

OIG Releases Compliance Program Guidelines for Hospitals

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On February 11, 1998, the Office of Inspector General (OIG) of the Department of Health and Human Services (HHS) released its Compliance Program Guidance for Hospitals. This document is intended to assist hospitals in developing corporate compliance programs that assure the establishment of effective internal controls. These internal controls should promote adherence to applicable federal and state law and the program requirements of federal, state, and private health plans.

The OIG's Compliance Program Guidance is based on the same key elements as their previously published Model Compliance Plan for Clinical Laboratories:

- Written standards of conduct and policies/procedures
- Designation of chief compliance officer to oversee the corporate compliance program
- Regular, effective education and training programs for all affected employees
- Process for receiving complaints of possible violations
- Development of system to respond to allegations of improper or illegal activities and enforcement of appropriate disciplinary action against employees who have violated policies or regulations
- Audits and/or other evaluation techniques to monitor compliance
- Investigation and remediation of identified problems

Highlights of the Compliance Program Guidance for Hospitals of particular interest to HIM professionals include:

- A hospital's written policies and procedures should
 - provide for proper and timely documentation of all physician and other professional services prior to billing
 - emphasize that claims should be submitted only when appropriate documentation supports the claims and only when such documentation is maintained and available for audit and review
 - indicate that the diagnoses and procedures reported on the claim should be based on the medical record and other documentation, and that the documentation necessary for accurate code assignment should be available to coding staff
 - provide that the compensation for coders and billing consultants should not provide any financial incentive to improperly upcode claims
 - reflect the current reimbursement principles set forth in applicable regulations, including the official coding guidelines promulgated by HCFA, the National Center for Health Statistics, the American Medical Association, and AHIMA
- Hospitals should require personnel to attend specific training on a periodic basis. The organization must take steps to effectively communicate its standards and procedures to all affected employees, physicians, independent contractors, and other significant agents, e.g., by requiring participation in training programs and disseminating publications that explain specific requirements in a practical manner.
- Certain positions, such as those involving the coding of medical services, create a greater organizational legal exposure and therefore require specialized training. One recommendation would be for a hospital to attempt to fill such positions with individuals who have the appropriate training and background.
- Employees should be required to have a minimum of educational hours per year, as appropriate, as part of their employment responsibilities. For example, for certain employees involved in billing and coding functions, periodic training

in proper DRG coding and documentation of medical records should be required.

- Accurate coding depends upon the quality and completeness of the physician's documentation. Therefore, the OIG believes a hospital should emphasize active staff physician participation in educational programs focusing on coding and documentation.
- An ongoing evaluation process is critical to a successful compliance program. One effective tool to promote and ensure compliance is the performance of regular, periodic audits by internal or external auditors who have expertise in federal and state healthcare statutes, regulations, and federal healthcare program requirements. At a minimum, these audits should be designed to address the hospital's compliance with laws governing kickback arrangements, the physician self-referral prohibition, CPT/HCPCS/ICD-9 coding, claim development and submission, reimbursement, cost reporting, and marketing.
- When a compliance program is established, the compliance officer, with the assistance of departmental managers, should take a "snapshot" of their operations from a compliance perspective. This "snapshot," often used as part of benchmarking analyses, becomes a baseline for the compliance officer and other managers to judge the hospital's progress in reducing or eliminating potential areas of vulnerability. For example, it has been suggested that a baseline level include the frequency and percentile levels of various diagnosis codes and the increased billing of complications and comorbidities.

The complete document can be downloaded from the OIG's Web site at <http://www.dhhs.gov/progorg/oig>.

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