

# Establishing a Compliance Program

## *Standard opening (lead-in music)*

**Canned:** This is a Medicaid program integrity podcast. The Centers for Medicare & Medicaid Services developed and produced these podcasts to keep you informed about Medicaid program integrity topics.

**Narrator:** Welcome to the “Compliance Program” podcast. This podcast provides an overview of the requirements for adopting and implementing a compliance program. As a partner in the protection of Medicaid program integrity, an effective compliance program can help prevent and detect fraud, waste, and abuse. Let’s join Sam, a compliance officer for a Medicaid managed care plan, and Mark, a provider in a small practice, as they discuss establishing a compliance program.

## *(End music)*

## *Scene – Friends meeting at a neighborhood coffee shop (background noise)*

**Sam:** Hey, good morning, Mark. I haven’t seen you for a while. Mind if I join you for a cup of coffee?

**Mark:** Hey, Sam. Yeah, that sounds awesome! It will give us a chance to catch up. How are things at the health plan, by the way?

**Sam:** Things have been busy this week. We’re preparing for our annual report to the board about our compliance program.

**Mark:** Wow! Sounds like a lot of work. I’m glad my small practice doesn’t really have to worry about a compliance program.

**Sam:** Well, actually, that won’t be true for long. While Medicaid managed care plans have had to have a compliance plan in place for a while now, the Affordable Care Act[1, 2] requires all Medicaid and Medicare providers to have one too, once the Department of Health and Human Services establishes the required elements.[3]

**Mark:** Oh, really? That’s news to me!

**Sam:** Our State Medicaid agency just adopted compliance program requirements for all providers. So have many other States.

**Mark:** So you’re telling me that we should develop our own compliance program now?

**Sam:** Yes. Even though HHS hasn’t established the required core elements yet, the HHS OIG has some voluntary guidelines available to help you.

**Mark:** Will a compliance program really benefit my practice?

**Sam:** I think so. Having a compliance program is beneficial for a lot of reasons. Since implementing our compliance program, we’ve seen a decrease in billing errors, better audit results, and an increase in patient safety and quality of care. Our staff know the rules and processes they need to follow. It’s a proactive approach that makes life easier in the long run.

A compliance program also helps us identify, respond to, and correct fraud, waste, and abuse.[4] No one ever wants to be accused of that!

**Mark:** Okay, I can see the value of a compliance program, but I'm kind of worried about what I need to do, and whether my staff and I even have time to do it. I don't even know where to start.

**Sam:** Well, actually, OIG provides some great information on the basic elements of a compliance program. They list seven elements that provide a solid framework:

- First: Have written policies, procedures, and standards of conduct[5]—you probably already have those in place, you just may just need to adjust them;
- Second: You're going to need to designate a compliance officer or personnel—in a small practice like yours, one person may not have time, but you could spread the duties between three or four people;
- Third: Educate and train your staff[6]—you probably hold weekly staff meetings, and you could use some of that time to educate your staff on rules and processes;
- Fourth: Have open lines of communication. That just means that when there's a problem or concern, your staff have ways to talk about it with the right person. You could even implement an open door policy or an anonymous hotline;
- Fifth: Publicize your disciplinary guidelines. Your staff needs to know they are expected to follow office rules, and what the consequences are if they don't;
- Sixth: Perform internal monitoring and auditing. Your office manager probably does some of this already. You can formalize it so it's done regularly on claims, medical records, and employee exclusions;
- And last: Take action right away when you identify an issue. If you find a problem, you've got to fix it.[7, 8]

**Mark:** That doesn't sound too difficult. And you're right, I already have many of those policies and procedures in place. So it kind of seems like we have a place to start, but I don't think our compliance program will be just like yours.

**Sam:** I wouldn't think so, there's no "one size fits all" compliance program. You determine what your compliance program will be, including the size, resources, and time you spend on it.[9] OIG actually explains voluntary compliance programs for different provider types.[10]

**Mark:** Well that should help! So, basically, implementing a compliance program will help my practice follow important rules, reduce errors, and improve patient care, plus, it sounds like I already have some of the elements in place. And if I hit a bump in the road as I set it up, I can find help on the OIG website?

**Sam:** Exactly. Think big picture. You may just need to adjust your policies and procedures, expand your staff training to include responsibilities and disciplinary actions, assign, I don't know, one or more people to monitor the compliance program, perform regular audits, and if you find a problem, take action. Once you have your compliance plan in place, make sure you and your staff review it regularly to see if you need to make any changes.

**Mark:** Well, Sam, I'm glad I ran into you today. I'll take your advice and get started by looking at what I already have in place and build on that. Thanks!

*(Standard closing with music)*

**Canned:** More questions? For additional information about establishing a compliance program, contact your State Medicaid agency, Medicaid contractor, or visit [www \[dot\] cms \[dot\] gov](http://www.cms.gov), click the "Medicare-Medicaid Coordination" tab, and then click the "Program Integrity: Medicaid Integrity Education" link for available toolkits.

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*(End music)*

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## References

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2 Health Care and Education Reconciliation Act, Pub. L. No. 111-152, 124 Stat. 1029. (2010, March 30). Retrieved April 30, 2015, from <http://www.gpo.gov/fdsys/pkg/PLAW-111publ152/pdf/PLAW-111publ152.pdf>

3 Patient Protection and Affordable Care Act, Pub. L. No. 111-148, § 6401(a)(7). 124 Stat. 119, 751. (2010, March 23). Retrieved March 5, 2015, from <http://www.gpo.gov/fdsys/pkg/PLAW-111publ148/pdf/PLAW-111publ148.pdf>

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6 Health Care Financing Administration. [Now Centers for Medicare & Medicaid Services]. (2000, October). Guidelines for Addressing Fraud and Abuse in Medicaid Managed Care (pp. 30–31, 39–40, 51, 62). Retrieved April 30, 2015, from <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/FraudAbuseforProfs/Downloads/GuidelinesAddressingfraudabuseMedMngdCare.pdf>

7 Federal Register Vol. 65, No. 194. (2000, October 5). Office of Inspector General. OIG Compliance Program for Individual and Small Group Physician Practices. Retrieved April 13, 2015, from <http://oig.hhs.gov/authorities/docs/physician.pdf>

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10 U.S. Department of Health and Human Services. Office of Inspector General. Compliance Guidance. Retrieved April 15, 2015, from <http://oig.hhs.gov/compliance/compliance-guidance/>

