10 PANELISTS

Anne Adams
CHIEF COMPLIANCE OFFICER & CHIEF PRIVACY OFFICER
Emory Healthcare
ATLANTA

Christine Bachrach
VICE PRESIDENT & CHIEF COMPLIANCE OFFICER
University of Maryland Medical System
BALTIMORE

Ginger Chappell
VICE PRESIDENT, ETHICS & COMPLIANCE SERVICES AND CHIEF COMPLIANCE OFFICER
Sutter Health
SACRAMENTO, CALIF.

Michelle Cooper
SENIOR VICE PRESIDENT, CORPORATE RESPONSIBILITY OFFICER
Catholic Health Initiatives
DENVER

Suzie Draper
VICE PRESIDENT, BUSINESS ETHICS AND COMPLIANCE
Intermountain Healthcare
SALT LAKE CITY

Julie Hamilton
FORMER VICE PRESIDENT, CHIEF COMPLIANCE AND PRIVACY OFFICER
Yale New Haven Health
NEW HAVEN, CONN.
Mike Holper  
SENIOR VICE PRESIDENT, INTEGRITY AND AUDIT SERVICES  
Trinity Health  
LIVONIA, MICH.  

Kimberly Otte  
CHIEF COMPLIANCE OFFICER  
Mayo Clinic  
ROCHESTER, MINN.  

Sara Mikus, R.N.  
SENIOR VICE PRESIDENT, CHIEF COMPLIANCE OFFICER  
Carolinas Healthcare System  
CHARLOTTE, N.C.  

Daniel Pantera  
VICE PRESIDENT, BUSINESS PRACTICES OFFICER & CHIEF AUDIT OFFICER  
Houston Methodist  
HOUSTON  

MODERATOR:  
Suzanna Hoppszallern  
SENIOR EDITOR, DATA AND RESEARCH  
Hospitals & Health Networks  
CHICAGO
Building a culture of compliance not only helps to ensure that hospitals and health systems meet federal and state regulations, it also helps to create a foundation for continuous quality improvement and risk reduction. Attaining this culture takes effort. Compliance leaders first must work to educate and ensure buy-in from their boards, senior leaders, physicians and other stakeholders. Only then can their organizations achieve a workforce that truly believes in and holds itself accountable for strongly maintaining compliance. The AHA’s Health Forum convened a panel of chief compliance officers May 22 in Chicago to explore what health care organizations are doing to create a culture of compliance. Health Forum thanks all of the participants for their frank discussion.
MODERATOR (Suzanna Hoppszallern, AHA): A culture of compliance is important to the success of an executive team and to your organizations. What are some of the challenges facing your organizations and the compliance profession today?

CHRISTINE BACHRACH (University of Maryland Medical System): One large challenge right now is the ability for everybody across the continuum, especially non-core businesses, i.e. non-hospital businesses, to recognize a potential compliance issue. That’s where education helps in making sure that everybody understands the risks that are specific to their areas.

KIMBERLY OTTE (Mayo Clinic): Our biggest challenge is just too many big priorities. For instance, we’re doing a complete electronic health record implementation, and the amount of time and resources it distracts from everything else is definitely a challenge – for years. It’s not a monthlong distraction, it’s a three-year distraction.

DANIEL PANTERA (Houston Methodist): One of the bigger challenges facing our industry is the growing demand on resources to tackle increasing regulatory requirements. Our respective institutions are incredibly complex and subject to numerous regulations, so the demand on resources to address these challenges is something we all have experienced. Whether it is addressing regulatory requirements for new payment models, or dealing with the pressure to bend the cost curve due to tightening reimbursement, there’s going to be greater demand placed on all resources.

ANNE ADAMS (Emory Healthcare): There are opportunities for technology within the compliance arena, but we’re competing with things like patient care and electronic health records for those information technology resources. A challenge for organizations is prioritizing resources between these competing needs. As Dan said, complex and changing regulations are also challenging. Going forward, compliance officers will need to determine how to update our compliance programs to adapt to the new models of health care and reimbursement.

GINGER CHAPPELL (Sutter Health): One thing that stands out to me is being able to keep up with the organization’s pace as new digital and technology companies enter the health care market. Every day, I learn about something new the organization is doing. So with all that change and new technology, when we don’t have people in the front lines who can recognize a compliance issue, it creates a challenge for the compliance group to keep up.

JULIE HAMILTON (Yale New Haven Health): In the age of electronic health records and data analytics, how do we continue to protect patient privacy, yet move toward using the data in a way that helps our population? We’re dealing with patients who expect privacy in a world of electronic health records, along with the regulations not changing and keeping up.

MIKE HOLPER (Trinity Health): Trinity is about a $17.5 billion system in 21 states, with 90-plus hospitals and 3,500 employees. As we’ve grown through mergers and acquisitions over the last four years, we’re trying to standardize our systems. In the meantime, all the changes in the health care and regulatory environment have been a huge challenge as we try to administer compliance through nonstandard systems. Resources is another concern. With operating margins so tight and every-
body looking to become more efficient, resources are declining. It’s not just compliance resources, but the front-line operations managers and directors we rely on to be the first line of defense.

SUIZIE DRAPER (Intermountain Healthcare): We have a large health plan, and making sure all the different entities have the appropriate data protections is a significant challenge. With that comes a focus on our risk tolerance. You can say we don’t want a cyber breach, but with shrinking financial resources, how do we achieve a conservative risk profile? We can’t audit every single chart and we can’t lock down everybody’s fingers. How as a compliance officer do you articulate that to your management, your board?

SARA MIKUS (Carolinas Healthcare System): Our strategy and the goals at the top are vetted very, very well, with compliance having a place at the table. But how do we, with limited resources, also be present with midlevel managers, who are trying to be innovative? Where we see the real risk is the execution of the goals. When people get creative, they don’t always know they’re running afoul of complicated laws or regulations when implementing programs that make sense clinically. How do we expand our resources to be at the table at the midlevel?

MICHELLE COOPER (Catholic Health Initiatives): A big focus for us is the ever-changing landscape of health care and our organization. It’s difficult to keep up. We need to be able to integrate the new systems and businesses into a standard CHI culture from a compliance perspective. It is difficult to keep up with the latest security threat. Almost every day there is a new threat in the world of cybersecurity.

MODERATOR: What are some cornerstones of building a culture of compliance? As your organizations expand, how do you keep that culture?

ADAMS: Start with a solid foundation of your organizational principles. Integrity is a pillar of our
organizational mission. Gaining employee engagement and their understanding of your organizational principles helps to ensure employee commitment in day-to-day compliance efforts.

MIKUS: We deliver education to everyone corporately-wide. While each organization in the system may have a different mission and vision, they all belong to a system with integrity. They become aware of and then care about their relationship with CHS, which is what drives them to be committed to compliance.

COOPER: We recently completed a culture assessment to better understand our cultural strengths and opportunities. Our management team is spending focused time in dialogue with employees in an effort to continue to strengthen and support our culture, especially as we continue to grow and expand our services.

BACHRACH: My CEO is going to join me in front of a new affiliate’s board to speak about why he thinks compliance is important.

DRAPER: What’s important is the tone at the top – support from your board, your audit and compliance committees, and your CEO. You can say you value integrity and want to do the right thing, but it’s not until the pitch is coming in fast that you know who’s going to be there, and what the final answer will be.

CHAPPELL: We have our senior leaders speak at our compliance trainings. They talk about how important ethics is to them and about mistakes they’ve made.

ADAMS: I’ve heard others say it’s the tone from the top, so the tone filters down into the organization.

MODERATOR: How are your organizations promoting a culture of compliance – with senior leadership on down? How do you get buy-in?

MIKUS: We sit down right away with our new leaders and have a two-hour compliance orientation.

OTTE: While our values are important, what’s helped tremendously with buy-in has been educating ourselves and leadership about what our jobs are, based on the seven elements of an effective compliance program.

MODERATOR: What are those seven elements?

OTTE: They are standards, policies and procedures. Compliance program administration. Screening and evaluation of employees, physicians, vendors and other agents. Communication, education and training on compliance issues. Monitoring, auditing and internal reporting systems. Discipline for noncompliance, so that’s enforcement. And investigations and remedial measures. These have been really helpful to get buy-in, because it gives people footholds so they can ask, ‘Did we accomplish this? Did we accomplish that?’ People are all talking in those terms now.

COOPER: Our compliance education centers on the use of practical case studies. All of our employees and the board are provided with practical examples of how their individual work or oversight responsibilities tie to compliance. This helps to foster individual accountability for compliance across the organization.

CHAPPELL: Making sure the board and your man-
agement understand why the three lines of defense are important. So people know not only what our role is, but what their roles are. A lot of times we hear, ‘Aren’t you supposed to do that?’ when, no, it’s actually your responsibility.

PANTERA: It’s important in this role to be accessible, to be engaging and to work collaboratively with stakeholders to solve compliance problems so they become invested in solving the problem with you. A mentor once told me, ‘If there’s a problem, get other people in the boat with you so that you’re not the only one rowing.’ Because I spent some of my career in health care operations, I have empathy and appreciate how demanding leadership jobs have become – an effective compliance officer can serve as a trusted resource.

HAMILTON: CEOs and CFOs ask me, ‘What are other organizations doing? You’re telling me we need to do something a certain way. Is that the standard?’ We did a peer review with other chief compliance officers in the region. The peer review has been the most effective thing I’ve done to get buy-in from senior leaders.

MODERATOR: What’s the board’s role in compliance? How do you involve them?

OTTE: Our role is to help board members ask the right questions. We give them examples of questions to ask, because they weren’t understanding that we need them to help ask questions like, ‘How are you testing the effectiveness of the education? How are you using technology for auditing and monitoring?’

HOLPER: Board members may not come from health care, but they do watch the news. I tell our board that when they see something in the news related to health care, it’s appropriate to ask how that issue would impact our organization. Also, when a compliance event happens, it’s important that both

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the compliance officer and the accountable executive for that operating area explain to the board what happened. It sends a message through the organization that’s far more effective than having just the compliance officer take those questions.

**COOPER:** We host quarterly webcasts for our relevant board committees, which include CHI’s national fiduciary board and multiple market fiduciary boards. We’ll pick a compliance topic of interest and turn the presentation into, ‘What does this mean for you in your fiduciary role?’ We discuss the importance of board compliance oversight and provide practical examples of how that plays out for them in their roles.

**MODERATOR:** How do you assess the effectiveness of your compliance program?

**BACHRACH:** We apply some metrics that tie to the seven elements, and others that tie to our enterprise risks, like physician contracting and HIPAA. We conduct an annual employee survey that includes compliance questions. It helps us to see gaps so we can target education toward those areas.

**PANTERA:** We monitor our effectiveness and publish an annual report to senior leadership and the board that includes key metrics and program accomplishments. We also periodically engage an independent third party who has deep experience and credibility to assess our program’s effectiveness. This process helps us validate our efforts and provide assurance to our board.

**CHAPPELL:** We do external reviews as well, but last year we started doing quarterly internal assessments. The compliance team includes sub-teams that cover training or auditing and monitoring, as well as the compliance officers. When compliance officers assess the effectiveness of the auditing and monitoring function, different things come to light. A few little things have popped up that an external team may not have noticed.

**HAMILTON:** We are working on identifying the issue’s root cause. When employees look at records they shouldn’t, it could be they’re curious, but many times it’s a process issue. If it’s employees not understanding, then it becomes an education issue. We’re diving into the root cause and bringing that information back to our board and senior management.

**COOPER:** We have several tools and metrics for assessing our compliance program effectiveness. Being able to show compliance program effectiveness is critical when an organization is disclosing a compliance issue or involved in a governmental investigation. The ability to demonstrate compliance program effectiveness may result in reduced fines and penalties and may assist an organization in avoiding a corporate integrity, resolution or other governmental imposed fine.

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HAMILTON: Yes, when the Department of Health & Human Services’ Office for Civil Rights accepts our policies and processes, and our explanation, we share that with the compliance committee. It’s a recognition of good work.

HOLPER: We’re paying greater attention to employee surveys. We’ve added a couple questions specific to the compliance program about awareness and resources available to colleagues. But we also look at overall culture. What are our turnover and retention rates compared with national benchmarks? Are employees afraid to speak up about a patient safety or quality issue? If people are afraid to speak up, it will be a challenge, no matter how strong your compliance program is.

ADAMS: Compliance has to be part of your strategic plan. We have to look at what barriers we put in place for employees, and how we can improve processes to ensure that people are compliant – and not afraid of retaliation, so they raise the flag before harm happens to your patients or organization.

COOPER: We’ve created a culture at CHI where it’s good to speak up; every person is instrumental in an organization’s ability to provide good and safe patient care. One thing we’re doing is celebrating success. For example, when we meet a quality or safety metric, or an individual brings forth a concern that helps prevent a safety issue, we celebrate. Employees need to feel appreciated and that they are contributing to the organization’s success.

HOLPER: I agree with Michelle about celebrating success – and sometimes helping your board to understand what looks like a negative is actually a success. About a year and a half ago, we internally identified a significant issue and corrected it. The board viewed it negatively. But we helped the board to understand that when you proactively fix it yourself, it’s a good thing, not a bad thing. Our board’s always looking to the future, so we spend time in

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each meeting giving examples of how we’re being proactive and why – to shed a positive light on it.

MIKUS: One example of effectiveness relates to the inclusion of a compliance success in a revenue opportunity initiative. We reported that we saved $200,000 last month due to EHR and education improvements implemented in collaboration with our chief medical officers to remediate risks related to the two-midnight rule.

COOPER: I don’t think the boards and management fully understand the value compliance provides to an organization. To increase visibility, we developed a value-analysis score card to report key compliance activities and efforts that have resulted in reduced fines, penalties or other organizational costs, increased internal controls to prevent errors or omissions, or provided other tangible value to the organization.

MODERATOR: A number of you have mentioned competing for resources in technology. What do you need in terms of technology to be successful?

OTTE: Auditing and monitoring is the compliance profession’s biggest opportunity. It can help us to get buy-in because we can focus it on finding the big rocks. I think people worry that we’re overimplementing, overinterpreting, looking for all the little, lower-risk stuff.

ADAMS: A contract management database can be helpful, particularly if you have many facilities. It allows you to bring in all your physician contracts, business associate agreements, etc., and you can also automate the review process.

CHAPPELL: For the most part, we have the technology we need, but we don’t necessarily have the people skilled enough to utilize it to its full extent.

COOPER: One thing that’s helped the compliance profession is the move toward a specialist model for compliance. Compliance professionals are hired as experts in their particular field: research, lab and physician practices, for example.

MIKUS: I feel as though we’re competing with the data analytics groups - the people analyzing quality data or population health data.

COOPER: We’re seeing an opportunity to partner with, and collaborate, with those functions to help us obtain the expertise we need without having to hire a specific skill set.

ADAMS: You may not need a full-time pharmacy specialist, but if you don’t have the internal expertise, you have to be sure that when a risk shows up in your audit, your leadership or board is ready to fund someone to come in to help.

PANTERA: We’ve leveraged a lot of technology – we need it. There are plenty of compliance tools of our trade. We have data-mining, benchmarking and monitoring tools. A model that’s working well for us to leverage our technology is having an attorney who has a firm understanding of certain regulatory requirements to work together with an internal auditor who possesses strong data-mining capabilities. It’s powerful how together they can identify and deal with issues.

HOLPER: We’ve also had good success bringing compliance expertise into the operating areas,
so they can self-monitor. Embedding a compliance resource into a physician network, for instance, where they not only understand the regulations and requirements, but ensure that it’s being integrated into all of that area’s daily activities. That’s where I get concerned about resource reductions, because those are often the first to get cut.

**COOPER:** And that’s scary, because the experience leaves with the position. Organizations continue to grow and offer new services, but management does not always resource the necessary expertise to ensure operational compliance.

**MODERATOR:** What advice do you have for organizations trying to build a culture of compliance?

**MIKUS:** Communicate clearly, constantly and with compassion. Physicians and others need to feel you value them. They have to know you care and have their backs. While you need technology and expertise to understand data, it really comes down to connecting with the operations folks.

**PANTERA:** It’s a journey. It’s critical to establish a great working relationship with senior management, physicians and the board. Once you’ve earned their trust and respect, continue to meet their expectations by surrounding yourself with a team that can deliver.

**CHAPPELL:** Be consistent in your expectations for behaviors, be consistent in your own behaviors, and be transparent in your communications about when things work and when they don’t.

**HAMILTON:** Yes, make building and sustaining relationships with senior leaders a priority. If you do, they’ll allow you more access to work with their management. That’s why I spend a big chunk of my calendar on managing those relationships.

**HOLPER:** We need to help senior management view compliance as an extension of operations. When an organization has effective operations, they’re inherently going to be compliant, because the people running the operations understand in the long term they’ll be more efficient and cost-effective by paying attention to the details of compliance.

**KEY FINDINGS**

1. Steps to build a culture of compliance include establishing organizationwide values such as ‘integrity’; and providing compliance education for your board, senior leaders and all operational employees.

2. Consider highlighting good outcomes from government audits or third-party assessments; internal, proactive issue identification and correction; and financial savings resulting from being proactive.

3. While compliance teams can increase success by embedding compliance professionals in operational areas or employing specialists, resources are often constrained. Obtain the technical expertise you need by collaborating with internal noncompliance data analytics groups, bringing in a consultant, or partnering with your organization’s internal auditor.