



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

Board Bulletin

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Creating a Compliance Program that Works: Part 1

Community health center (CHC) boards are charged with development of an effective Corporate Compliance Program that includes ongoing board oversight by following the seven-step approach as previously outlined. The Office of the Inspector General (OIG) makes it clear that boards must demonstrate a level of commitment to corporate compliance that includes “active involvement of the organizational leadership, allocation of adequate resources, a reasonable timetable for implementation of the compliance measures, and the identification of a compliance officer and compliance committee vested with sufficient autonomy, authority, and accountability to implement and enforce appropriate compliance measures.” This issue focuses on the board’s “Code of Conduct” and Steps 1 and 2 of corporate compliance program development.

Determining “Code of Conduct”

CHC boards should develop an organizational statement regarding compliance that details fundamental principles and values by which the health center will operate. Code of conduct should be “brief, easily readable, and cover general principles applicable to all members of the organization.” By establishing an official “Code of Conduct,” boards can demonstrate commitment that fosters a compliance culture from the top down.

Designating a Chief Compliance Officer

Duties – The Compliance Officer/Contact will implement the program and modify as necessary, with board approval when required, to improve efficiency and effectiveness of compliance efforts, reducing non-compliance vulnerability. The Compliance Officer will develop, coordinate and participate in appropriate training programs. Further duties include screening all current and prospective employees, independent contractors and board members to ensure they have not been excluded or debarred from participating in federal programs. The Compliance Officer will investigate reports of possible unethical/improper business practices and monitor corrective action - reporting to the board promptly if any matter involves criminal conduct.

Skill/Expertise – The Compliance Officer should be a single senior management-level individual that, when possible, holds no other key management responsibilities (functioning separately from the CFO, general counsel). Qualifications include expertise and familiarity with CHC high risk areas (as defined by government agencies) and activities of government agencies having regulatory and enforcement authority. The Compliance Officer must have authority to: 1) conduct appropriate follow-up and report findings directly to the CEO and Board; and 2) conduct investigations and communicate with legal counsel and other investigative resources.

Developing an Internal Monitoring System

Purpose– Timely identification of issues with judicious corrective action is essential to an effective compliance program. Periodic audits should be conducted for high risk areas including: grants management and administration; sub-recipient agreements; vendor contracting; regulatory compliance (i.e. fraud and abuse); marketing; clinical services (coding, billing, medical records), lobbying, documentation and human resources.

Process – Organizations should conduct a comprehensive compliance audit, by using independent auditors and qualified attorney, to establish a ‘baseline’ evaluation. This will help determine if existing internal standards and procedures are compliant with current regulations/law and identify existing and potential risk areas. After the initial audit, routine audits of high risk areas plus continuous progress checks regarding deficiency correction must be performed. If limited resources (e.g. time, staff) prevent a thorough review, use a ‘sampling’ method for audits. Systems must include follow-up audits and monitoring, particularly for non-compliant areas. Procedural options include informal and formal processes and may incorporate a team approach for best results. Audit findings should be promptly and appropriately communicated within the organization.

Just like strategic plans, corporate compliance plans are only effective if actually followed. Governing bodies will be held accountable for non-compliance, making proper oversight that yields compliance a top priority for CHC Boards. To review the entire series, visit www.okpca.org and click on the home page *Board Bulletin* link.

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