

2025

Healthcare Compliance Benchmark Report

16TH ANNUAL SURVEY





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Executive Summary

This report presents the findings from the 16th Annual Healthcare Compliance Benchmark Survey, conducted by SAI360 and Strategic Management Services. The survey and analysis were by Richard P. Kusserow, former DHHS Inspector General and CEO of Strategic Management. The primary objective of the survey was to gain insights into the current status and development of Compliance Programs within the healthcare industry. It included questions that assessed various aspects of healthcare compliance, such as demographics, resource allocations, reporting structures, operational practices, key challenges, and strategic priorities for the upcoming year. In response to the OIG General Compliance Program Guidance and updated DOJ Compliance Program Effectiveness Evaluation Guidelines, several questions were added or modified. The findings, along with an analysis of their significance, are drawn from responses across a diverse range of organizations, from small entities to large healthcare systems.



Survey Highlights

The survey results reveal critical insights, with the following top 10 key highlights standing out as the most significant findings:

- One-third of Compliance Offices have only one full-time or part-time employee.
- Most respondents indicated that resource allocations for Compliance Offices will remain unchanged from last year, even as the majority reported an increase in their scope of responsibilities.
- Half of Compliance Officers report directly to the CEO, while one in five reports to Legal Counsel. Additionally, the majority of Compliance Officers provide quarterly reports to the Board of Directors.
- Eighty percent of Compliance Office staff work remotely, either full-time or part-time.
- Ten percent of respondents reported poor support of the Compliance Program from leadership and the Board of Directors.
- Compliance Officers reported that privacy compliance consumes about half their time and effort and that OCR remains the number one type of regulatory encounter in the last three years.
- Most Compliance Offices outsource the compliance hotline and sanction screening process, and most respondents use software to manage compliance-related documents.
- Respondents report that their top compliance work plan areas are conducting reviews of high-risk areas, updating training, and reviewing compliance documents.
- Most respondents rely upon internal assessments to evidence program effectiveness, while only one-third had independent assessments conducted in the last three years.
- Respondents reported that the greatest compliance challenge for 2025 will be staying up to date with the evolving regulatory landscape, and that their focus in 2025 will be on enhancing monitoring and auditing, updating documentation, and conducting HIPAA assessments.

Overview and Objectives

DHHS Office of Inspector General (OIG) and the Department of Justice (DOJ) continued to note that all compliance programs are a work in progress, never completed. Compliance programs should be agile and structured to respond to changing legal, regulatory, and business environments. The results and analysis of the 2025 Annual Compliance Benchmark Survey can assist Compliance Officers in gaining industry information based on other healthcare organizations' demographics, resource allocations, reporting structures, operational practices, key challenges, and strategic priorities for the year.



Q1 HEALTHCARE ORGANIZATION TYPE

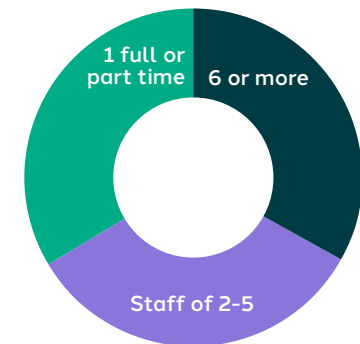
In previous years' surveys, an average of 60 percent of respondents came from the hospital sector. However, this year, only about 25 percent of respondents were from hospitals. In contrast, we observed a notable increase in participation from other types of healthcare providers. This shift can be attributed to the release of the GCPG and the updated DOJ guidance in 2023, which offers industry-neutral recommendations for the effective operation and structure of compliance programs. Notable provider types that responded to the survey include physician practices, behavioral health facilities, clinical/ambulatory surgical centers, home health and hospice providers, and skilled nursing facilities. A notable observation was the low participation in the survey from providers in the industries of DME, pharmacy, and clinical laboratories, which has been the major focus of the government's enforcement activities

Q2 HOW MANY EMPLOYEES AT YOUR ORGANIZATION?

Forty-three percent of respondents reported their organization has under 1,000 employees, while fifty-seven reported that their organization has over 1,000 employees. This finding indicates that a diverse representation of the industry participated in the survey, with both small-to-medium providers and large providers and health systems participating. This helps to provide insights into how various company sizes approach similar issues.

Q3 COMPLIANCE OFFICE STAFF LEVELS

One-third of respondents reported that their Compliance Office is staffed with one full-time or part-time Compliance Officer; whereas one-third of respondents reported that the Compliance Office has two to five employees. The remaining respondents indicated that their Compliance Office is comprised of six or more staff members. The trend of adding HIPAA and privacy to the scope of the Compliance Office significantly increases the workload of the Compliance Office, particularly when it is staffed by a single Compliance Officer.



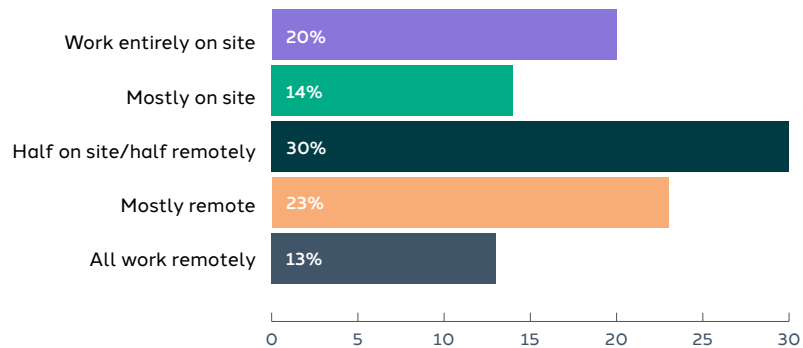
Q4 COMPLIANCE OFFICE BUDGET

The majority of respondents reported that their Compliance Office budget included (a) direct staffing and operating costs, (b) cost of compliance support tools and programs, (c) vendor costs (e.g., hotline, sanction screening), and (d) consulting services (e.g., compliance evaluations, risk assessments). A minority of respondents reported employee compliance training and audit contracts as part of the budget.



Q-5 WORK LOCATION OF THE COMPLIANCE OFFICE STAFF

This question was designed to track the trend of returning to the workplace post-pandemic. While there is clear evidence of more staff working on-site, only one in five reported that their work is now entirely on-site.



Q-6 EDUCATIONAL LEVEL OF THE COMPLIANCE OFFICER

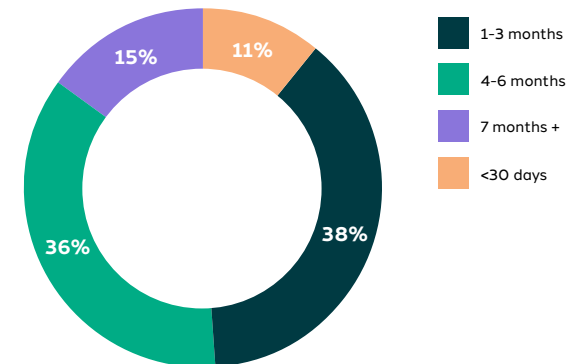
A quarter of respondents reported that the Compliance Officer holds an associate or bachelor's degree. Sixty percent have a graduate degree (e.g., MA, MS, CPA, JD, MPH, MSN), and three percent possess a doctorate degree. This highlights a highly educated workforce in compliance roles, with a significant majority holding advanced degrees, which indicates a strong foundation of expertise and specialization in the compliance field.

Q-7 EXPERIENCE WITH HEALTHCARE COMPLIANCE RESPONSIBILITIES

It has been over 30 years since the OIG began publishing compliance program guidance, which spurred the development of compliance programs. The result of this question evidences the continued growth in the level of maturity and experience of Compliance Officers. One-third of respondents have over 20 years compliance experience, another third with 10 to 19 years, and the remaining respondents are evenly split between six to nine years and five years or less.

Q-8 LENGTH OF TIME TO HIRE SOMEONE IN THE COMPLIANCE OFFICE

The question did not distinguish between hiring an external compliance officer or promoting from within the internal compliance staff. The results clearly show that replacing compliance staff is a major challenge, requiring significant time, cost, and effort—often taking up to six months. This explains why many organizations turn to consultants to fill staffing gaps.



Q-9 COMPLIANCE OFFICE 2025 BUDGET AND STAFFING LEVELS

Two-thirds of respondents expect resource and staffing levels to remain unchanged, while one in five anticipate an increase, and six percent expect a decrease. This suggests that most organizations are planning for stability in their compliance resources, with a minority expecting adjustments, either upward or downward.



Q-10 COMPLIANCE OFFICER JOB LEVEL

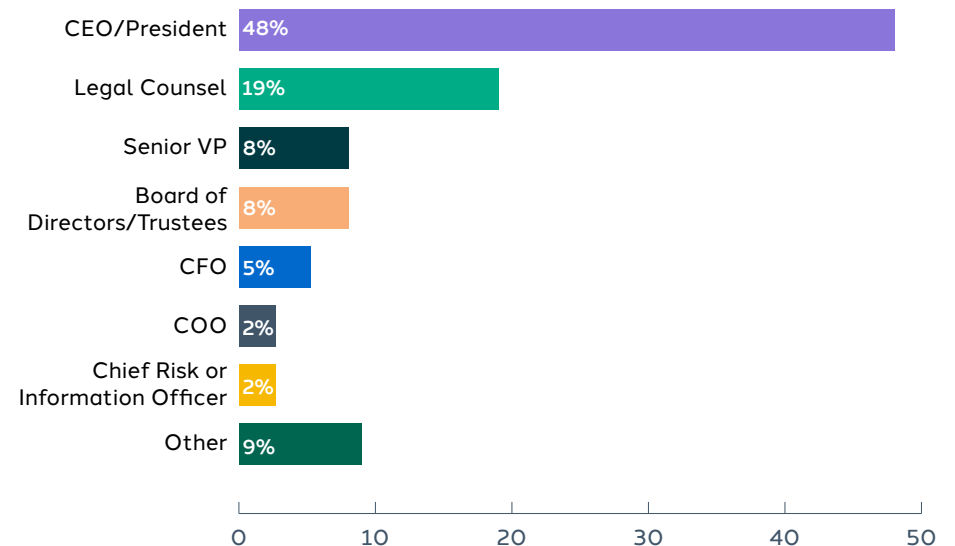
An essential factor in assessing Compliance Program effectiveness, according to the OIG and DOJ, is the level of the Compliance Officer's position. The expectation is that the Compliance Officer should be a high-level executive reporting directly to the CEO with direct access to the Board. Respondents were almost evenly split, with 45 percent reporting the Compliance Officer as a member of the C-Suite, and the other 45 percent reporting the position is part of senior management (e.g., Director). The remaining 10 percent reported the position at the manager level or unknown. This mirrors the results from the 2024 Survey. For organizations where the Compliance Officer is not part of the executive leadership, it presents a significant challenge in evidencing a truly effective compliance program.

Q-11 COMPLIANCE OFFICER AS A MEMBER OF EXECUTIVE MANAGEMENT COMMITTEE

Half of the respondents reported that the Compliance Officer is part of the organization's executive leadership team, a figure unchanged from the 2024 Survey. This indicates that, despite growing expectations for the OIG that the Compliance Officer be integrated at the highest levels, many organizations still have not elevated the position.

Q-12 COMPLIANCE OFFICER REPORTING

The OIG's collective set of compliance program guidance and the U.S. Sentencing Commission Guidelines call for the Compliance Officer to report directly to the CEO. Nearly half of respondents indicated that their organizations follow that guidance. However, about one in five respondents reported that the Compliance Officer reports through Legal Counsel, a practice that aligns with the 2024 Survey results but contradicts OIG and DOJ recommendations. Legal Counsel, focused on defending the organization, is not in a position to promptly disclose potential legal violations to appropriate authorities. Additionally, eight percent reported the Compliance Officer reporting to a senior VP, eight percent to the Board, five percent to the COO, and two percent to the Chief Risk or Information Officer, and four percent reporting directly to the Board. This highlights a significant gap in compliance program alignment with federal guidance, which could impede the program's independence and effectiveness.



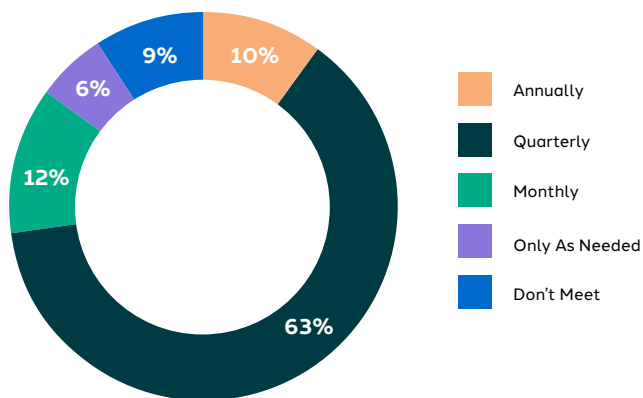


Q-13 EXECUTIVE LEVEL COMPLIANCE OVERSIGHT COMMITTEE

Both the DOJ and OIG emphasize the critical need for a top-down compliance program, with executive leadership actively involved in oversight and support for the compliance program. This makes the establishment of an executive-level compliance oversight committee essential for an effective compliance program. Eight out of ten respondents reported having such a committee in place, indicating a strong alignment with best practices for compliance governance.

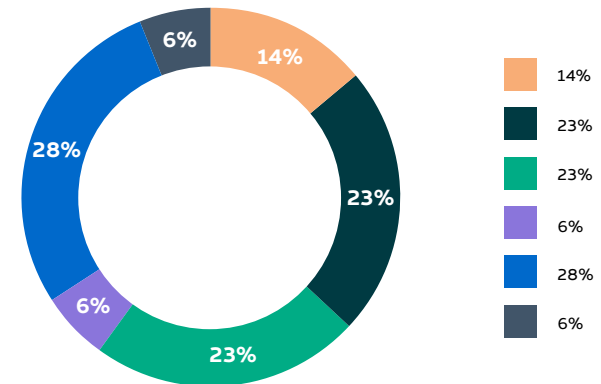
Q-14 BOARD REPORTING

The OIG and DOJ emphasize the importance of a top-down compliance program that starts at the Board level. While the Board holds the crucial responsibility of overseeing and monitoring the compliance program, its operation remains management responsibility. The ideal frequency for the Compliance Officer to report to the Board is quarterly. Meeting only annually falls short, while meeting monthly is excessive and risks the Board becoming too involved in the day-to-day operations of the program.



Q-15 COMPLIANCE “TONE AT THE TOP”

Sixty percent of responses were generally positive about leadership’s role in setting a positive tone at the top, reflecting an improvement over the 2024 results.

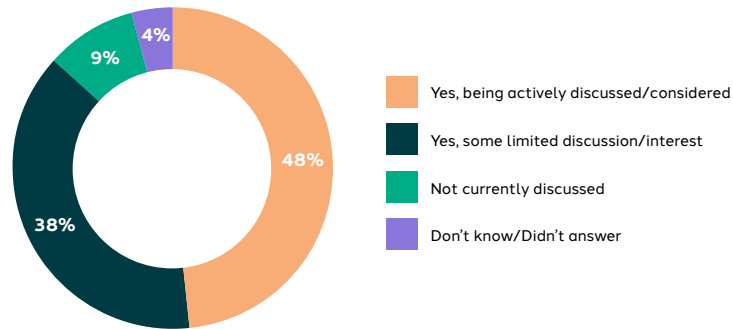


ANSWER CHOICES	RESPONSES
Leadership incorporates compliance messaging in day-to-day interactions with employees	14%
Leadership regularly reminds employees of the importance of compliant behavior	23%
Leaders are models in demonstrating compliant behavior in their decision making	23%
Leadership gives “lip service” to compliance but does not follow through with actions	6%
Members of leadership vary in support of the compliance program	28%
Very little thought or actions is given by leadership to compliance	6%

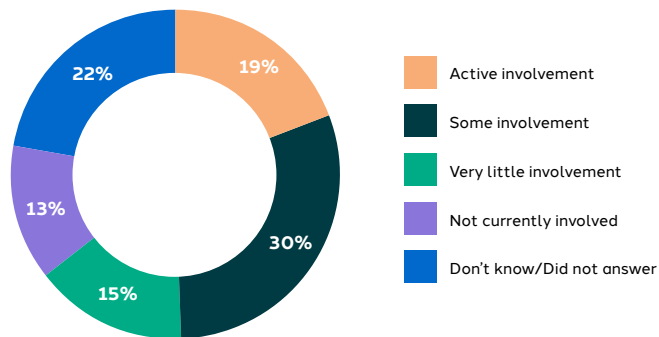


Q16 ORGANIZATION CONSIDERATION OF RISKS, OPPORTUNITIES, AND STRATEGIES REGARDING EMERGING NEW TECHNOLOGIES SUCH AS ARTIFICIAL INTELLIGENCE

The rapid adoption of new technologies, such as artificial intelligence, is set to have significant implications for healthcare organizations and their compliance programs. This question was designed to see how organizations were responding, and the findings reveal whether organizations are keeping pace with technological advancements and adapting their compliance strategies to effectively manage new risks and opportunities.

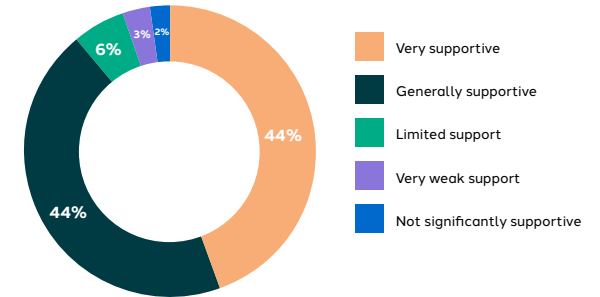


Q17 COMPLIANCE OFFICE INVOLVEMENT IN THE USE OF NEW TECHNOLOGIES SUCH AS ARTIFICIAL INTELLIGENCES



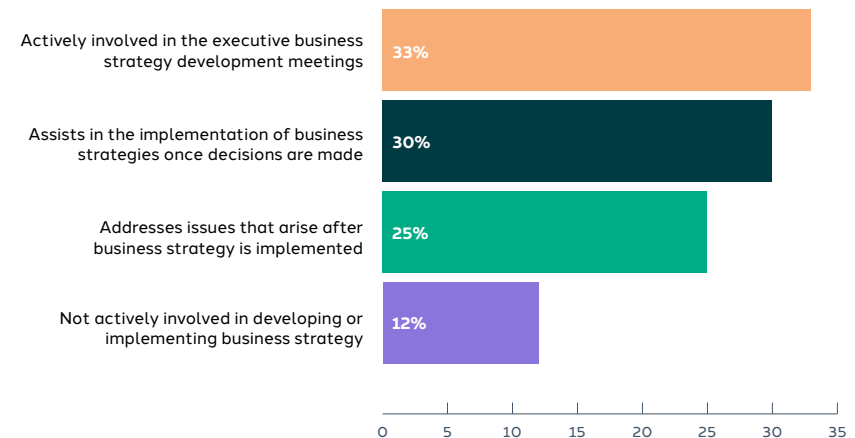
Q18 LEVEL OF COMPLIANCE PROGRAM SUPPORT BY LEADERSHIP AND BOARD?

Nearly 90 percent of respondents expressed general satisfaction with the support from leadership and Board. This indicates strong backing from top-level management, which is crucial for fostering an effective compliance program.



Q19 COMPLIANCE OFFICER ROLE IN STRATEGIC PLANNING

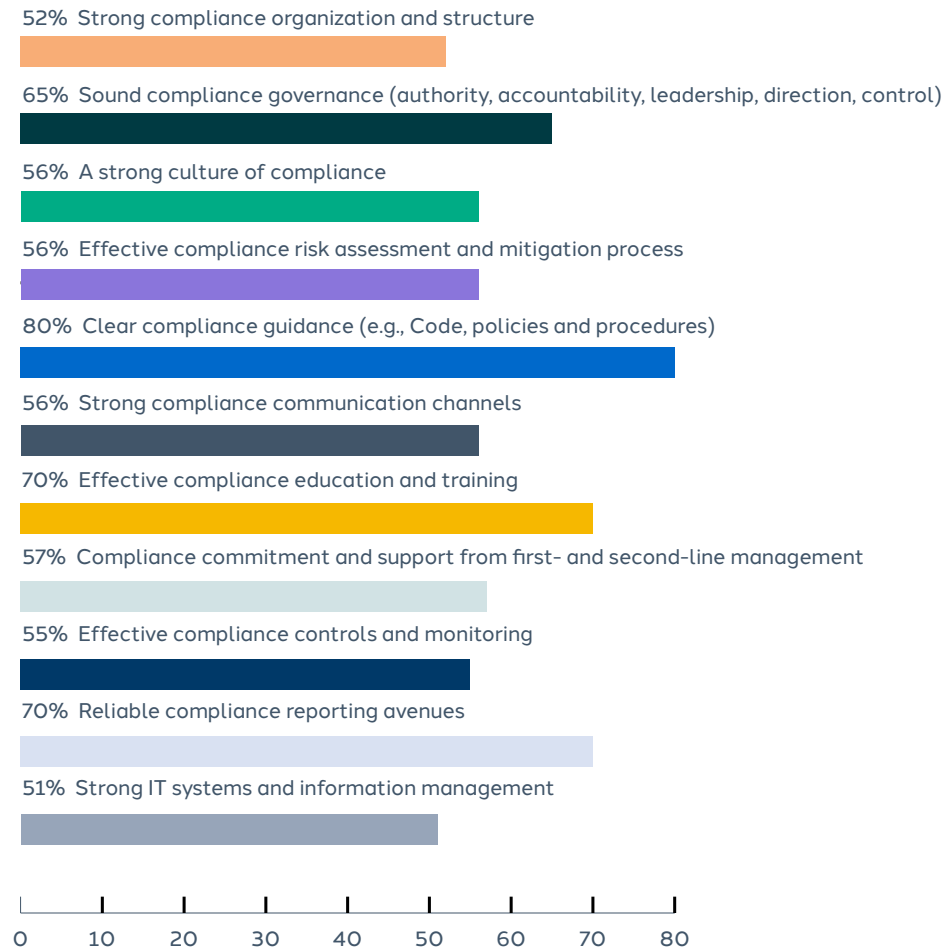
The DOJ and OIG emphasize that the Compliance Officer should be involved in strategic planning to offer the compliance perspective. However, only one-third of respondents reported being actively engaged in executive business strategy development meetings. Thirty percent of respondents indicated involvement only during the implementation phase, after decisions were made. This finding highlights a significant gap in compliance integration, suggesting that many organizations may be missing the opportunity to proactively address compliance issues at the strategic level.





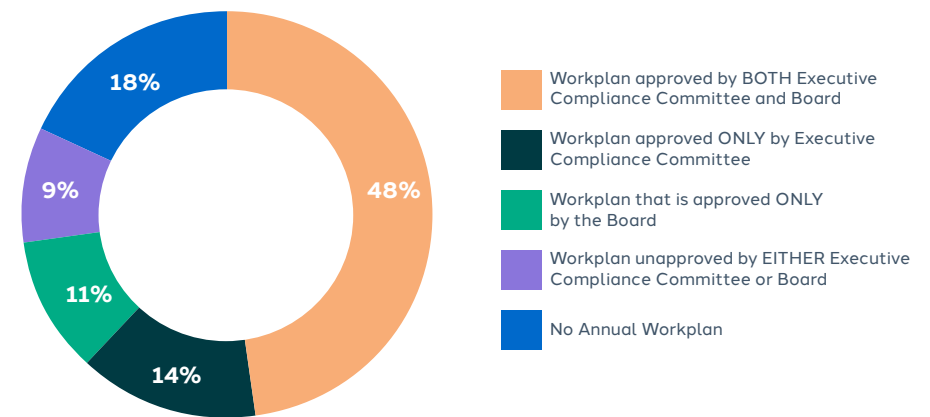
Q20 COMMENTS CONCERNING ORGANIZATION COMPLIANCE

How respondents rate each of these areas of compliance allows organizations to compare their own results against others. Respondents were most positive about clear compliance guidance, effective compliance training, and reliable reporting avenues.



Q21 ANNUAL COMPLIANCE WORKPLAN APPROVAL

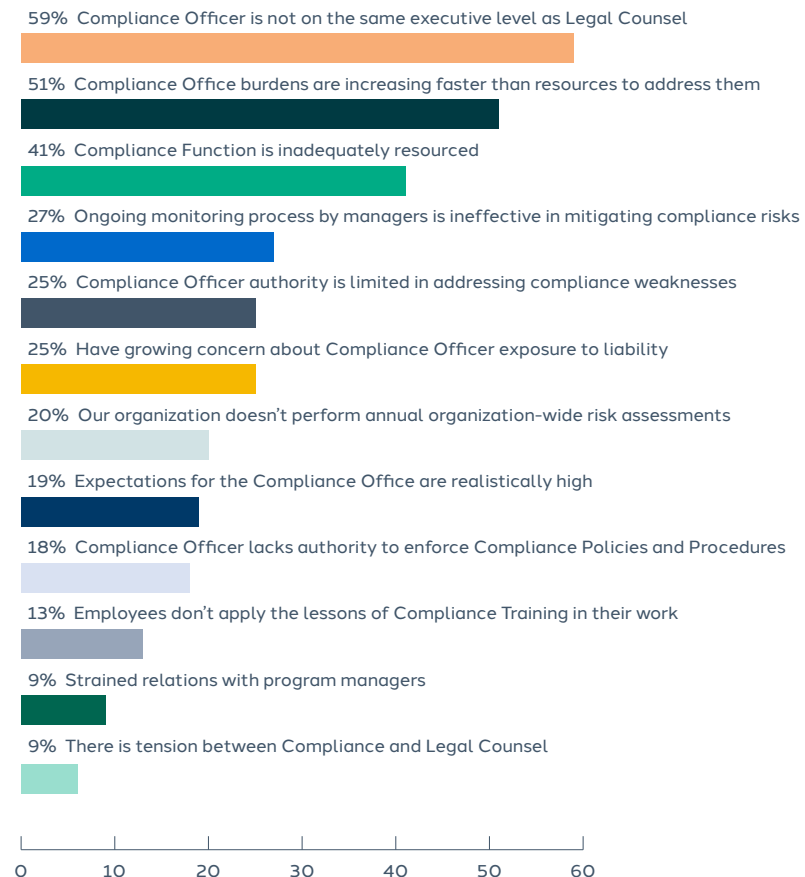
Nearly half of respondents reported having an annual compliance workplan approved by both executive leadership and the Board. A quarter of respondents indicated that approval was granted by either the Board or executive compliance committee. This finding highlights the importance of top-level oversight in ensuring compliance priorities are aligned with organizational goals.





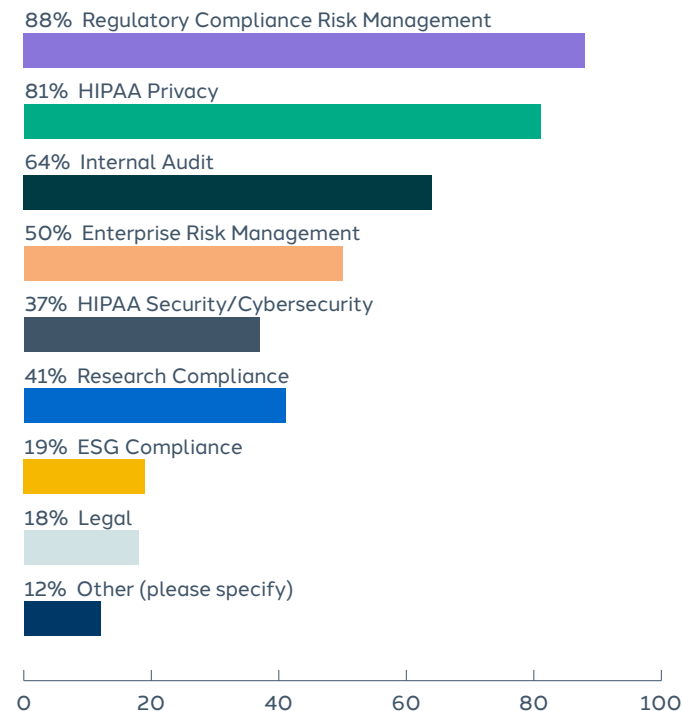
Q22 STATEMENTS THAT APPLY TO THE COMPLIANCE PROGRAM

The following were statements about the Compliance Program serving as a benchmark for comparison with other programs. The top three statements by respondents were that the Compliance Officer is not at the same executive level as Legal Counsel, burdens are growing faster than resources to address them, and the Compliance Function is inadequately resourced. The results may indicate that many organizations are struggling to secure the necessary leadership alignment and resources, which could undermine the effectiveness and sustainability of their compliance efforts.



Q23 SCOPE OF THE COMPLIANCE OFFICER RESPONSIBILITIES

This question examines the scope of additional responsibilities handled by the Compliance Officer. The top area cited was regulatory compliance risk management, which rightfully falls within the scope of the Compliance Program; however half of the respondents reported including Enterprise Risk Management, a responsibility that extends beyond the competency of the Compliance Officer. Four out of five respondents cited HIPAA Privacy, an area that has increasingly been moved under the duties of the Compliance Officer. Additionally, nearly two-thirds of respondents cited Internal Audit as being under the Compliance Officer. This finding highlights the expanding role of the Compliance Office but also signals potential challenges in managing responsibilities that may require specialized expertise beyond traditional compliance functions.

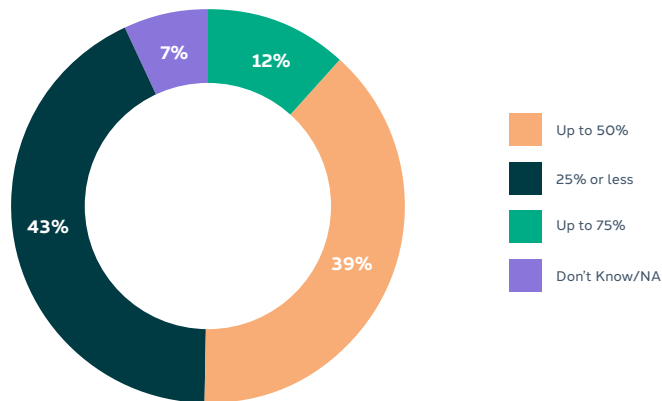




Q24 RECENT CHANGES IN SCOPE OF COMPLIANCE RESPONSIBILITIES

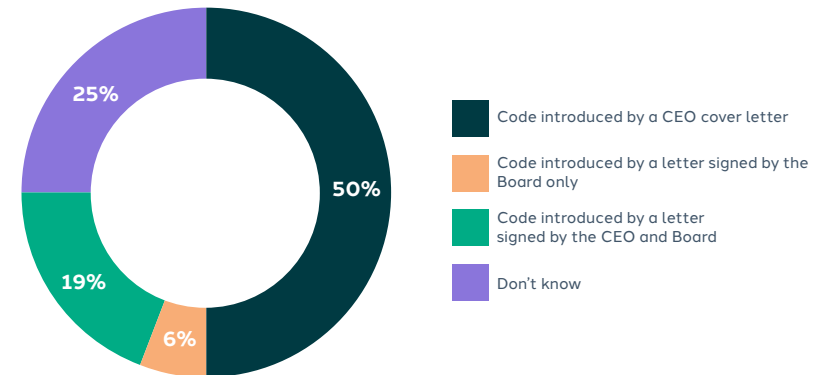
About six out of ten respondents reported a recent increase in responsibilities, while four out of ten indicated no significant changes.

Q25 PORTION OF COMPLIANCE OFFICE EFFORT DEVOTED TO HIPAA PRIVACY



Q26 CEO AND BOARD COMMITMENT TO THE CODE OF CONDUCT

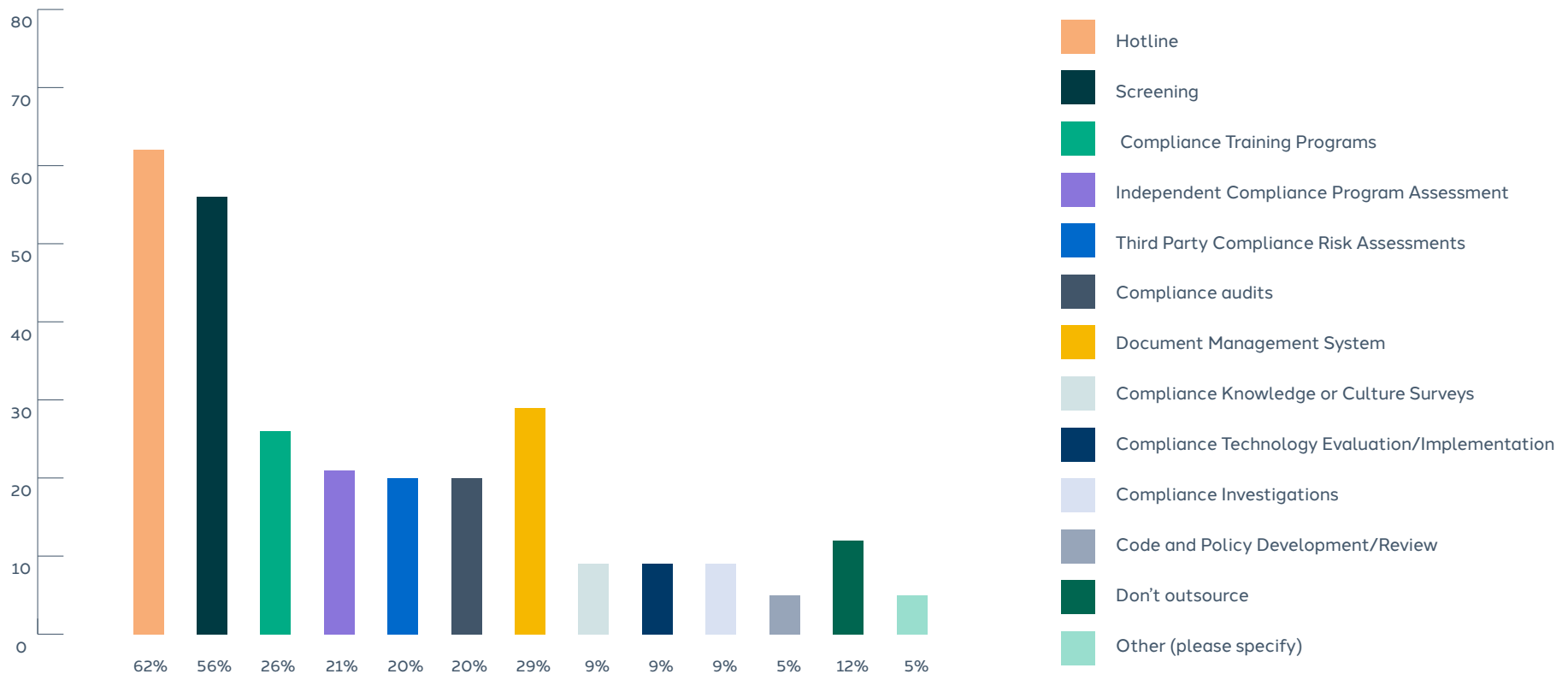
A letter at the beginning of the Code of Conduct from the CEO or Board Chair serves as a strong indicator of top-down support for the Compliance Program. It demonstrates the organization's commitment to fostering a culture of compliance, with leadership directly endorsing the program's importance and reinforcing its alignment with organizational values. This visible leadership commitment is essential for ensuring that compliance is prioritized at every level of the organization.





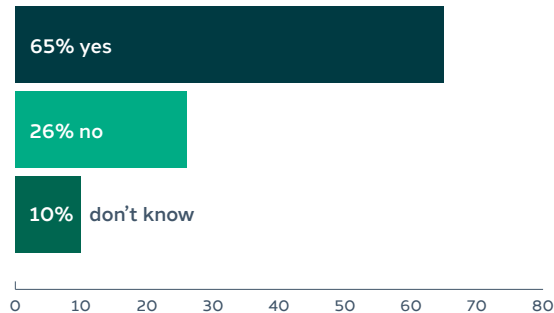
Q27 OUTSOURCED COMPLIANCE SERVICES

Results from respondents show a continued trend towards outsourcing certain compliance-related services. A majority of respondents indicated that their organization uses a vendor for the compliance hotline and the sanction screening process. One in four respondents reported outsourcing compliance training programs, about one in five reported outsourcing independent compliance program assessments, compliance risk assessments, compliance audits, and document management system. This indicates a growing reliance on external expertise to manage key compliance functions, suggesting that organizations may seek specialized skills and resources to improve program efficiency and effectiveness. However, it also highlights the need for robust oversight to ensure these outsourced functions align with the organization's compliance objectives and regulatory requirements.



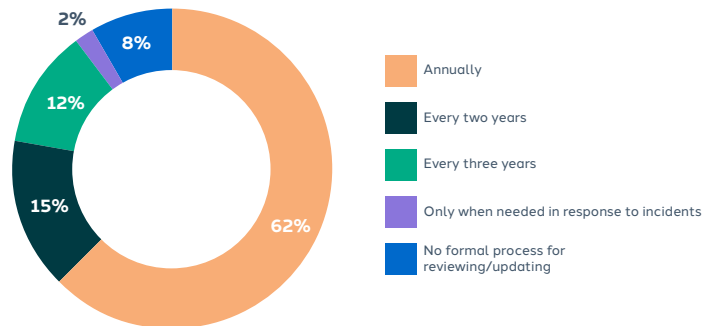


Q28 PERFORMANCE PLANS INCLUDE COMPLIANCE AS AN ELEMENT IN EVALUATIONS



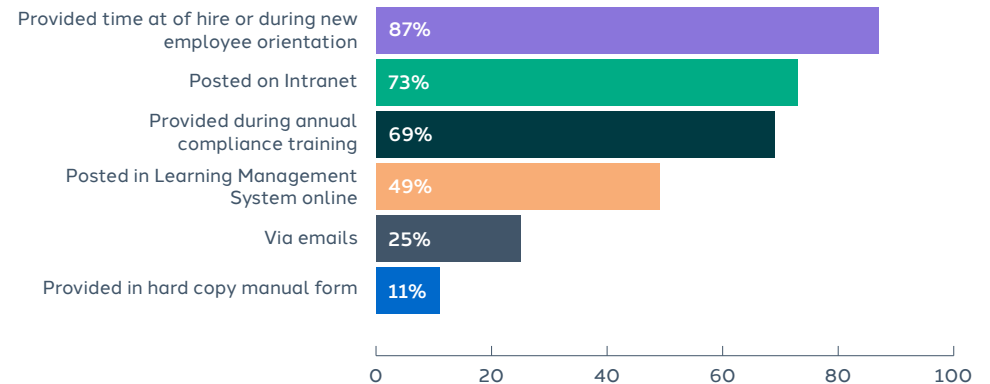
Q29 FREQUENCY OF REVIEWING AND UPDATING CODE AND COMPLIANCE POLICIES

The OIG has been clear that an effective Compliance Program keeps written compliance guidance up to date. This position is reinforced in CIAs that mandate compliance-related policies undergo an annual review. Over the last three years, there has been a shift towards conducting these annual reviews. Organizations without a document management system should prioritize developing one to ensure efficient tracking, updating, and compliance with regulatory requirements. Failing to do so may expose organizations to risks from outdated or inadequate policies.



Q30 MAKING THE CODE OF CONDUCT, POLICIES AND PROCEDURES AVAILABLE TO EMPLOYEES

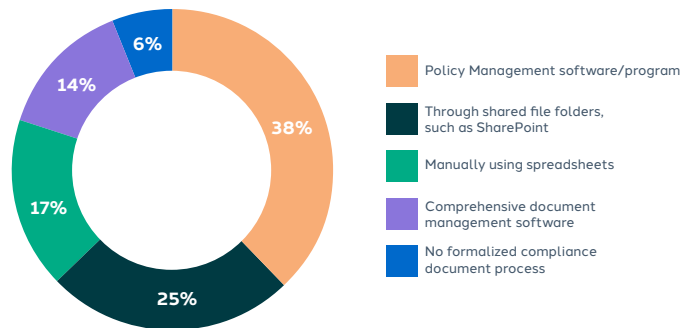
The DOJ and OIG call for multiple methods for ensuring compliance guidance documents are easily accessible to employees. This question reveals how organizations meet this expectation. The most effective approach includes providing access to this information as part of the new employee orientation, at annual training, and posting on the organization's intranet. Most respondents reported that their organization is meeting these requirements. This finding demonstrates that many organizations are taking the necessary steps to make compliance guidance readily available, reinforcing the importance of accessibility in fostering a culture of compliance and ensuring employees are well-informed about the organization's expectations.





Q31 HOW DO YOU MANAGE COMPLIANCE DOCUMENTS AT YOUR ORGANIZATION?

It is critical that compliance-related guidance documents are kept up to date, tracking changes/revisions, and storing rescinded versions. In recent years, organizations have increasingly moved away from manual management to using software programs, with nearly two-thirds of respondents adopting this approach.



Q32 EMPLOYEE COMPLIANCE TRAINING

The development and implementation of regular education and training programs are one of the seven elements of a Compliance Program. Nearly three-quarters of respondents reported that compliance training is provided during new employee orientation and annually thereafter, while one in five reported only conducting training annually.

Q33 SPECIALIZED COMPLIANCE TRAINING PROGRAMS

OIG and DOJ stress the importance of specialized compliance training for those involved in high-risk areas. However, only about one-third of respondents reported having such programs in place in their organization. This finding highlights a significant gap in addressing compliance risks, as specialized training is crucial for ensuring that employees in high-risk areas are adequately equipped to recognize and respond to potential violations.

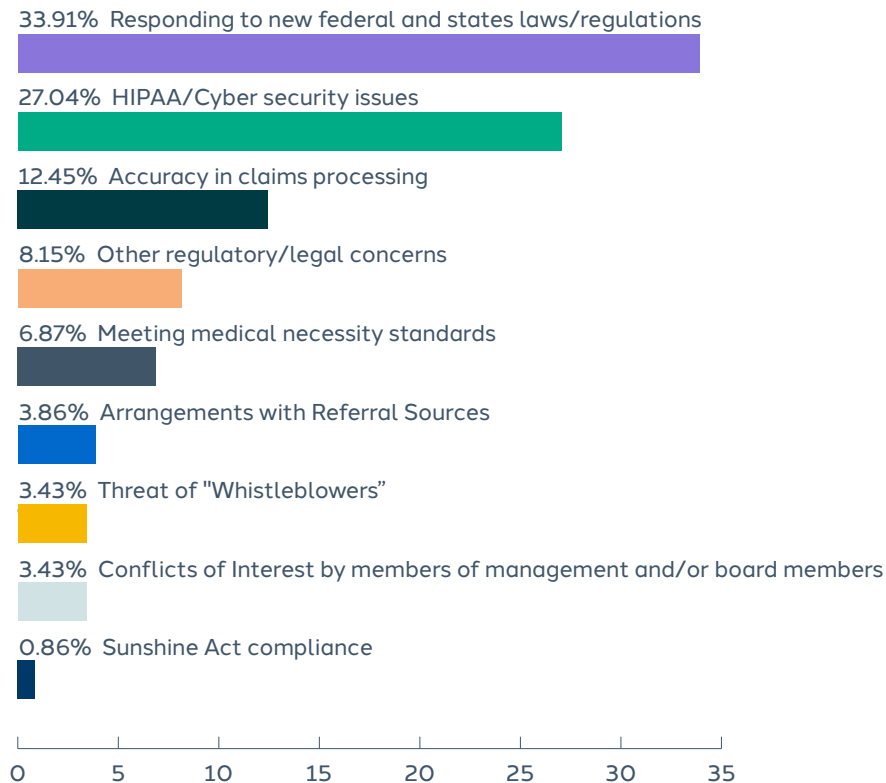
Q34 METHODS FOR COMMUNICATING COMPLIANCE TO EMPLOYEES

Responses indicate that organizations use a variety of methods to communicate compliance to employees. Four out five respondents cited using email messaging, while nearly half of respondents cited compliance week activities. About one-third cited business unit meetings, special compliance activities or events and webinars. One-quarter cited town hall meetings and video messaging. This finding shows that organizations are leveraging multiple communication channels to reinforce compliance, which is critical for ensuring broad and effective reach across the workforce.



Q35 TOP COMPLIANCE RISK FACING THE ORGANIZATION IN 2025

The following are the areas of greatest risks, ranked in descending order by respondents. Notably, the number one enforcement priority for DOJ and OIG, arrangements with referral sources, ranked low on the list. This suggests a disconnect between regulatory priorities and the risks organizations perceive as most pressing, potentially leaving a critical compliance area under-prioritized and vulnerable to enforcement scrutiny.

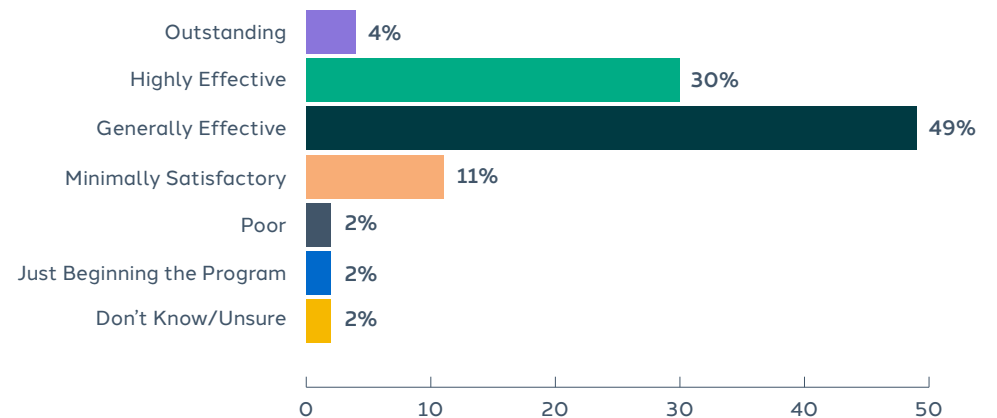


Q36 2025 COMPLIANCE WORK PLAN

The following work plan areas were cited by respondents.

1. Conduct compliance reviews/audits of high-risk areas
2. Review and update compliance related policy documents
3. Update compliance education and training programs
4. Reviewing/updating written compliance guidance (Code/Policies)
5. Conduct organization wide compliance risk assessment
6. Evaluate past identified problems for patterns
7. Conduct compliance survey of employees
8. Evaluate/report compliance monitoring by program managers
9. Improve coordination with risk management function
10. Review of financial arrangements with referral sources
11. Assess claims processing quality assurance program
12. Engage an independent compliance program evaluation
13. Develop ESG compliance program

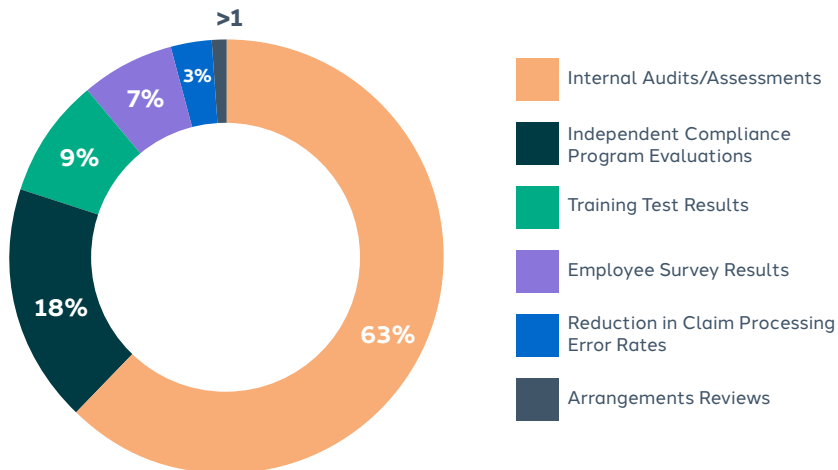
Q37 COMPLIANCE PROGRAM EFFECTIVENESS LEVEL





Q38 PRIMARY METHOD TO EVIDENCE COMPLIANCE PROGRAM EFFECTIVENESS

Respondents reported a variety of methods used to evidence the effectiveness of their Compliance Programs. Results are provided below in descending order. Notable is that nearly two-thirds of respondents cite internal audits and assessments as their primary method for assessing program effectiveness, whereas only one in five cite independent Compliance Program assessments.



Q39 METHODS USED TO EVALUATED COMPLIANCE PROGRAM EFFECTIVENESS

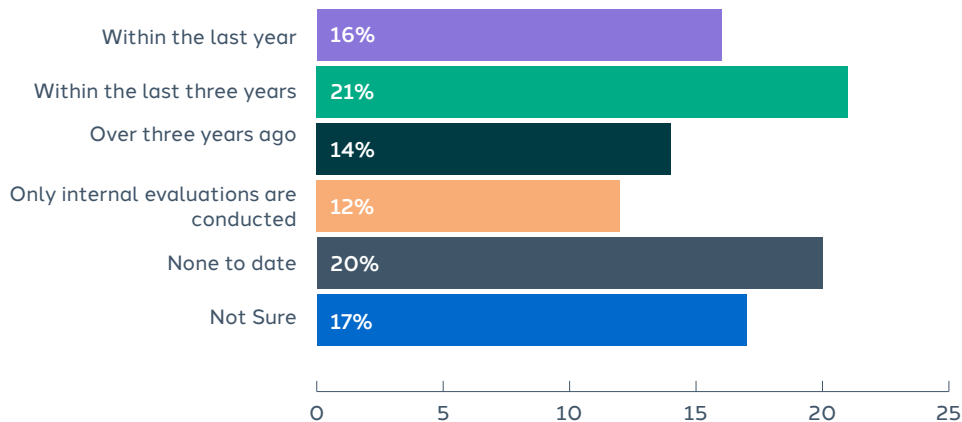
Respondents cited a variety of methods they use to evaluate the effectiveness of their compliance programs. Results are presented in descending order. Noteworthy is that the process items relating to output rank the highest, whereas the three methods for measuring outcome or effectiveness were last on the list.

1. Analysis of findings from audits and reviews
2. Analysis of hotline complaints and investigations
3. Completion rate of compliance training programs
4. Results from self-assessment processes
5. Number of complaints received/resolved (e.g., hotline)
6. Analysis of regulatory and legal reviews
7. Benchmarking with other organizations (e.g., surveys)
8. Results from independent compliance program assessment/evaluation
9. Third party compliance risk assessments



Q40 LAST TIME THERE WAS AN INDEPENDENT COMPLIANCE PROGRAM ASSESSMENT

The OIG GCPG calls for the Board to ensure that compliance program effectiveness reviews are conducted, and consideration given to retaining an outside expert to conduct the review. Half of respondents reported having engaged outside experts to review compliance program effectiveness. The remaining half reported only using internal evaluations or no evaluations being conducted.



Q41 MEASURING COMPLIANCE CULTURE WITH INDEPENDENT EMPLOYEE SURVEYS

Thirty-percent of respondents reported using independently developed or conducted surveys to measure compliance culture, while 70-percent either do not use such surveys or were unsure. The OIG Compliance Program Guidance recommends surveying employees as one method for evidencing compliance program effectiveness and called upon using “questionnaires developed to solicit impressions of a broad cross section” of the workforce. The DOJ guidance also considers whether the organization uses surveys to measure compliance culture. Survey results can be used as credible evidence of Compliance Program effectiveness and integration within the organization to outside authorities. Internally generated and administered surveys lack the same credibility as surveys conducted independently by experts. This finding suggests that many organizations may not be fully leveraging this valuable tool to assess or validate their compliance culture, potentially missing an opportunity to strengthen their compliance programs and provide reliable evidence to regulators.



Q42 COMPLIANCE PROGRAM PERFORMANCE OVER THE LAST YEAR

The DOJ and the OIG view Compliance Programs as an on-going effort that must continually adapt to the evolving legal, regulatory, and business environment. One in five respondents reported significant improvement in their Compliance Program over the past year, while nearly half of respondents reporting making some progress. However, about one-third of respondents reported either their program remained the same or slipped. This finding highlights that while many organizations are making strides, a substantial number are either stagnant or falling behind, which may expose them to greater compliance risks in a rapidly changing environment.

Q43 CHANGES AS RESULT OF THE OIG GENERAL COMPLIANCE PROGRAM GUIDANCE (GCPG)

Four out of ten respondents reported there were significant changes in their Compliance Program as result of the new GCPG issued by the OIG. Half of the respondents reported no changes, while the remaining respondents indicated they were unsure. This finding suggests that while the OIG's updated guidance may have prompted some organizations to make adjustments, many are either not fully aware of the changes or have not yet implemented the necessary updates. This highlights a potential gap in awareness or action regarding the latest regulatory requirements, which could undermine the effectiveness of compliance programs.

Q44 PORTION OF THE GENERAL COMPLIANCE PROGRAM GUIDANCE WITH MOST IMPACT

Four out of ten respondents identified elevating the importance of risk assessments as the most significant factor shaping the direction of their Compliance Program. A quarter pointed to the guidance provided on small versus large entity compliance as a key influence. Quality of care and medical necessity followed as important considerations. This underscores the critical role that robust risk assessments play in driving compliance strategies and highlights that tailored guidance for different organizational sizes and a focus on quality and medical necessity are central to aligning compliance efforts with evolving regulatory demands.

Q45 ENFORCMENT AGENCY ENCOUNTERS IN THE LAST THREE YEARS

Half of respondents reported encounters with enforcement agencies in the past three years. The most frequently cited agency was the DHHS Office for Civil Rights, followed by the HHS OIG and Medicaid Fraud Control Units. The DOJ and other enforcement agencies such as FDA, DEA, CMS, and IRS, were also mentioned. These statistics suggest that encounters with enforcement agencies are not a matter of "if," but "when," highlighting the need for organizations to be proactively prepared for scrutiny and regulatory oversight.



Q46 ORGANIZATION RESPONSE TO COMPLIANCE OFFICE FINDINGS

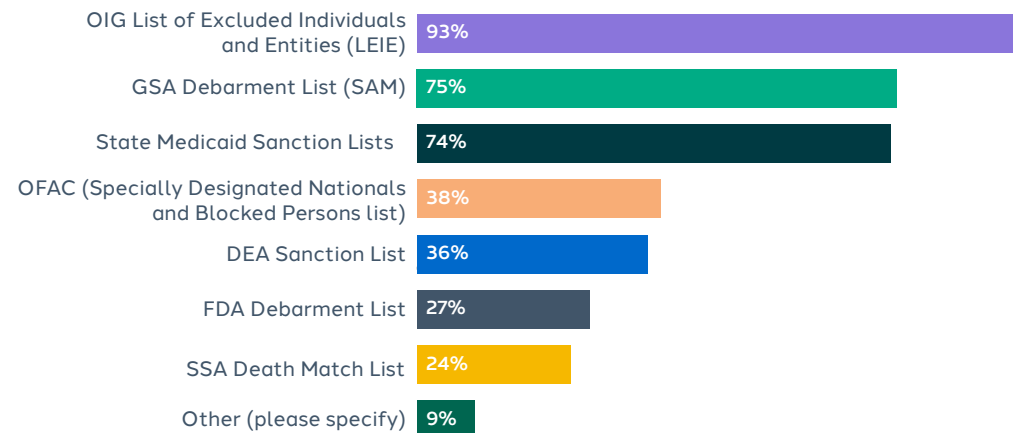
Two-thirds of respondents reported that their organization is taking prompt actions on findings and recommendations from the Compliance Officer, while the remaining third reported actions are taken occasionally but not consistent. Only one percent reported action being taken. This indicates that most organizations are responsive to compliance issues, but there is still room for improvement in ensuring timely and consistent follow-through.

Q47 HANDLING OF DISCIPLINARY ACTIONS

Both the OIG and DOJ emphasize that disciplinary actions for wrongdoers be consistently applied without consideration of the individual's status or position in the organization. Half of respondents reported this was the case in their organization; however nearly as many reported otherwise. This suggests a significant area of challenge for many compliance officers in ensuring fair and impartial enforcement of disciplinary actions. Inconsistent application of discipline can undermine the credibility and effectiveness of a compliance program, potentially exposing the organization to legal and reputational risks.

Q48 SANCTION DATABASES SCREENED

Sanction screening is a critical component of any compliance program. Screening against OIG's LEIE is not optional, as it is a matter of complying with conditions of participation in Medicare and Medicaid. Engaging an individual or entity on the LEIE can result in grave consequences, including enforcement actions against the organization. CMS calls for all Medicaid program directors to publish their sanctions and mandate monthly screenings against them. This underscores the importance of rigorous and ongoing screening to avoid significant legal and financial risks.





Q49 BIGGEST CHALLENGE FOR THE COMPLIANCE OFFICER IN 2025

The top challenge cited by respondents was staying current with the regulatory and enforcement environment. This was closely followed by addressing compliance high risk areas, addressing resource limitations, emerging technologies, and coordinating functions with HR, Legal, Audit, and Risk Management. Only a few respondents cited getting adequate resources for the compliance program, hiring and training staff, and improving management relations/support. Addressing these challenges is crucial to enhancing compliance effectiveness and reducing risk exposure.

Q50 PLANNED 2025 INITIATIVES TO IMPROVE THE COMPLIANCE PROGRAM

The respondents identified the following top priorities for improving the compliance program: (1) better adapting to the changing regulatory and enforcement environment; (2) stronger evidence of the compliance program's effectiveness; (3) improving the risk assessment process; and (4) general sentiments regarding building better relationships with the board, program managers, Human Resource and Legal. All other choices were at five percent or less. Organizations that address these priorities will be better positioned to enhance their compliance program's resilience and effectiveness.

Q51 PLANNED 2025 COMPLIANCE PROJECTS

The planned compliance initiatives for 2025 cited by respondents in descending order were:

1. Improve ongoing compliance monitoring and auditing
2. Update compliance related documents (e.g., charters, code, policies)
3. HIPAA privacy and security assessment
4. Enterprise-wide regulatory risk assessment
5. Employee compliance knowledge or culture survey
6. Claims processing evaluation
7. Enhancement of conflicts of interest management
8. Review of arrangements with physicians
9. Independent compliance program effectiveness assessment
10. Compliance program gap analysis



CONCLUDING COMMENTS

Eighty percent of respondents rated their compliance programs as effective. The level of experience of Compliance Officers for most organizations was 15 years or more. Expectations for Compliance Officers continue to rise, along with assuming new responsibilities, such as privacy compliance, internal audit, and compliance risk management. Privacy compliance now consumes about half the time and effort of compliance offices. However, resource levels are reported as essentially remaining at the same level. The biggest challenge reported was keeping abreast of the ever increasing regulatory and legal changes. Most organizations have had encounters with regulatory and enforcement authorities in the last three years, so it suggests that for all organizations it is not “if” but “when” there will be an encounter. Staffing issues rank high for many organizations. Four out of five organizations reported their compliance staff working remotely full or part-time; and replacing staff takes up to four months or longer. One-third of responding organizations have only one full or part-time compliance officer. For even a smaller healthcare entity, it is difficult to understand how a single individual can meet all of what is expected. The DHHS OIG recognized this in their compliance guidance, recognizing that some organizations that cannot afford full time staff to manage the compliance program may turn to consultants to do the work on a part time basis. This is consistent with industry trends to focus on core responsibilities using internal staffing and to use vendors to assist with ancillary needs. Most organizations rely upon self-assessment, checklist tools, internally generated surveys to evidence program effectiveness (monitoring), rather than by external independent parties as suggested by the OIG and DOJ (auditing). The major focus areas cited for 2025 were improved monitoring/auditing, updating documents, HIPAA assessments.

Despite OIG Compliance Program Guidance, relatively few are reported to have their compliance program independently measured for effectiveness, relying instead on internally generated reviews and checklists. Only a few organizations use professional testing and surveying for employee compliance, understanding, and commitment; most rely upon informal and internally generated processes.



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About Strategic Management Services

Strategic Management Services, LLC (Strategic Management) has for the last 30 years focused exclusively on healthcare compliance, before the OIG issued any formal compliance program guidance documents for the industry. The CEO is Richard P. Kusserow, who served eleven years as DHHS Inspector General. The firm has assisted over 3,000 Healthcare organizations and entities with compliance advisory services, including compliance program development, evaluation, management, and enhancement. Strategic Management has been selected as an independent review organization and compliance expert by dozens of organizations under Corporate Integrity Agreements. Strategic Management also operates the Compliance Resource Center (CRC) that provides tools for Compliance Officers, including hotline and sanction screening service.

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