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
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*
If any element is missing...
“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?

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

Hey buddy... what’s this???
Undesirable Situation
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?

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

Vulnerability - Threat

Flaw or weakness

The Trigger

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

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

Undesired Situation

= Successful Ransomware Attack

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.
Fundamental Relationships

- Transfer
- Avoid
- Mitigate
- Accept

Choices

- Transfer
- Avoid
- Mitigate
- Accept

Who
What
Where
When
Why
Qualitative vs Quantitative

Quality vs Quantity

Quality (rating) vs Quantity (value)
Qualitative

Low  Medium  High

Quantitative

Low  Medium  High

Low  Medium  High

0%  -  Never  100%  -  Always
Where would you rate overall effectiveness of the A&M element?

A. High (1st, 2nd)
B. Medium (3rd, 4th, 5th)
C. Low (6th, 7th)
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*

Auditing & Monitoring

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

**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;
Can’t make meeting...

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

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

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
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

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
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 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.

The odds of flipping a nickel and it landing on it edge?

A. 0.16%
B. 0.016% (1 in 6,000)
C. 0.0016%

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