

June 2, 2005

**VA MEDICAL CENTER COMPLIANCE AND BUSINESS INTEGRITY (CBI)
COMMITTEE**

1. PURPOSE: This Veterans Health Administration (VHA) Directive establishes the policies and procedures for the creation and administration of the facility Compliance and Business Integrity (CBI) Committee.

2. BACKGROUND

a. The United States Sentencing Guidelines (USSG) defines seven elements of an effective compliance program. Among these is a need for organization boards to be knowledgeable about the content and operation of the compliance and ethics program, and to exercise reasonable oversight with respect to the implementation and effectiveness of the compliance and ethics program. Also added to USSG is the fact that compliance professionals as well as organizational leadership are now responsible for compliant behavior. Although the USSG regulations do not apply to government entities, the compliance program set forth in the Guidelines is the standard for compliance professionals in all organizations. The Designated Agency Ethics Official (DAEO) and Regional Counsels retain responsibility for all ethics training and oversight; however, effective CBI programs are both available to and collaborate with DAEO and Regional Counsels as areas of mutual interest are identified.

b. CBI objectives and responsibilities outlined in this Directive presume that:

(1) The facility has a dedicated CBI Office that is not overburdened or encumbered with ancillary or collateral duties.

(2) The CBI Office is positioned so that it can report its findings, opinions, and conclusions without fear of repercussion.

c. VHA Directive 2003-028, Compliance and Business Integrity (CBI) Program, established CBI committees at the facility and Veterans Integrated Services Network (VISN) level and a national Compliance Advisory Board (CAB). *NOTE: The CBI Committee serves in an advisory role to senior leadership regarding the CBI function.*

d. CBI committees are expected to demonstrate due diligence in advising senior leadership for the variety of CBI challenges of local importance. The CBI Committee demonstrates its due diligence for this obligation by sustained, collaborative program monitoring activities that are planned, articulated, communicated, and trended across time. Reporting to the most senior committee or board at the facility, the CBI Committee identifies and communicates the status of critical risks and challenges for the organization and assists leadership in meeting its organizational responsibilities as outlined in the revised 2004 United States Sentencing Guidelines for Organizations <http://www.ussc.gov/>.

THIS VHA DIRECTIVE EXPIRES JUNE 30, 2010

VHA DIRECTIVE 2005-021

June 2, 2005

e. The CBI Committee serves to document facility efforts in the areas of CBI internal controls and measurement, enforcement of policies and procedures, identification and tracking of efforts to improve business practices, and as a resource for organizational business ethics efforts. Functioning at the senior level, the CBI Committee responsibilities may include operational components or sub-committees focused on internal audit, risk identification, monitoring, and remediation or program education. The CBI Committee, in discussion with the senior facility committee or board, defines its role as a counterpart to other departments responsible for the multitude of program operations affecting organizational CBI responsibilities.

f. Ultimately, the measure of CBI Committee effectiveness is its ability to articulate to senior leadership the current operational CBI challenges and in providing a strategic plan for how the CBI Committee work will facilitate achieving all required elements of a model CBI Program. Model programs include specific effectiveness benchmarks, measures, and milestones within their proposed plan.

3. POLICY: It is VHA policy that CBI Committees be established and maintained at each VA medical center. *NOTE: See Attachment A for a sample of facility policy and Attachment B for suggested CBI Committee membership.*

4. ACTION

a. **Facility Director.** The facility Director is responsible for establishing the CBI Committee and for:

- (1) Appointing appropriate members of the CBI Committee.
- (2) Approving the CBI Committee decisions and minutes.
- (3) Delegating the necessary authority to the CBI Committee to complete its oversight function.
- (4) Ensuring the CBI Committee performs the following four functions:

(a) **Departmental Collaboration.** A measure of CBI Program effectiveness includes evidence that the CBI Committee:

1. Communicates and coordinates program initiatives with departments influencing the revenue cycle,
2. Measures business output and quality improvement,
3. Determines and tracks organizational risk, and
4. Facilitates business practices of integrity representing the following minimum set of objectives:

a. Offering system designs that enable reporting of actual or potential compliance issues to the CBI Office, and

b. Minimizing variance and standardizing optimal CBI procedures to achieve effective collaboration with other departments and committees.

(b) Operational Integration. Defining and articulating the CBI role in business functions is a critical first step for CBI Committees. It is the evidence that routine internal monitoring of these systems exists that gives effect to the program by:

1. Developing and implementing a process to review referrals from other VA medical center committees and programs that influence business integrity.

2. Referring issues to appropriate VA medical center committees, such as Information Management, Data Validation, Medical Records, etc., when appropriate.

3. Serving as a repository of information for programs across the organization that the CBI Committee is involved in, or informed of, as salient investigations, program reviews, external inspections or other recurring or episodic program assessment efforts that fall under the purview of CBI responsibilities.

4. Integrating its activities into the fabric of the VISN CBI Program. Although this Directive discusses CBI Committees at the facility level, it is expected that issues of significant importance and/or compliance violations will be forwarded to the VISN CBI Council or Officer. **NOTE:** *Communication with other facilities is essential to process and program improvement through shared programs and information.*

(c) Internal Controls and Measurement. Another of the CBI Committee's roles is to establish an environment for senior leadership to have reliable information upon which to act. The measurement process must be flexible in identifying and quantifying areas of business risk to ensure the organization is functioning in an efficient and ethical manner, to include:

1. Conducting a risk assessment each year and developing a monitoring, auditing and education plan. These plans need to take into account those issues that are noted in the VA Office of Inspector General (OIG) Combined Assessment Program (CAP) reviews, Joint Commission on Accreditation of Healthcare Organization reviews, Health and Human Service (HHS) OIG Work Plan, locally developed risk assessments, results from previous and ongoing monitoring and auditing activities, as well as other potential risk areas deemed pertinent.

2. Developing criteria standards and monitoring processes for collecting, documenting, and reporting this information until the outcome criteria is consistently met.

3. Monitoring revenue cycle activities routinely, as well as identifying and auditing high-risk areas, as required, until compliance is consistently demonstrated.

4. Reviewing, at a minimum, CBI Committee issues to include:

VHA DIRECTIVE 2005-021

June 2, 2005

- a. CBI training provided to employees,
- b. Key Compliance Performance Measures,
- c. Routine List of Excluded Individuals and Entities (LEIE) Checks,
- d. Non-VA care for compliant billing and payment,
- e. Business Office functions,
- f. Utilization Review,
- g. Pre-certification,
- h. Stark and Anti-kickback Regulations, and
- i. Effectiveness of the CBI Program.

(d) Support to Facility Leadership. Support to facility leadership includes:

1. Providing a written annual CBI Program report to senior leadership that encompasses significant work performed during the year, which includes the upcoming focus areas that require continued monitoring.

2. Providing to the senior committee at the facility an updated status report on where the organization is in respect to its Annual Report requirements. *NOTE: Just as the CBI Officer reports to the senior individual at the facility (the Director); the CBI Committee reports to the most senior committee.*

b. **Facility CBI Officer**. The facility CBI Officer is responsible for serving as chairperson or co-chairperson of the CBI Committee and for:

(1) Providing reports at each CBI Committee meeting describing the actions and initiatives of the CBI Program.

(2) Providing education to CBI Committee members regarding all CBI oversight functions.

(3) Receiving guidance and advice from the CBI Committee regarding the activities and direction of the local CBI Program.

5. REFERENCES

a. VHA Directive 2003-028, Compliance and Business Integrity (CBI) Program, May 29, 2003.

b. HHS OIG Compliance Program Guidance for Hospitals; Federal Register, Volume 63, No. 35, page 8987, 1998.

c. HHS OIG Supplemental Compliance Program Guidance for Hospitals; Federal Register Volume 70, No. 19, page 4858, 2005.

d. United States Sentencing Guidelines for Organizations, 2004.

e. "Corporate Responsibility and Corporate Compliance: A Resource for Health Care Boards of Directors" HHS OIG and the American Health Lawyers Association, 2003.

f. "An Integrated Approach to Corporate Compliance: A Resource for Health Care Organization Boards of Directors" HHS OIG and the American Health Lawyers Association, 2004.

6. FOLLOW-UP RESPONSIBILITY: The Director, CBI (10B3), is responsible for the contents of this Directive. Questions may be addressed to (202) 501-1831.

7. RESCISSIONS: None. This Directive expires on June 30, 2010.

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Under Secretary for Health

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ATTACHMENT A

**SUGGESTED SAMPLE FORMAT FOR THE FACILITY
COMPLIANCE AND BUSINESS INTEGRITY (CBI) COMMITTEE POLICY**

NOTE: The use of this template is strongly encouraged.

1. PURPOSE: This policy establishes a Compliance and Business Integrity (CBI) Committee at _____(Name of Facility)_____ to design, implement, and oversee all CBI Program activities. The CBI Committee serves in an advisory role to senior leadership regarding the CBI function.

2. BACKGROUND

a. The United States Sentencing Guidelines (USSG) defines seven elements of an effective compliance program. Among these is a need for organization boards to be knowledgeable about the content and operation of the compliance and ethics program, and they must exercise reasonable oversight with respect to the implementation and effectiveness of the compliance and ethics program. Also added to USSG is the fact that compliance professionals, as well as organizational leadership are now responsible for complaint behavior.

b. Veterans Health Administration (VHA) Directive 2003-028, Compliance and Business Integrity (CBI) Program, established CBI Committees at the facility and Veterans Integrated Services Network (VISN) level, and a national Compliance Advisory Board (CAB).

3. POLICY: It is _____(Name of Facility)_____’s policy to establish a CBI Committee to provide guidance to local leadership on how the organization is meeting its requirements in accordance with established legal, regulatory, and ethical standards.

4. ACTION

a. **Facility Director.** The Facility Director is responsible for establishing the CBI Committee and:

(1) Appointing appropriate members of the CBI Committee.

(2) Approving recommendations and minutes.

(3) Delegating the necessary authority to the CBI Committee to complete its oversight function.

(4) Providing overall CBI Program oversight.

b. **CBI Officer.** The CBI Officer is responsible for:

(1) Serving as the chairperson or co-chairperson of the CBI Committee.

VHA DIRECTIVE 2005-021

June 2, 2005

(2) Ensuring minutes of the CBI Committee are provided to senior leadership for review, discussion, and approval.

(3) Developing the agenda prior to each meeting.

(4) Providing reports at each CBI Committee meeting describing the actions and initiatives of the CBI program.

(5) Providing education to CBI Committee members regarding all CBI oversight functions.

(6) Soliciting guidance and advice from the CBI Committee regarding the activities and direction of the local CBI Program.

c. CBI Committee

(1) The CBI Committee reports quarterly to the most senior committee within the facility.

(2) The CBI Committee meets on a monthly basis. Additional meetings may be called at the discretion of the Chairperson, as deemed necessary.

(3) The CBI Committee is composed of representatives from administrative, professional, and clinical services (see Att. B).

(a) Members of the CBI Committee are required to report on assigned activities at intervals designated by the Chairperson.

(b) Members are required to attend meetings. Members who are unable to attend must send an alternate service representative with decision-making authority for their service line.

(4) The CBI Committee is responsible for:

(a) Assessing the current compliance environment regarding legal requirements and specific risk areas.

(b) Developing and distributing policies and procedures that promote commitment to compliance.

(c) Addressing specific areas of potential fraud or mismanagement, such as documentation, coding, and billing.

(d) Developing a strategy for ongoing training and education for all relevant employees.

(e) Developing a mechanism to solicit, evaluate, and respond to identified issues and complaints.

(f) Evaluating the results of monitoring and auditing activities related to the CBI Program and identified risk areas.

(g) Reviewing CBI Helpline activities.

(h) Reviewing reports on CBI inquiries, investigations, and corrective actions that fall under the purview of CBI. Where investigations or corrective actions include protected information, the CBI Committee need not review specific actions taken, but need to be assured that any activity creating a compliance exception has been terminated.

(i) Assessing the effectiveness of the CBI Program and making recommendations for change, as needed, to the CBI Officer and/or senior leadership, as appropriate.

(j) Referring, when appropriate, issues of significant importance to the VISN CBI Council or Officer, as well as communicating issues to their counterparts at other facilities.

5. REFERENCES: VHA Directive 2003-028.

6. FOLLOW-UP RESPONSIBILITY: The Associate Medical Center Director is responsible for the contents of this policy. Questions may be addressed to the local Associate Medical Center Director.

7. RESCISSIONS: None.

(Signature Block of Facility Director)

ATTACHMENT B

**SUGGESTED
COMPLIANCE AND BUSINESS INTEGRITY (CBI) COMMITTEE MEMBERSHIP**

NOTE: This listing is not intended to be all-inclusive. It represents those programs and responsibilities that may directly affect effective CBI Programs.

It is strongly recommended that the members of the CBI Committee consist of:

1. **Chairperson.** Designated Senior Facility Officer. *NOTE: This is not to include the Medical Center Director, the Assistant Medical Center Director, or the Chief of Staff.*
2. **Co-chairperson.** Chief, CBI Officer.
3. **Membership.** The membership needs to consist of:
 - a. Chief, Health Information Management (HIM).
 - b. Chief, Human Resource Management (HRM).
 - c. Chief, Information Resource Management (IRM).
 - d. Representative of Medical Service.
 - e. Chief, Medical Care Cost Fund (MCCF).
 - f. Representative of Primary Care.
 - g. Representative of Surgical Service.
 - h. CBI Analyst (Auditor or Assistant).
 - i. Representative of Mental Health.
 - j. Chief, Performance Improvement and/or Quality Management (QM).
 - k. Chief of Staff as Ex-Officio member.
 - l. Regional Counsel Representative.
 - m. Union Representative.
 - n. Chief, Health Administration Service (HAS).