

Corporate Compliance Report

Audit & Compliance Committee of the Board of Directors

May 21, 2021



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Meeting Objectives

- Discuss External Compliance Program Evaluation
- Review CountyCare Compliance Plan
 - Request for Approval



Evaluation of Compliance

Independent External Review



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Why Conduct a Compliance Program Evaluation?

- CCH Compliance continually evolves, especially with changes in regulations and emerging risks
- Internal Compliance Program reviews occur regularly to address the landscape *but*, the federal government recommends periodic reviews by external experts
 - The U.S. Department of Health and Human Services Office of the Inspector General (OIG) recommends that compliance programs periodically undergo an independent review to verify that program operations are running as effectively as possible
- An independent evaluation,
 - determines if the program is effective
 - identifies opportunities for improvements
 - reinforces Board, CEO and executive management oversight obligations
- Effective programs are an essential component of leniency in the sentencing of organizations under U.S. Sentencing Guidelines (USSC)



Why Strategic Management Services?

- Evaluated 5-vendors through the CCH RFP process, selected Strategic Management
- Established in 1992 by former HHS Inspector General, Richard Kusserow
- Focused health care consulting firm that concentrates on corporate compliance
- Well-known nationally as an industry leader
- Partnered with more than 3,000 healthcare organizations, including CCH

How was independence and objectivity maintained?

- Evaluation was performed by individuals who have never provided services to CCH
- Reviewers were firewalled from others who did provide services
- Received an attestation from the CEO confirming the review was conducted in accordance with Generally Accepted Government Audit Standards (GAGAS)

How are Compliance Programs Evaluated?

Through the following,

- Examination of Compliance Program design and structure
- Review of compliance documentation, policies and procedures
- Validation testing of processes
- Assessments of training
- Observations of oversight meetings
- Interviews with CCH leadership and staff for a 360° review of the program

How To Measure Compliance Program Effectiveness?

Review Focus Areas

- Is the Compliance Program Well Designed?
- Is the Compliance Program Implemented Effectively?
- Does the Compliance Program Actually Work in Practice?

Sources:

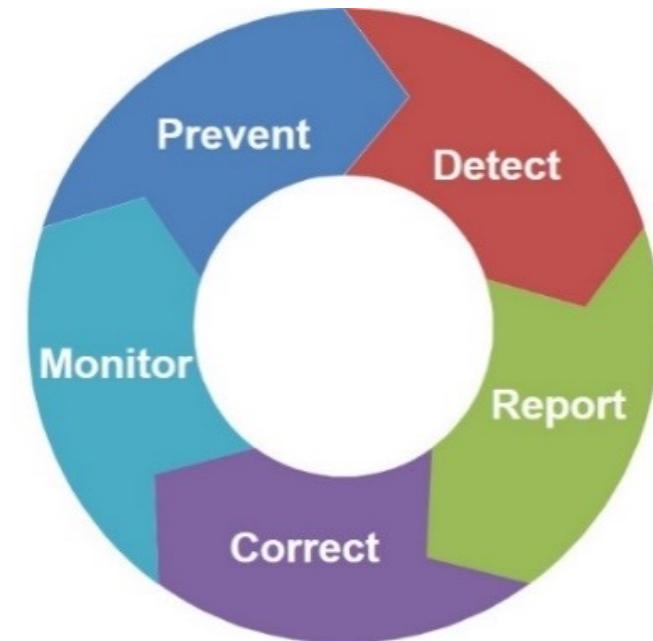
US Department of Health and Human Services, Office of Inspector General.
[Compliance Program Guidance for Hospitals.](#)

US Department of Justice, Criminal Division. [Evaluation of Corporate Compliance Programs.](#)

Focus on the Fundamentals of the Compliance Programs

Seven (7) Essential Elements

1. Written policies, procedures and standards of conduct
2. Compliance Program oversight
3. Regular education and training programs
4. Open lines of communication
5. Internal auditing and monitoring of compliance risk areas
6. Consistent discipline
7. Corrective actions



Is the Compliance Program Well Designed?

- **Policies and procedures** – Is there a Code of Ethics that calls for commitment to full compliance with federal and state laws? Are Compliance Program policies and procedures comprehensive and accessible in order to prevent misconduct?
- **Training and communication** – Are Compliance Program policies and procedures incorporated into the organization through periodic training and certification by relevant employees, directors, and officers?
- **Confidential reporting structure and investigation process** – Does the complaint process encourage reporting issues without fear of retaliation? Does the process for conducting investigations of complaints ensure timely completion with appropriate follow-up and disciplining?
- **Risk assessments** – Is the Compliance Program appropriately designed to detect misconduct most likely to occur for the organization's line of business and complex regulatory environment? Is there a focus on quality related issues and compliance high-risk areas?
- **Third-party management** – Does the organization have comprehensive understanding of third-party partners qualifications and associations and their reputations? Is proper scrutiny given to third-party partners and the organization's ability to enforce its internal controls?



Is the Compliance Program Implemented Effectively?

- **Commitment by senior and middle management** – Have senior and middle management clearly articulated and demonstrated commitment to ethical standards and compliance? Is management enforcing the program or tacitly encouraging or pressuring employees to engage in misconduct?
- **Autonomy and resources** – Is the Compliance Program structured with:
 - Appropriate personnel with sufficient seniority and authority to effectively manage the program;
 - Resources to be able to conduct training and complete audits, documentation, and analysis of compliance risks;
 - Direct access to the board.
- **Issue reporting** – What happens with reports of violations?
- **Incentives and disciplinary measures** – Are there clear disciplinary procedures in place for compliance violations? Are disciplinary measure enforced consistently? Do disciplinary procedures match the violations?
- **Program evolution** – Why did the organization choose to set up the Compliance Program the way that it has, and why and/or how has the Compliance Program evolved over time? Is the organization less vulnerable to compliance liabilities?
- **Looking for overall evidence that it is not just a paper program.**



Does the Compliance Program Work Effectively in Practice?

At the time of a specific concern or issue

- How was the incident detected (if at all)?
- Did adequate resources exist to investigate suspected incident?
- Were the organization's remedial efforts thorough?
- Did the organization undertake an adequate and honest root-cause analysis to understand what contributed to the incident and degree of remediation needed to prevent similar events in the future?

How did the Compliance Program evolve to address the existing/changing compliance risks?

Review Findings

- Dedicated Chief Compliance & Privacy Officer and Compliance Office staff
- Compliance Program staff is knowledgeable, well-regarded, accessible and responsive
- Broad CCH Leadership and Board support for Compliance Program
- Detailed Compliance policies and procedures on wide range of compliance matters
- Compliance training is delivered on hire and annually
- Multiple effective channels for reporting issues to Compliance
- Tools are used to track and report on Compliance issues and auditing/monitoring activity
- Exclusion screening checks performed for employees and vendors upon hire/contract and monthly

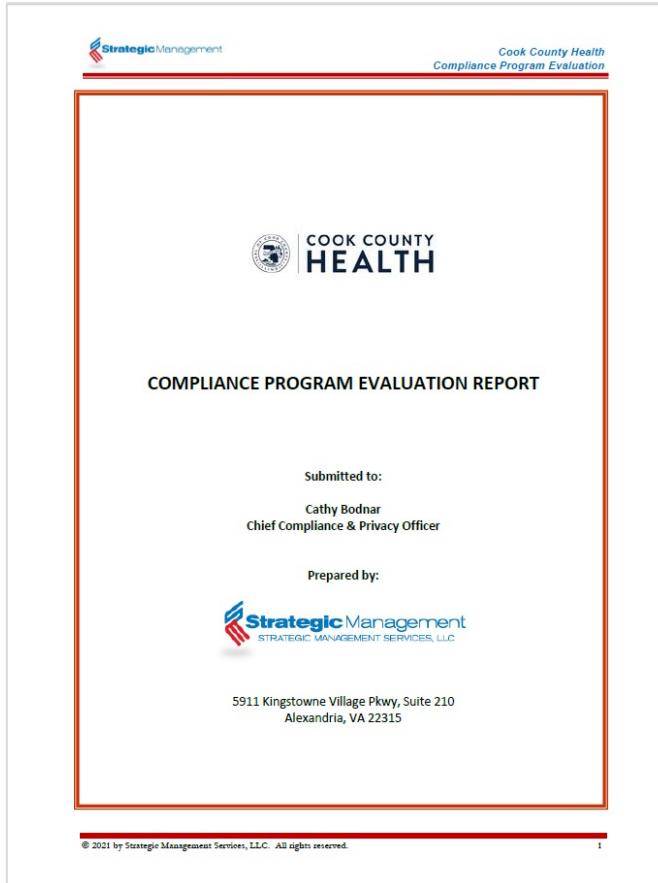
Review Recommendations

- Strengthen Oversight
- Update Compliance Committee Charters
- Increase Staffing
- Modify Code of Ethics with a CEO Introduction and Add Policies
- Improve Training and Education
- Re-initiate Formal Risk Assessments, Partner with Internal Audit
- Partner with Operations on Monitoring to Improve Processes or Ameliorate Deficiencies
- Communicate Reporting Responsibilities



Next Steps

- Develop a Thoughtful Action Plan





Compliance Plan

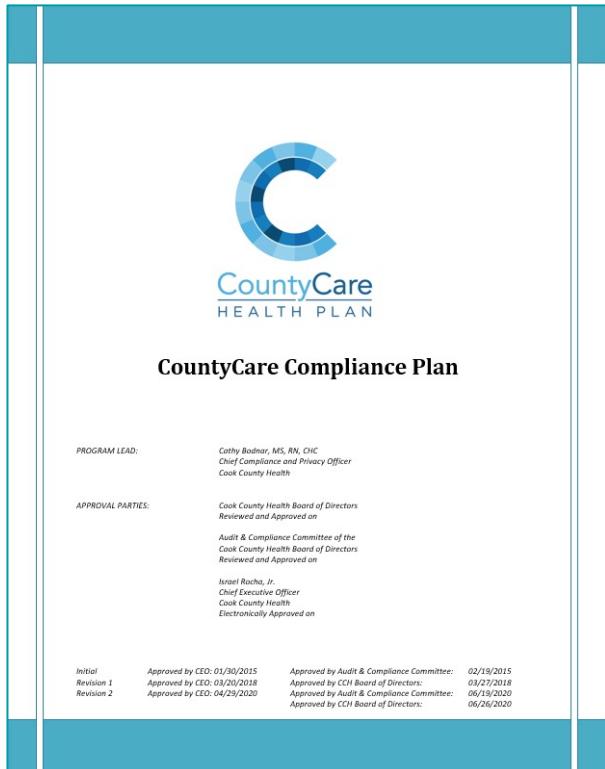
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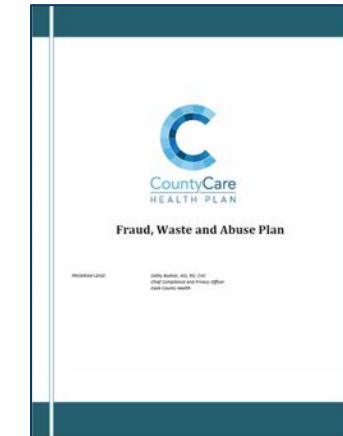
Annual Review of the CountyCare Compliance Plan

Continues to follow the 7 elements of an effective compliance program



1. Follows requirements found in the MCCN and amendments;
2. Holds all partners accountable for compliance;
3. Commits to maintain confidentiality and protections for whistleblowers;
4. Strengthens fraud and abuse procedures; and
 - a. Integrates the FWA Plan.

Request for approval



Questions? ↗



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