

Gulf Coast Center
Corporate Compliance
Annual Report
Fiscal Year 2017

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Gulf Coast Center
January 2017

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The Gulf Coast Center’s Board of Trustees formalized the organization’s commitment to compliance with a Board Resolution signed on August 22, 2001. Since that time, the Compliance Plan and Business Code of Conduct have continued to provide the foundation for the Center’s compliance efforts and clearly convey the expectation of legal and ethical behavior throughout the organization. This report reflects key components of the Center’s compliance program with corresponding activities of fiscal year 2017, as well as comparison figures from FY 2002 through FY 2017 where indicated. The report also includes a summary of accomplishments from the Federal fiscal year (October 2016 – September 2017) as reported by The Office of Inspector General (OIG) and The Department of Justice (DOJ).

Corporate Compliance Training

The Office of Inspector General’s Compliance Program guidance identifies effective training and education as one of the seven elements of an effective compliance program. *“Annual training events create an important opportunity for a health center to convey its organizational values, including its commitment to ethical and legal conduct.”* In order to meet this expectation, the Compliance Officer and/or General Counsel provide multiple training opportunities each year to communicate the procedures, laws, and expectations of the Center’s Compliance Plan. In addition, annual training affords an important opportunity to both reinforce the Center’s commitment to ethical and legal conduct and to promote a culture of compliance within the organization.

The Compliance Officer and/or General Counsel provided sixteen (16) Corporate Compliance Trainings during FY 2017, including ten (10) trainings in New Employee Orientation (NEO). In January 2017, the frequency of NEO’s increased from bimonthly to monthly to provide new employees more timely access to required trainings/information. A total of two-hundred and ninety-one (291) individuals received compliance training during FY 2017. An additional fifty-two (52) eligible staff¹ opted to take the exemption test in lieu of attending a scheduled training and passed with the required score of 80% or better. Human Resources staff and the Compliance Officer continue to work collaboratively to ensure that all staff register, participate, and receive proper credit for attendance or testing. Both departments also retain training documents as evidence of staff’s compliance with this mandatory requirement.

¹ 1) have been employed with the Center at least 5 years (60 months); 2) have not been the subject of a compliance investigation; and 3) have not caused a payback of greater than \$50

Reports / Investigations

The Center’s Compliance Officer received twenty-five (25) compliance concerns impacting four hundred and eighteen (418) individuals during FY 2017. All incidents were related to confidentiality/HIPAA violations and included unencrypted emails, incorrect fax numbers / mailing addresses and client information stolen from staff vehicles. The majority of incidents effected seven (7) individuals or less with 75% of these events impacting only one (1) individual. A notable exception was the theft of a single appointment book from a staff’s vehicle which impacted two hundred and ninety-eight (298) individuals. This incident alone accounted for 71% of the total breaches. A second vehicle theft effected thirty-eight (38) individuals and was the second highest number of breaches in one event. When combined, these two (2) thefts accounted for 80% of the total breaches during FY 2017.

The below table denotes the number and type of compliance concerns reported to the Compliance Officer since the initiation of the compliance program in FY 01 / FY 02.

(Numbers in parenthesis represent incidents resulting in a refund. For example: 2 (1) reads 2 investigations, 1 of which resulted in a refund. Similarly, the *Medicaid Refund* column denotes in parenthesis the number of incidents responsible for the refund for that fiscal year).

FY	Confidentiality	Billing/ Documentation	Credentials	Fraud Allegations Unconf. / Conf.		Contract/ Other	TOTAL	Medicaid Refund
2002	0	2 (1)	2 (1)	0		2	6	\$9,821.31 (2)
2003	1	3 (1)	3 (1)	0		1	8	\$3,654.20 (2)
2004	11	2 (1)	0	3 (1)	1 (1)	0	17	\$15,437.36 (3)
2005	14	2	0		1 (1)	0	17	\$17,699.55 (1)
2006	8	3 (1)	0	1 (1)		0	12	\$12,471.46 (2)
2007	11	3 (2)	0	0		0	14	\$14,994.83 (2)
2008	5	0	0		2	0	7	(0)
2009	5	2	0		3 (3)	0	10	\$27,672.28 (3)
2010	4	0	0	3 (3)	1 (1)	0	8	\$22,168.46 (4)
2011	7	0	0	0		1	8	(0)
2012	22	2 (1)	0	1		1	26	\$46.76 (1)
2013	18	1	0		1 (1)	2	22	\$275.22 (1)
2014	22	0	0	0	0	0	22	(0)
2015	18	2	0	0	0	0	20	(0)
2016	111	1	0	0	0	0	112	\$2,585.28 (1)
2017	25	0	0	0	0	0	25	(0)
Total	282	23	5	8	9	7	334	\$126,826.71 (22)

Annual Compliance Survey

The annual *Corporate Compliance Survey* was distributed to all staff in September 2017. The survey serves as a follow-up to the FY 2017 compliance training and evaluates staff competency on basic compliance information. The survey further evaluates staffs’ perception of the compliance plan through questions related to the successful resolution of reported concerns, if applicable, as well as management support. In addition, the survey provides another mechanism for staff to identify compliance issues or concerns that were not previously reported. Follow-up was completed with six (6) staff to further explore comments made on the survey. Several issues were either already being addressed or were program specific and directed to the manager. The remainder were resolved with minimal inquiry. Overall survey

responses indicated that staff were both knowledgeable and satisfied with the manner in which reported issues were addressed during FY 2017.

Corporate Compliance Committee

The Corporate Compliance Committee meets regularly and continues to advise and assist the Compliance Officer with monitoring the compliance program and ensuring that the Center's compliance efforts are both effective and responsive to the needs of the organization. The committee convened quarterly during FY 2017 with meetings on September 19, 2016; December 19, 2016; March 20, 2017; and June 19, 2017.

Staff changes during FY 2017 prompted the committee to review membership and consider new appointments to both fill vacant positions and ensure Center wide representation. The following changes were implemented after review and discussion at the December 19, 2016 (2nd quarter) compliance meeting:

- The new Chief Operating Officer, Jerry Freshour replaced CEO, Melissa Tucker;
- The new Director of Recovery Services, Monica Mehalshick replaced Mary Diaz, the Interim Recovery Administrative Assistant;
- IDD Quality Assurance Coordinator, Timothy Ornales replaced Service Coordination Manager, Nola Graham;
- The committee discussed the need to add representation from MH services. It was agreed that rotating participation between the MH Adult Program Managers would afford the best opportunity to ensure that all MH managers are informed, knowledgeable and involved in the compliance process;
- The committee discussed the need to add representation from Human Resources and agreed upon the appointment of Jeanine McNulty, the Center's new Chief Human Resources Officer.

Membership during FY 2017 is as follows and is reflective of the major service areas:

Cindy Kegg, Corporate Compliance Officer
Amy McMahan, Director of Child and Adolescent Services
Casey Duty, Utilization Manager
Donna Gordon, Reimbursement Coordinator
Jeanine McNulty, Chief Human Resources Officer
Jerry Freshour, Chief Operating Officer
Melissa Hollman, Contract Manager/QM Supervisor
Monica Mehalshick, Recovery Services Director
Pam Melgaras, Director of Information Services
Timothy Ornales, IDD Quality Assurance Coordinator

In addition to addressing and responding to any specific concerns identified during the quarterly meetings, the committee routinely reviews the following:

- Compliance reports and incidents
- Compliance investigations
- Business Code of Conduct Violations
- Overpayments / refunds / fee collection
- Audit findings
- Quality Management activities
- Drug and alcohol testing (Connect Transit and other Center programs)
- Licensure / website verifications / exclusion lists / background check issues
- HITECH Breach Notification issues
- The Compliance Plan, Compliance Procedures and Business Code of Conduct
- Risk and Compliance Annual Assessment
- MIS Security Risk Assessment

Fiscal Audit

The Center's Annual Financial and Compliance Audit for the year ending August 31, 2017 was completed by Davis Kinard during August and November 2017. Although the final report had not been received by the date this Annual Compliance Report was submitted, per Chief Financial Officer, Rick Elizondo, there were no Federal or State compliance findings. The audit will be presented to the Center's Board of Trustees for review and approval on February 28, 2018.

Compliance – A Federal Perspective

On November 30, 2017 the Health and Human Services (HHS) Office of Inspector General posted the OIG's Semi-Annual Report to Congress covering April 1, 2017 – September 30, 2017. The report highlighted the achievements of the 2017 Federal fiscal year (October 1, 2016 through September 30, 2017) and included the below accomplishments:

- expected recoveries of more than \$4.13 billion
- exclusions of 3,244 individuals and entities from participation in Federal healthcare programs
- 881 criminal actions against individuals or entities that engaged in crimes against HHS programs
- 826 civil actions against individual or entities

On December 21, 2017, a press release from the *Office of Public Affairs* reported that The Department of Justice recovered over \$3.7 billion in settlements and judgments from civil cases involving fraud and false claims against the government in the fiscal year ending Sept. 30, 2017. Accomplishments highlighted in the DOJ report include:

- \$2.4 billion in settlements and judgments involved the health care industry, including drug companies, hospitals, pharmacies, laboratories and physicians.

- Of the \$3.7 billion in settlements and judgments reported by the government in fiscal year 2017, \$3.4 billion related to lawsuits filed under the qui tam provisions of the False Claims Act. During the same period, the government paid out \$392 million to the individuals who exposed fraud and false claims by filing a qui tam complaint

According to the press release, recoveries since 1986, when Congress substantially strengthened the civil False Claims Act, now total more than \$56 billion.

Conclusion

Gulf Coast Center recognizes the importance of an effective compliance program and understands that all healthcare providers are expected to not only establish and maintain an effective compliance strategy but to also promote a culture of compliance that begins at the highest level and extends throughout the organization. The Center's commitment to the prevention of fraud and abuse as well as identifying, investigating and responding to potential compliance concerns clearly demonstrates the agency's dedication to honest and responsible corporate conduct. The Compliance Officer, Compliance Committee, General Counsel and Executive Management will continue to work collaboratively to ensure that the Center's enduring commitment to ethical and compliant conduct remains both a high priority and a clear expectation within the organization.