



Components for an Office Compliance Plan

Compliance plans are rules and guidelines that are created by the Office of Inspector General to protect the Health and Human Services programs. It is the goal of the OIG that those in the medical workforce are provided with the rule and guidelines through a compliance plan.

Step 1: Designate a Compliance Officer or a Compliance Team

The OIG recommends the designation of a Compliance Officer or a Corporate Compliance Team, charged with the responsibility of operating and monitoring the compliance program and reporting directly to the governing body. An office administrator can be assigned the position of the compliance officer. A team could consist of coders and billing staff.

Step 2: Implement written policies, procedures, and standards of conduct

It is recommended that practices develop a formal compliance plan, which includes written standards and procedures that are suitable for dealing with risk areas identified in the medical practices/offices internal self-audit. Regular education of existing and new employees on the standards is critical.

Potential risk areas that should be covered in a physician-compliance plan include:

- Coding and billing
- Reasonable and necessary services
- Documentation
- Improper inducements, kickbacks, and referrals

With respect to coding and billing, the most frequent areas of investigations and audits by the OIG include:

- Billing for items or services not rendered
- Submitting claims for equipment, supplies or services that are not reasonable and necessary
- Double billing
- Misuse of provider identification numbers
- Unbundling (billing for components of services that are covered by all-inclusive codes)
- Improper use of coding modifiers
- Clustering (exclusive use of middle level service codes)
- Upcoding
- Improper conduct

Practices should develop record retention protocols for compliance records, business records, and medical records. The protocols should include the time frame for retention of each type of record and ensure that medical records are not improperly lost, destroyed or disclosed. The protocols should also ensure that compliance documents relating to education activities, internal investigations, self-audits, remedial action, and communications with payors and carriers are retained.

Step 3: Conduct effective training and education

Training and education of all practice staff is critical to the implementation of a successful compliance plan. Each employee should understand how to perform his or her job in compliance with the plan and know that violating the standards may result in disciplinary action. Individuals who are directly involved with billing and coding should receive extensive education specific to their responsibilities; the OIG recommends at least annual training updates for such employees.

Step 4: Develop effective lines of communication

The OIG recommends that medical practices implement a clear “open door” policy between the physicians and practice employees, and that conspicuous notices be posted in the practice to provide up-to-date compliance information. The OIG also specifically recommends that physician practices post the HHS-OIG Hotline telephone number 1-800-HHS-TIPS (1-800-447-8477).

Among the communication protocols recommended by the OIG are for the practice to:

- Require employees to report possibly erroneous or fraudulent conduct
- Create user-friendly processes, such as anonymous drop boxes, for effectively reporting improper conduct
- Make the failure to report improper conduct a violation of the compliance plan
- Develop a simple procedure to process a report of improper conduct
- If a billing company is used, coordinate activities with billing company to ensure that they are following the standards of conduct
- Protect the anonymity of person(s) who report a possible violation and of the person(s) to whom the report relates
- Adopt standards to ensure no retribution for good faith reporting of misconduct

Step 5: Enforce standards through well-publicized guidelines

Physician practices should incorporate measures that will ensure that employees understand the consequences of non-compliant behavior. Enforcement and disciplinary provisions add credibility and integrity to a compliance plan. The OIG recommends that violations result in consistent and appropriate sanctions; however, the disciplinary procedures should be sufficiently flexible to account for mitigation or aggravating circumstances. Failure to detect or report violations should also be subject to discipline. The range of suggested disciplinary actions include oral warnings, written reprimands, probation, demotion, suspension, termination, restitution of damages, and referral for criminal prosecution. The disciplinary guidelines should be well publicized in the practice’s training and procedures manuals.

Respond promptly to detected offenses and develop corrective action plan

The practice’s compliance officer should promptly investigate allegations or reports of suspected non-compliance and take decisive steps to correct any problems. If necessary action is needed due to an offense, the physician practice should consider seeking legal advice from its legal counsel to determine the extent of the practice’s liability and to plan the appropriate course of action.

Step 6: Conducting Internal Monitoring and Auditing

The OIG recommends that a practice review its existing standards and procedures regularly to determine if the standards are current, and modify those which are ineffective or outdated. The OIG also advises that self-audits be conducted quarterly of a practice's actual coding, billing and documentation performance by compliance officer and/or team or by individuals with appropriate billing and medical expertise.

Self-audits are used to determine whether:

- Bills are accurately coded
- Documentation is complete and correct
- Services or items are reasonable and necessary
- Any incentive exist for unnecessary services

If a problem is discovered, it should be addressed as soon as possible.