



## OIG Released

### NEW GUIDANCE FOR HEALTH GOVERNING BOARDS

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Long awaited guidance, *Practical Guidance for Health Care Governing Boards on Compliance Oversight*, from the Office of the Inspector General, has been released related to a Health Care Governing Boards' oversight of compliance program functions.

There are four main compliance areas:

- Roles of, and relationships between, the organization's audit, compliance, and legal departments;
- Mechanism and process for issue-reporting within an organization;
- Approach to identifying regulatory risk; and
- Methods of encouraging enterprise-wide accountability for achievement of compliance goals and objective.

This educational resource was developed in collaboration with the Association of Healthcare Internal Auditors (AHIA), the American Health Lawyers Association (AHLA), the Health Care Compliance Association (HCCA), and the Office of Inspector General (OIG) of the U.S. Department of Health and Human Services (HHS).

*This document is intended to assist governing boards of health care organizations (Boards) to responsibly carry out their compliance plan oversight obligations under applicable laws. This document is intended as guidance and should not be interpreted as setting any particular standards of conduct. The authors recognize that each health care entity can, and should, take the necessary steps to ensure compliance*

*with applicable Federal, State, and local law. At the same time, the authors also recognize that there is no uniform approach to compliance. No part of this document should be taken as the opinion of, or as legal or professional advice from, any of the authors or their respective agencies or organizations.*

Although compliance program design is not a "one size fits all" issue, Boards are expected to put forth a meaningful effort to review the adequacy of existing compliance systems and functions. The new guidance tells us that Boards should also evaluate and discuss how management works together to address risk, including the role of each in:

- Identifying compliance risks,
- Investigating compliance risks and avoiding duplication of effort,
- Identifying and implementing appropriate corrective actions and decision-making, and
- Communicating between the various functions throughout the process.

**Under Roles and Relationships the following key sections are described as a model.**

**The compliance function** promotes the prevention, detection, and resolution of actions that do not conform to legal, policy, or business standards. This responsibility includes the obligation to develop policies and procedures that provide employees guidance, the creation of incentives

to promote employee compliance, the development of plans to improve or sustain compliance, the development of metrics to measure execution (particularly by management) of the program and implementation of corrective actions, and the development of reports and dashboards that help management and the Board evaluate the effectiveness of the program.

**The legal function** advises the organization on the legal and regulatory risks of its business strategies, providing advice and counsel to management and the Board about relevant laws and regulations that govern, relate to, or impact the organization. The function also defends the organization in legal proceedings and initiates legal proceedings against other parties if such action is warranted.

**The internal audit function** provides an objective evaluation of the existing risk and internal control systems and framework within an organization. Internal audits ensure monitoring functions are working as intended and identify where management monitoring and/or additional Board oversight may be required. Internal audit helps management (and the compliance function) develop actions to enhance internal controls, reduce risk to the organization, and promote more effective and efficient use of resources. Internal audit can fulfill the auditing requirements of the Guidelines.

The human resources function manages the recruiting, screening, and hiring of employees; coordinates employee benefits; and provides employee training and development opportunities.

**The quality improvement function** promotes consistent, safe, and high quality practices within health care organizations. This function improves efficiency and health outcomes by measuring and reporting on quality outcomes and recommends necessary changes to clinical processes to management and the Board. Quality improvement is critical to maintaining patient-centered care and helping the organization minimize risk of patient harm. This resource is a must for all compliance officers and those in healthcare finance and revenue cycle. In addition, this wonderful document will also assist internal auditors, lawyers, and compliance officers that report to those boards.

Use this link to access and download this new resource guide: <https://oig.hhs.gov/newsroom/news-releases/2015/guidance-release2015.asp>

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#### References

<http://www.greatboards.org/pubs/Practical-Guidance-for-Health-Care-Boards-on-Compliance-Oversight.pdf>

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