

Major Hospital Revamps, Improves Compliance Hotline



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Problem to Solve

If you ever thought health care compliance was costly, consider the far greater costs of non-compliance. According to a [recent study](#) on corporate compliance, it is nearly three times as costly to be non-compliant – in terms of fines, settlements, business disruption, productivity loss, revenue loss and more – as it is to maintain a proper compliance framework and culture.

A large, prominent teaching hospital needed to update its nearly 20-year-old compliance hotline program and lacked the internal staffing and expertise to accomplish this task on its own. Recognizing the need to quickly and efficiently ensure that its compliance hotline would meet its future requirements, the hospital turned to Freed Associates (Freed) to accomplish this.

Strategy and Tactics

The fundamental purpose of this particular hospital's compliance program, as with other health care providers, is to protect the interests of the organization, as well as its employees, patients and guests, from any violations of federal, state or local laws, or violations of institutional policies and procedures. The hospital's program, which allows individuals to anonymously report compliance violations, covers the activities of more than 12,000 clinical

and non-clinical employees, including directors, officers and hospital staff members, as well as all associated and affiliated contract workers.

When the hospital originally established its compliance hotline nearly 20 years earlier, it reflected regulations and institutional policies that existed at that time. Much had changed over the past two decades, and the hotline no longer met the hospital's current and future needs. For example, hospital staff members were no longer fully aware of the hotline's ultimate purpose, and would use it for non-compliance purposes, such as to report and discuss HR-related matters.

A new compliance hotline program entailed not only ensuring its basic functionality, it also needed to be properly understood by hospital staff members and used accordingly. Through staff input, Freed identified four fundamental compliance hotline needs:

- Assess the current compliance hotline program – including vendor performance, case management/workflow tools, reporting, policies, procedures, and practices
- Conduct research on the current compliance hotline market and industry best practices
- Identify gaps in the hospital's current compliance hotline program
- Develop and implement identified improvement activities

Results

Since the hospital relied on an external vendor to maintain its compliance hotline – a common industry practice – the initial assessment included a review of both the hospital's policies and practices as well as those of its contracted hotline vendor. In addition, a review was conducted of multiple other compliance hotline programs, vendors and processes, in order to determine current industry best practices.

The assessment revealed multiple opportunities for improvement in the hospital's current hotline program, including hiring a new hotline vendor and updating all corresponding hospital policies and procedures. These included creating a:

- **New hotline program requirements and vendor RFP** – to improve hotline workflow, reporting and benchmarking capabilities, plus assist in assessing and selecting a new hotline vendor
- **New compliance hotline policies, procedures and phone script** – to reduce incorrect hotline usage and streamline data collection and reporting
- **New hotline investigation process document, role-based training documents and testing log** – to improve investigation and case management processes

Based on these enhancements, the hospital and Freed were able to identify a new compliance hotline vendor, and

successfully transition the hotline program to the new vendor without any interruption in service. The new compliance hotline vendor and corresponding updated policies, processes and procedures represent a significant service and operational upgrade over the hospital's prior compliance hotline services. This will provide the hospital with a greater degree of protection against the potentially enormous costs of non-compliance.

Conclusion

Now that the hospital is equipped with a modern, state-of-the-art compliance hotline, based on its needs and industry best practices, it is now much better-positioned to meet its compliance interests. Going forward, the hospital will work with its new hotline vendor, system users and employees to ensure that these new program benefits are understood and maximized.