Break down risk into its fundamental components to better align mitigation activities or strategies.

Compare and contrast qualitative and quantitative approaches to assessing risk.

How other program elements (auditing and monitoring) provide information on risk management.
Who
What
Where
When
Why
How

Ready or not...here we go!
Which do you think represents the highest risk?

A. OCR HIPAA Audit
B. Complaint investigation by OCR
C. Ransomware attack
Let’s set some context and give people a chance to find another session.

Who is from an organization where HIPAA applies?
A. Healthcare Provider
B. Health Plan
C. Clearinghouse
D. Business Associate*
Undesired Situation

If any element is missing...

Likelihood

Impact
Undesired Situation
“Something” we would prefer not happen.

Undesirable Situation

What is the risk of losing your money in Las Vegas?

What is the risk of hitting a jackpot in Las Vegas???

Wait a minute... this isn’t undesirable?
What is the risk of losing your money in Las Vegas?

Hey buddy...what’s this???

What is the risk of winning a jackpot in Las Vegas?

That’s more like it!
Undesirable Situation

What is the risk of winning a jackpot in Las Vegas?
Undesired Situation

The Trigger

Vulnerability - Threat

Flaw or weakness

For those of you preparing to do an SRA...this relationship is critical!

Undesired Situation = Successful Ransomware Attack

Most likely cause?
A. Clicking on links or attachments
B. Using an “infected” USB device
C. Download from website
Likelihood

Will “something” happen?
Top synonyms:
- Possibility
- Probability
- Chance

Chance that what we identified will happen?
A. Low
B. Medium
C. High
Impact

What we need to deal with when “something” happens.
Often described on some type of continuum or scale.

Impact

Challenge

Nothing to worry about

We’ve got some issues

Ruin our day

Fundamental Relationships

Likelihood

Impact

Risk
Choices

• Transfer
• Avoid
• Mitigate
• Accept

Who
What
Where
When
Why
How

Who
What
Where
When
Why
How
Qualitative vs Quantitative

Quality vs Quantity
Quality (rating) vs Quantity (value)

Qualitative

Low    Medium    High
Quantitative

0% - Never

50% - Coin Flip

Low

Medium

High

100% - Always

Auditng

&

Monitoring
Auditing & Monitoring

Where would you rate overall effectiveness of the A&M element?
A. High (1\textsuperscript{st}, 2\textsuperscript{nd})
B. Medium (3\textsuperscript{rd}, 4\textsuperscript{th}, 5\textsuperscript{th})
C. Low (6\textsuperscript{th}, 7\textsuperscript{th})

Auditing & Monitoring

How many samples do you need for a probe audit as described by CMS?
A. 20
B. 30
C. 40
Auditing & Monitoring

Reasons to audit:
• Required by regulations
• Required by P&P
• By choice*

*Don’t get me started on “Best Practice”
Auditing & Monitoring

Reasons people audit (or not):

• FEAR
  ➢ Familiar
  ➢ Experience
  ➢ Assess
  ➢ Results

Let’s see how we can apply this to the Compliance Program...

Written Policies and Procedures
Designation of a Compliance Officer and a Compliance Committee

Conducting Effective Training and Education
Developing Effective Lines of Communication

Enforcing Standards Through Well-Publicized Disciplinary Guidelines
Auditing and Monitoring

Responding to Detected Offenses and Developing Corrective Action Initiatives
Written Policies and Procedures

- Tangible – “get your hands on them”
- Binomial state
- Possible e-strategies
- Meaningful
  - Regulations
  - Organization
  - Processes
  - Assistance

Written Policies and Procedures

- Standards of Conduct
- Risk Areas (18 call outs)
- Claims Development and Submission Process
- Medical Necessity – Reasonable Services
- Anti-Kickback and Self Referral
- Bad Debt
- Credit Balances
- Retention of Records
- Compliance as an Element of Performance
Written Policies and Procedures

- Standards of Conduct
- Risk Areas (18 call outs)
- Claims Development and Submission Process
- Medical Necessity – Reasonable Services
- Anti-Kickback and Self Referral
- Bad Debt
- Credit Balances
- Retention of Records
- Compliance as an Element of Performance

Risk Areas

- Billing for items or services not actually rendered;
- Providing medically unnecessary services;
- Upcoding;
- “DRG creep;”
- Outpatient services rendered in connection with inpatient stays;
Risk Areas

- Teaching physician and resident requirements for teaching hospitals;
- Duplicate billing;
- False cost reports;
- Unbundling;
- Billing for discharge in lieu of transfer;

Risk Areas

- Patients’ freedom of choice;
- Credit balances—failure to refund;
- Hospital incentives that violate the anti-kickback statute or other similar Federal or State statute or regulation;
- Joint ventures;
Risk Areas

- Stark physician self-referral law;
- Knowing failure to provide covered services or necessary care to members of a health maintenance organization; and
- Patient dumping.
- Financial arrangements between hospitals and hospital-based physicians;
Communication

Can’t make meeting.

Communication

Which of the following would you perceive as the most favorable reply?

A. ok
B. 😊
C. 👍
Mitigation

Let’s talk about safeguards.

Administrative Safeguard

Example:
Policy and Procedure
Mitigation

Let’s talk about safeguards.

Administrative Safeguard
Technical Safeguard

Example:
Login and Password

Mitigation

Let’s talk about safeguards.

Administrative Safeguard
Technical Safeguard
Physical Safeguard

Example:
Doors and Locks
Mitigation

Let’s talk about safeguards.

Administrative Safeguard
Technical Safeguard
Physical Safeguard

Mitigation

Apply resources where most effective.
Mitigation

Apply resources where most effective.

High Risk → Mitigation → High Risk

High Risk → Mitigation → Medium Risk
Mitigation

Apply resources where most effective.

High Risk → Mitigation → High Risk
High Risk → Mitigation → Medium Risk
High Risk → Mitigation → Low Risk

Thank you for attending session 309!
The odds of getting struck by lightning during the year?

A. 1 in 70,000  
B. 1 in 700,000  
C. 1 in 7,000,000  

Welcome to session 309...we will begin shortly.
The odds of getting attacked by a shark worldwide?

A. 1 in 5,000,000
B. 1 in 10,000,000
C. 1 in 15,000,000

Welcome to session 309...we will begin shortly.
The odds of being killed in an elevator?

A. 1 in 10,000,000
B. 1 in 20,000,000
C. 1 in 30,000,000

Welcome to session 309...we will begin shortly.
The odds of winning the Powerball lottery?

A. 1 in 100,000,000  
B. 1 in 200,000,000  
C. 1 in 300,000,000  

Welcome to session 309...we will begin shortly.

The odds of winning the Powerball lottery?

A. 1 in 100,000,000  
B. 1 in 200,000,000  
C. 1 in 300,000,000  

Welcome to session 309...we will begin shortly.
The odds of an average golfer making a hole in one?

A. 1 in 9,000
B. 1 in 12,000
C. 1 in 15,000

Welcome to session 309...we will begin shortly.
The odds of getting blackjack?

A. 5%
B. 10%
C. 25%

Welcome to session 309...we will begin shortly.
The odds of flipping a nickel and it landing on it edge?

A. 0.16%
B. 0.016%
C. 0.0016%

Welcome to session 309...we will begin shortly.