



*Strengthening Oklahoma's Safety Net,  
One Community At A Time*

## **Board Bulletin**

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### **Seven Steps to Effective Compliance**

Corporate compliance is not optional. Community health center (CHC) boards must exercise 'duty of care' by ensuring that corporate compliance is implemented and embraced organizationally. Successful compliance programs adhere to a formal structure but CHCs have flexibility in designing an effective program that works for their respective organization. Seven steps provide an outline for effective compliance program development.

#### **Step-by-Step Approach**

**1. Designate a Chief Compliance Officer/Contact** – Who will be the compliance program contact? The board must dedicate resources for a compliance program, develop associated job descriptions, determine pay range according to CHC size/budget and instruct the CEO to hire or assign a competent compliance officer/contact.

**2. Create internal auditing and monitoring systems** – How will potential problems be identified so compliance efforts will be focused on high risk areas? An initial baseline must be established to assess where the CHC is regarding compliance. The compliance officer, working with a compliance committee, will develop audit processes that determine program effectiveness and methods to quickly identify problems.

**3. Develop written standards and policies** – While policy development is time-intensive, it is critical that boards engage in creating written policies that will successfully promote quality and compliance. A strong corporate compliance program depends heavily on comprehensive policies that offer effective means for reducing errors across the organizational gamut. Appropriate time must be invested in effective policy development that covers CHC project breadth. Policies only work if followed. CHC staff and board members must routinely review policies to foster understanding, ensure compliance and protect the organization.

**4. Conduct Ongoing Training and Education** – Some experts say it takes 21 days for simple tasks to become habits. Others say most humans must repeat a process 30-40 times before it becomes habitual. CHCs should strive for compliance to be the "habit" of doing business. To make that happen, ongoing staff training is a must for effective compliance programs. Continual education is also required as the CHC environment is always changing – new laws and regulations necessitate compliance program updating. Training must be documented.

**5. Design Communication Process** – To prevent the "people failures" occurring earlier in the decade that led to heightened corporate compliance requirements, CHCs must create an environment that not only encourages but *obligates* staff to report compliance violations. It is important to have policies that constructively promote reporting of wrongdoing. While there should be confidentiality policies, be sure they do not guarantee anonymity. It may not be possible in resolving a problem. The key in promoting compliance is to have open, honest communication that leads staff to report issues as they become known. Staff must have confidence in the reporting system and not feel threatened with even a hint of retaliation.

**6. Develop Response and Corrective Action System** – Once the problem has been reported, CHCs must have a response system that initiates prompt investigation and results in appropriate corrective action. Records of investigations must be maintained along with documentation of the development and implementation of corrective action measures. Follow-up activities should include taking remedial steps to avert recurrence of the situation and an investigation of what circumstances caused it to happen in the first place.

**7. Enforce Disciplinary and Remediation Standards** – What are the consequences of non-compliance? CHCs should have 'well-publicized' guidelines so staff and board members understand what will happen to non-compliant individuals. Disciplinary standards must be consistently applied across the organization.

#### **At the End of the Day**

External regulators will not be lenient on CHCs that dismiss corporate compliance because of small size or budget, limited workforce, etc. CHCs must demonstrate active compliance by developing a program that works - no matter the size or resources. The remaining 2010 *Board Bulletin* issues will more closely examine each step listed above to assist CHCs in designing an effective, tailor-made corporate compliance plan. To review OKPCA's entire *Board Bulletin* series, visit the 'CHC Boards' section of [www.okpca.org](http://www.okpca.org).

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