

Innovative Approaches to Integrating Compliance and Operations – A Value Proposition

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Session Objectives

- ▶ Review CHI's evolution to fully operationalizing compliance
- ▶ Discuss practical tips for evolving your compliance program beyond the 7 elements
- ▶ Identify and prove the compliance value proposition
- ▶ Discover the compliance officer is the operational leader's best friend



Basics to Maturation

- ▶ Ethical organizations are more likely to have engaged employees*
- ▶ Increasing regulatory enforcement necessitates an effective and integrated compliance program
- ▶ Today's economic environment results in greater competition for scarcer resources
- ▶ Need to move from basic program elements (expense) to program maturity (value)
- ▶ Increased integration between operations and compliance

Practical Tip: Employees who rate their direct supervisor high in ethical leadership tend to be more satisfied with their jobs.

*Source: Ruiz-Palomino, P., Ruiz-Amaya, C., & Knorr, H. (2011). Employee organizational citizenship behavior: The direct and indirect impact of ethical leadership. *Canadian Journal of Administrative Sciences*, 28(3), 244-258.

CHI's Journey

- ▶ St. Joseph Townsend, Maryland
- ▶ Decision to centralize
- ▶ Independence
- ▶ Expertise model
- ▶ Regional
- ▶ Pro-active vs. reactive



Practical Tip: A centralized, independent, proactive and standardized compliance program is critical.

Talent and expertise identification

- ▶ High risk area expertise
- ▶ Building a career path and succession plan
- ▶ Chief compliance officer at the executive level with talented support
- ▶ Leveraged compliance expertise and skill sets
- ▶ Operational experience helpful
- ▶ Integration with operational leaders



Practical Tip: An effective compliance program consists of a skilled and knowledgeable team.

Roll of the compliance oversight committee

- ▶ Shift from report out to discernment
- ▶ Key leadership responsible for a compliant culture with committed attendance
- ▶ Support a compliant culture
- ▶ Assess program maturity
- ▶ Risk analysis, mitigation and escalation
- ▶ Create common understanding among key stakeholders

Practical Tip: The oversight committee is a resource to compliance and should be listened to as opposed to reported to.



Immersion in executive leadership, operational functions and design

- ▶ Healthcare organizations are complex and highly regulated
- ▶ Compliance officers need to understand the strategy and goals of the organization
- ▶ Compliance complements and supports the organizational structure to support proactive risk identification and mitigation
- ▶ Inclusion helps build “trust”
- ▶ Operational leaders set the “tone for developing a compliant culture”
- ▶ Aids operations in understanding the regulatory implications of their decisions/strategy

Practical Tip: Inclusion of the compliance leader in operational leadership helps create a proactive approach to compliance.

Due Diligence and new business/market integration

- ▶ Risks may not be obvious and an organized due diligence process, including the use of a due diligence checklist, helps identify and mitigate risks
- ▶ Working closely with strategy and business development allows for assessment of hidden issues
- ▶ Identification of the risk allows for determination of risk tolerance

Practical Tip: Inclusion of compliance in the due diligence process promotes careful consideration of compliance risks and the potential impact to the larger organization



Role of data analytics

- ▶ Proactive vs. reactive approach
- ▶ Objective ability to identify and assess outliers
- ▶ Utilizes system level claims data
- ▶ Allows for early identification of issues that may not otherwise be recognized
- ▶ Requires technical expertise



Practical Tip: Utilization allows for self identification of risk and deviation from national standards and mitigates risk of governmental investigations.

Organizational Benefits Realized

- ▶ Improved decision making
- ▶ Greater efficiency and efficacy
- ▶ Cross-departmental communication
- ▶ Pay now or **PAY LATER**

Practical Tip: An effective compliance program reduces risk and saves the organization money.



Compliance Officer: An Operational Leader's Best Friend

- ▶ The compliance officer should be viewed as a critical team player
- ▶ Assists in the development of an ethical workforce
- ▶ Protects organizational assets and reputation



Questions

