

Departing Compliance Officers: A Problem or an Opportunity?

Richard P. Kusserow | October 2024

Key Points:

- Checklist on making decisions
- Maximizing benefits from the cost of covering a gap
- How to get "multiple bangs for the buck"
- There are many consultants, so choose wisely
- Trust should be at the top of the list when deciding on consultants

It has been nearly thirty years since the OIG began issuing the compliance program guidance, which resulted in an explosion of healthcare compliance officers. Now, many of them are retiring. In fact, in the last three years, the retirement rate has doubled. Additionally, many compliance officers are moving to new opportunities in other organizations, while others are being pushed out for not meeting organizational expectations. The result of all this has been an unprecedented number of vacancies. The 2024 Compliance Office Benchmark Survey revealed that on average, it takes 5-7 months to replace a compliance officer. This is a problem but also a great opportunity to assess the current status of the compliance program when someone leaves, defining precisely what is needed in a replacement and developing a road map to guide the new compliance officer. To take advantage of this opportunity, it is important to clearly define expectations and find the right firm to meet them. To engage someone just holding the reins of the office until a permanent hire is made may not be a cost-effective option. For the investment, it is far better to require as part of the engagement, the inclusion of an independent assessment of the program's status.

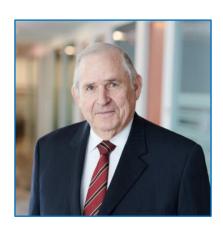
There are multiple benefits in absorbing the cost of an evaluation under an interim compliance officer engagement. First, there would be the double benefit of managing the compliance program while also obtaining an independent assessment which, if contracted separately, would cost about the same. Second, it meets the call for an independent assessment by the OIG/DOJ. Third, the independent consultant can provide objective and credible information, not influenced by prior decisions. Fourth, it would provide leadership and the board an unbiased report on the program and what may be needed to improve it. Fifth, it will help define what is needed in the qualifications of the permanent replacement. Finally, the report will provide a road map for the incoming compliance officer. The following is a checklist to consider when planning to have someone assume the position of interim compliance officer:

- Define precisely what qualifications are needed for the work
- Determine how much of the work needs to be done onsite versus remotely
- Evaluate prospective firms' credentials and capabilities



- Seek a strong track record in the healthcare sector
- Look for an established firm with many years of experience (the more the better)
- Verify that the firm offers services that align with needed services
- Research the firm's reputation in the healthcare sector
- Determine the availability of the needed services
- Require liability insurance coverage (e.g., \$3 million)
- Seek a consultant with experience, knowledge, and skills
- Look for broad compliance program management experience
- Avoid a free-lance contractor without a track record
- Determine the level of backup support that could be drawn upon from the firm
- Request a list of relevant credentials possessed by the firm
- Determine a proposed approach and methodology for the work
- Ensure the consultant signs a BAA and NDA
- Obtain references for past similar engagements
- Engage a consultant only after an in-depth discussion to ensure a cultural fit
- Assess the qualifications, demonstrated knowledge, and skills of the consultant
- Determine the costs associated with meeting the requirements of the work
- Consider a fixed fee contract, rather than hourly rates with the "meter running"
- Retain the right to terminate at any time with simple notice, if unsatisfied with the service provided

For more information and advice on this subject contact rkusserow@strategicm.com. You can also keep up-to-date with Strategic Management Services by following us on LinkedIn.



About the Author

Richard P. Kusserow established Strategic Management Services, LLC, after retiring from being the DHHS Inspector General, and has assisted over 2,000 health care organizations and entities in developing, implementing and assessing compliance programs.