Healthicity
Find Simplicity

The State of Compliance
2018

Introduction

2018 Trends in Compliance

The number of government settlements of non-compliance is on the rise. That's why adoption and implementation of an effective compliance program are so important. A formal compliance program significantly advances the prevention of fraud, waste, and abuse while at the same time furthering the fundamental mission of all healthcare organizations: Provide quality care to patients with a high ROI. 89% of compliance professionals reported that their organization has a formal compliance program in place and 78% require formal documentation of coding audits of medical providers. From this, we can deduce that at least 11% of organizations are at risk without a formal compliance program.

Improving the management of your compliance program is necessary to protect your organization and reduce your risk in the face of a government audit. In this section, you'll find an overview of the national compliance landscape and an in-depth look into how compliance experts are currently managing their programs.

Find out how frequently your peers are conducting trainings and how often CCO's are meeting with their governing board. Use this section to improve, adjust, and tackle compliance with brand new eyes.

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Overview

89% of respondents reported that their organization currently has a formal compliance program in place, an increase of 5% from 2017, which is good news in the face of ever increasing enforcement actions. 78% of survey respondents reported that their organization requires formal documentation in their compliance program, a 10% increase from 2017. And 69% of respondents reported that their organization had a designated compliance committee that oversees medical coding and auditing activities, a 12% increase from 2017.

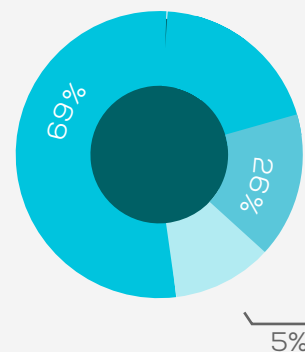## 1. Does your organization have a formal compliance program in place?

89%
6%
2%
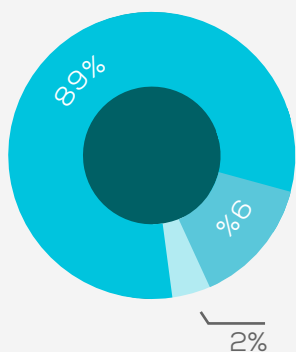
2. Does your compliance program require formal documentation/coding audits of your medical providers?

78%
15%
7%
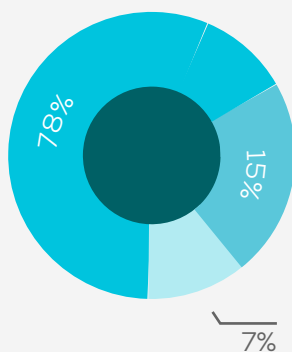
3. Does your organization have a designated compliance committee that oversees medical coding and auditing activities?

69%
26%
5%

● **YES** ● **NO** ● **IDK**
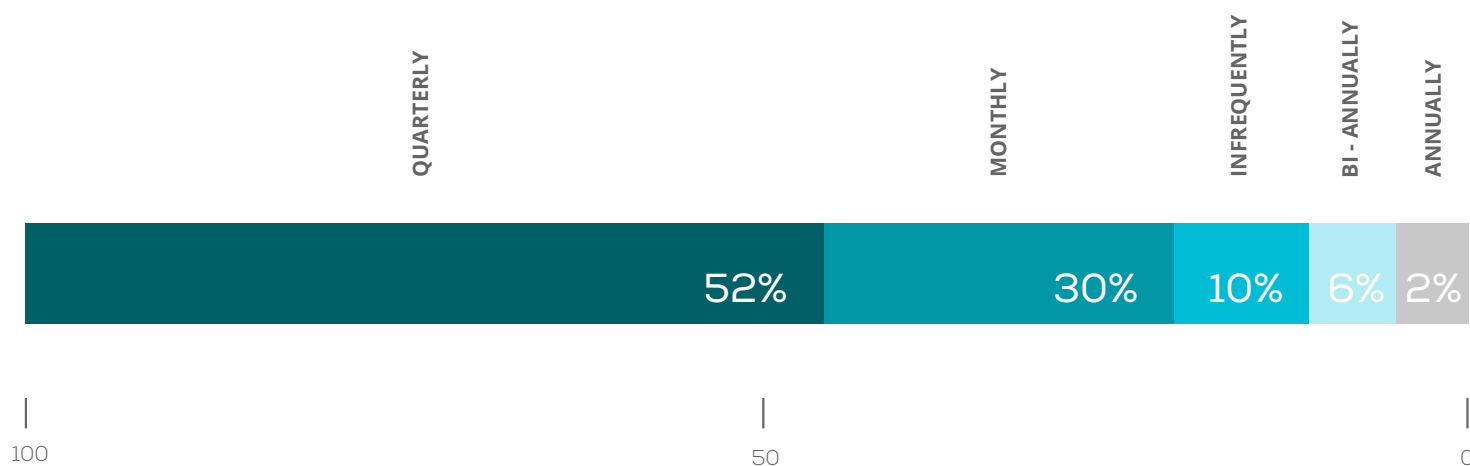
Industry Insights

89% of organizations reported that they have a formal compliance program in place but only 78% of them reported that their program required formal documentation/coding audits of medical providers. What then is considered a "formal" program if they're not requiring a very crucial component as formal documentation or coding audits?

Overview Continued

4. How many individuals are on the compliance committee?

9%

9%

10%

10%

11%

10%

4%

36%

5. How often does the committee formally meet?

QUARTERLY		MONTHLY	INFREQUENTLY	BI - ANNUALLY	ANNUALLY
	52%	30%	10%	6%	2%

100   50   0

Assessment

40% of respondents have been with their organization for 1-5 years, 22% for 6-10 years, and 15% for twenty plus years. 88% of respondents are not looking to change jobs this year, a 3% decrease from last year. The data suggests that the bulk of compliance officers are new. Every year, we can probably expect a small percentage of employees to seek advancement elsewhere as they've gained yet another year of experience. In order to retain employees for the long term, be sure to provide them with career growth opportunities and the full support of the executive team within your organization.

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

22% **15%** **14%** **40%** **9%**

- ● **1 - 5 YEARS**
- ● **6 - 10 YEARS**
- ● **20 + YEARS**
- ● 11 - 15
- ● 16 - 20
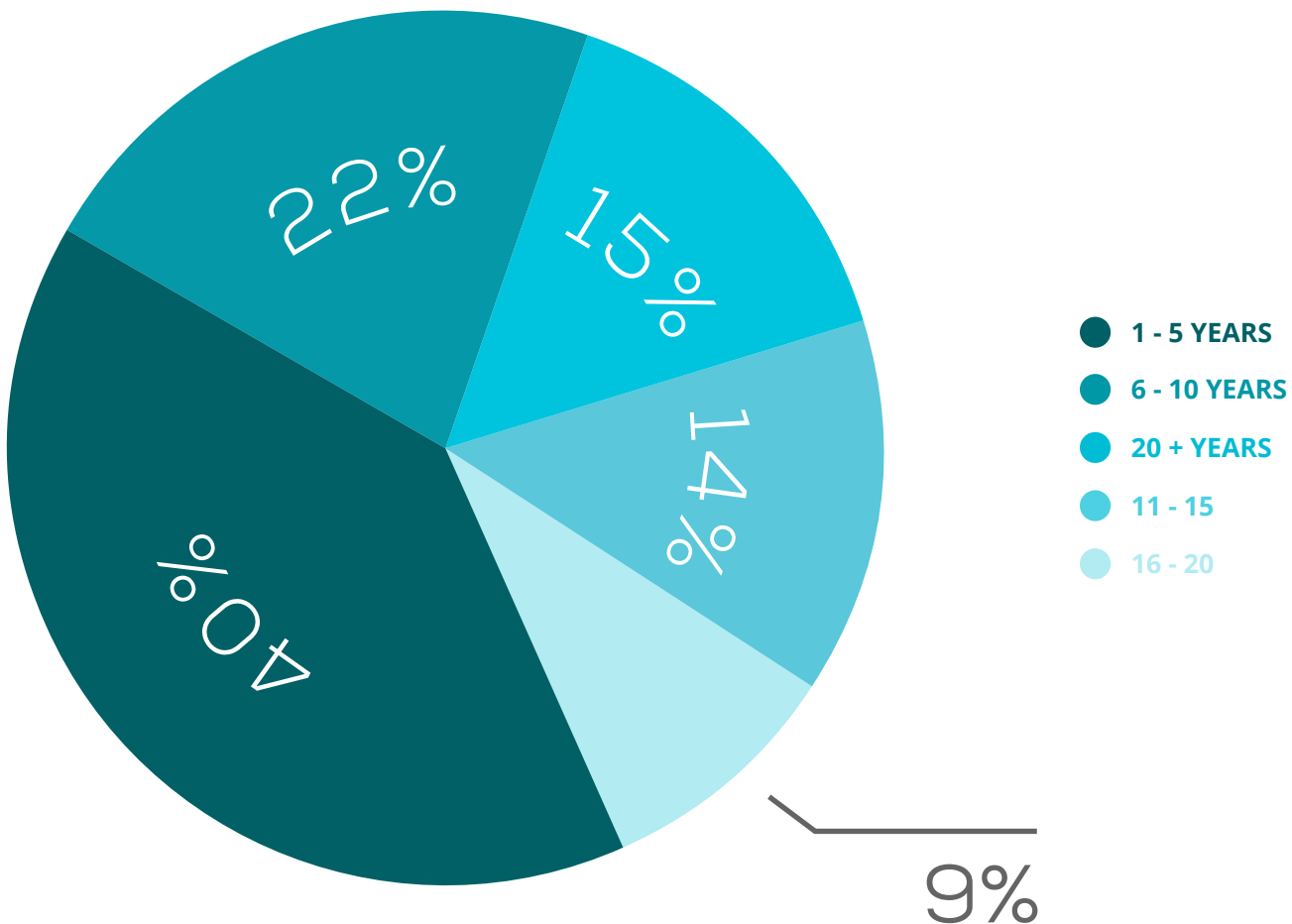
Drilldown

40% of compliance professionals are new to their organization, which could imply that compliance is growing and more entry-level professionals are entering the industry. We could also deduce that more jobs are opening for compliance professionals in organizations.

Assessment Continued

7. In 2018, do you anticipate leaving your current organization or its compliance department?

█ **NO**

█ **YES**

88%	12%

More than one-third (41%) of those who plan to leave their job reported being either unsupported by leadership or lacking the necessary resources to do their jobs as their number one on-the-job challenge. This may suggest that while compliance continues to grow as both a profession and a department of importance, some organizations are still losing top talent because of poor organizational structure and/or culture.

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

**VERY HAPPY** — 62%

SOMEWHAT HAPPY — 36%

UNHAPPY — 2%
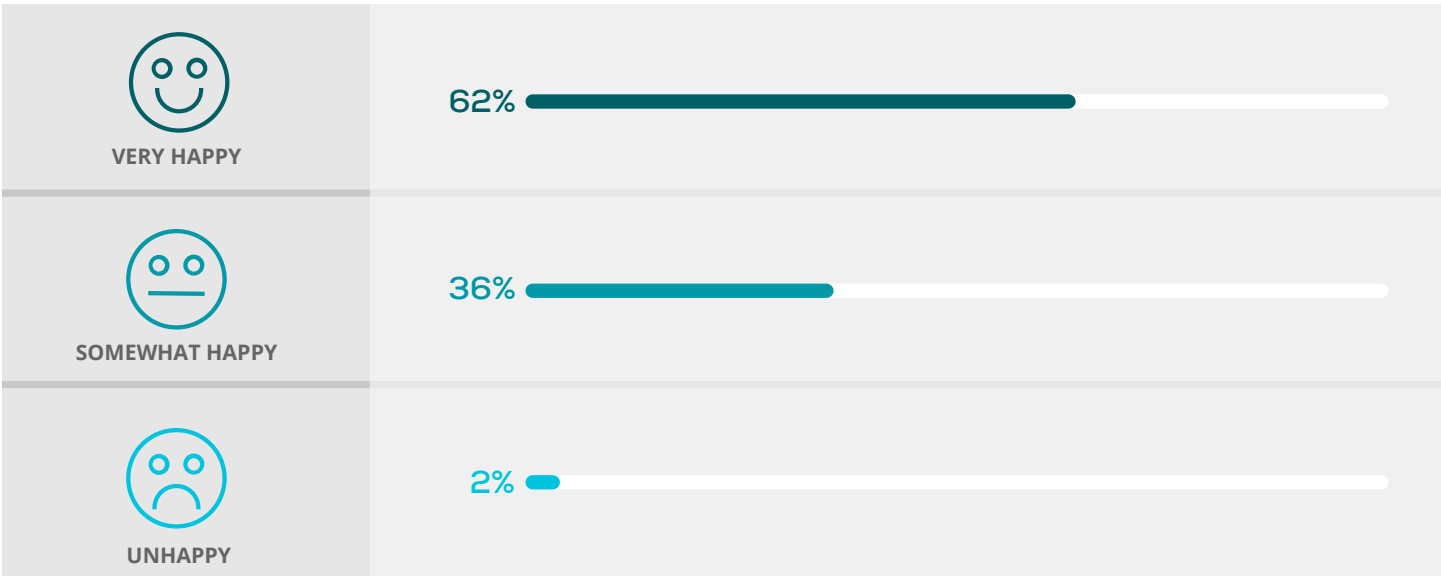
The good news is that this year we saw an 11% rise in job satisfaction among compliance professionals. So while some organizations still don't value the field of compliance as much as we'd like to see, the employees of those organizations are moving on to greener pastures and finding happiness in their work.

Operations

You have to continually evolve to be an effective compliance professional. In this section, you'll see exactly how your peers stay on top of new regulations and rulings and what resources they use to stay informed. You can also see how frequently other compliance professionals interact with their governing board, and how often organizations conduct compliance trainings. You'll finally have a way to benchmark your own compliance efforts against that of your peers.

9. In 2018, how many times do you anticipate your Chief Compliance Officer will meet with your organization's governing board or highest authority?


- 0
- 1
- 2
- 3
- 4
- 3
- 12

5%
9%
10%
8%
40%
9%
19%
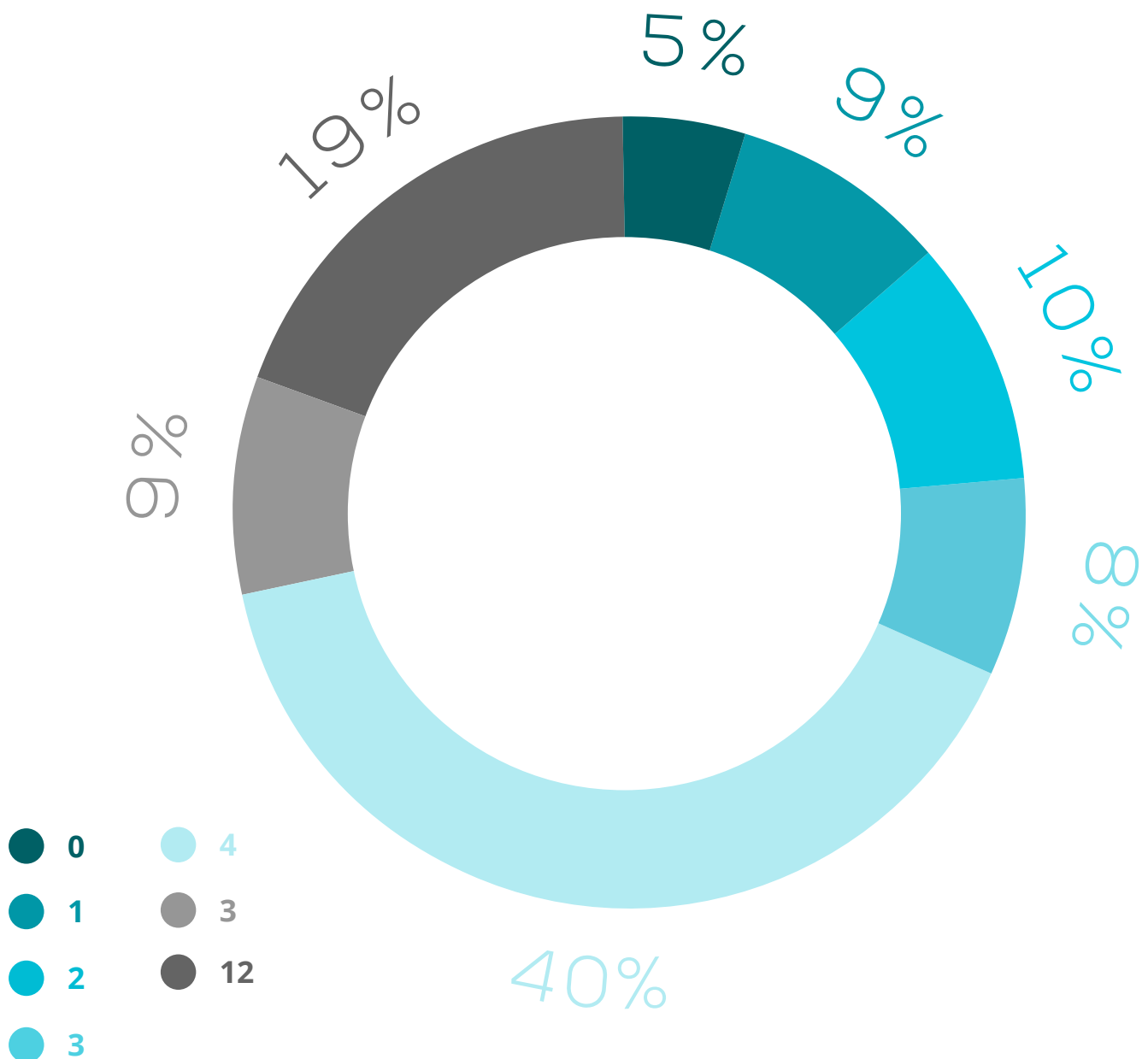
Operations Continued

10. In 2018, do you anticipate your organization's compliance budget will:

6%
DECREASE <10%

4%
DECREASE >10%

57%
NO CHANGE
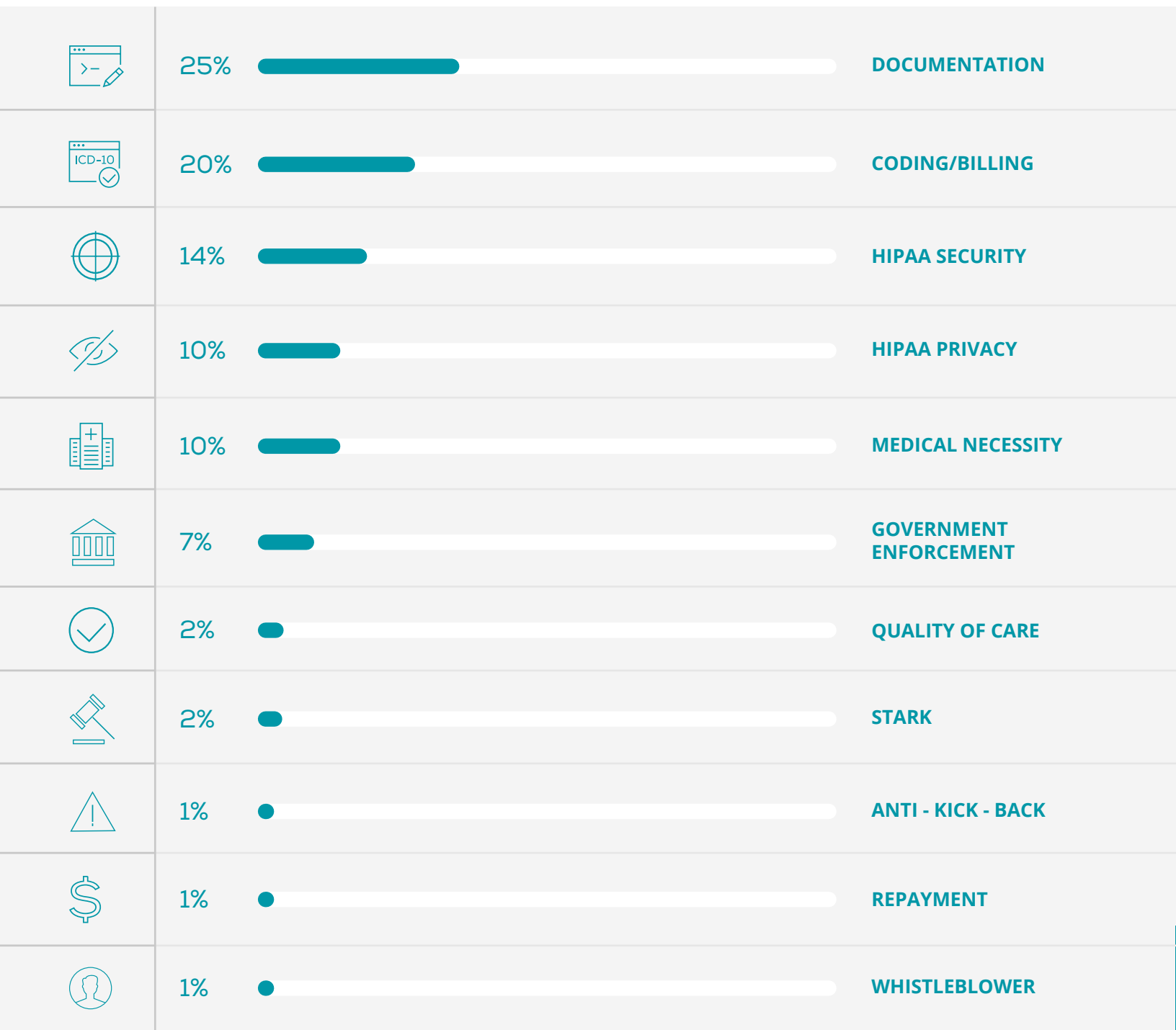
21%
INCREASE <10%

12%
INCREASE >10%

33% of compliance professionals are expecting their budgets to increase in 2018. Meaning, that their organizations see enough value in compliance to put significantly more money into it. That's a 2% increase from 2017.

On average, respondents had eight total full-time employees devoted to compliance activities in their organization.

8

DEDICATED FULL-TIME EMPLOYEES
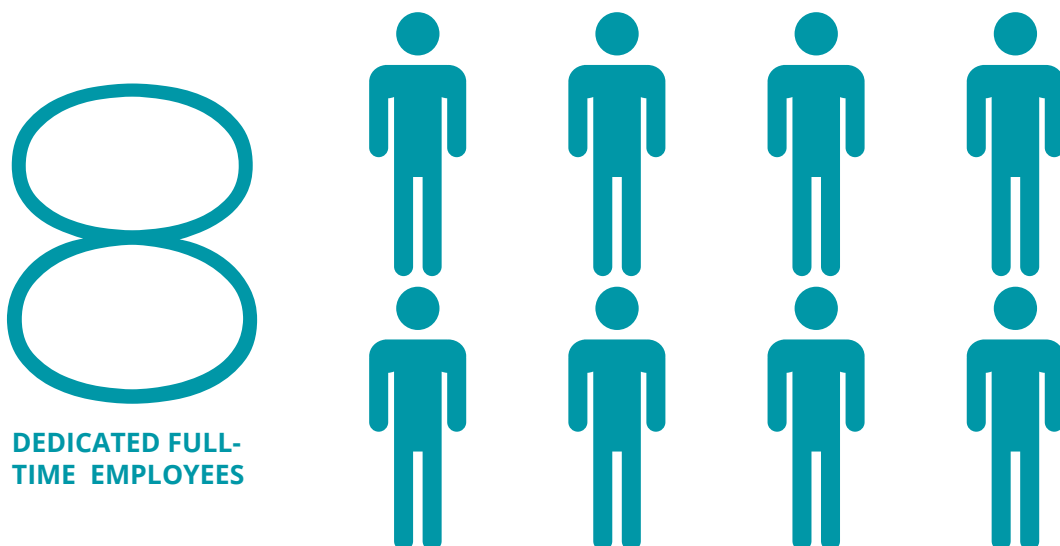
Operations Continued

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

|		
25%	███████████	**DOCUMENTATION**
20%	█████████	**CODING/BILLING**
14%	██████	**HIPAA SECURITY**
10%	████	**HIPAA PRIVACY**
10%	████	**MEDICAL NECESSITY**
7%	███	**GOVERNMENT ENFORCEMENT**
2%	█	**QUALITY OF CARE**
2%	█	**STARK**
1%	•	**ANTI - KICK - BACK**
1%	•	**REPAYMENT**
1%	•	**WHISTLEBLOWER**

25% of compliance professionals reported that their greatest compliance risk in 2018 is documentation. 20% reported their biggest risks would be coding/billing. This is interesting because 15% of compliance professionals reported that their organization doesn't require formal documentation/coding audits of providers.
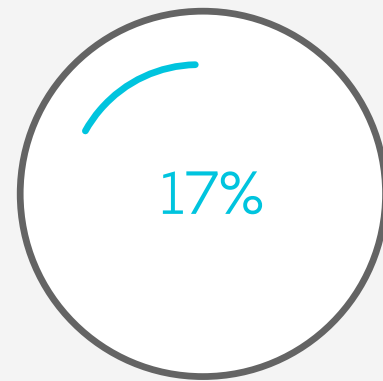
Operations Continued

13. For 2018, which resource do you anticipate relying upon most for your compliance information?
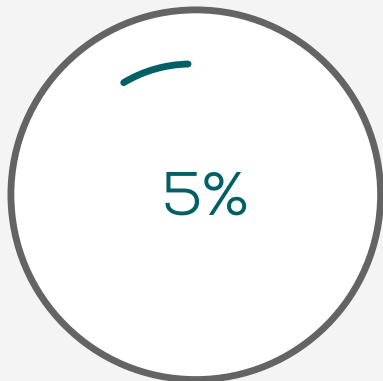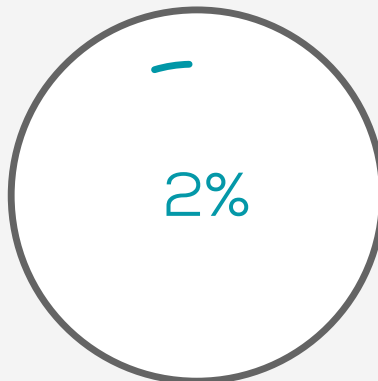
57%

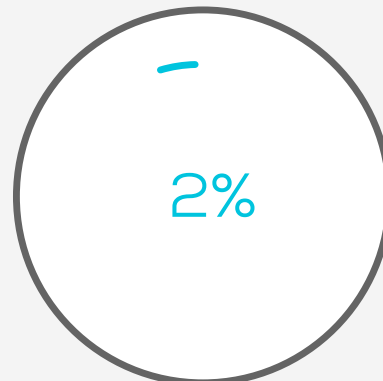**ALL OF THE ABOVE**

17%
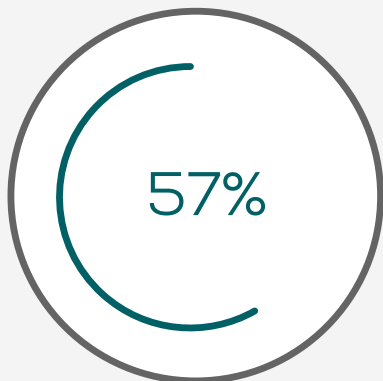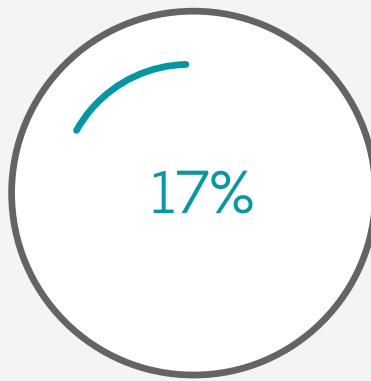
PROFESSIONAL SOCIETY MEMBERSHIP/WEBSITES

17%

GOVERNMENT WEBSITES/DOCUMENTS

5%

THOUGHT-LEADERSHIP COMPLIMENTARY WEBINARS, PODCASTS, ETC.

2%

IN - PERSON CONFERENCES

2%

EXTERNAL CONSULTANTS

Pro Tip

One of the greatest challenges that compliance professionals face is staying up-to-date with rules and regulations. 57% of respondents reported that they use a combination of professional societies, government websites, complimentary webinars, and podcasts to keep current. Healthicity boasts one of the largest free thought-leadership libraries for compliance professionals out there. From our Resource Center, you can listen to podcasts, watch on-demand webinars, and read eBriefs. Visit Healthicity.com/resources for all of your compliance knowledge.

Operations Continued

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

0-50%	51-75%	76-90%	91-100%
21%	11%	7%	61%
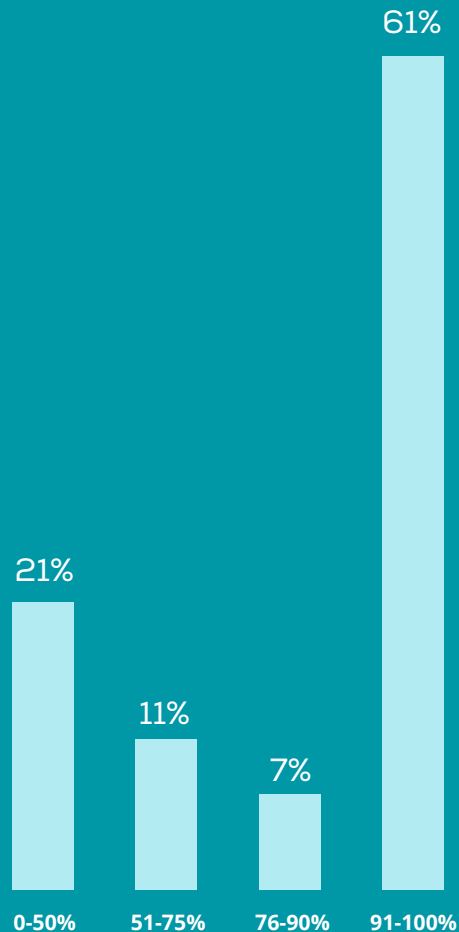
15. About what percentage of your organization's workforce will complete **more than 1 hour** of accumulative compliance training for the year?

0-50%	51-75%	76-90%	91-100%
41%	13%	9%	37%
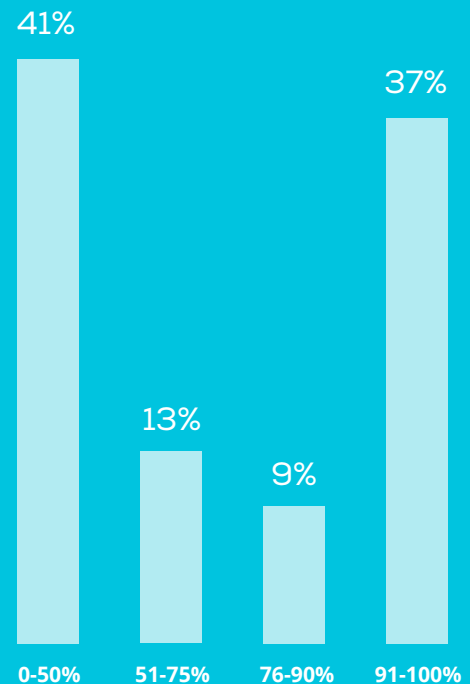
15. What percentage of your compliance program's time do you anticipate will be devoted to training efforts?

| 0-25%	26-50%	51-75%	76-100%
44%	39%	13%	4%
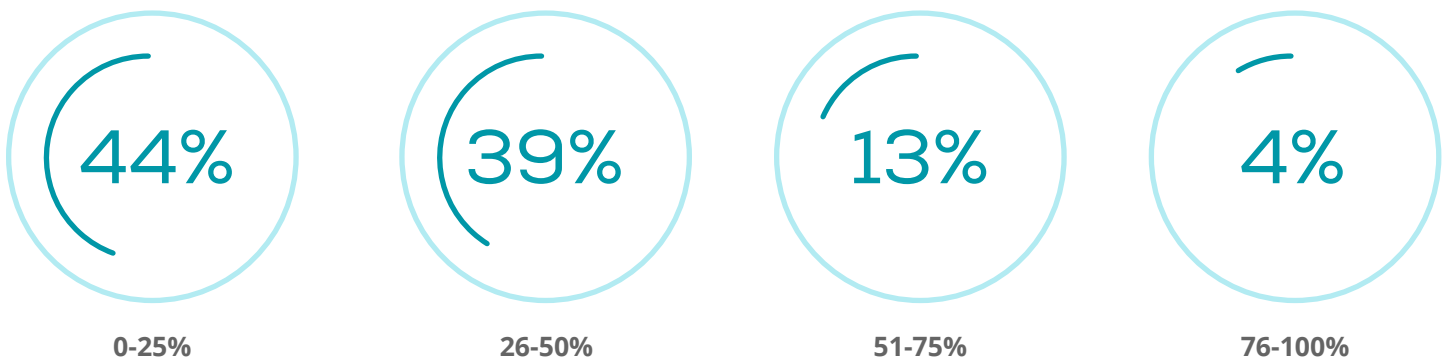
(PERCENTAGE OF TIME DEVOTED)

Monitoring

Knowledge is power–especially when you're a compliance professional. Laws and regulations are constantly changing and it's impossible to mitigate risks when you're out of touch or uninformed. So, it comes as no surprise that 40% of compliance professionals reported that keeping current with laws and regulations will be their greatest challenge of 2018.

61%

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

9%

25%

26%

40%

- 0-25%
- 26-50%
- 51-75%
- 76-100%

19%

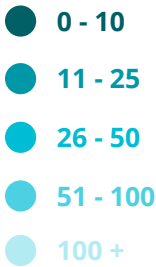**10%**

6%
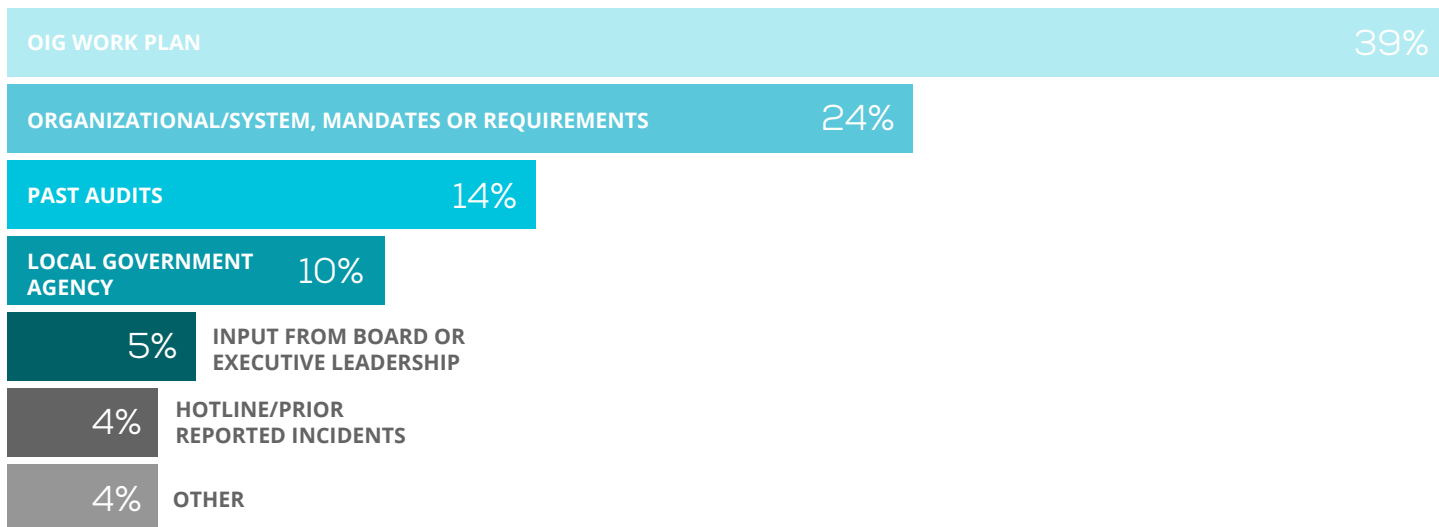
4%

- 0 - 10
- 11 - 25
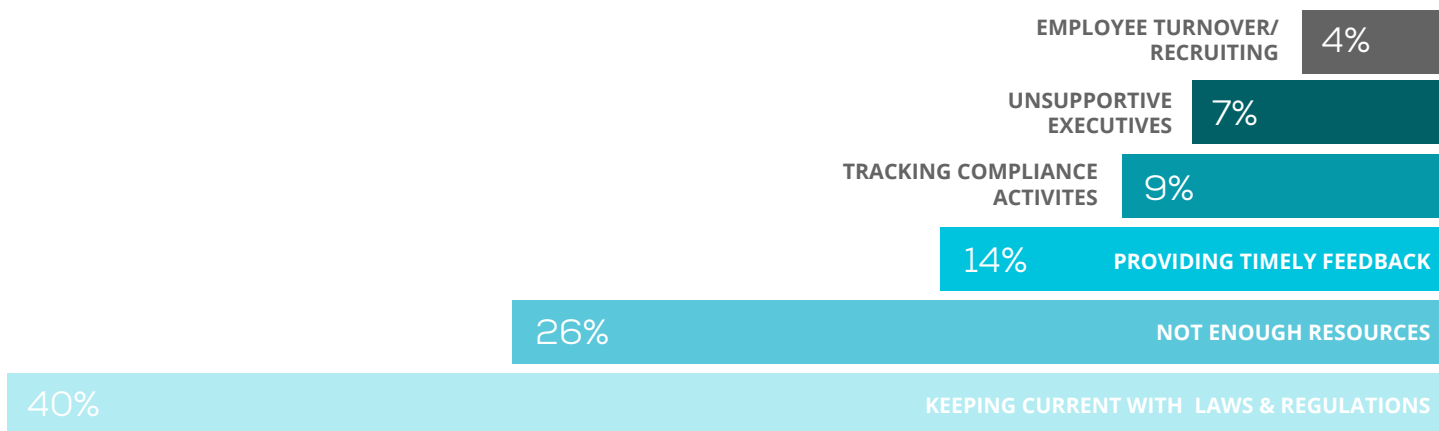- 26 - 50
- 51 - 100
- 100 +
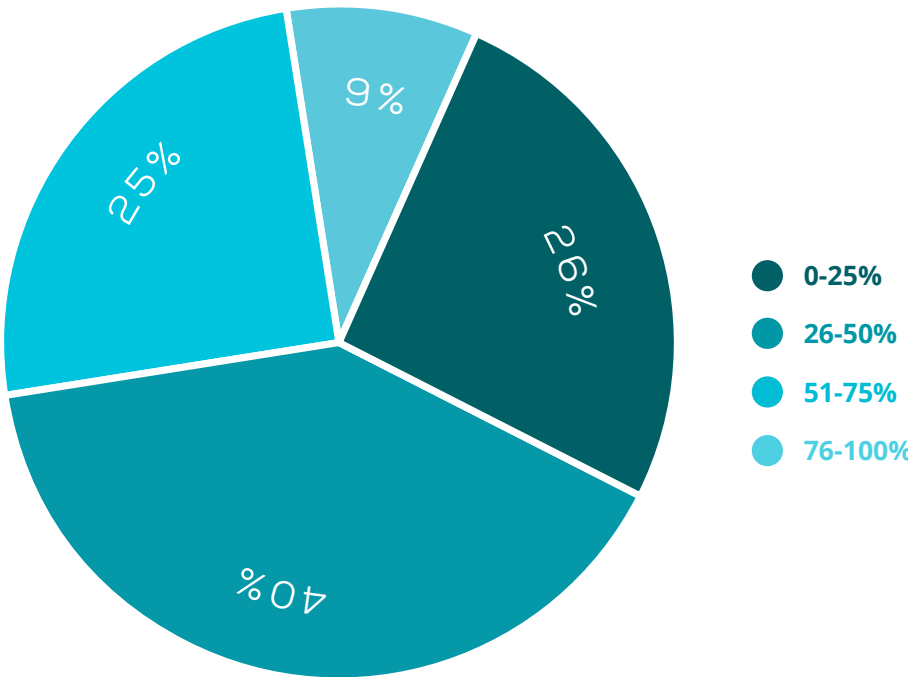
17. Based on previous years, how many incidents of non-compliance do you anticipate being reported to, or discovered by, your compliance program for 2018?

Monitoring Continued

18. Which of the following drivers do you consider the most important when determining the priority for your compliance program's 2018 planned audits?

Driver	Percentage
OIG WORK PLAN	39%
ORGANIZATIONAL/SYSTEM, MANDATES OR REQUIREMENTS	24%
PAST AUDITS	14%
LOCAL GOVERNMENT AGENCY	10%
INPUT FROM BOARD OR EXECUTIVE LEADERSHIP	5%
HOTLINE/PRIOR REPORTED INCIDENTS	4%
OTHER	4%

19. What do you anticipate being your single greatest challenge in managing a compliance program in 2018?

Challenge	Percentage
EMPLOYEE TURNOVER/RECRUITING	4%
UNSUPPORTIVE EXECUTIVES	7%
TRACKING COMPLIANCE ACTIVITES	9%
PROVIDING TIMELY FEEDBACK	14%
NOT ENOUGH RESOURCES	26%
KEEPING CURRENT WITH LAWS & REGULATIONS	40%

Just like last year, keeping current with laws and regulations remains the greatest challenge compliance professionals face. It can be a full-time job to stay current, and often it takes more than one person, working full-time, to do so. Working smart is essential, so let others carry some of the weight. Watch webinars, read blogs, and attend conferences where industry experts can teach you how to work smarter, not harder.

Thank You

We hope you found our second 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 1,000 coding, auditing, compliance, and healthcare executives. All data was collected during the final quarter of 2017. A special thanks goes out to Healthicity's subject matter experts, without whom this wouldn't be possible. They are: CJ Wolf, Charla Prillaman, Marcie Swenson, Stephani Scott and Daniel Schwebach.

1,032

Healthcare
Professionals

+

56

Questions

+

163

Production
Hours

=

1

Ultimate Compliance
& Auditing Report

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