



# Compliance Planning Process



- ◆ Identify Responsible Compliance Officer
  - ◆ Develop Effective Lines of Communication:
    - ◆ Assure staff easy access to the Compliance Officer
    - ◆ Streamline processes for reporting suspected fraud or abuse
    - ◆ Provide an adequate means for receipt and response to patient complaints
    - ◆ Implement effective incident reporting, analysis and prevention of re-occurrence processes
  - ◆ Identify All Risk Areas:
    - ◆ *Processes Which Need to be Reviewed to Achieve and Maintain Compliance:*
      - ◆ clinical
      - ◆ financial
      - ◆ billing
      - ◆ administrative
      - ◆ human resources
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# Compliance Planning Process




- ◆ Perform An Internal Audit Of All Systems To Include:
    - ◆ Marketing Materials
    - ◆ Referral and Intake Procedures for Home Health, Private Duty, Pharmacy and HME:
      - ◆ verification of physician licensure
      - ◆ determination of primary payor
      - ◆ discharge planning arrangements  
*(include referral sources)*
    - ◆ Staff Compliance With:
      - ◆ clinical practice standards
      - ◆ Medicare CoPs
      - ◆ homebound status
      - ◆ documentation submission timeframes
      - ◆ conformance with orders
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# Compliance Planning Process




## *Review For:*

- ♦ accuracy of visit frequencies
  - ♦ documentation of performance of specific treatments and procedures as ordered, dressing changes, therapy modalities, home health aide activities, O<sup>2</sup> liter flows, medication doses and frequencies
  - ♦ services performed without an order, i.e., PT initiated services but no order on 485 or verbal order etc.
  - ♦ no documentation for dates of services billed
  - ♦ double entries
  - ♦ no skilled service performed on date a visit was billed, i.e. unsuccessful blood draw and no other skilled service performed, no personal care provided by a home health aide etc.
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# Compliance Planning Process



- ◆ Claims Development & Submission:
    - ◆ Medical Records Processing:
      - ◆ accuracy of ICD 9 coding
      - ◆ timeliness of data entry
      - ◆ monitoring and tracking of physician orders
      - ◆ verification of physician orders prior to billing
      - ◆ verification of documentation for visits billed
    - ◆ Billing for Services Covered by Private Plan
    - ◆ Billing Without Medical Necessity
    - ◆ Potential Under-Utilization of Services
    - ◆ Duplicate Billing (*Data Entry Errors*)
    - ◆ Failure to Refund Credit Balances
  - ◆ Access Outside Consultant(s) for Validation  
If Negative Findings From Internal Self Audit  
Identify a Potential Exposure:
    - ◆ Voluntary Disclosure of Suspected Fraud or Known “Inadvertent Error” is a HCFA Mandate
    - ◆ A Valid Statistical Sampling Process Must Be Used to Support Data Presented to HCFA When Overpayments are Reported
    - ◆ Appeal Those Visits Which May Be Appealed as Technical Denials
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# Compliance Planning Process



- ◆ Establish Ethical Organizational Standards of Conduct
    - ◆ *(Put It In Writing - Post It - Disseminate it to all Staff)*
  - ◆ Develop policies & procedures to support standards of conduct.


*These standards may include:*

    - ◆ Admission Criteria (*ADA, Rehab Act, Anti-Discrimination*):
      - ◆ consistent application of criteria
      - ◆ qualifications
      - ◆ exclusions
    - ◆ Discharge Criteria (*Potential Abandonment*):
      - ◆ protocols
      - ◆ notification
      - ◆ acknowledged at admission, applied consistently
    - ◆ OSHA Compliance:
      - ◆ TB identification, surveillance, prevention, control and reporting
      - ◆ PPE
      - ◆ hepatitis B
      - ◆ employee safety on the job

*(include all areas of business, HME, pharmacy)*
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# Compliance Planning Process



- ◆ FDA Requirements
    - ◆ license as required (pharmacy, O<sup>2</sup>, HME, if required)
  - ◆ DOT/FHA
    - ◆ vehicle registration
    - ◆ clean air/exhaust inspections
  - ◆ Conflict of Interest Statements  
*(Signed, Written Statements)*:
    - ◆ members of the board of directors
    - ◆ staff
  - ◆ Ethical Marketing Procedures:
    - ◆ disclosure of ownership and control for all entities
    - ◆ eliminate misleading sales and marketing literature
    - ◆ declaration of all “gifts” to referral sources  
*(should be equal for all sources)*
  - ◆ Effective Training and Education Programs:
    - ◆ staff orientation procedures regarding organization’s code of conduct, applicable policies and procedures, laws and regulations. *(emphasis must be placed on the organization’s commitment to compliance with these legal requirements and policies)*
    - ◆ periodic ongoing staff education about compliance issues
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# Compliance Planning Process




- ◆ Physician Orders:
    - ◆ who obtains
    - ◆ timeframes for signatures (*incorporate state licensure requirements, agency policy, accreditation standards*)
    - ◆ tracking mechanisms and management oversight to assure compliance
  - ◆ Billing Procedures:
    - ◆ verification of primary payor
    - ◆ validation of signed orders prior to billing
    - ◆ validation of documented services prior to billing
  - ◆ Cost Reporting Procedures:
    - ◆ claims based on appropriate and accurate documentation of cost
    - ◆ allocations of costs are accurately made and supportable by verifiable and auditable data
    - ◆ unallowable costs are not claimed for reimbursement
    - ◆ accounts containing both allowable and unallowable costs are analyzed to determine the unallowable amount that should not be claimed for reimbursement
    - ◆ costs are properly classified
    - ◆ related parties are clearly identified
    - ◆ process for reporting bad debts are in accordance with federal statutes
    - ◆ procedures are in place for notifying the FI or other applicable payor of errors discovered after the submission of the cost report
    - ◆ verification of the PS & R statistics
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# Compliance Planning Process



## ◆ Human Resource Issues:

- ◆ hiring practices are consistent across all lines of service according to organizational policy and procedure
  - ◆ implementation of consistent, fair and equitable disciplinary action (*across the board*)
  - ◆ appropriate application of wage and hour laws
  - ◆ appropriate use of designated contributions
  - ◆ incentive/bonus plans are not associated with referrals
  - ◆ performance evaluations should include:
    - evidence of compliance with organizational policy
    - evidence of compliance with law, regulation and standards
    - action(s) as a result of patient complaints which may be related to a specific employee
    - action(s) as a result of incident analysis which may be related to a specific employee
    - disciplinary action taken as a result of noncompliance with policy, procedure, organizational and/or regulatory standards.
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# Compliance Planning Process



- ◆ Review all contractual relationships:  
*(must clearly delineate roles, responsibilities, access procedures, ownership of patient, billing and termination procedures)*
    - ◆ Consistent, Fair Market Value for Contracted Services
    - ◆ Vendor Agreements
    - ◆ Independent Contractors
    - ◆ Medical Director(s)
  
  - ◆ Review referral arrangements to assure consistent, uniform processes are in place:  
*(assure arms length, uniform processes in place)*
    - ◆ Consideration of Patient Preference (Freedom of Choice)
    - ◆ Placement of Discharge Planners for the Purpose of Case Finding vs. Agency Liaisons Who Coordinate Home Care Services for Referred Patients
    - ◆ Free or Discounted Services in Return for Referrals
    - ◆ Presence of Unwritten “Deals” or Reciprocal Arrangements
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