

# Compliance on a Shoestring: One Hospice's Approach

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In 1999 Angela Hospice, a small organization with no affiliation to a larger healthcare system or managed care plan, faced a challenge. How could we most appropriately use our limited resources to implement a compliance program?

Our goal was not only to reduce the risk of fraud and abuse, but also to assess and improve the efficiency, effectiveness, and quality of our services. In short, we wanted a plan that wasn't just more paperwork.

## Taking a New View

The OIG released draft corporate compliance guidelines for hospices in July 1999 and final guidelines in September 1999. At that time, we sought the commitment of our corporate board to ensure that corporate compliance would be an ongoing priority.

The seven OIG-recommended elements of a hospice corporate compliance program are similar to those of other healthcare organizations. (See "[Seven Elements of Effective Compliance Programs](#).") The features, however, allow flexibility and application based on the size, sophistication, and culture of an organization as well as what an organization can reasonably implement and maintain with available resources. For example, a hospice such as ours may perform medical record reviews on a quarterly basis, but a hospital may need (and be able) to perform them on a monthly basis.

## Seven Elements of Effective Compliance Programs

The OIG has established seven general key elements of compliance programs. Although the programs may vary according to the organization's need, the seven key features are:

1. written standards of conduct and written policies and procedures documenting the organization's commitment to compliance with Medicare regulations
2. designation of a compliance officer and corporate compliance committee
3. implementation of education and training programs for all employees
4. development of a hotline or other reporting system for communication between the compliance officer and all employees
5. audits to monitor compliance and identify problem areas
6. disciplinary mechanisms to enforce standards with current employees and procedures to prevent the hiring of employees who have been previously sanctioned
7. policies and procedures to respond to detected fraud, abuse, and waste including corrective action and preventive measures

## Putting People in Place

To begin the process of developing a corporate compliance plan, Angela Hospice initially obtained assistance from the independent accounting firm that annually audits our financial records. Consulting staff did an initial assessment of our organization's policies/procedures and a medical record review to determine where we were most at risk.

This was a valuable tool, because it provided an outsider's view of our organization and a benchmark assessment of our

current medical record documentation. We took recommendations from the risk assessment, obtained and reviewed other organizations' compliance plans, and used the OIG guidelines to begin our own corporate compliance plan.

The next step was to identify a corporate compliance officer. In a larger organization, this person's responsibilities may only be corporate compliance; however, in our organization this role has been added to current job responsibilities. The corporate compliance officer needs appropriate authority, access to the president/CEO, and the ability to review all organizational records (e.g., medical records, personnel files, and financial records).

The chief financial officer was chosen to share both roles. This seemed appropriate because the CFO already had direct responsibility for medical records, reimbursement, and finance (three potential risk areas), reported directly to the president/CEO, and had authority to implement organization-wide policies and procedures.

The corporate compliance committee is chaired by the corporate compliance officer and is made up of representatives from medical records, human resources, education, finance, marketing, clinical managers, and the president/CEO. The committee members are responsible for assisting in ongoing risk assessment by observing their own departments and identifying areas that may require more focused review.

## Knowing the Risks

To complete the corporate compliance plan, we then needed to assess the OIG's hospice risk areas. Again, it was important for us to fit the OIG guidelines to our organization, as not all hospice risk areas will be applicable to every hospice. We started with high-risk areas first. Then, for each risk area, we asked two questions:

- Is there a documented policy that addresses the risk area?
- How can the policy be validated?

To aid in the process of organizing and writing policies, we started a policy task force that works with all managers and employees to develop and revise policies where needed and ensure that all employees are properly educated in their use.

Many of the OIG risk areas for hospice can be validated with documentation in the medical record. To do this, we developed an audit tool to review medical records on a quarterly basis. The tool is used by medical record and clinical staff. The results are presented to the corporate compliance and the hospice quality improvement committee. "Quarterly Assessment Tool," above, shows the questions staff need to answer and the corresponding area of risk.

## Spreading the Word

Educating staff was the final step. The corporate compliance plan itself is a lengthy document, so to make it more usable for all employees, we provided abridged standards of conduct focused on our hospice risk areas.

It is important that staff understand that the plan is targeting potential fraud and abuse issues, *not* that we as an organization are doing anything wrong. This helps them to buy into the plan and keep the momentum going.

Have we met our initial goals? With limited resources, we have created a corporate compliance program that we feel significantly reduces our risk of fraud and abuse. Have we improved the efficiency, effectiveness, and quality of the services we provided to our community? It's probably too early to tell, but with an ongoing commitment to the process, we feel confident that for Angela Hospice, corporate compliance will be more than just words on a page.

## Quarterly Assessment Tool

Item	OIG Risk Area Audited
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Are all consents signed by the patient or legal guardian?	Uninformed consent to elect the Medicare hospice benefit
Is the patient hospice-appropriate?	Admitting patients to hospice who are not terminally ill
Correct MSA number?	Improper indication of the location where hospice services were delivered
Level of care supported?	Underutilization, inadequate, or incomplete services rendered by the interdisciplinary group, billing for a higher level of care than was necessary
Documented physician certification of terminal illness?	Untimely and/or forged physician certifications on plans of care
Verbal orders signed by RN and physician ordering?	Failure to comply with applicable requirements for verbal orders for hospice services
Recertification of terminal illness documented prior to the close of each hospice benefit period?	Insufficient oversight of patients—in particular, those patients receiving more than six consecutive months of hospice care
For hospice services provided in a nursing home or hospital, is there a properly executed contract prior to the admission of the patient to the facility?	Providing hospice services in nursing home, before a written agreement has been finalized, if required

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