Risk Assessments and Work Plans - Key Spokes in the Circle of Compliance
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March 26, 2017

Agenda
- Why risk assessments are essential
- Sample approach to conducting a meaningful risk assessment
- Compiling and reporting results
- Developing remediation activities and Work Plan items to address risk assessment findings

Compliance Life Cycle

[Diagram]
Risk Assessments and Work Plans—An Overview

**Defined:** A Risk Assessment is the identification and evaluation of potential risk within your organization. It involves the analysis of systems and processes against a benchmark, standard, law or regulation along with the determination of the level of risk (high, low, or medium) associated with the activity.

**Work Plan:** The purpose of a Work Plan is to address risk identified in the Risk Assessment process that created the greatest exposure to an organization. Components of the Work Plan include: clear description of the risk, identification of current controls and safeguards in place, assignment of accountability for remediation the risk, and due date for completion.

**Reporting:** An effective Work Plan must be communicated to all key stakeholders at the beginning of the process and with periodic updates on the status of the Work Plan. At a minimum it should include Senior Leadership and the Governing Body of the Organization. In addition the Work Plan is a useful tool in promoting compliance to others within the organization.

Risk Assessment Preparation

- Financial impact: nepalese impact will report to the appropriate departments in the organization.
- Legal: assessment: reporting changes, legal guidelines, and regulations.
- Industry Trends: industry assessment to the organization for potential compliance issues, new technological developments, etc.

Building Monitoring Results: monitoring results to the organization for potential compliance issues, new technological developments, etc.

Risk Assessment Process: Sample Approach

- Ongoing Risk Plan completion.
- Conduct Plan results and findings.
- Survey, pilot test, and develop.
- Conduct Risk Assessment.
- Survey Development.
**Broad Based Risk Assessment Survey: Sample Approach**

**“Proactive” Risk Assessment**

**Survey to Define Risk Universe**
- Potential Participants: Board, Senior Leadership, Departmental Directors, Staff

**Questionnaire/Indicators**

**SURVEY QUESTIONS:** (personal interviews or written survey)
1. Identify 5 potential compliance risks you see for your areas of operation and explain why.
2. Identify 3 of the top risks, being the top priority compliance risks for the organization. Relate why you chose these risks.
3. For each risk, please ask (1) Are current compliance safeguards (policies and procedures, etc.) adequate to control risks?

**SURVEY QUESTIONS:**
4. Provide supporting data and indicators useful for consideration of Performance Data

**Focused Risk Assessment: Sample Approach**

**“Reactive” Risk Assessment**

**Survey to Define Risk Universe**
- Potential Participants: Departmental Directors, Staff

**Process/Deliverables**

**SURVEY INSTRUCTIONS:**
1. Process:
   - Establish a work group made up of hospital staff that are involved in the charging, coding, or ordering of replacement medical devices for procedures performed on inpatients (I/P) or outpatients (O/P).
   - The goal of the work group is to review the current processes/controls in place at your hospital to ensure Medicare is billed correctly for Medical Device Replacements.

2. Deliverables:
   1) Flow chart of processes established for your hospital,
   2) Documentation of the steps taken, findings, a summary of the controls in place to ensure compliance and any recommendations,
   3) Plans for ongoing monitoring to ensure compliance,
   4) No chart reviews are required, unless necessary to understand the processes at your hospital.

**Comparison of the Two Risk Assessment Approaches**

**Focused**

**Broad Based**

- Allows the organization to proactively identify and address unknown risks, rather than only assessing the potential impact of known risks.
Sample Survey

Summary of Key Data Points Resulting from the Survey

Categorizing Free Text Data: Examples
### Survey Results by Category: Examples

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Physician Management</td>
<td>25%</td>
</tr>
<tr>
<td>Regulatory</td>
<td>19%</td>
</tr>
<tr>
<td>EMTALA</td>
<td>13%</td>
</tr>
<tr>
<td>Hospital Operations</td>
<td>6%</td>
</tr>
<tr>
<td>HIPAA</td>
<td>5%</td>
</tr>
<tr>
<td>OIG Work Plan</td>
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### Harnessing the Power of Excel Pivot Tables: An Example

#### Snapshot of Results

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<tr>
<th>Category</th>
<th>Total</th>
<th>Median</th>
<th>Mean</th>
<th>SD</th>
<th>% of Total</th>
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<tr>
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<tr>
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### Compliance Charter

![Compliance Charter](image)
Work Plan Design: Sample Approach

**Regulatory**

**Core Focus Areas**

- Physician Relationships
- Provider Based Entities
- Medical Necessity

- Design training for leadership on how to have difficult conversations with physician from a legal, compliance and regulatory perspective
- Evaluate the "Site Neutral Payment" Final Rules impact on provider based entities
- Review processes used to determine medical necessity for inpatient status and O/P procedures

Work Plan Design: Sample Approach

**Hospital Operations**

**Core Focus Areas**

- New Service Lines
- Joint Venture/Partnership Management
**Work Plan Design: Sample Approach**

Hospital Operations

- Design and develop tools for use when exploring and implementing new service lines,
- Evaluate monitoring effectiveness of Joint Ventures/Partnerships

**Work Plan Design: Additional Risk Considerations**

Hospital Operations

- DOJ/OIG Enforcement Trends
- OIG Compliance Reviews
- Internal Investigations Trend
- Hotline Call Trends
- Audit Findings (Internal and External)

**Work Plan Monitoring: Sample Approach**

<table>
<thead>
<tr>
<th>Hospital Operations</th>
<th>Description</th>
<th>Current Risk Mitigation</th>
<th>Actions/Traffic</th>
<th>Focus Area Leadership</th>
<th>Due Date</th>
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</thead>
<tbody>
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<td>Design and develop tools for use when exploring and implementing new service lines.</td>
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<tr>
<td>Hospital Operations</td>
<td>Evaluate monitoring effectiveness of Joint Ventures/Partnerships</td>
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Questions?

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RL14 We should add a slide for Questions?
Range, Laura, 2/14/2017