

BELA Roundtable – Risk Assessment Best Practices

**Ethisphere
Fordam University School of Law
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Northwell
HealthSM

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Disclaimer

The materials and views expressed in this presentation are the views of the presenters and not necessarily the views of Northwell Health

Risk Assessment Resource Guide

- **Compiled semi-annually and the areas covered include:**
 - The status of ongoing Compliance initiatives
 - Key changes and updates to pertinent rules and regulations
 - Risk profile chart
 - Health System financial data and benchmarks



Risk Assessment Resource Guide (cont.)

- Government audit data trends and Health System government audits
- Internal audits conducted
- Health System voluntary disclosures
- Health System developments
- Compliance Help-Line trend analysis



Determining Potential Risk Areas

- Interviews of key personnel
- External work plans from OIG and OMIG are reviewed
- Prevalent industry topics also reviewed
- Internal data mining, through third party software
- Financial data is assessed to evaluate reimbursement trends
- Audit items that pertain to the Health System are placed on a “potential audit” list
- Prior year audits/re-audits



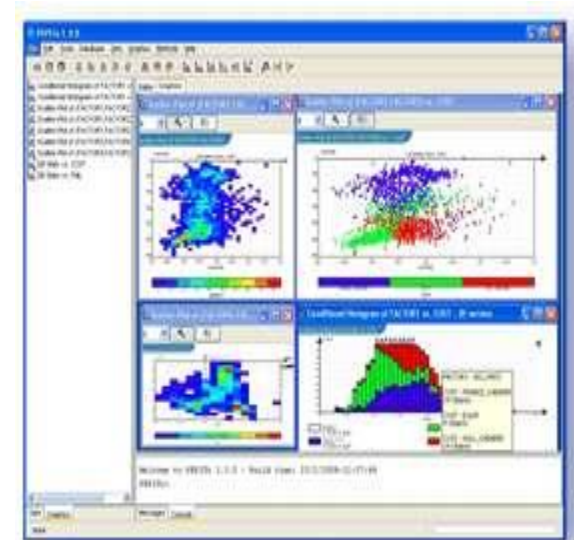
Data Mining

- Federal/state governments investing heavily in data mining tools
- What is “data mining” and how does it relate to risk assessments?
- Types of data mining algorithms/reviews
 - RAC
 - OIG/OMIG work plans
 - External reports (e.g., Medicare Compliance Report)
 - Help Line calls
 - Internal inquiries

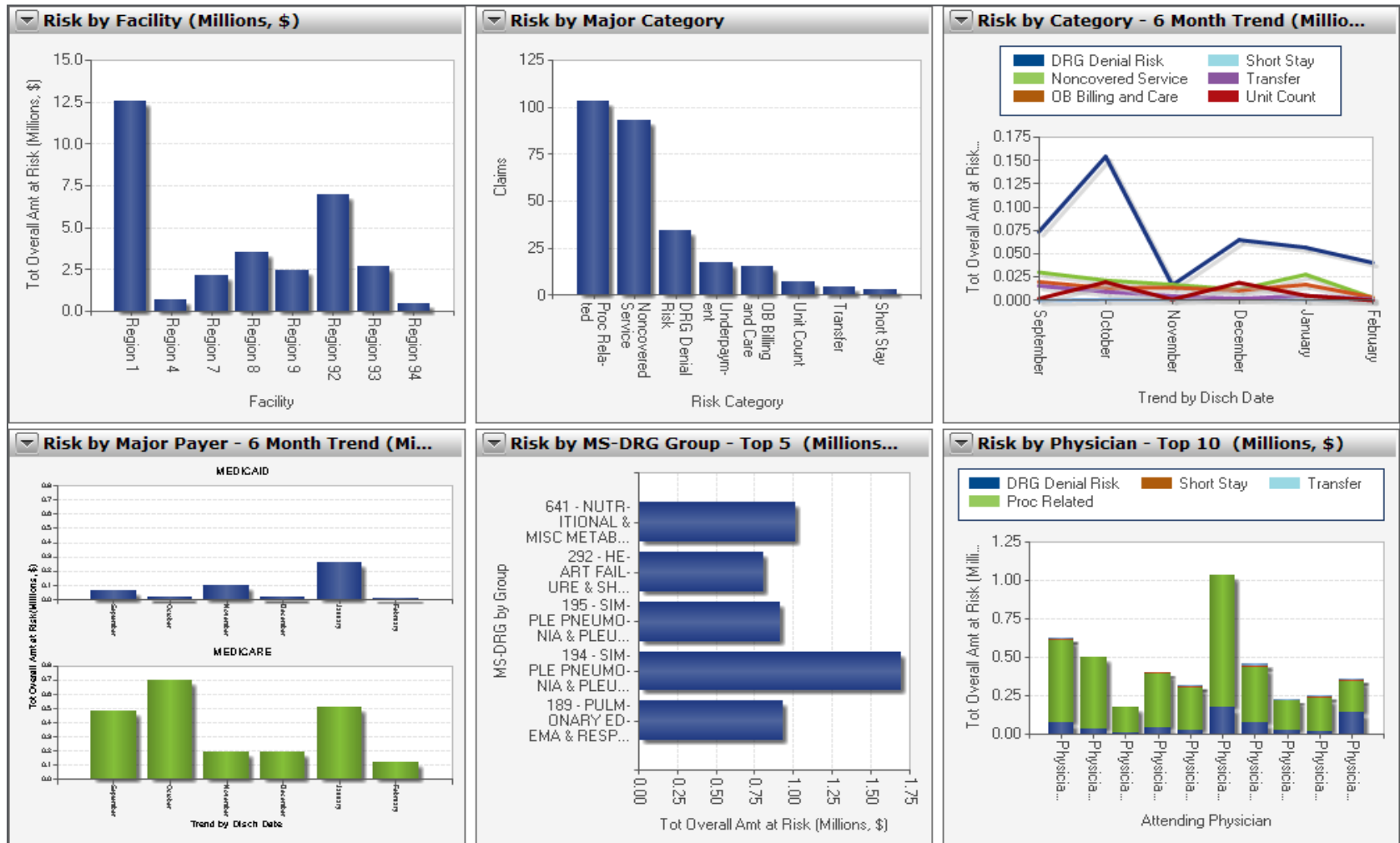


Data Mining (cont.)











- Identified data mining risk areas often do not equate to errors
- Data mining software can validate data is within a normal range
- Lots of options to perform data mining internally or externally



Sample Data Mining Dashboard (Non-Northwell Data)



Sample Data Mining Report (Non-Northwell Data)

  Risk Category	Claims ▼	Total Charges	Average Charges	Tot Overall Amt at Risk ▼
 <u>Noncovered Service</u>	<u>4,145</u>	<u>9,187,151</u>	<u>2,216</u>	<u>3,129,920</u>
 <u>Unit Count</u>	<u>3,800</u>	<u>25,455,329</u>	<u>8,585</u>	<u>10,535,024</u>
 <u>OB Billing and Care</u>	<u>3,181</u>	<u>9,161,362</u>	<u>2,881</u>	<u>4,248,958</u>
 <u>DRG Denial Risk</u>	<u>2,448</u>	<u>29,675,922</u>	<u>16,085</u>	<u>12,281,484</u>
 <u>Short Stay</u>	<u>1,755</u>	<u>24,283,679</u>	<u>18,286</u>	<u>9,255,970</u>
 <u>Transfer</u>	<u>1,241</u>	<u>16,155,732</u>	<u>16,882</u>	<u>8,312,849</u>
 <u>Hosp Acquired Cond</u>				
Vascular (Central Venous) Catheter Associated Infection (126)	<u>4</u>	<u>332,517</u>	<u>83,129</u>	<u>142,371</u>
Falls, Trauma or Injuries (132)	<u>17</u>	<u>544,039</u>	<u>41,849</u>	<u>122,511</u>
Air Embolism (129)	<u>1</u>	<u>67,140</u>	<u>67,140</u>	<u>25,858</u>
Catheter Associated UTI with POA not =Y (121)	<u>3</u>	<u>76,093</u>	<u>38,047</u>	<u>11,508</u>
Glycemic Control Manifestation with POA not=Y (122)	<u>1</u>	<u>30,620</u>	<u>30,620</u>	<u>7,511</u>
Stage III & IV Pressure Ulcers (131)	<u>1</u>			
Total : Hosp Acquired Cond	<u>27</u>	<u>1,050,409</u>	<u>50,019</u>	<u>309,759</u>
 <u>Diag Related</u>	<u>2</u>	<u>37,825</u>	<u>18,913</u>	<u>20,006</u>
Total : Selected Filter(s)	<u>16,599</u>	<u>115,007,408</u>	<u>7,963</u>	<u>48,093,970</u>

Hotline Statistics

Northwell Health Compliance HelpLine

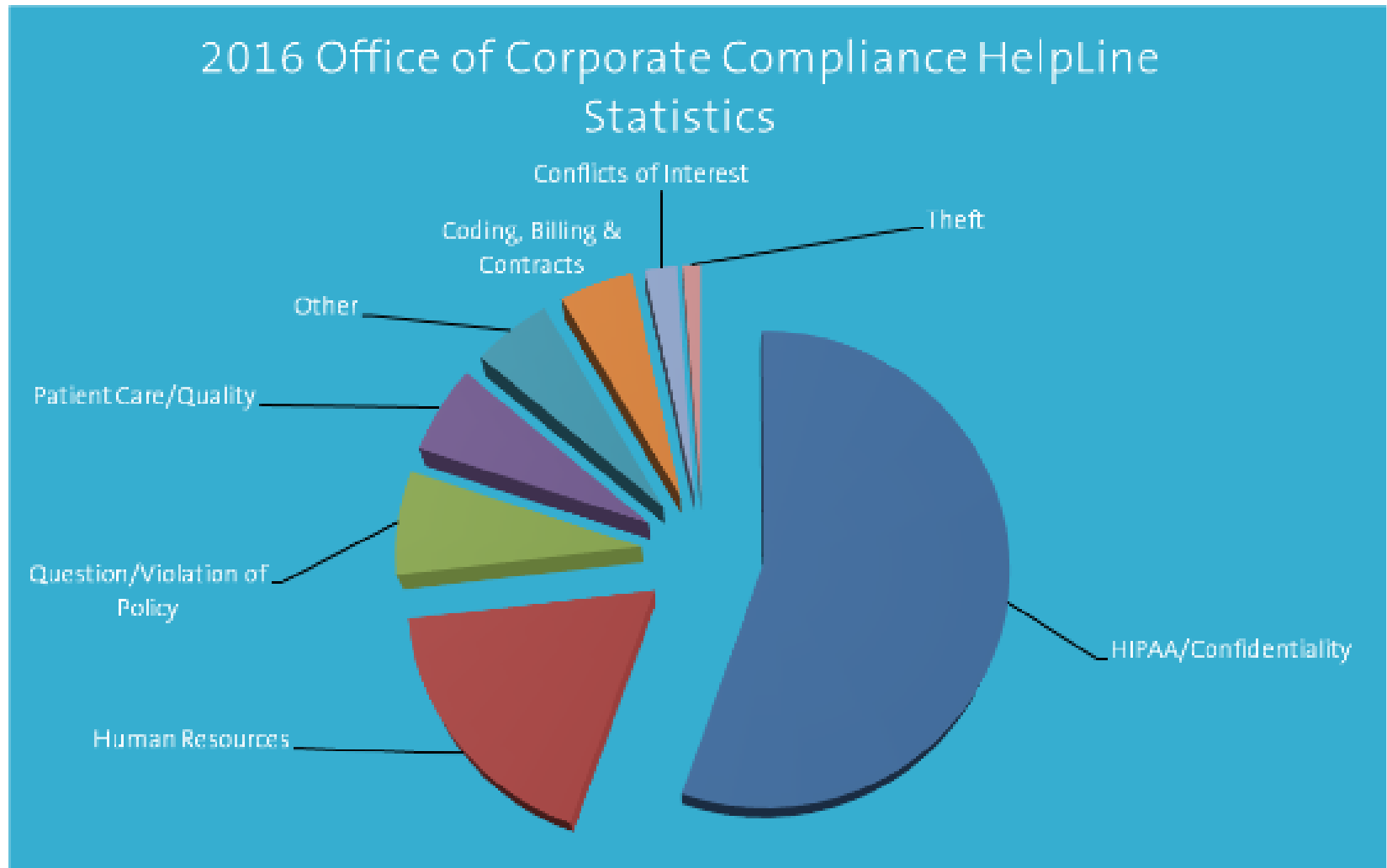
The Northwell Health Compliance HelpLine is available 24 hours a day, seven days a week. Compliance HelpLine callers may remain anonymous and those who choose to give their name will have their identities protected to the extent allowed by law. The Compliance HelpLine has multi-lingual operators who can take reports from individuals whose first language is not English. The Compliance HelpLine can be reached by calling **(800) 894-3226** or by visiting www.Northwell.ethicspoint.com online.

There were a total of 1,867 calls to the Compliance HelpLine in 2016.

We encourage employees, medical staff, vendors, patients, and business partners to report to the Office of Corporate Compliance or the Compliance HelpLine any actual or suspected violations of Northwell Health's policies and procedures and/or federal or state law. Calls received by the Compliance HelpLine are most often inquiries, but can sometimes be reports of potential misconduct. Our investigatory process includes many methods to determine whether any misconduct occurred.

Compliance takes all calls seriously. Inquiries are reviewed by the Office of Corporate Compliance and may also be reviewed by other applicable departments such as Human Resources, Internal Audit, and the Office of Legal Affairs.

Hotline Statistics



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Specialty:
 Allopathic & Osteopathic Physicians/Orthopaedic Surgery/Orthopaedic Surgery of the Spine

Summary Information for Program Year 2014

\$13,878.59 Total General Payments	26 Total General Transactions	\$3,082,014.00 Total Amount Invested	1 Total Invested Transactions
N/A Total Research Payments	0 Total Research Transactions	\$5,151,690.00 Total Value of Interest	
\$54,647.50 Total Associated Research Funding	4 Total Associated Research Transactions	0 Total Disputed Payments	31 Total Undisputed Payments

[General](#)
[Research](#)
[Associated Research](#)
[Ownership](#)

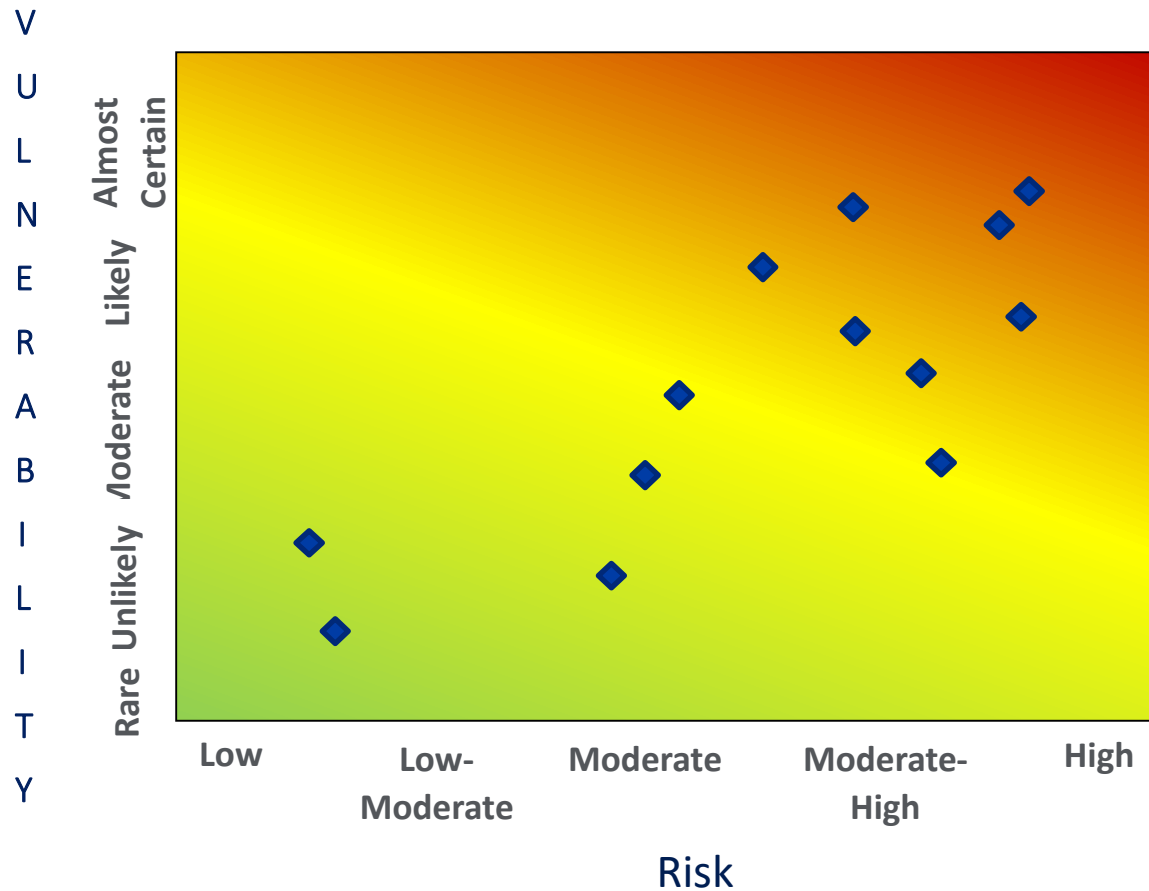
Payments that are not associated with a research study

General Payments Received

Company Making Payment	Nature of Payment	Date	Amount	Third Party Payment	Disputed?	Comment
NuVasive, Inc.	Royalty or License	09/14/2014	\$3,744.95	Yes	No	
NuVasive, Inc.	Royalty or License	02/12/2014	\$3,484.40	Yes	No	
NuVasive, Inc.	Royalty or License	08/15/2014	\$3,235.84	Yes	No	
NuVasive, Inc.	Royalty or License	11/12/2014	\$3,087.14	Yes	No	
Aesculap Implant Systems, LLC	Food and Beverage	01/16/2014	\$116.49	No Third Party Payment	No	
Centinel Spine, Inc.	Food and Beverage	11/12/2014	\$34.15	No Third Party Payment	No	
Aesculap Implant Systems, LLC	Food and Beverage	01/13/2014	\$29.41	No Third Party Payment	No	

- Publicly available
 - Provider name and address
 - Total investments interest
 - Total research payments
 - Total general payments
 - Details regarding all reported information

Sample Heat Map

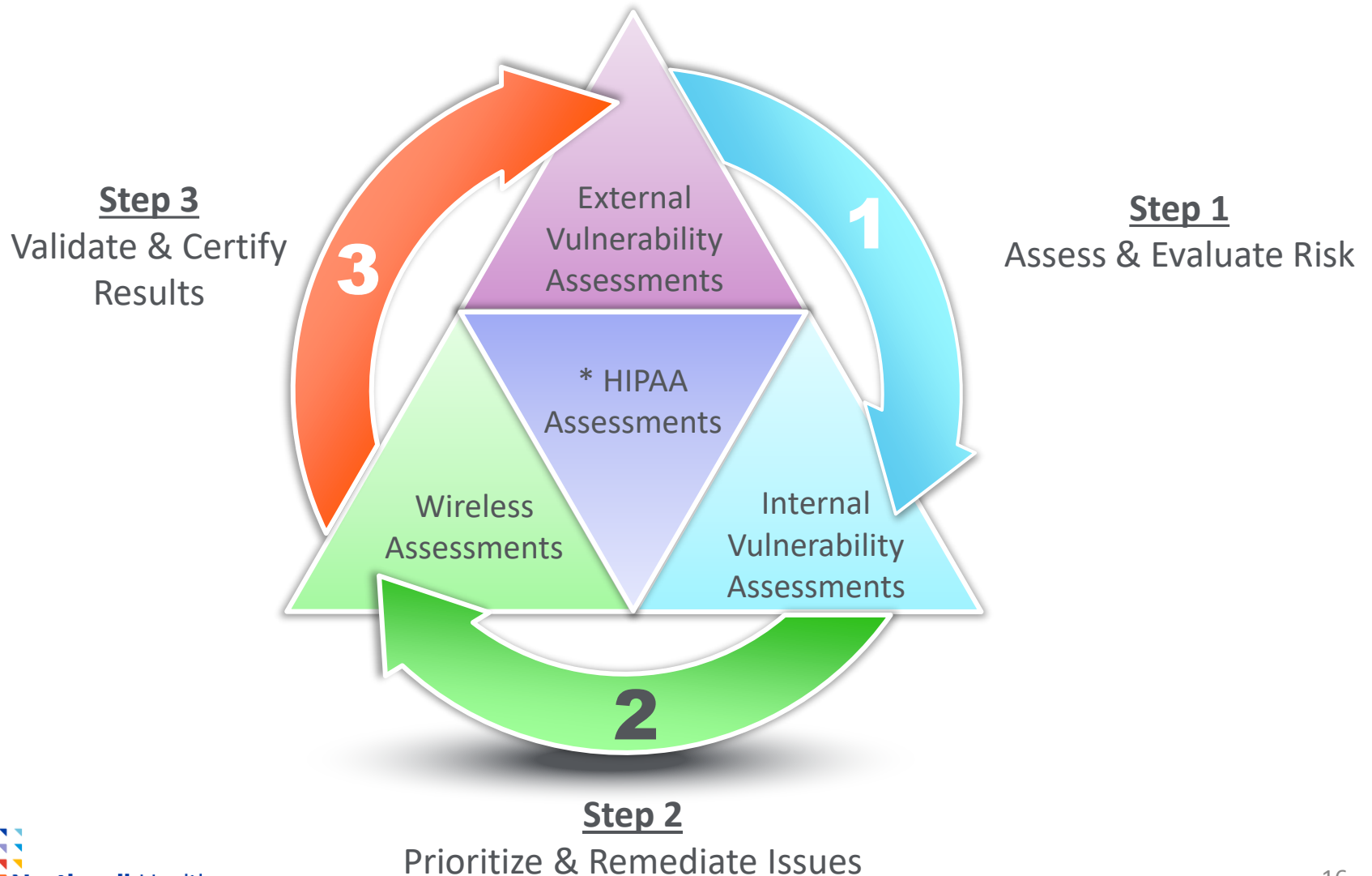


Sample Scoring Matrix

2019 Compliance Risk Assessment Scoring Matrix

Score	Impact to the Organization			Vulnerability		
	Mission	Financial	Legal	Likelihood of Risk	Detectability	Controls
1	Little or no mission risk at either System or hospital level.	Loss is less than 3 million of net revenue.	Technical violation of law or regulation. Little or no fine probable.	Low risk, unlikely to occur. Historical and industry experience show low likelihood of occurrence.	Failures are likely to be detected. Process is directly supervised. Automated safeguards for identifying variations/errors.	Internal and/or automated controls proven to be highly effective in mitigating all risk.
2	Slight mission risk. Possible bad press but no significant patient, physician, constituent consequences.	Loss between 3-6 million of net revenue.	Civil fines and/or penalties up to \$1,00,000 possible, but little risk of exclusion, CIA, loss of accreditation/licensure.	Slight risk, historical industry experience shows some likelihood, however not experienced in organization to date; simple well understood process; competency demonstrated - less likely to fail.	Slight risk that failure will not be detected - process failures; moderate safeguards in place; partially automated process with moderate management oversight.	Routinely audited and/or tested. Performance metrics are established, routinely reviewed and show little variation. Current policies and procedures exist. Employee training and competency established. Well-prepared to manage this risk appropriately based on implemented risk management plans.
3	Moderate mission risk. Probable bad press. Probable modest physician, patient and/or constituent fallout.	Loss between 6-30 million of net revenue.	Civil fines and/or penalties up to \$10,00,000 probable. Modest risk of exclusion, CIA possible.	Moderate risk of occurrence within next 12 months; isolated to single facility.	Moderate risk that failure will not be detected. Limited safeguards in place to identify failure prior to occurrence. Partially automated process with limited management oversight.	Periodically audited and/or tested. Corrective action plans developed and tested for effectiveness. Limited performance metrics established. Risk management plans expected to manage the risks appropriately.
4	Significant negative press coverage. Significant patient, physician and/or constituent fallout.	Loss between 30-50 million of net revenue.	Civil fines and/or penalties up to \$30,00,000 probable. Loss of business unit licensure/accreditation. Exclusion possible. CIA probable.	Significant risk; likelihood of occurrence in up to 50% of facilities; complex and/or manual process.	Significantly difficult to detect prior to failure; manual safeguards in place to identify failures; no automated processes; periodic management oversight.	Management Review and approval required. Process not audited or tested or infrequently audited or tested. Limited policy or procedure guidance. Some risks management plans or steps undertaken; not reasonably expected to manage the risk appropriately or fully.
5	Extensive and prolonged negative press coverage. Significant sponsor/board questions of management. Extensive patient, physician, and/or constituent fallout.	Loss greater than 50 million of net revenue.	Criminal conviction and/or exclusion of hospital or System probable. Fines, penalties and or legal exposure in excess of 1% net revenue or \$40,000,000. CIA certain.	High risk of occurrence. Likely to occur in next 12 months. Highly complex process with numerous hand-offs. Relies on extensive specialized skills. Note: should assume natural/manmade disasters are likely to occur in next year.	Extremely hard to detect prior to failure. Highly automated with little or no human intervention, oversight or control. No built-in safeguards, cross-checks, or other mechanisms to identify errors/failures prior to submission/completion.	No formal controls in place. No risk management plans or steps in place currently.

IT Risk Analysis Process



IT Risk Analysis Process

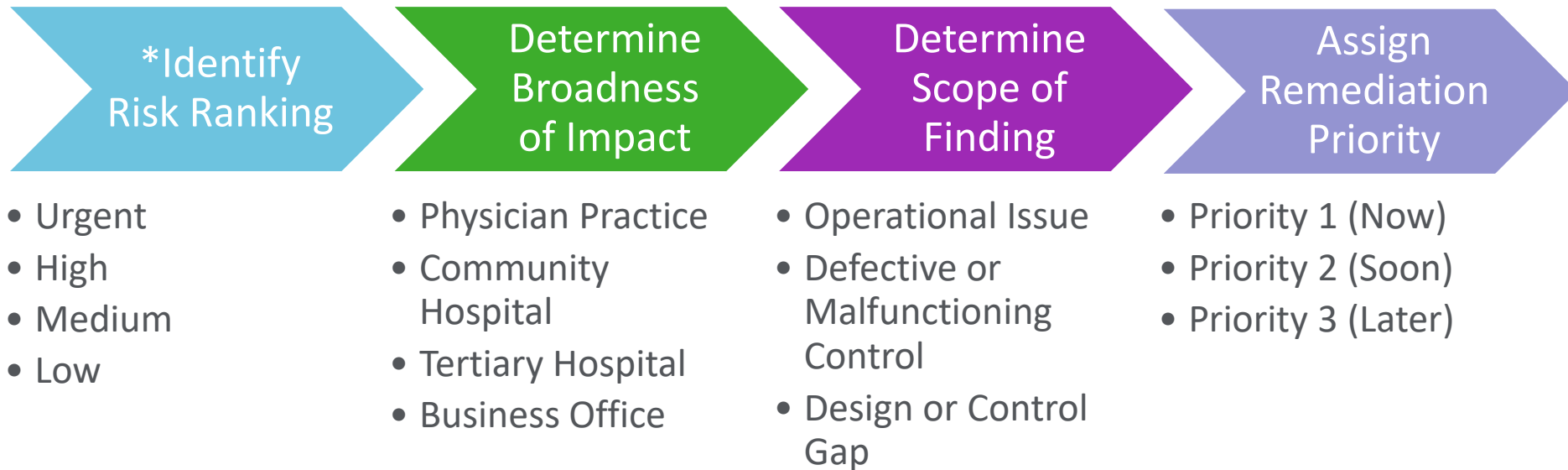
Risk Ranking

Measured in terms of impact and likelihood of occurrence using an ordinal scale (urgent, high, medium, low) to rank order of importance.

Risk Remediation Priorities

Prioritization of risks based on qualifiers for “scope” and “broadness of impact” to facilitate dialog on how to allocate resources.

Risk Ranking Process



*Risk Rankings are based on NIST 800-30 definitions

Risk Analysis Register Components

- Finding
- Recommendations
- Location
- Threat
- Risk Category
- Risk Score
- Risk Ranking
- Remediation Owner
- Corrective Action Plan (CAP)
- CAP Status
- Actual/Targeted Completion Date
- Ticket or Project #
- Remediation Priority

Thank You

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