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## OIG Publishes Supplemental Compliance Program Guidance for Hospitals

On January 27, 2005, the Office of Inspector General (OIG) of the Department of Health and Human Services issued the updated voluntary compliance program guidance for hospitals. Originally issued in 1998, the purpose of the original compliance program guidance was to assist hospitals in complying with the rules and regulations for participation in Medicare, Medicaid and other Federal health care programs. Specifically, the original guidance focused on how hospitals could design effective voluntary compliance programs.

The supplemental compliance program guidance was issued after soliciting and receiving a large number of comments with respect to fraud and abuse risk areas. Accordingly, the supplemental guidance focuses on measuring and improving the effectiveness of existing compliance efforts and identifies additional fraud and abuse risk areas for hospitals.

The specific risk areas discussed in the supplement include: (i) billing under the outpatient prospective payment system; (ii) the physician self-referral law; (iii) the Federal anti-kickback statute; (iv) relationships between hospitals and physicians; (v) relationships between hospitals and other providers; (vi) joint ventures; and (vii) practitioner recruitment.

The guidance also identifies practical measures hospitals can use to gauge the effectiveness of their compliance programs. In particular, the guidance suggests that hospitals:

- implement a code of conduct
- conduct regular reviews of compliance program effectiveness
- designate a compliance officer and compliance committee
- develop compliance policies and procedures
- implement training and education programs
- conduct internal monitoring and auditing
- respond to detected deficiencies
- enforce disciplinary standards

The OIG urges each hospital to review its existing compliance plans, and adopt changes to such plans and methods of enforcement, in light of this supplemental guidance.

For more information about the Supplemental Compliance Program Guidance for Hospitals, or questions regarding how to implement the OIG's new guidance, please contact Deborah Gordon, at [dgordon@seyfarth.com](mailto:dgordon@seyfarth.com) or 312-781-8620, or Karen Harris, at [kharris@seyfarth.com](mailto:kharris@seyfarth.com) or 312-269-8931.