

DETAILED TRAINING ON THE SEVEN STEPS OF COMPLIANCE MANDATED BY THE FEDERAL GOVERNMENT

- 7 Elements of a Compliance Program
 - Designate a Compliance Officer and Compliance Committee.
 - Develop Compliance Policies and Procedures.
 - Develop Open Lines of Communication.
 - Conduct Appropriate Training and Education.
 - Conduct Internal Monitoring and Auditing.
 - Respond to Detected Deficiencies.
 - Enforce Disciplinary Standards.
- 8th Element Added in OIG's Supplemental Guidance (2005)
 - Define Roles and Responsibilities.
 - Assign Oversight for Compliance.
 - Conduct an Assessment of the Program's Effectiveness. The assessment should be ongoing, and influence the design and implementation of the Compliance Program.
 - Develop and maintain a non-retaliation policy
- **STEP 1: DESIGNATE A COMPLIANCE OFFICER OR CONTACT**
 - Assign the responsibility of developing a corrective action plan, if necessary, and oversee the practice's adherence to that plan to a practice member.
 - The compliance officer is responsible for overseeing the implementation and day-to-day operations of the compliance program. Compliance responsibilities include:
 - Oversee and monitor the implementation of the compliance program.
 - Establish methods, such as periodic audits, to improve the practice's efficiency and quality of services, and to reduce the practice's vulnerability to fraud and abuse.
 - Periodically revise the compliance program in light of changes in the needs of the practice or changes in the law and in the standards and procedures of Government and private payor health plans.

- Develop, coordinate and participate in a training program that focuses on the components of the compliance program, and seeks to ensure that training materials are appropriate.
 - Ensure that the HHS–OIG’s List of Excluded Individuals and Entities, and the General Services Administration’s (GSA’s) List of Parties Debarred from Federal Programs have been checked with respect to all employees, medical staff and independent contractors.
 - Investigate any report or allegation concerning possible unethical or improper business practices, and monitoring subsequent corrective action and/or compliance.
- **STEP 2: ESTABLISH PRACTICE STANDARDS AND PROCEDURES**
 - Develop a method for dealing with the practice’s risk areas and establish tighter internal controls to counter those risks through written standards and procedures.
 - Specific risk areas. The practice should establish standards and procedures to address the following four risk areas:
 - Coding and Billing. Review coding and billing practices.
 - Billing for items or services are rendered or provided as claimed, such as:
 - Submitted claims for equipment, medical supplies and services are reasonable and necessary;
 - No double billing resulting in duplicate payment;
 - Billing for non-covered services as if covered; and
 - Ensuring that no one in the practice knowingly misuses provider identification numbers, which would result in improper billing.
 - Develop standards and procedures to address arrangements with other health care providers and suppliers and also implement measures to avoid offering inappropriate inducements to patients.
 - Develop and maintain standards and procedures that address possible risk factors relating to improper Inducements, kickbacks and self-referrals, including:
 - Financial arrangements with outside entities to whom the practice may refer federal health care program business.
 - Joint ventures with entities supplying goods or services to the physician practice or its patients.
 - Consulting contracts or practice directorships.

- Office and equipment leases with entities to which the practice refers business, and
 - Soliciting, accepting or offering any gift or gratuity of more than nominal value to or from those who may benefit from the practice's referral of Federal health care program business.
- Retention of Records – Retain compliance documents that relate to educational activities, internal investigations and internal audit results.
- The practice's designated compliance officer should maintain an updated binder or record of these documents, including information relating to compliance activities. The practice should maintain the following record retention guidelines:
 - Specify the length of time that a practice's records should be in the practice's standards and procedures.
 - Secure medical records in the practice's possession against loss, destruction, unauthorized access, unauthorized reproduction, corruption, or damage.
 - Develop and maintain standards and procedures that stipulate the disposition of medical records in the event the practice is sold or closed.
- **STEP 3: DEVELOP OPEN LINES OF COMMUNICATION**
 - Develop a process for communication and information exchanges, which should include the following:
 - Require employees to report erroneous or fraudulent conduct.
 - Create a user-friendly process for effectively reporting erroneous or fraudulent conduct.
 - Make it a compliance program violation for failing to report erroneous or fraudulent conduct.
- **STEP 4: CONDUCT APPROPRIATE TRAINING AND EDUCATION**
 - Have a designated person to oversee the practice's educational training.
 - The training must be tailored to the practice's needs, specialty and size and includes both compliance and specific training.
 - The educational objectives should include the following three basic steps:
 - Determine who needs training (both in coding and billing and in compliance).
 - Determine the type of training that best suits the practice's needs (e.g., seminars, in-service training, self-study or other programs).

- Determine when and how often education is needed and how much each person should receive.
- Compliance Training – The designated compliance officer/contact should initiate both initial and recurrent training in compliance with respect to the compliance program itself and applicable statutes and regulations. Compliance training should accomplish the following two goals:
 - Provide training to all employees on how to perform their jobs in compliance with the standards of the practice and any applicable regulations
 - Ensure that each employee understands that compliance is a condition of continued employment
- The practice should train new employees on the compliance program as soon as possible after their start date and provide refresher training on the compliance program to employees on an annual basis.
- Coding and Billing Training – Provide coding and billing training on the federal health care program requirements to appropriate staff members based on their respective responsibilities. Ensure that individuals who are directly involved with billing, coding or other aspects of the Federal health care programs receive extensive education specific to that individual's responsibilities. Examples of items that could be covered in this training include:
 - Coding requirements;
 - Claim development and submission processes;
 - Signing a form for a dentist without the dentist's authorization;
 - Proper documentation of services rendered;
 - Proper billing standards and procedures and submission of accurate bills; for services or items rendered to Federal health care program beneficiaries; and
 - The legal sanctions for submitting deliberately false or reckless billings.
- Format of the Training Program – Provide training to practice employees using either an in-house or outside source.
 - Engage outside services that provide seminars and in-service sessions.
 - Encourage staff to obtain certificate or associate degree programs in billing and coding from community colleges or take advantage of professional associations that provide various kinds of continuing education and certification programs.
 - Integrate education and training programs for the compliance and coding and billing training. An in-service training and continuing education program can

include compliance issues, as well as other core values adopted by the practice, such as quality improvement and improved patient service, into its curriculum.

- Continuing Education on Compliance Issues – The practice should have regular compliance training and awareness activities for its staff.
 - Have an annual training program for individuals involved in the coding and billing aspects of the practice.
 - Train new billing and coding employees as soon as possible after assuming their duties and require them to work closely with an experienced employee until their training has been completed.

- **STEP 5: CONDUCT INTERNAL MONITORING AND AUDITING**

- Develop and maintain an ongoing evaluation process to determine whether the practice's standards and procedures are current and accurate and whether the compliance program is working. Key components include:
 - Standards and procedures review - assign responsibility for periodically reviewing the practice's standards and procedures to determine if they are current and complete.
 - Claims submission audit - Review bills and medical records for compliance with applicable coding, billing and documentation requirements. Specifically, conduct self-audits to determine whether:
 - ✓ Bills are accurately coded and accurately reflect the services provided (as documented in the medical records).
 - ✓ Documentation is being completed correctly.
 - ✓ Services or items provided are reasonable and necessary; and
 - ✓ Any incentives for unnecessary services exist.

- **Step 6: Respond to Detected Offenses and Developing Corrective Action Initiatives**

- Develop a corrective action plan for identified potential violations that outline how the practice will respond to the problem.
- Immediately investigate reports or reasonable indications of suspected noncompliance and determine whether a significant violation of applicable law or the requirements of the compliance program has indeed occurred.
 - Instances that are worth investigating include compliance program violations, significant failures to comply with applicable Federal or State law, and other types of misconduct threaten a practice's status as a reliable, honest, and trustworthy provider of health care.

- If the investigation determines that a violation has occurred, the practice must take decisive steps to correct the problem.
- The practice's action steps in respond to a confirmed violation may involve a corrective action plan, the return of any overpayments, a report to the Government, and/or a referral to law enforcement authorities.
- When developing its compliance program, the practice should establish and implement its own set of monitors and warning indicators. Warning indicators may include:
 - Significant changes in the number and/or types of claim rejections and/or reductions.
 - Challenges from payors challenging the necessity or validity of claims.
 - Illogical patterns or unusual changes in charge patterns.
 - High volumes of unusual charge or payment adjustment transactions.
 - If any of these or other warning indicators become apparent, the practice must follow up on the issues.
 - Additionally, the practice should change its compliance procedures to prevent the problem from recurring as necessary.
 - The practice's compliance program should have procedures that include steps for promptly referring or disclosing the violation to an appropriate Government authority or law enforcement agency.
- For overpayment issues, take appropriate corrective action, including promptly identifying and repaying any overpayment to the affected payor. Additionally, the practice's compliance program:
 - Must require a full internal assessment of all reports of detected violations.
 - Include provisions to ensure that a violation is not compounded once discovered.
 - Have standards and procedures for determining whether the individuals involved in the violation are either be retrained, disciplined, or, if appropriate, terminated.
- The practice's compliance program must also:
 - Include processes that ensure violations are not compounded by conducting a review of all confirmed violations, and self-reporting the violations to the applicable authority as necessary.
 - Contain a process for modifying the compliance program if a violation occurred and was not detected, if the program failed to detect or anticipate the detected problem.

- Step 7: Enforce disciplinary standards through well-publicized guidelines
 - Incorporate measures to ensure employees understand the consequences of noncompliant behavior.
 - Have enforcement and disciplinary mechanisms that ensure violations of the practice's compliance policies result in consistent and appropriate sanctions, including the possibility of termination, against the offending individual. The practice's enforcement and disciplinary procedures include the following qualities:
 - Be flexible enough to account for mitigating or aggravating circumstances.
 - Stipulate that individuals who fail to detect or report compliance program violations may also be subject to disciplinary actions, including:
 - Warnings (oral)
 - Reprimands (written)
 - Probation
 - Demotion
 - Temporary suspension
 - Termination
 - Restitution of damages
 - Referral for criminal prosecution
 - The practice should document any communication resulting in the finding of non-compliant conduct and include:
 - The date of incident;
 - Name of the reporting party;
 - Name of the person responsible for taking action; and
 - The follow-up action taken.
 - Also, the practice should conduct periodic checks to make sure all current and potential practice employees are not listed on the OIG or GSA lists of individuals excluded from participation in Federal health care or Government procurement programs.
- **STEP 8**
 - Define Roles and Responsibilities.

- Have a job description for the practice's compliance officer which outlines specific duties and areas of responsibilities
- Conduct a detailed risk assessment to appropriately tailor your practice's compliance program to its unique business circumstances.
 - The risk assessment should be ongoing and the practice must have a durable process for conducting risk assessments on a periodic basis.
 - Use risk assessments to influence the design and implementation of the compliance program in order for it to be effective in preventing and detecting violations of law.
 - Consider:
 - How your practice evaluates potential areas of risk (who is involved, is the evaluation documented)
 - How your practice monitors changes in laws and regulations
 - How often your practice reviews and updates its policies and procedures updated to reflect industry changes.
- Have a non-retaliation policy
 - Policy must include the following:
 - A general statement that outlines your practice's opposition against retaliation.
 - Types of reports covered by the practice's policy against retaliation.
 - Types of retaliation prohibited under the policy.
 - Sanctions for violating the retaliation policy.
 - Who to contact if concerned about retaliation.