

Building a Compliance Program

History of health care compliance

The Office of Inspector General (OIG) promotes the voluntary development of a compliance program within hospitals and healthcare organizations. The goal of a compliance program is to establish standards within an organization to prevent, detect, and resolve conduct that does not conform to the hospitals policies and ethical standards, State and Federal law, and requirements of private, State, and Federal health care programs.

Health care organizations that need a compliance programs include but are not limited to, hospitals and practices, billing companies, Medicare choice organizations, teaching and research institutions, pharmaceutical companies, home health, nursing homes, and ambulance companies.

Medicare and Medicaid regulations are enforced by the OIG and Justice Department. It is estimated that fraud accounts for over \$100 billion or 10% of total health care costs in the United States.

Benefits of a compliance program

The OIG sites numerous benefits to developing and implementing an effective compliance program.

An effective compliance program helps ensure an organization is not filing inaccurate or false claims to private health insurance or government payors. Additional benefits include establishing a commitment to responsible conduct, identification and prevention of illegal or unethical conduct, identification of organizational weaknesses, establishing a resource to distribute regulations, and establishing a method for employees to report violations.

Additionally, many commercial payors require that your organization have a compliance program or complete their compliance training.

Furthermore, compliance programs would also outline procedures for investigation of misconduct and corrective actions. The OIG further notes, “early detection and reporting, minimize the loss to the Government from false claims, and thereby reduce the hospital’s exposure to civil damages and penalties, criminal sanctions, and administrative remedies.” Of note, an effective compliance program is not a panacea for eliminating abuse, waste, or fraud but may reduce the risk of improper or illegal conduct.

Initially, there may be a substantial upfront cost to developing a compliance program, however they are small compared to the cost of a fraud investigation.