



## Compliance Effectiveness . . . Years after the CMS Pilot – Part I: Governmental Expectations

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It has been eleven years since the Centers for Medicare and Medicaid Services (CMS) announced they would be conducting a pilot program for compliance effectiveness. It was in early 2004 that I volunteered my organization to be a participant.

### CMS ANNOUNCES PILOT PROJECT TO DETERMINE EFFECTIVENESS OF HOSPITAL COMPLIANCE PROGRAMS

Centers for Medicare & Medicaid Services (CMS) Administrator Mark McClellan, M.D., Ph.D. today announced CMS will soon undertake a pilot program in partnership with hospitals in 13 states and the District of Columbia to determine the effectiveness of the voluntary compliance programs used by many hospitals. The evaluation seeks to identify approaches that may constitute best practices to prevent improper activities, and how these approaches can be applied successfully...

"We intend to get the maximum compliance possible by hospitals in preventing waste, fraud, and abuse," Dr. McClellan said. "Most hospitals want to comply, and our goal is to help as broad a range as possible of hospitals implement successful compliance practices. We will encourage applications from rural hospitals, as well as large medical centers in urban centers, and from hospitals with either basic or advanced compliance programs."

Compliance programs are intended to assist providers in implementing internal controls and monitoring to correct and prevent improper activities. These programs also encourage adherence with all federal and state laws that govern hospitals and the program requirements of federal, state and private health plans, and assist hospitals in providing quality care for their patients.

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At the time of the solicitation for participation, our organization was ending our obligations of a federal corporate integrity agreement brought about by violation of the False Claims Act. I convinced our executive leadership that our participation would further demonstrate our commitment to billing compliance. We were the first to volunteer and also the closest to the CMS offices in Maryland. From there we were deemed the “Pilot of the Pilot”.

As the “Pilot of the Pilot”, we had the great honor to host representatives from several federal agencies on our hospital campus. They toured. They interviewed. And they took notes. There were some criticisms, some applause and even some laughs. Eventually every participating hospital would have a site visit, but not to the full extent of ours.

After the gathering of claims data, site visits and interviews, the participants from both the hospitals and the federal government met together to discuss compliance effectiveness and observations made thus far. We were able to have open discussions, ask questions of our peers and of our federal counterparts. These included those not only from CMS Office of Program Integrity but also the Federal Bureau of Investigations (FBI) and the Office of Inspector General (OIG). This is where things got a bit interesting.

As the youngest and least experienced compliance officer there I may have been naïve. Or let’s just agree I was. It has been eleven years now. I can admit it! But some of the expectations from our federal counterparts was a bit discerning – regardless of your years at the helm or even in the industry.




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I don't want to play down the efforts of CMS. I applaud their efforts. I point out these perceptions as a means to further support the need for even stronger healthcare provider compliance programs. Never assume that the regulatory body (or bodies) understand the details of the healthcare providers' inner workings. There isn't a one size fits all approach, and our assumptions are not always reality. It doesn't make our assumptions false or wrong, but rather a great starting point towards understanding.

*The worst mistake of first contact, made throughout history by individuals on both sides of every new encounter, has been the unfortunate habit of making assumptions. It often proved fatal.*

**David Brin**

Providers, whether hospital, physician or others, should be prepared to explain their program, its structure, its policies and processes, and its auditing and monitoring efforts.  [Messaging](#)

back to the original seven elements of a compliance program. Check off you can meet that element. But check further that you can demonstrate how you meet the element. That, my colleagues, is one step towards effectiveness.

***Stay tuned for Part II in this series where I discuss the measure we reviewed to measure effectiveness (think what is now “Revenue Integrity”).***

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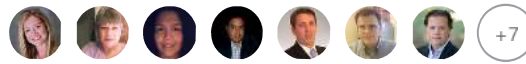
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