The State of Compliance
2017

From Us

Healthicity

Last year, we set out to learn as much as possible about the state of healthcare compliance. To do so, we conducted a survey of over 1,200 healthcare professionals. Many of you might have even participated in the survey.

The results of that survey are even more interesting than we anticipated. The data reveal how compliance programs are funded, the state of technology in healthcare billing and compliance, the level of satisfaction many of you feel in your chosen careers, and much, much more.

Of course, we all know the importance of running an effective compliance program. They not only meet legal and contractual requirements but also help ensure efficient operations and financial security. And yet, according to respondents, did you know only 88% of organizations have a formal compliance program in place?

Inside, you'll find answers to these questions and others, like how frequently other compliance organizations conduct trainings and how often CO's are meeting with their governing board.

We invite you to sit down, pour through this report and use this insider knowledge to improve your own compliance program in 2017.
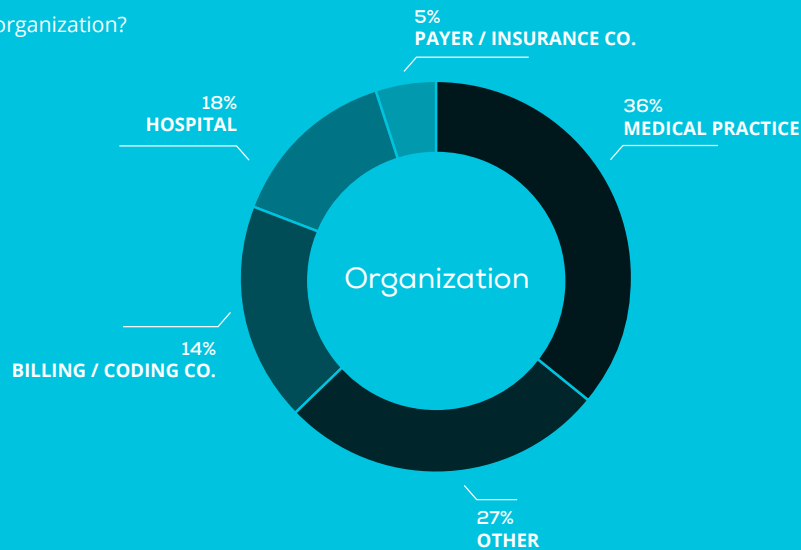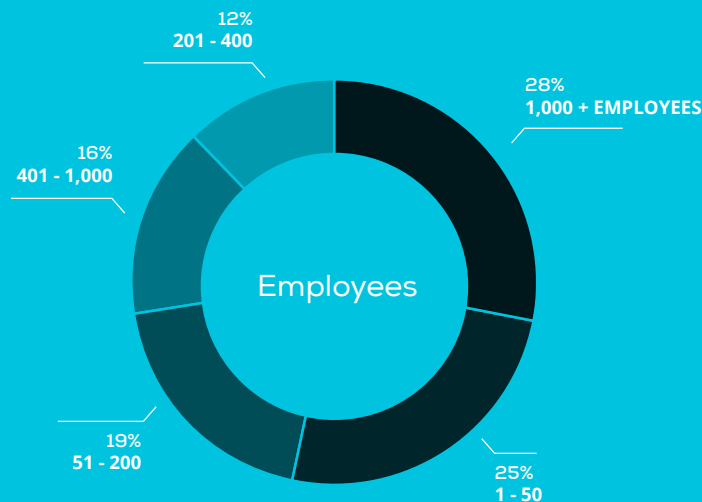
Until next year,
CJ Wolf

Demographics

Which best describes your organization?

5%
PAYER / INSURANCE CO.

18%
HOSPITAL

36%
MEDICAL PRACTICE

14%
BILLING / CODING CO.

Organization

27%
OTHER

What is the size of your organization?

12%
201 - 400

28%
1,000 + EMPLOYEES

16%
401 - 1,000

Employees

19%
51 - 200

25%
1 - 50

How would you best describe your current role / position?

5%
REVENUE CYCLE
MANAGER / DIRECTOR

6%
ADMINISTRATOR

14%
COMPLIANCE MANAGER
/ DIRECTOR / OFFICER

28%
CODER

Role

15%
OTHER

16%
AUDITOR

16%
CODING OR AUDITING
SUPERVISOR / MANAGER
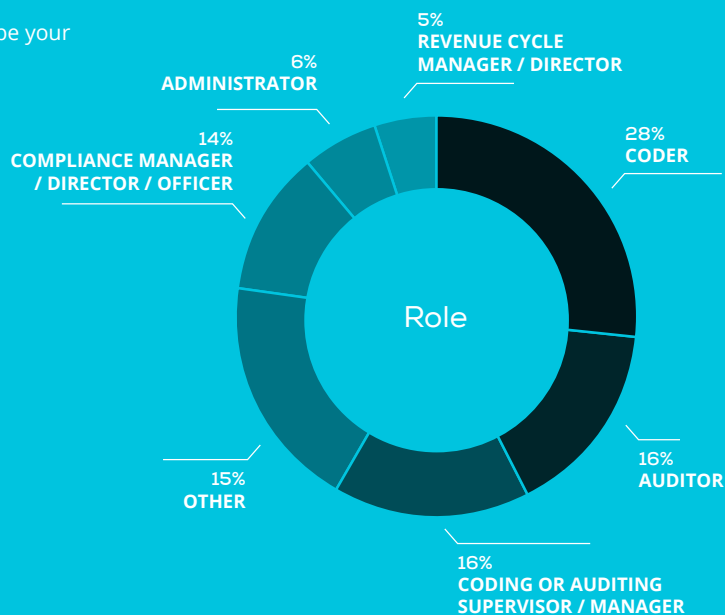
Table of Contents

Compliance

Overview

1. Does your organization have a formal compliance program in place?

Compliance Program

No — 12%

Yes — 88%

Formal Doc.

Yes — 68%
No — 19%
IDK — 13%

Compliance Committee

Yes — 57%
No — 33%
IDK — 10%
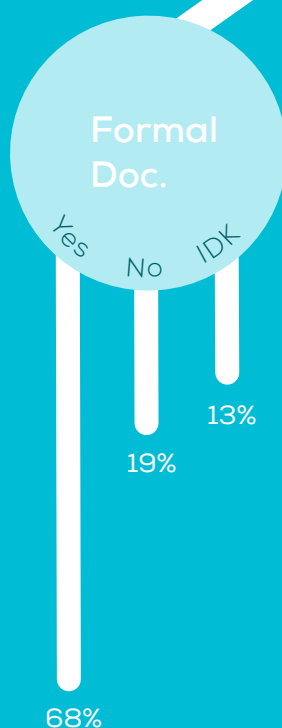
2. Does your compliance program require formal documentation / coding audits of your medical providers?
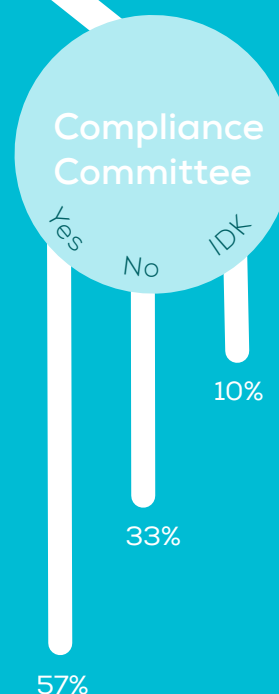
3. Does your organization have a designated compliance committee that oversees medical coding and auditing activities?
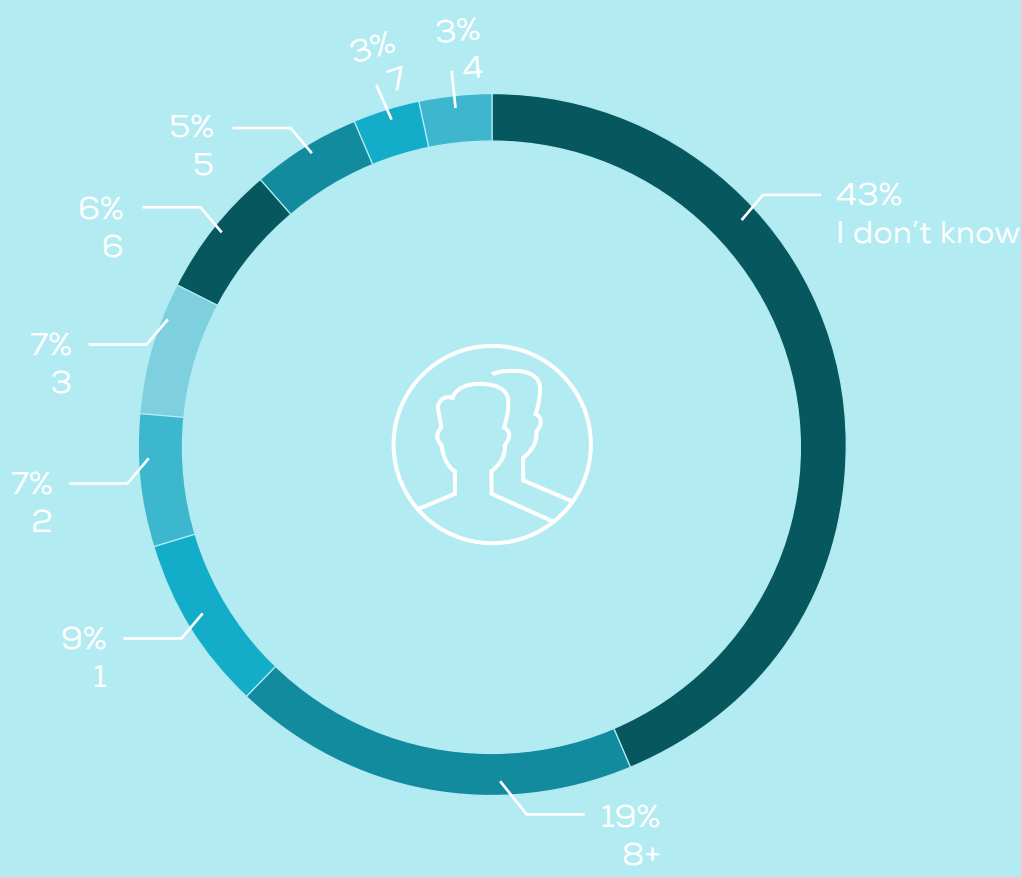
Industry Insights
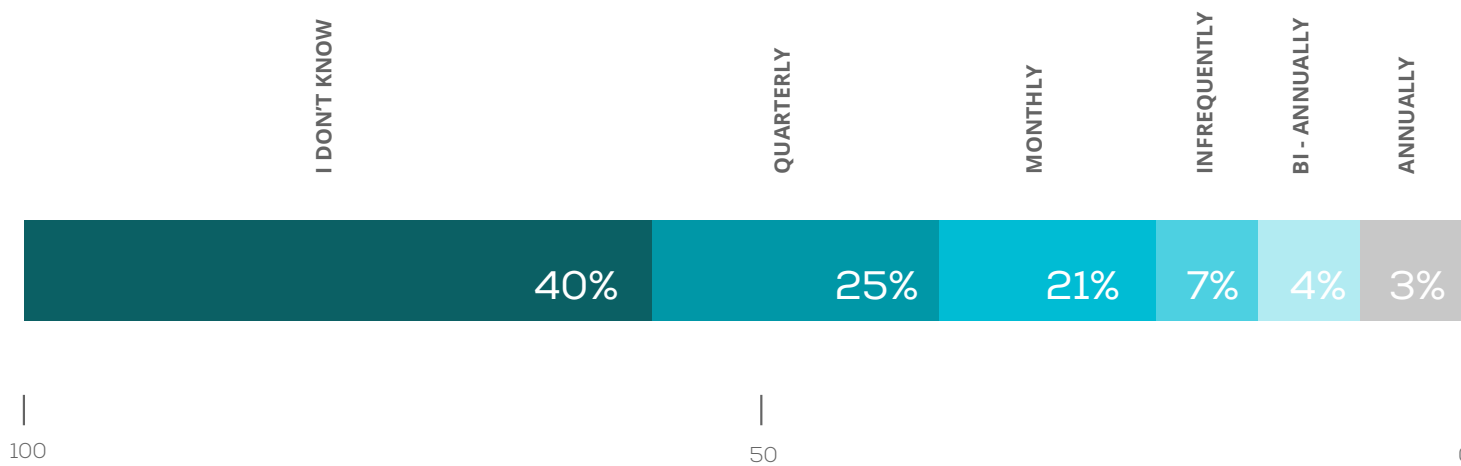
50% of those who answered "no" to having a formal compliance program are from a small physician practice (1-25 physicians). The OIG specifically published program guidelines for individual physicians and small group practices. Just because you're small doesn't mean you are not expected to have a formal program. Also, because you are small, the OIG guidelines allow for great flexibility.

Overview Continued

4. How many individuals are on the compliance committee?

3%
7

3%
4

5%
5

6%
6

7%
3

7%
2

9%
1

43%
I don't know

19%
8+

5. How often does the committee formally meet?

I DON'T KNOW	QUARTERLY	MONTHLY	INFREQUENTLY	BI - ANNUALLY	ANNUALLY
40%	25%	21%	7%	4%	3%

100   50   0

Assessment

6. How many years have you been with your current organization?

51%

20%

13%

11%

5%
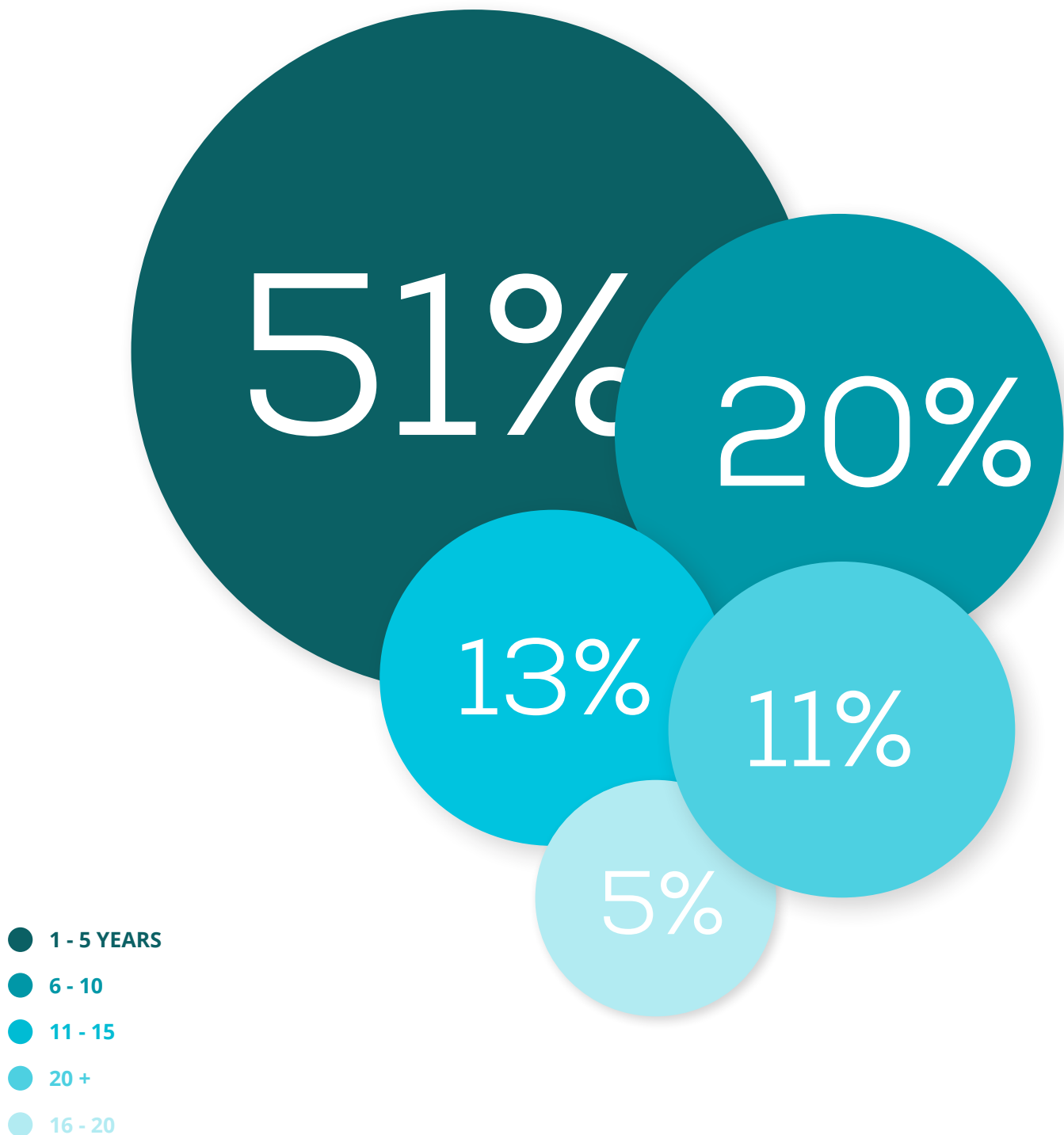
● 1 - 5 YEARS

● 6 - 10

● 11 - 15

● 20 +

● 16 - 20

Assessment Continued

7. In 2017, do you anticipate leaving your current organization or its compliance department?

NO

YES

15%

85%
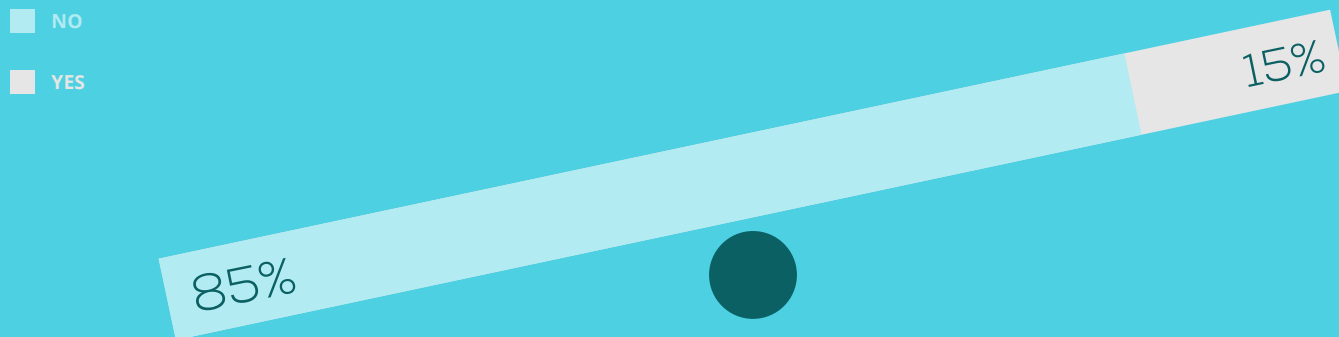
Of those who answered "yes," 89% are either very happy or somewhat happy in the field of compliance. Additionally, 59% have been with their current organization 1-5 years. This may suggest that respondents who plan to leave their current organization or compliance department are newer employees who are happy in the field of compliance. Therefore, it can be inferred that they'd like to leave their job for career growth opportunities. For newer employees in your compliance department, keeping them happy and fulfilled might reduce turnover.

8. How happy are you working in the field of compliance?

VERY HAPPY

SOMEWHAT HAPPY

UNHAPPY

51%

43%

5%
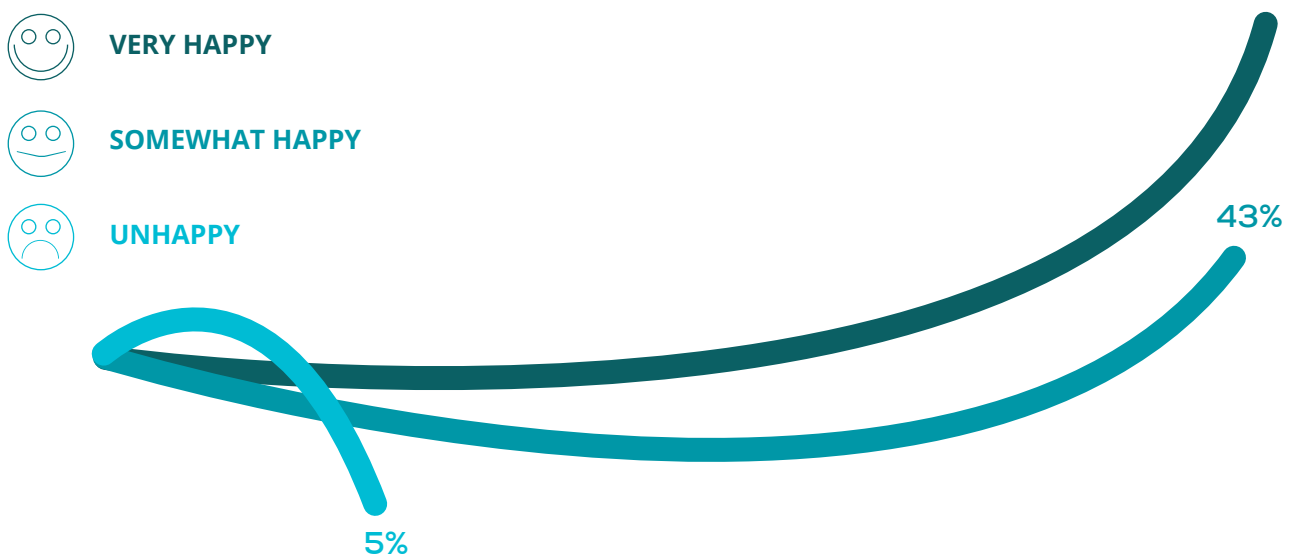
Drilldown

Length of time with an organization does not appear to affect how happy compliance professionals are. The trends for "unhappy, somewhat happy and very happy" seem to be consistent regardless of how many years an individual has been with an organization.

Operations

Managing a compliance program is no easy task. It's a challenge to stay current in an industry that is constantly evolving. In this section, you'll get a feel for how other compliance professionals stay on top of new regulations and rulings and what resources they turn to for their compliance information. You'll also see how frequently your peers interact with their governing board and how often organizations conduct compliance trainings.

11. In 2017, how many times do you anticipate your Chief Compliance Officer will meet with your organization's governing board or highest authority?

39%	28%	8%	8%	7%	6%	4%
I DON'T KNOW	4	1	2	0	OTHER	3
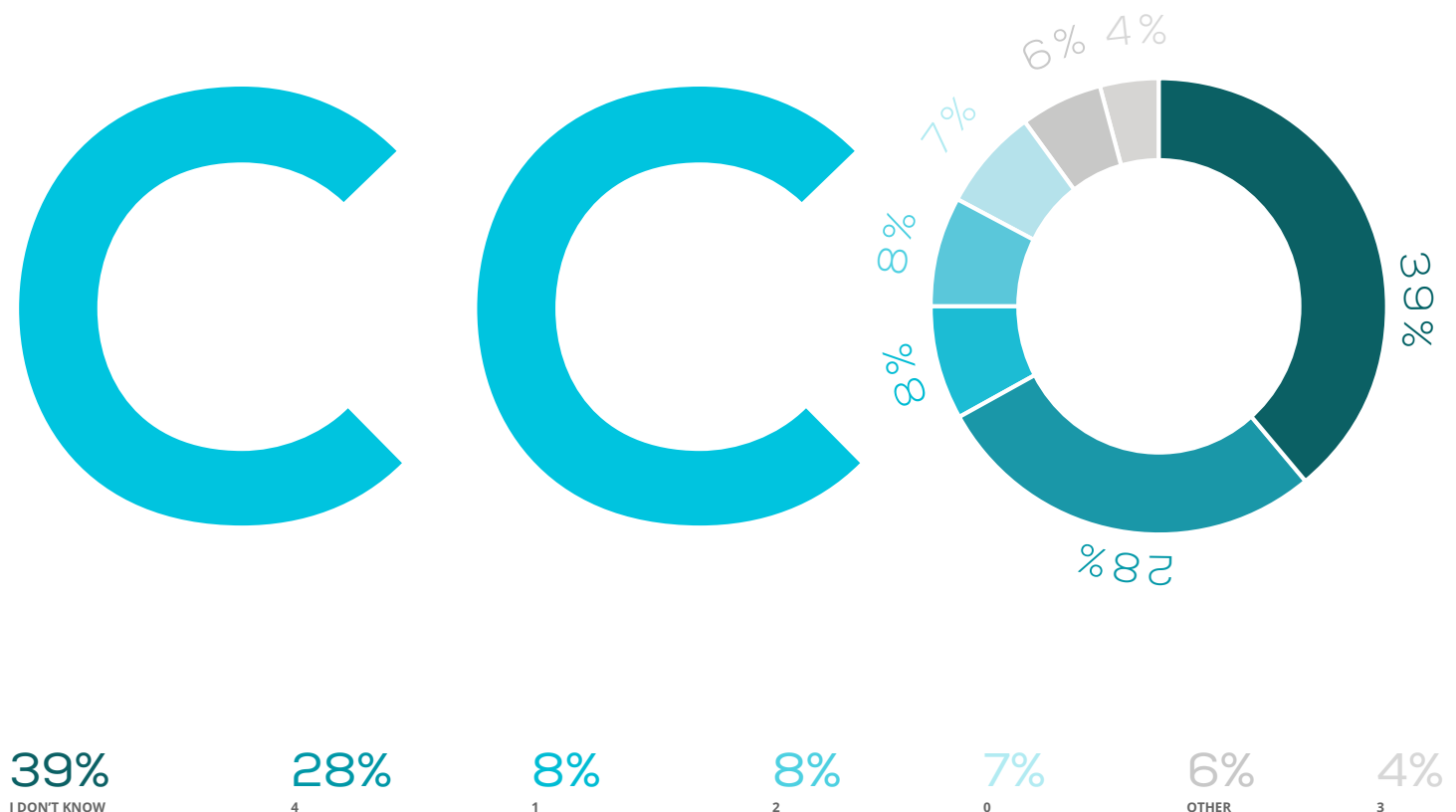
Operations Continued

9. In 2017, do you anticipate your organization's compliance budget will:
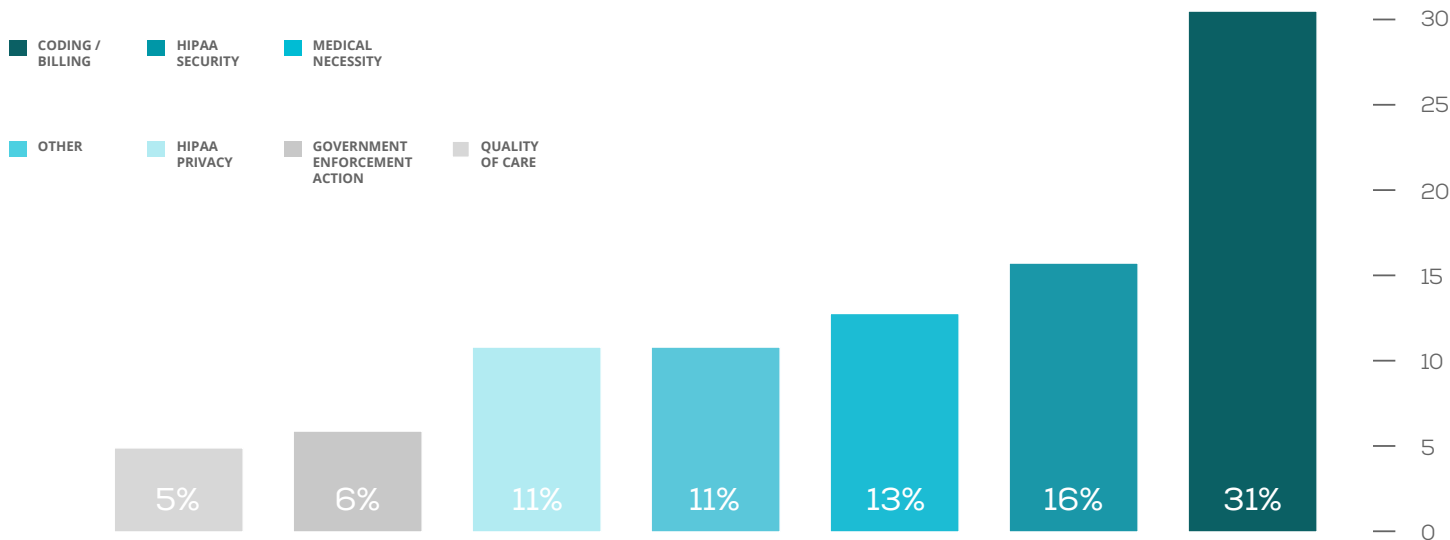
5%
DECREASE <10%

4%
DECREASE >10%

60%
NO CHANGE

18%
INCREASE <10%

13%
INCREASE >10%
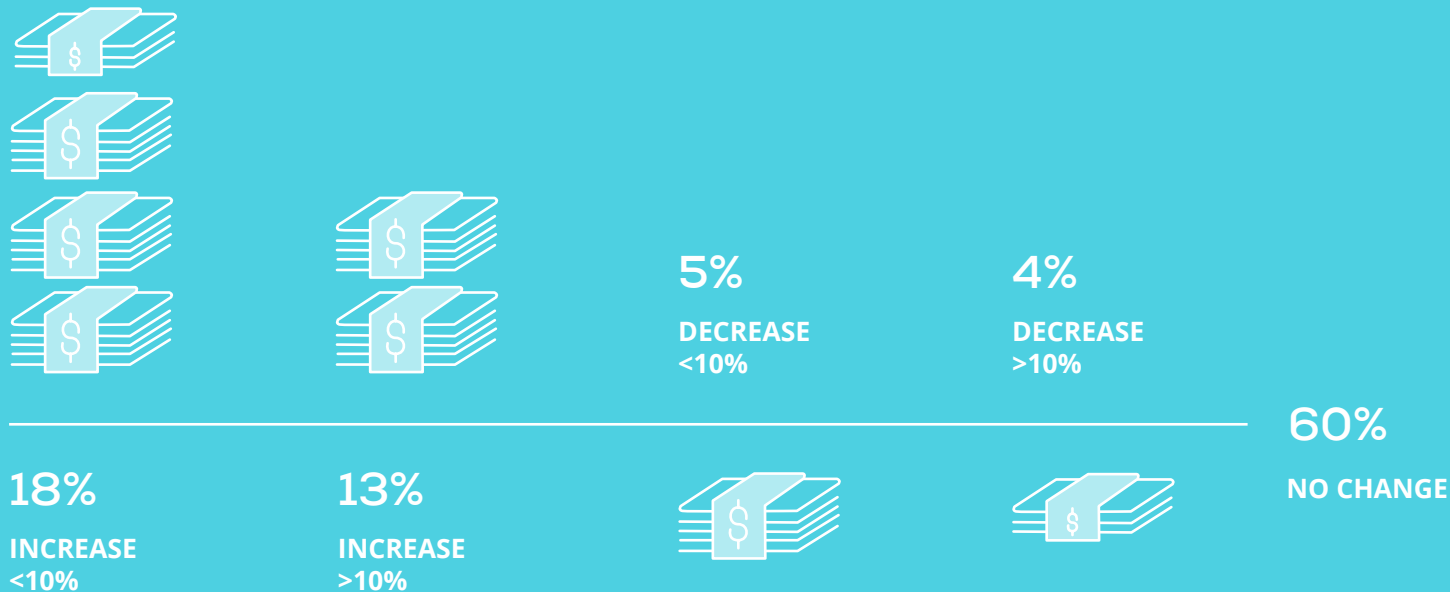
91% of respondents' compliance budgets will either stay the same or increase. This is a positive trend, suggesting that funding for compliance programs in general will not decrease.

10. Which presents the greatest compliance risk to your organization this year?

- CODING / BILLING
- HIPAA SECURITY
- MEDICAL NECESSITY
- OTHER
- HIPAA PRIVACY
- GOVERNMENT ENFORCEMENT ACTION
- QUALITY OF CARE

| 5% | 6% | 11% | 11% | 13% | 16% | 31% |

Compliance risks are varied, so it's no surprise that the 4th greatest compliance risk was "other." The number 1 risk under "other" was "documentation," though the possibility of new legislation is also a contributing factor.

Operations Continued

12. For 2017, which resource do you anticipate relying upon most for your compliance information:

44% GOVERNMENT WEBSITES / DOCUMENTS

32% PROFESSIONAL SOCIETY MEMBERSHIP / WEBSITES

6% OTHER

IN - PERSON CONFERENCES
3%

OUTSIDE COUNSEL
3%

EXTERNAL CONSULTANTS
2%

THOUGHT LEADERS' COMPLIMENTARY WEBINARS, PODCASTS, BLOGS, WHITE PAPERS, ETC.
10%
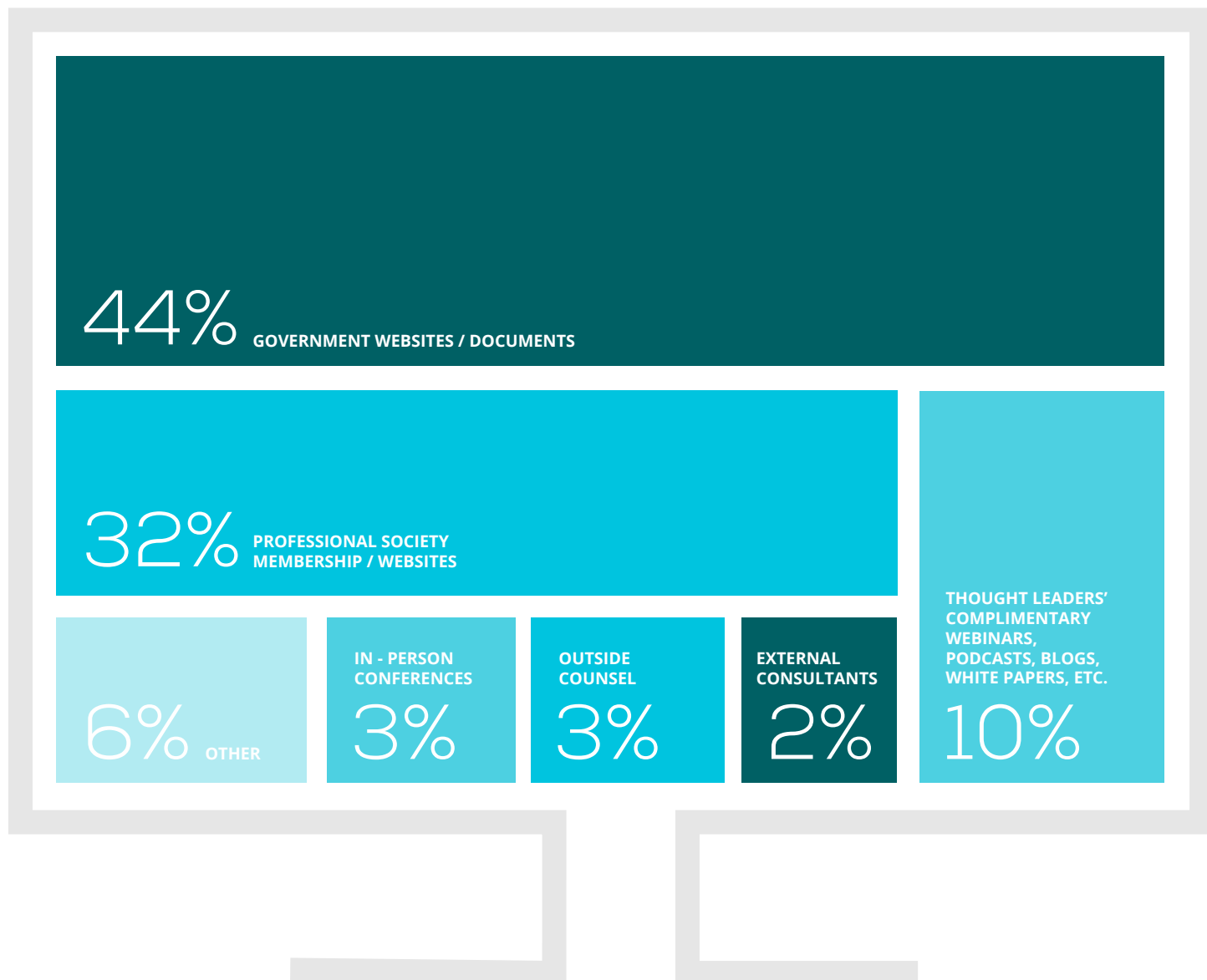
Industry Insights

The survey results suggest that the greatest challenge compliance programs will face in 2017 is keeping current with an ever-increasing volume of laws and regulations. Similarly, most answering the survey suggest government websites are their primary resource for compliance information. Some publications, such as OIG's Special Fraud Alerts, audit and inspection reports, and Advisory Opinions are readily available from the OIG and can provide a basis for educational courses and programs for physician practice employees.

13. About what percentage of your organization's workforce will complete at least 1 hour of accumulative compliance training for the year?

2017

90-100%	0-50%	76-90%	51-75%
53%	30%	10%	7%
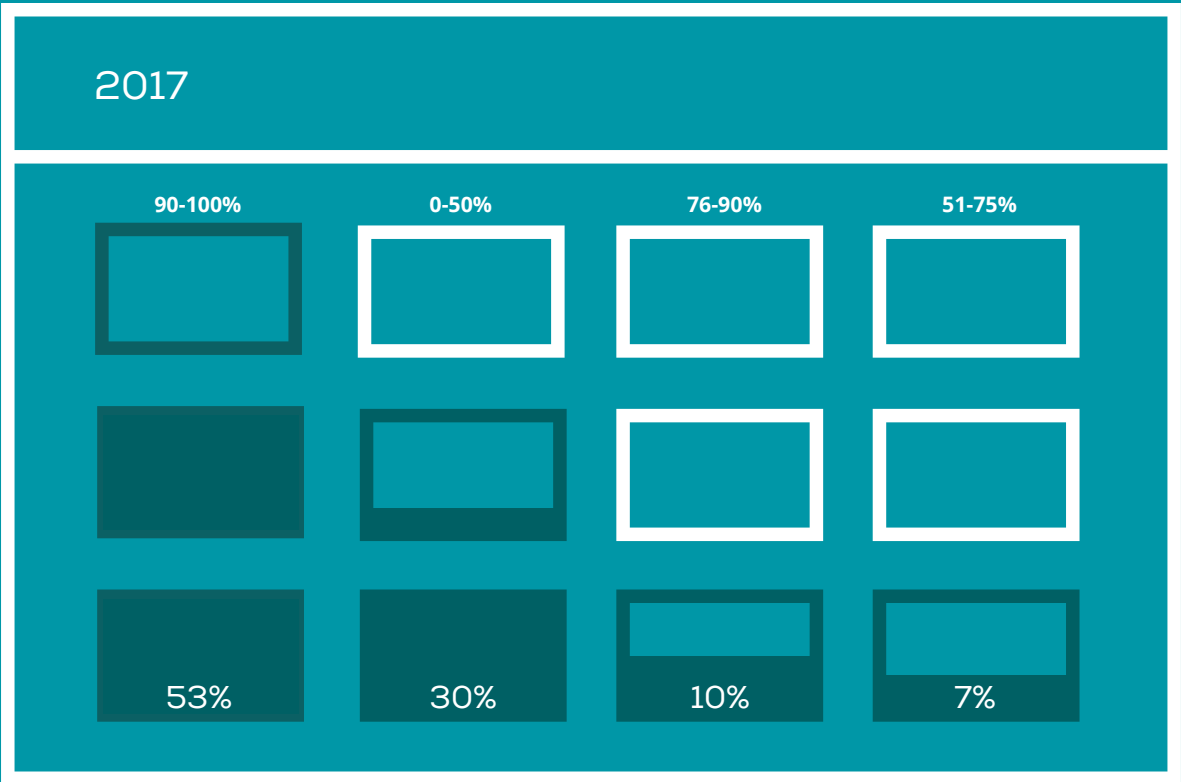
14. About what percentage of your organization's workforce will complete more than 1 hour of accumulative compliance training for the year?

2017

0-50%	26-50%	51-75%	76-100%
45%	33%	12%	11%
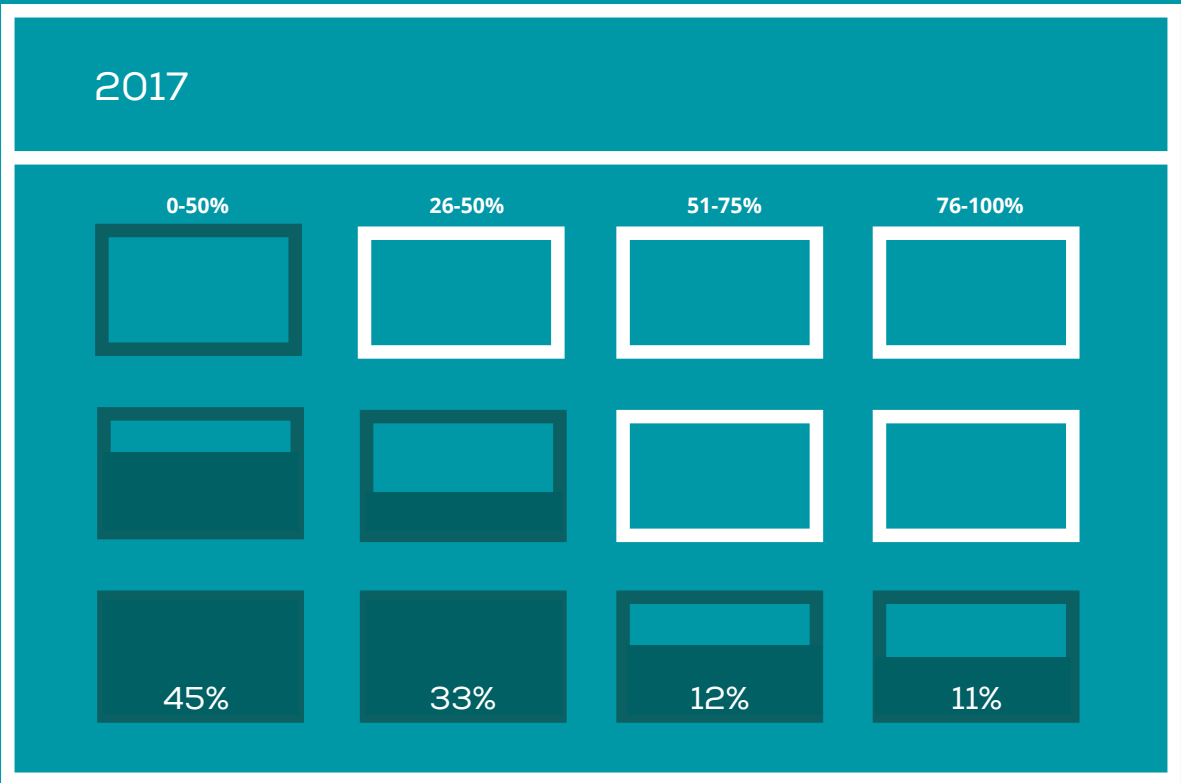
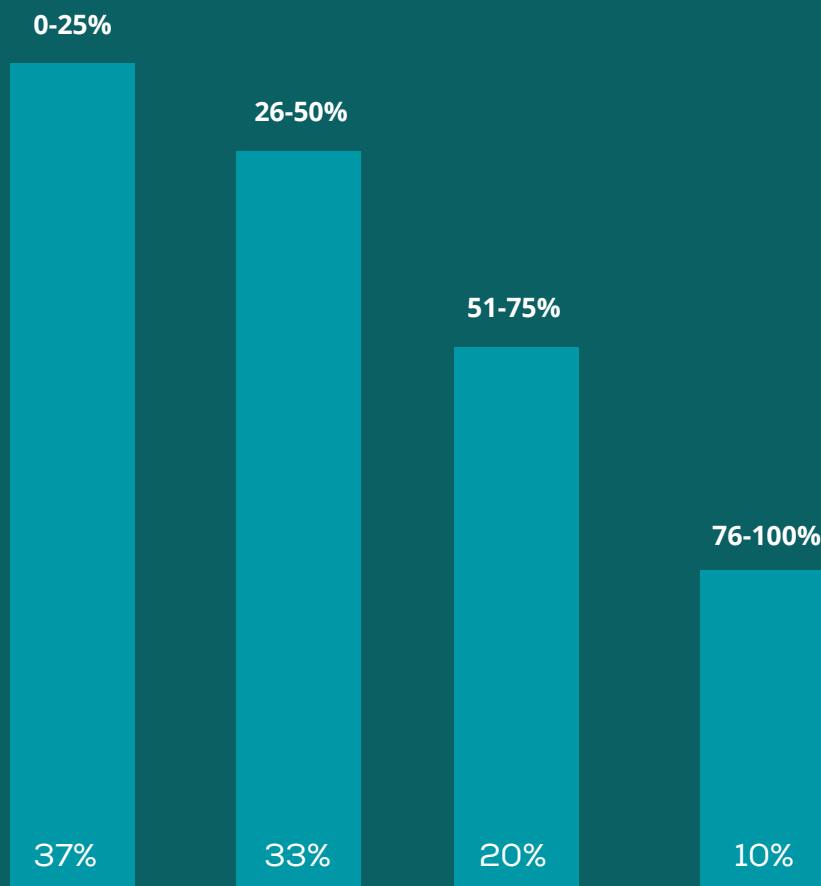# Operations Continued

15. What percentage of your compliance program's time do you anticipate will be devoted to training efforts?

0-25%

26-50%

51-75%

76-100%
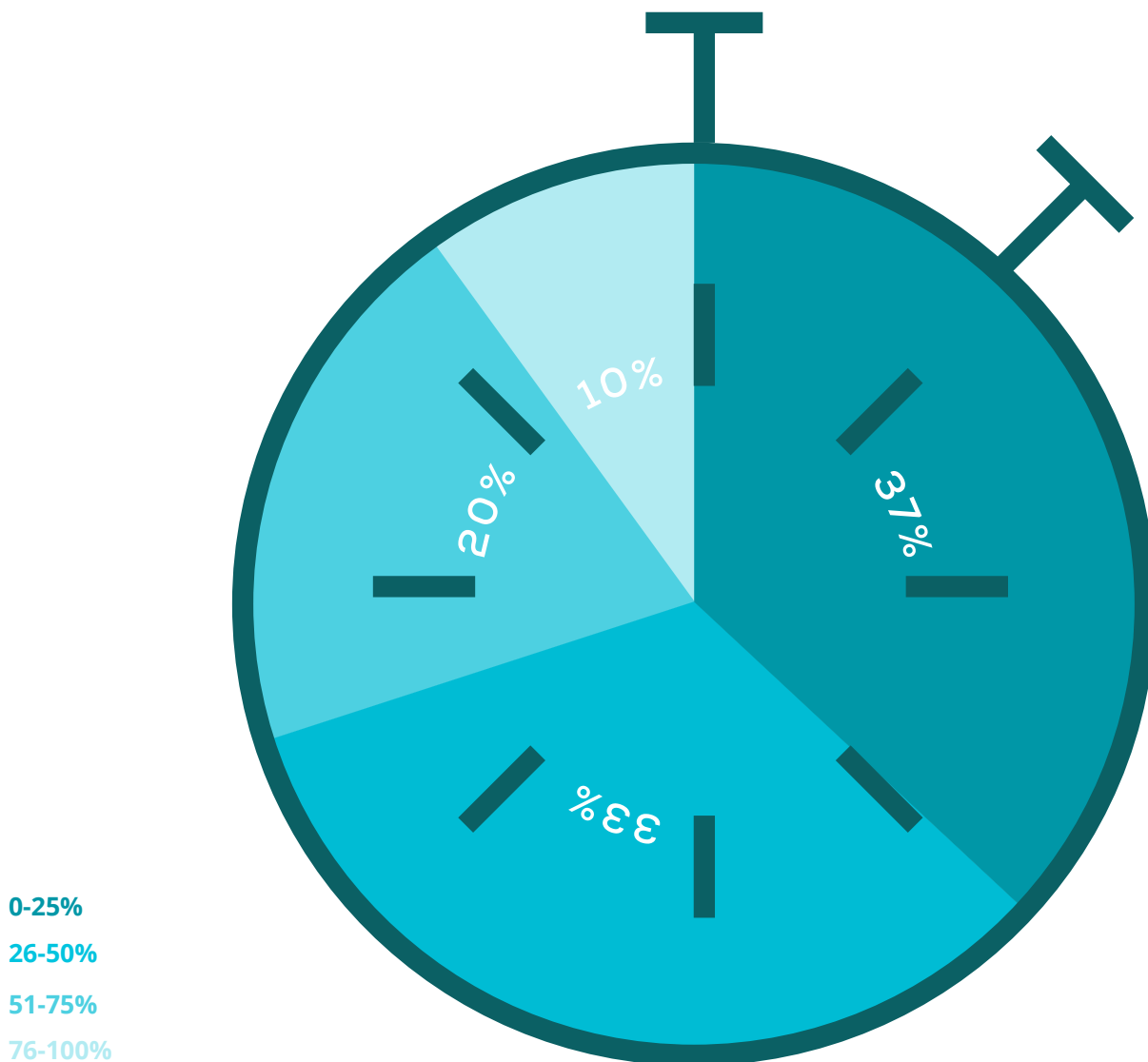
Monitoring

16. What percentage of your compliance program's time do you anticipate will be devoted to Auditing and Monitoring?

0-25%	26-50%	51-75%	76-100%
37%	33%	20%	10%

17. Based on previous years, how many incidents of non-compliance do you anticipate being reported to, or discovered by, your compliance program for 2017?

51-100	100+	26-50	11-25	0-10
3%	5%	6%	15%	70%
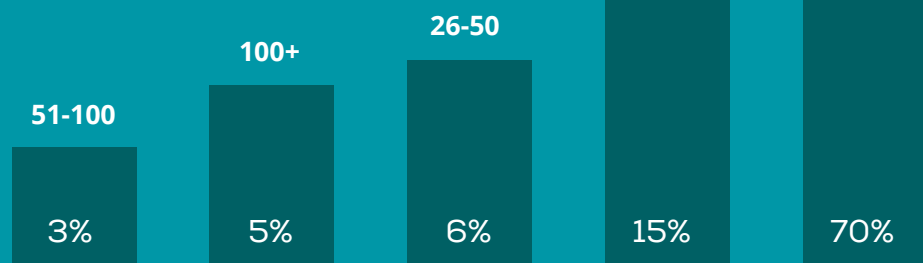
Monitoring Continued

18. Which of the following drivers do you consider the most important when determining the priority for your compliance program's 2017 planned audits:

2017 Compliance Program

34%
OIG Work Plan

5%
Hotline / Prior reported incidents

26%
Organizational / System mandates or requirements

6%
Other

6%
Input from board or executive leadership

11%
Past Audits

12%
Local government agency
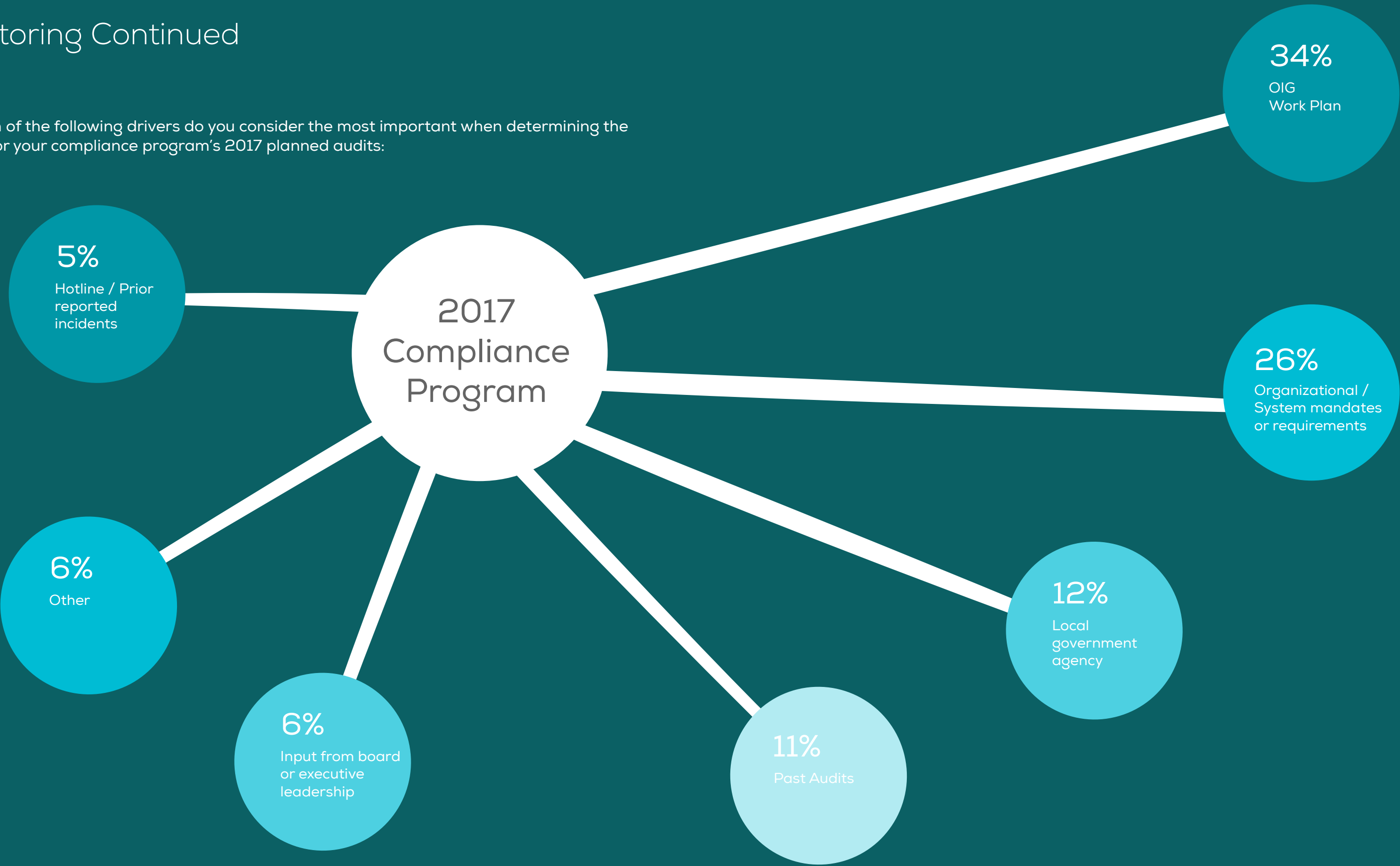
Monitoring Continued

19. What do you anticipate being your single greatest challenge in managing a compliance program in 2017?

3%
COMPLIANCE EMPLOYEE TURNOVER OR DIFFICULTY RECRUITING QUALIFIED COMPLIANCE PROFESSIONALS

9%
UNSUPPORTIVE EXECUTIVE / ORGANIZATIONAL LEADERSHIP OR CULTURE

20%
NOT ENOUGH RESOURCES DEDICATED TO COMPLIANCE

14%
PROVIDING TIMELY AND EFFECTIVE FEEDBACK

41%

41%
KEEPING CURRENT WITH THE INCREASING VOLUME OF LAWS AND REGULATIONS

6%
OTHER

8%
TRACKING COMPLIANCE PROGRAM ACTIVITIES, HOTLINE, TRAINING AND / OR OTHER DATA

Thank You

We hope you found our first annual report to be an informative, insightful, and, with any luck, fun read. Whether you identified areas for improvement or areas where you already excel (or a bit of both), know that just by being informed you're staying ahead of the curve.

A special thanks to those of you who participated in the survey and made this report possible. Because of your participation we've had the opportunity to share so much important knowledge with so many. We're already excited to get started on next year's report.

Credits

In order to bring you this report, Healthicity teamed up with AAPC to survey over 1,200 coding, auditing, compliance, and healthcare executives in the United States. All data was collected during the final quarter of 2016. Questions and Insights written by Daniel Schwebach and CJ Wolf.

1 ULTIMATE COMPLIANCE & AUDITING REPORT

143 PRODUCTION HOURS

50 QUESTIONS

1,252 HEALTHCARE PROFESSIONALS

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