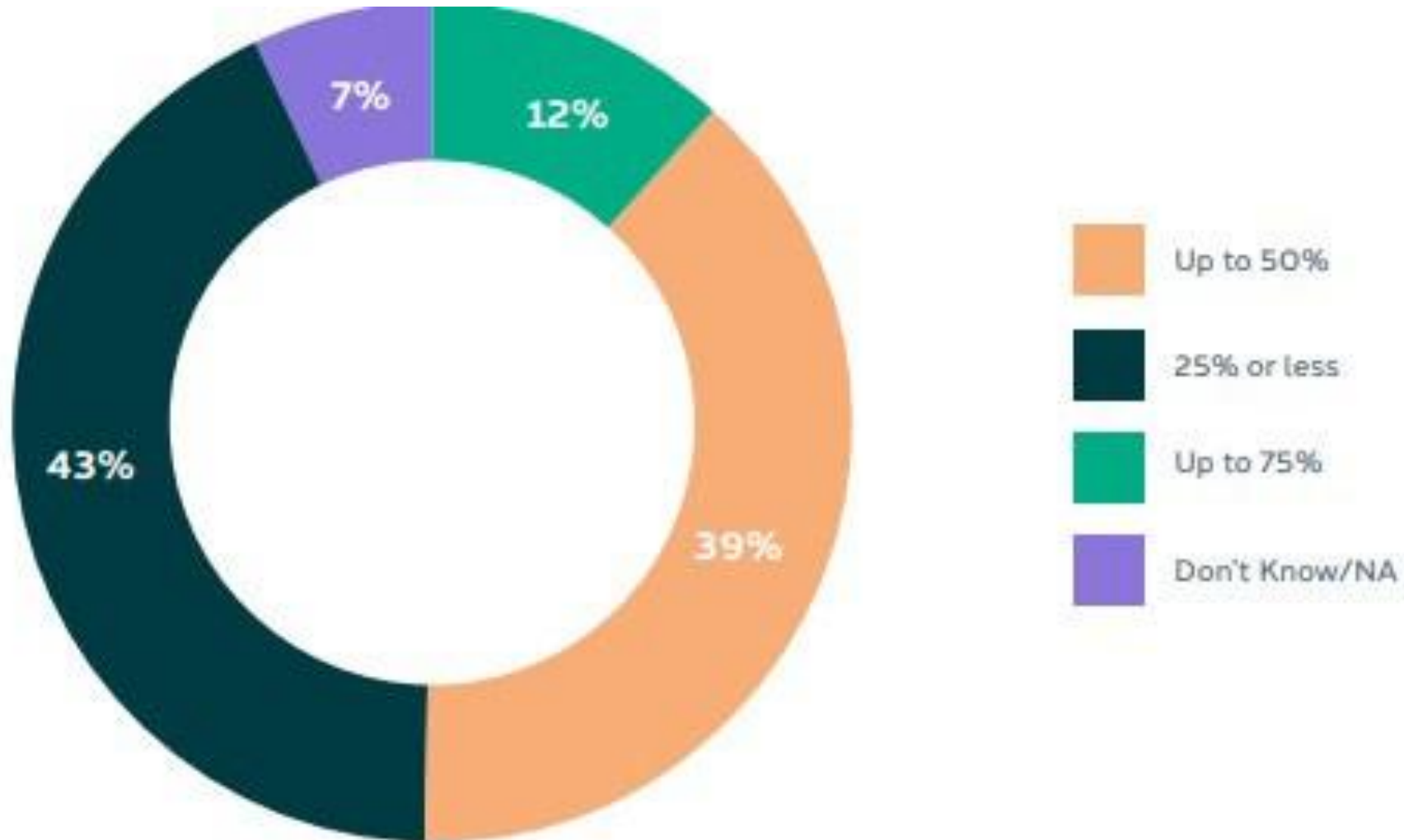
LEVEL OF COMPLIANCE OFFICE EFFORT DEVOTED TO HIPAA PRIVACY

- Up to 50%
- 25% or less
- Up to 75%
- Don't Know/NA

12%
7%
43%
39%

CEO AND BOARD COMMMITMENT TO THE CODE OF CONDUCT

Donut chart showing:
- 50% — Code introduced by a CEO cover letter
- 6% — Code introduced by a letter signed by the Board only
- 19% — Code introduced by a letter signed by the CEO and Board
- 25% — Don't know
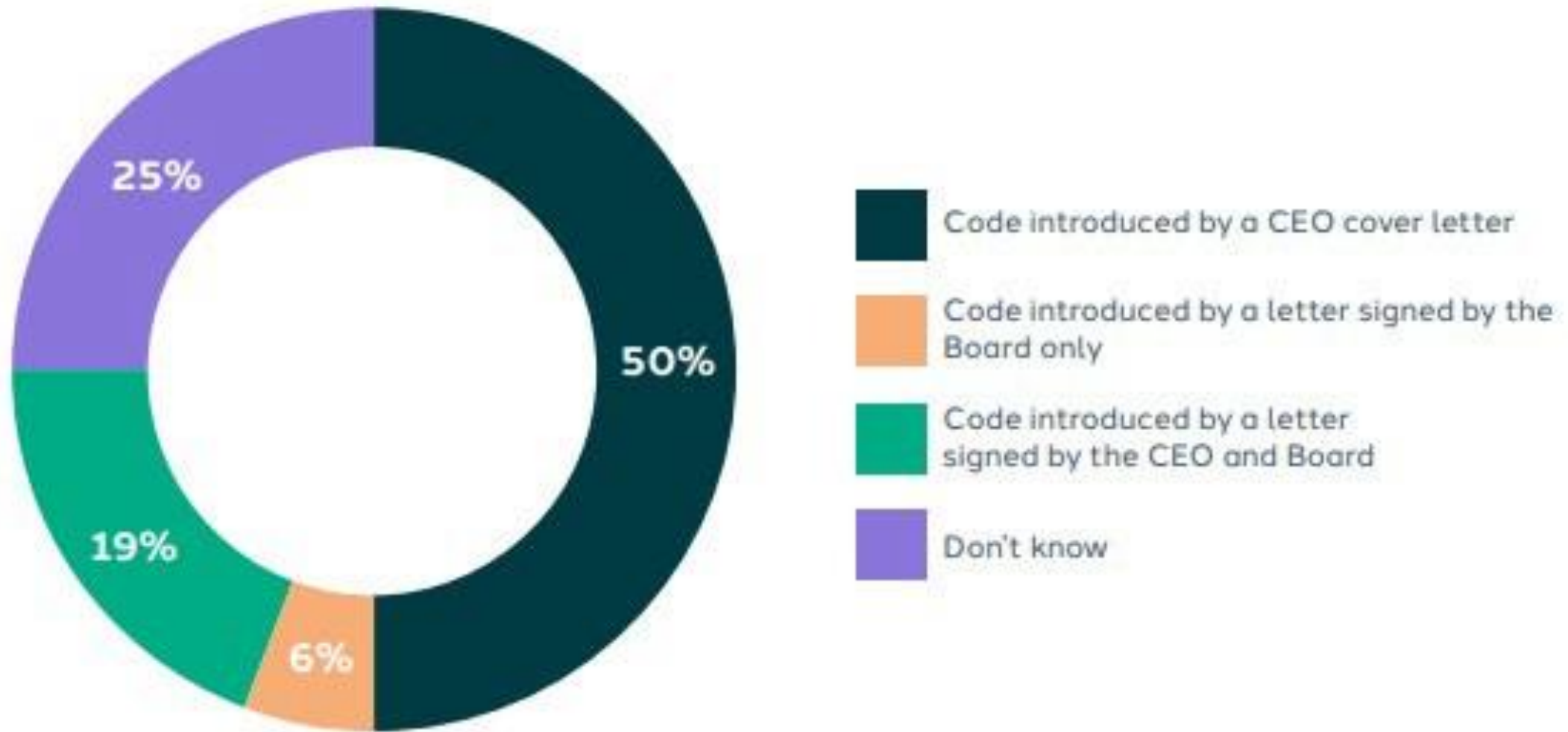
OUTSOURCED COMPLIANCE SERVICES/TOOLS

Legend:
- Hotline
- Screening
- Compliance Training Programs
- Independent Compliance Program Assessment
- Third Party Compliance Risk Assessments
- Compliance audits
- Document Management System
- Compliance Knowledge or Culture Surveys
- Compliance Technology Evaluation/Implementation
- Compliance Investigations
- Code and Policy Development/Review
- Don't outsource
- Other (please specify)

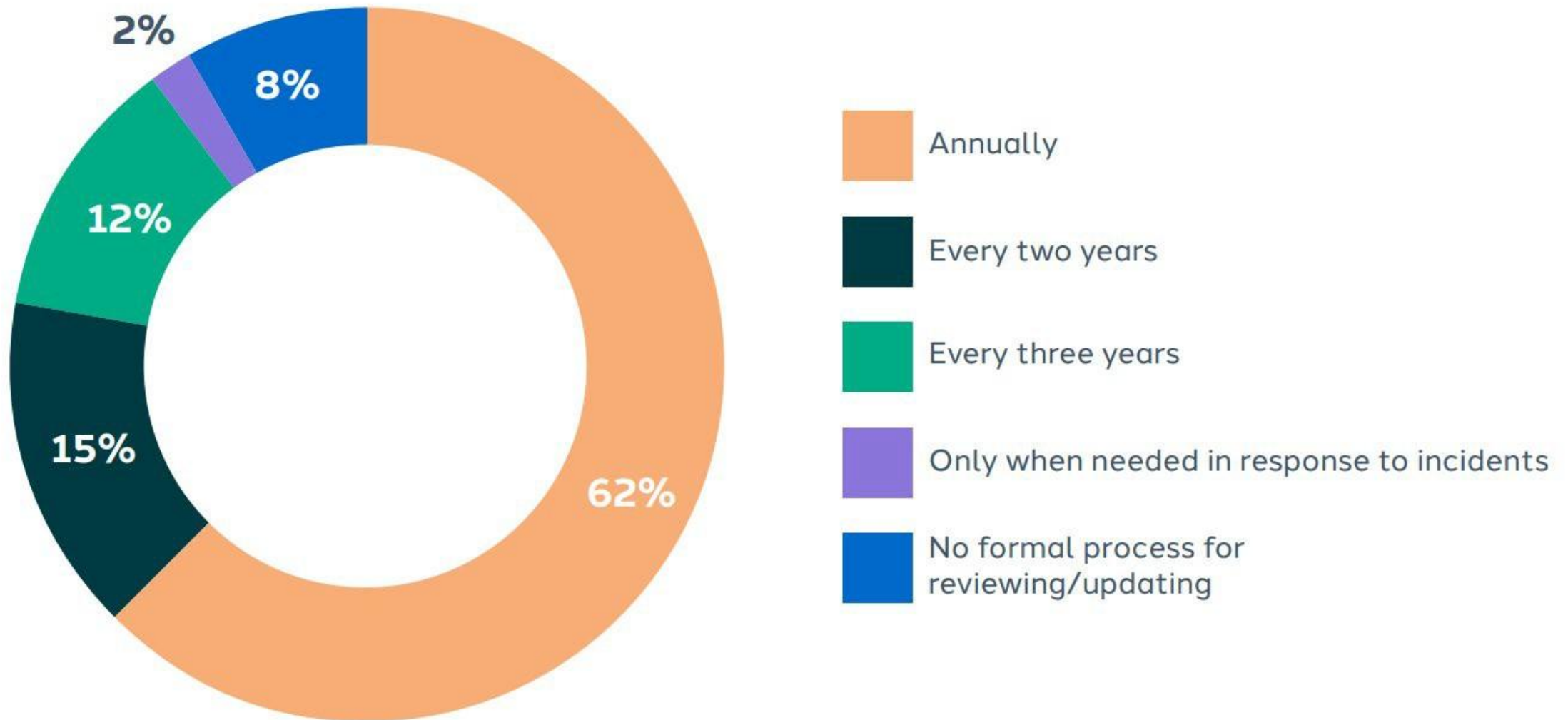Values: 62%, 56%, 26%, 21%, 20%, 20%, 29%, 9%, 9%, 9%, 5%, 12%, 5%
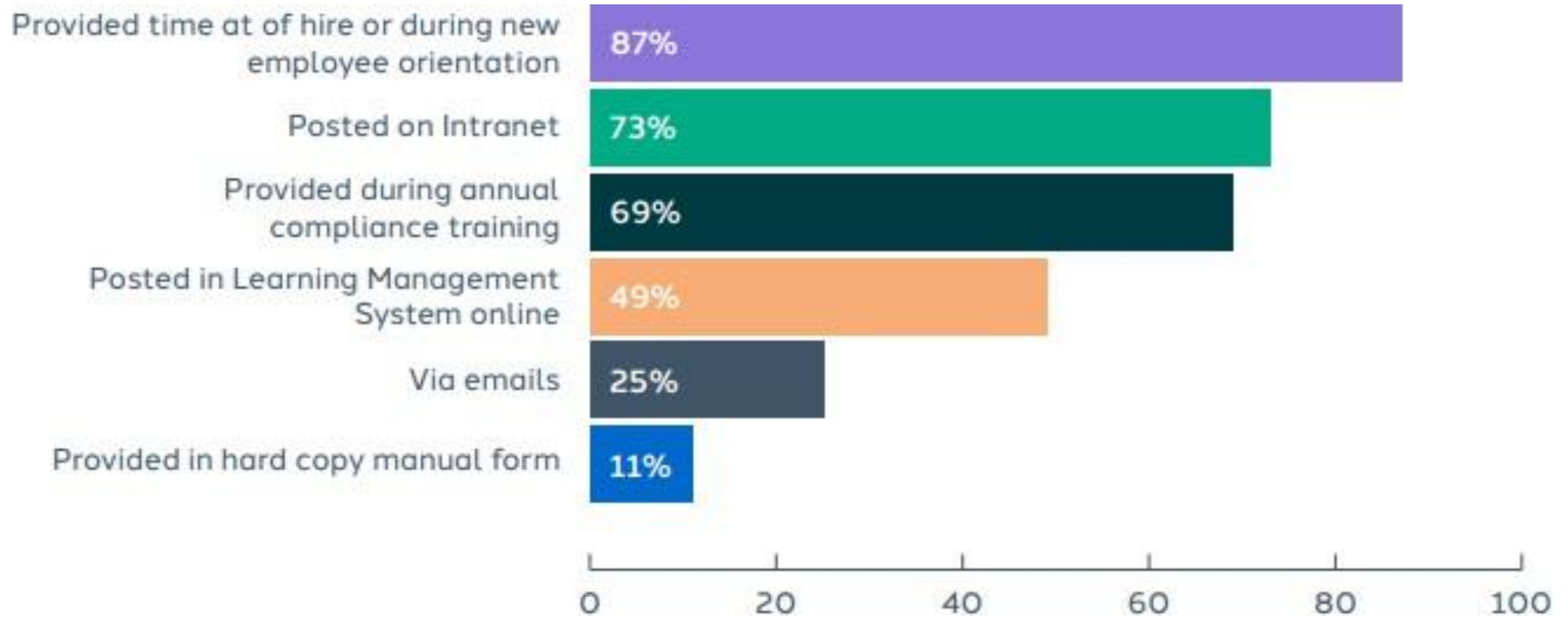
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RISK FROM EVERY ANGLE

PERFORMANCE PLANS INCLUDE COMPLIANCE AS AN ELEMENT IN EVALUATIONS
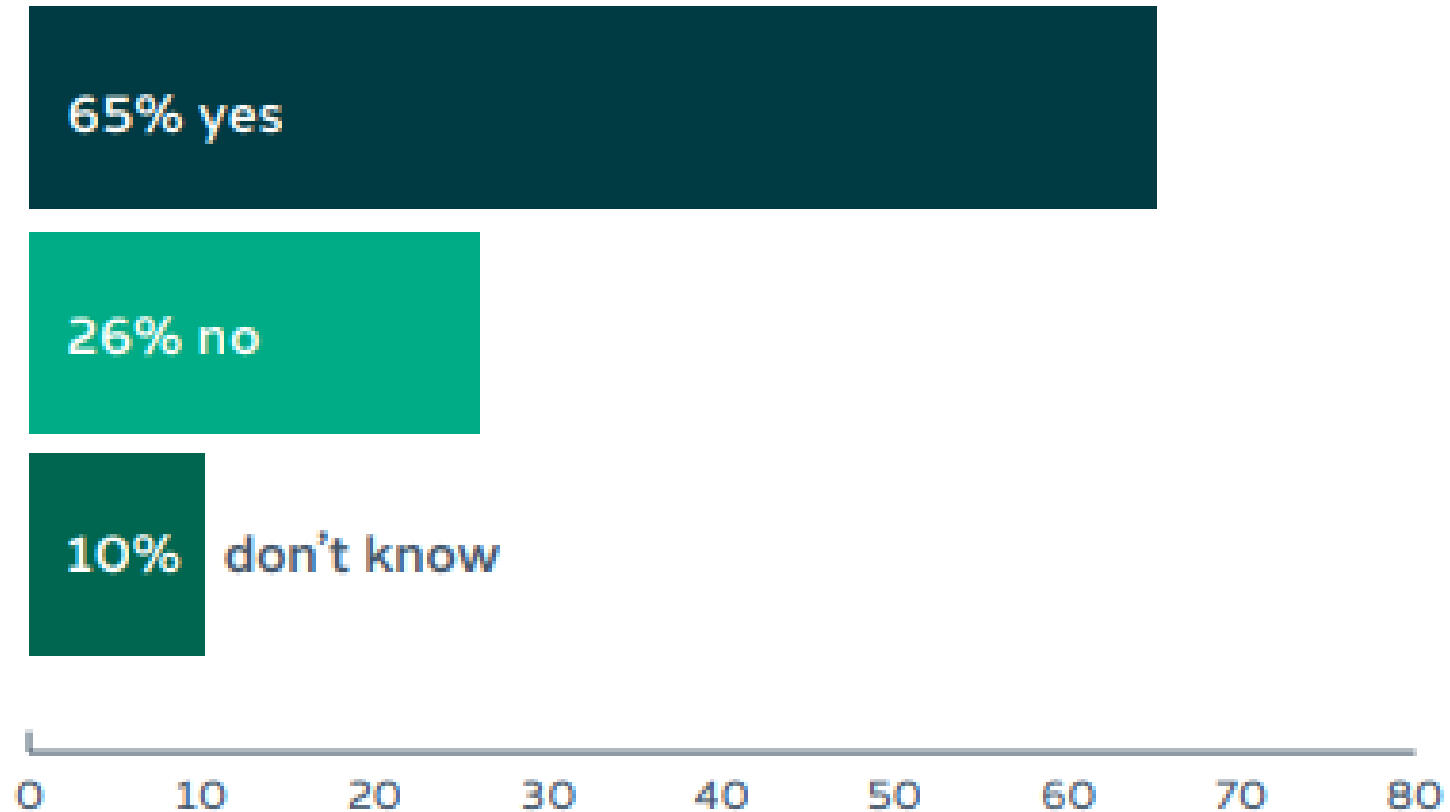
FREQUENCY OF REVIEWING AND UPDATING CODE AND COMPLIANCE POLICIES

- Annually — 62%
- Every two years — 15%
- Every three years — 12%
- Only when needed in response to incidents — 2%
- No formal process for reviewing/updating — 8%

CODE AVAILABILITY/ACCESS FOR EMPLOYEES

Category	Percentage
Provided time at of hire or during new employee orientation	87%
Posted on Intranet	73%
Provided during annual compliance training	69%
Posted in Learning Management System online	49%
Via emails	25%
Provided in hard copy manual form	11%

COMPLIANCE DOCUMENT MANAGEMENT

- **38%** Policy Management software/program
- **25%** Through shared file folders, such as SharePoint
- **17%** Manually using spreadsheets
- **14%** Comprehensive document management software
- **6%** No formalized compliance document process
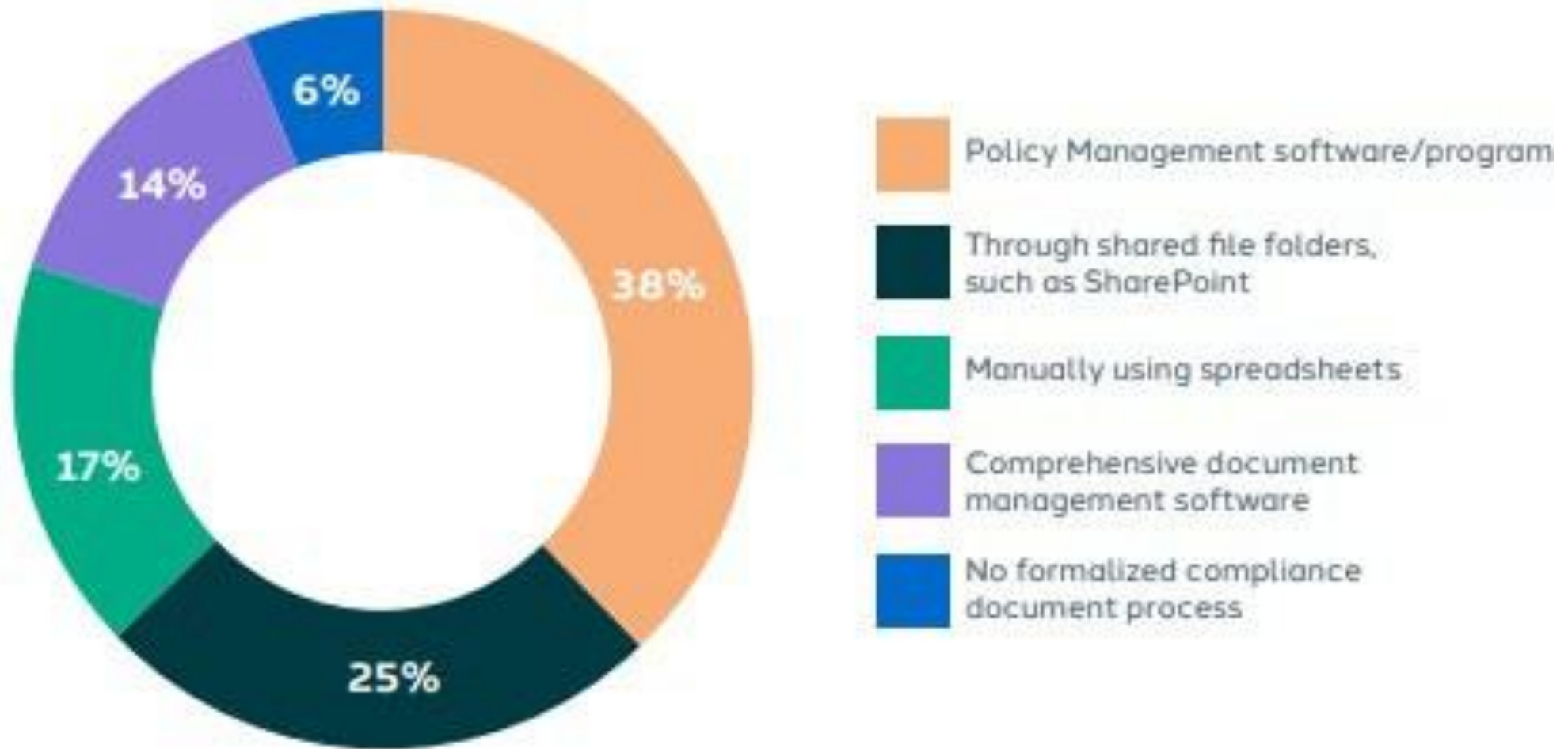
TYPES AND FREQUENCY OF COMPLIANCE TRAINING

AT ORIENTATION, ANNUALLY THEREAFTER	72%
ANNUALLY	18%
PERIODICALLY/AS NEEDED	5%
ORIENTATION ONLY & NO PROCESS	4%

COMPLIANCE MESSAGING

Email Messaging	82%
Video Messaging	22%
Webinars	32%
Audio Messaging	3%
Town Hall Meetings	25%
Business Unit Meetings	36%
Newsletters	52%
Compliance Week activities	42%
Special Compliance Events/Activities	33%

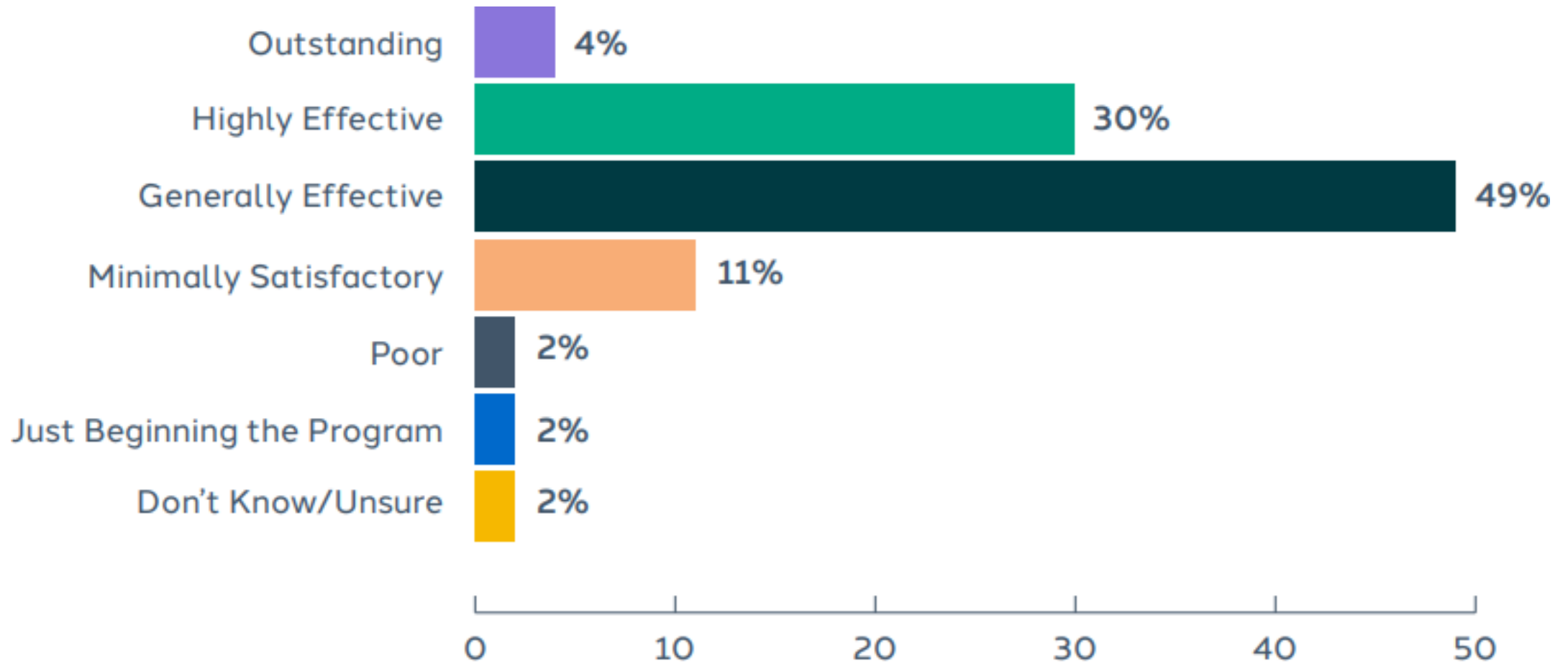# HIGHEST 2025 COMPLIANCE RISK CONCERNS

1. RESPONDING TO NEW LAWS/REGULATIONS

2. HIPAA PRIVACY/CYBERSECURITY

3. CLAIMS PROCESSING ACCURACY

4. MEETING MEDICAL NECESSITY STANDARDS

5. ARRANGEMENTES WITH REFERRAL SOURCES

6. CONFLICTS OF INTEREST

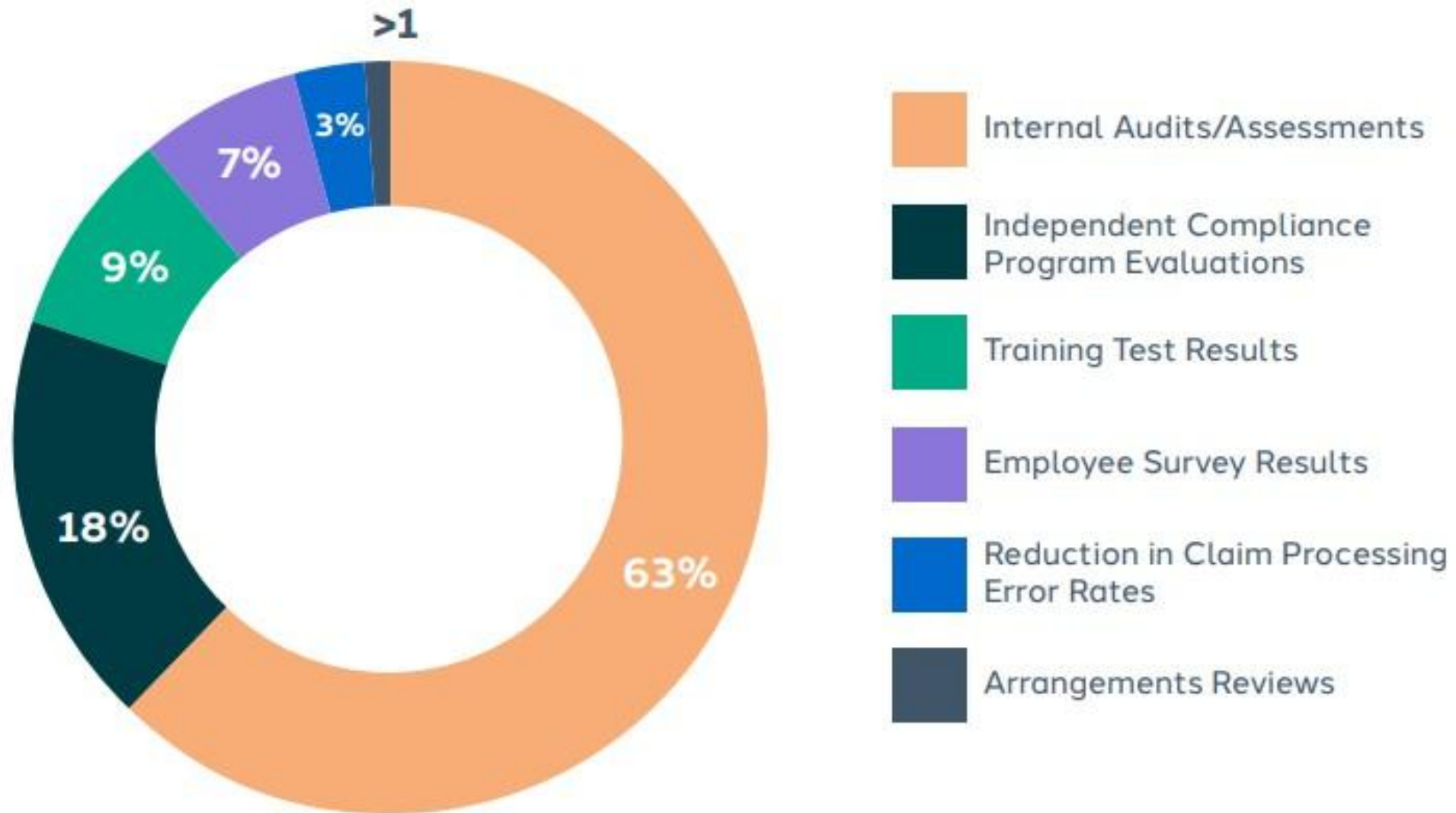7. "WHISTLEBLOWER" THREAT

2025 COMPLIANCE PROGRAM PLANS
DESCENDING ORDER

1. Conduct compliance reviews/audits of high-risk areas
2. Review and update compliance related policy documents
3. Update compliance education and training programs
4. Reviewing/updating written compliance guidance (Code/Policies)
5. Conduct organization wide compliance risk assessment
6. Evaluate past identified problems for patterns
7. Conduct compliance survey of employees
8. Evaluate/report compliance monitoring by program managers
9. Improve coordination with risk management function
10. Review of financial arrangements with referral sources
11. Assess claims processing quality assurance program
12. Engage an independent compliance program evaluation
13. Develop ESG compliance program

MEASURING COMPLIANCE PROGRAM EFFECTIVENES

>1

3%

7%

9%

18%

63%

- Internal Audits/Assessments
- Independent Compliance Program Evaluations
- Training Test Results
- Employee Survey Results
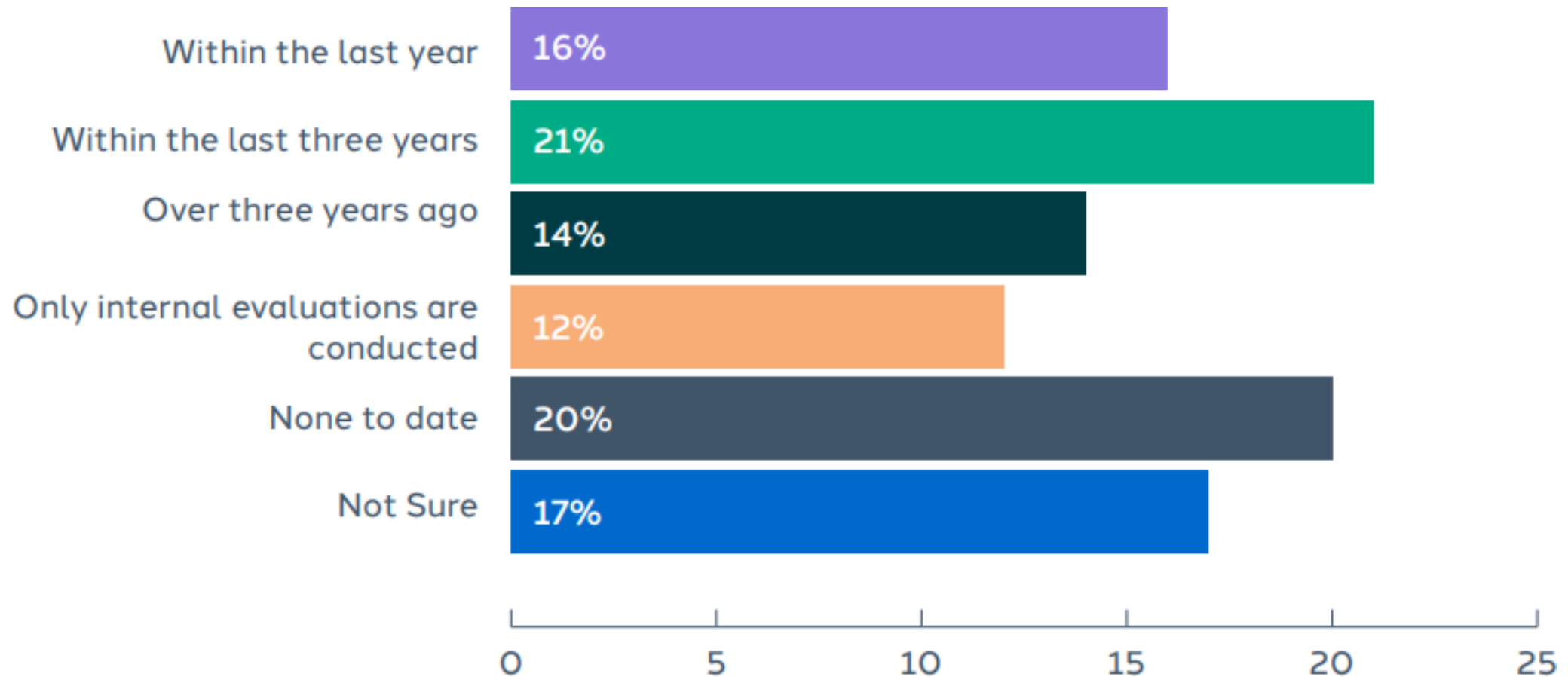- Reduction in Claim Processing Error Rates
- Arrangements Reviews

METHODS TO EVALUATED COMPLIANCE PROGRAM EFFECTIVENESS

RESULTS ARE PRESENTED IN DESCENDING ORDER

1. Analysis of findings from Audits and Reviews
2. Analysis of hotline complaints and investigations
3. Completion Rate of Compliance Training Programs
4. Results from self-assessment processes
5. Number of complaints received/resolved (e.g., hotline)

6. Analysis of regulatory and legal reviews
7. Benchmarking with other organizations (e.g., surveys)
8. Results from Independent Compliance Program Assessment/Evaluation
9. Third Party Compliance Risk Assessments

INDEPENDENT COMPLIANCE PROGRAM ASSESSMENTS

Within the last year — 16%
Within the last three years — 21%
Over three years ago — 14%
Only internal evaluations are conducted — 12%
None to date — 20%
Not Sure — 17%

MEASURES COMPLIANCE CULTURE WITH INDEPENDENTLY CONDUCTED SURVEYS

30% - YES

58% - NO

12% - UNSURE

This suggests that many organizations may not be fully leveraging this valuable tool to assess or validate their compliance culture, potentially missing an opportunity to strengthen their compliance programs and provide reliable evidence to regulators

LAST YEAR'S COMPLIANCE PROGRAM PERFORMANCE

HAS IMPROVED SIGNIFICANTLY	18%
HAS MADE SOME PROGRESS	49%
STAYED ABOUT THE SAME	23%
HAS SLIPPED	6%
DON'T KNOW	3%

SIGNIFICANT CHANGES AS RESULT OF THE OIG GCPG

39%
YES

49%
NO

12%
DON'T KNOW
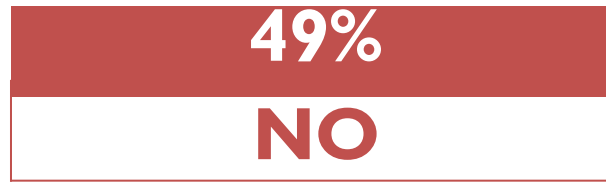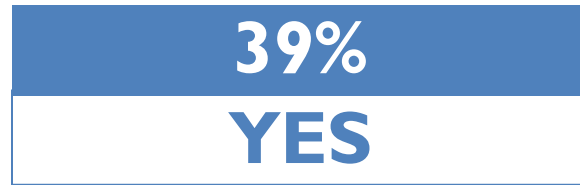
CGPG SECTION THAT HAD MOST IMPACT

|	
GUIDANCE REGARDING SMALL AND LARGE ENTITIES	23%
REPORTING DIRECTLY TO LEADERSHIP	10%
ELEVATING RISK ASSESSMENT AS A STANDARD ELEMENT	39%
QUALITY OF CARE	13%
MEDICAL NECESSITY	6%
OTHER (PLEASE SPECIFY)	8%

REGULATORY & ENFORCEMENT ENCOUNTERS IN LAST 3 YEARS

1. DHHS Office for Civil Rights
2. DHHS Office of Inspector
3. Medicaid Fraud Control Unit/Other State Enforcement Authorities
4. Department of Justice
5. Internal Revenue Service
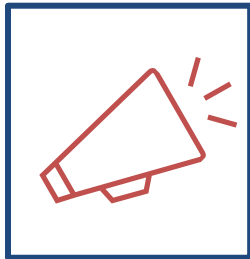
HALF OF RESPONDENTS REPORTED ENCOUNTERS WITH ENFORCEMENT AGENCIES IN THE PAST THREE YEARS

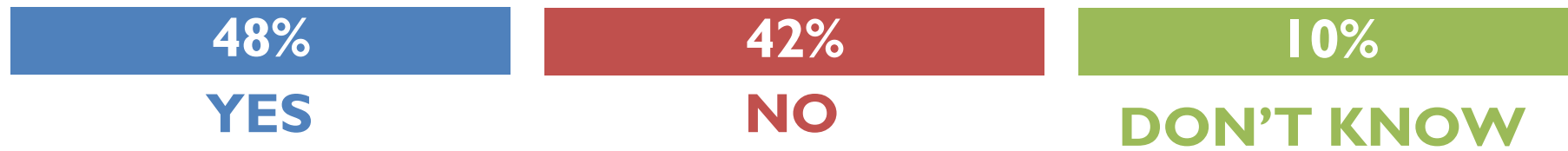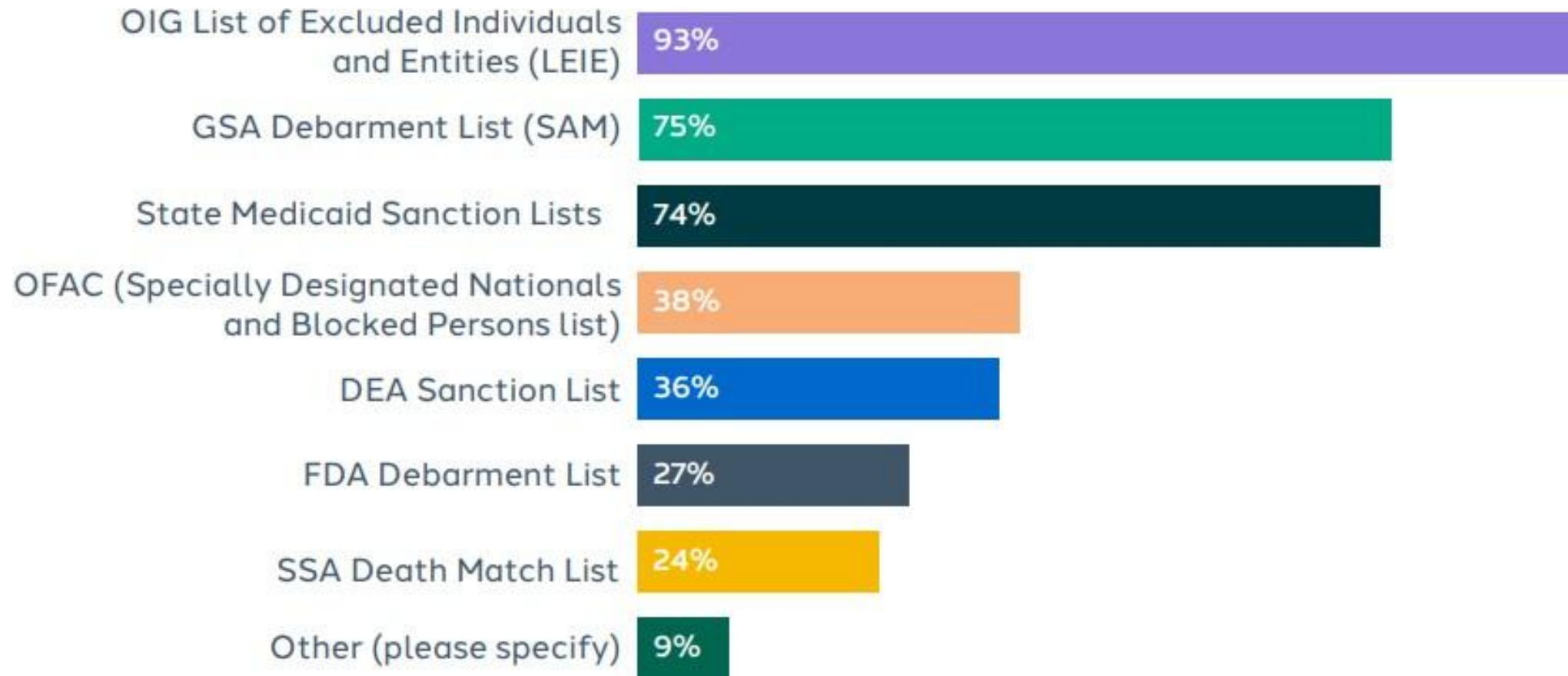# ORGANIZATION PROMPTLY RESPONDS TO COMPLIANCE OFFICE FINDINGS

65%
YES

1%
NO

32%
SOMETIMES

3%
DON'T KNOW

BIGGEST COMPLIANCE CHALLENGES FOR 2025
IN DESCENDING ORDER

1. Keeping current with in regulatory/enforcement environment

2. Adequately addressing compliance high risk areas

3. Addressing resource limitations

4. Coordination among control functions (HR, Legal, Audit, Risk Management, etc.)

5. Emerging technologies

6. Getting adequate resources for the Compliance Program

7. Improving senior management relations/support

8. Hiring and training staff

2025 PLANS TO IMPROVE THE COMPLIANCE PROGRAM DESCENDING ORDER

1. Evidencing Compliance Program Effectiveness
2. Keeping up with changing regulatory and enforcement environment
3. Compliance Risk Assessment Process
4. Revising/Updating Compliance Policy Documents
5. Board/Executive Reporting
6. Quality/Content of Compliance Training Programs
7. Program Manager Ongoing Monitoring of Compliance Risks
8. Building better relations with leadership and/or board
9. Improving relationship with legal, human resources, and/or legal counsel
10. Developing stronger relationships with program managers

COMPLIANCE PLANNED INITIATIVES FOR 2025 DESCENDING ORDER OF RESPONSES

1. Improve Ongoing Compliance Monitoring and Auditing

2. Updating compliance related documents (e.g., charters, Code, policies)

3. HIPAA Privacy and Security Assessment

4. Enterprise-Wide Regulatory Risk Assessment

5. Employee Compliance Knowledge or Culture Survey

6. Claims Processing Evaluation

7. Enhancement of Conflicts of Interest management

8. Review of Arrangements with Physicians

9. Independent Compliance Program Effectiveness Assessment

10. Compliance Program Gap Analysis

SURVEY SUMMARY HIGHLIGHTS

✓ One-third of Compliance Offices have only one full-time or part-time employee

✓ Most indicated that resource allocations for Compliance Offices will remain unchanged from last year

✓ Half of Compliance Officers report directly to the CEO, while one in five reports to Legal Counsel

✓ Eighty percent of Compliance Office staff work remotely, either full-time or part-time

✓ Compliance Officers reported that privacy compliance consumes about half their time

✓ Most Compliance Offices outsource the compliance hotline and sanction screening process

✓ Biggest compliance 2025 challenge will be staying up to date with the evolving regulatory landscape

✓ Most reported relying upon internal evaluations to evidence compliance program effectiveness

QUESTIONS?

Thank You

Richard Kusserow

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Strategic Management CEO

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STRATEGIC MANAGEMENT SERVICES

Physician Arrangements	Claims data analysis	Interim/Designated Compliance Officer Staffing	Effectiveness Evaluations
Risk Assessments	HIPAA/Compliance Staffing	Board Compliance Experts	IRO Engagements
	Regulatory Analysis		