Healthicity

Compliance Risk is Revenue Risk – Here's How to Protect Both

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Investing in a compliance program management tool is a significant decision—often sparked when teams realize that spreadsheets, emails, and slide decks aren't efficient enough. Manual processes consume valuable employee time that could be saved with cloud-based compliance software.

This recognition prompts a closer look at the true cost of inefficiency and the potential return on investment (ROI) of upgrading to a dedicated solution.

Here are key areas to consider when estimating ROI. While savings will vary by organization, they can still be meaningfully measured.

Save Time on Policy Management

One of the elements of an effective compliance program is written policies and procedures. Some organizations erroneously conclude that writing policies is a 'one and done' effort. However, policies need to be reviewed more frequently when major changes occur, such as:

- Organizations expand their footprint into new jurisdictions
- Laws and compliance regulations change
- When the organization itself changes

Consider a policy review meeting: multiple high-paid employees in one room. Multiply their hourly rates by the number of attendees and hours spent—it adds up fast.

A compliance management solution streamlines this process, enabling sequential reviews and approvals. This reduces or eliminates the need for time-consuming meetings without sacrificing oversight.

A nursing center in Ohio paid $243,000[1] after billing for services by an excluded nurse—an issue a monthly screening tool could have prevented.

Streamline Auditing and Monitoring

Auditing and monitoring are essential tasks often overseen by compliance programs. In healthcare, this usually means dedicating a significant amount of time to monitoring the revenue cycle and the accuracy of claims submission.

Regular auditing is essential, but managing audit volume manually can quickly become overwhelming. Investing in a compliance or audit management tool offers major efficiency gains:

- Streamlines audit organization and timing, saving auditors time and reducing labor costs.
- Increases audit capacity without additional staff—leading to broader oversight and better risk mitigation.
- Improves billing accuracy and reduces overpayments, lowering the risk of repayments to payors.
- Boosts readiness for government audits, reducing panic and improving outcomes.

Effective auditing isn't just about compliance, it's also smart business:

- Identifies missed revenue opportunities and billing errors.
- Helps ensure the revenue cycle remains accurate, consistent, and dependable.
- Proactive monitoring beats reactive crisis

management—waiting for a government audit isn't a strategy.

Enforcement is costly:

- The DOJ and HHS OIG regularly announce multi-million-dollar settlements tied to False Claims Act violations.
- Fines are just part of the cost. Add legal fees, consultant payments, operational disruptions, and reputational damage to the total.

Investing in audit tools helps protect both compliance and the bottom line.

An Ounce of Prevention is Worth a Pound of Cure

Automated exclusion screening is another key ROI of a compliance management tool. These tools can screen individuals and entities monthly, helping organizations avoid costly hiring mistakes.

- Hiring just one excluded individual can cost hundreds of thousands in repayments and penalties.
- A nursing center in Ohio paid $243,000[1] after billing for services by an excluded nurse—an issue a monthly screening tool could have prevented.

- A Missouri provider paid $300,000[2] for employing an excluded charge nurse, leading to tainted claims and required repayments.

For just a few hundred dollars a month, a compliance tool could have flagged these exclusions and saved six-figure penalties, legal fees, and reputational damage.

"If Only Someone Had Spoken Up Earlier..."

When major compliance issues arise, leadership often says, "*If only someone had spoken up earlier.*" But speaking up doesn't happen naturally—it requires a strong compliance culture and safe, accessible reporting channels.

Calculate Your Compliance ROI

Interested in calculating your potential ROI of compliance? Here are a few simple formulas you can use as a starting point.

ROI Area	Formula
Incident Management Labor Savings	Incidents/year × Time saved × Hourly rate
Incident Risk Reduction Savings	Incidents/year × Risk Reduction × Avg Cost per Incident
Software Cost Savings	Current cost – Healthicity cost
Total Estimated Annual Benefit	Sum of above
Net ROI	(Total Benefit – Healthicity Cost) ÷ Healthicity Cost

[1] https://oig.hhs.gov/fraud/enforcement/walnut-creek-nursing-center-agreed-to-pay-243000-for-allegedly-violating-the-civil-monetary-penalties-law-by-employing-an-excluded-individual/#:~:text=$243%2C000%20for%20Allegedly%20Violating%20the%20Civil%20Monetary%20Penalties%20Law%20by%20Employing%20an%20Excluded%20Individual

[2] https://oig.hhs.gov/fraud/enforcement/the-estates-of-st-louis-agreed-to-pay-300000-for-allegedly-violating-the-civil-monetary-penalties-law-by-employing-an-excluded-individual/

Compliance management tools support both:

- Foster a speak-up culture with training modules that help employees recognize potential issues, even if they're not compliance experts.
- Enable safe reporting through anonymous hotlines and incident tracking—reducing fear of retaliation and encouraging early intervention.

Even when reports don't uncover true violations, they promote vigilance. And when they do? They catch problems early and save organizations from costly investigations, penalties, and prolonged non-compliance.

Ready to Turn Compliance Into a Strategic Advantage?

Determining the return on investment in a compliance management tool is not easy. But thinking about the areas discussed here is a starting point. As explored in this writing, the following are considerations for determining a return on investment in a compliance management tool:

- Saving time on policy review and approval
- Leveraging the benefits of auditing and monitoring
- Screening for excluded individuals and entities
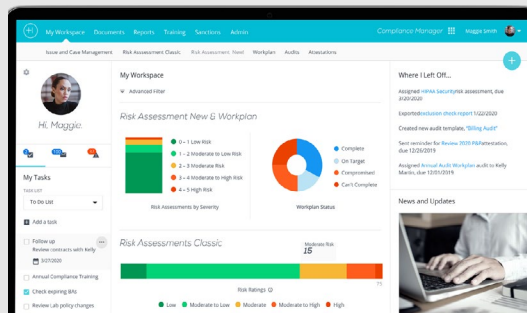- Creating a speak up culture and mechanisms for reporting concerns

Healthicity's Compliance Manager was built for healthcare organizations like yours. With features like real-time reporting, incident tracking, exclusion monitoring, and built-in training, Compliance Manager empowers your team to stay ahead of risk—without the spreadsheet sprawl.
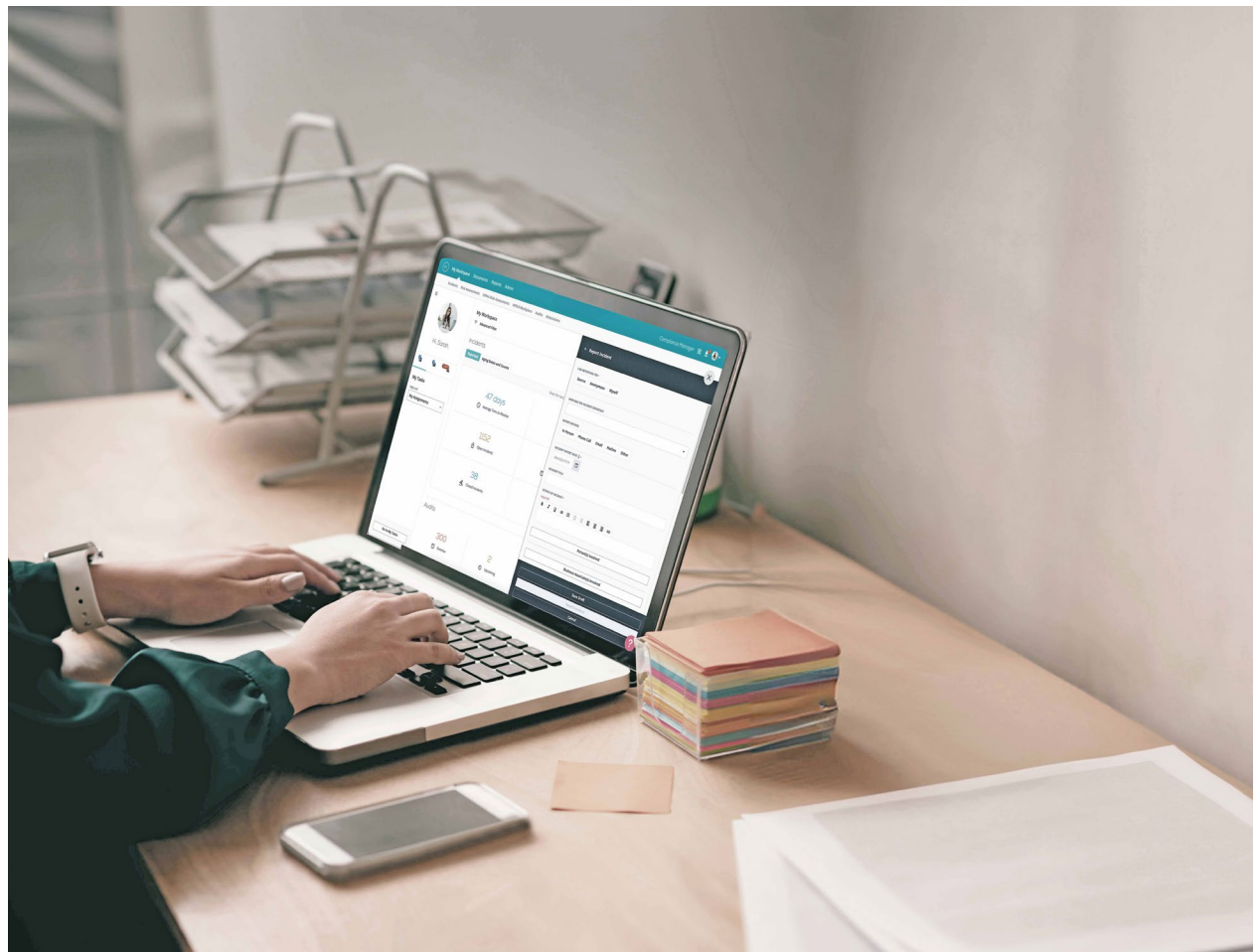
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A Look Inside the DOJ & OIG's Antitrust Memorandum of Understanding

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