



Insights from the Department of Justice

DOJ Compliance Program Guidance

Montana Hospital Association
Compliance & Risk Management Conference

October 29, 2020

Presented by:
Shannon Sumner, CPA, CHC®

Agenda

- 1 Introduction
- 2 Insights from the DOJ
- 3 Valuation
- 4 Compliance
- 5 Concluding Remarks
- 6 Open Discussion

Speaker Introduction



Shannon Sumner

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Shannon manages PYA's Compliance Advisory Services and serves as the Firm's Compliance Officer.

A CPA certified in healthcare compliance, she has more than two decades' experience in healthcare internal auditing and compliance programs. She advises large health systems and legal counsel in strengthening their compliance programs, and aids in areas of Anti-Kickback Statute and Stark Law compliance. Shannon also assists health systems regarding compliance with Corporate Integrity Agreements (CIAs) and Non-Prosecution Agreements (NPAs), conducts health system merger/acquisition/divestiture due diligence activities, and advises health system governing boards on their roles and responsibilities for effective compliance oversight.

At the direction of the Department of Justice, Shannon has served as the healthcare compliance and internal audit subject-matter expert for the largest federal compliance co-monitorship of a health system in U.S. history.

Clients in ALL
 **50**
STATES



INSIDE
PUBLIC ACCOUNTING
TOP 100
FIRMS
2019

O V E R
1200
Healthcare
valuation opinions
rendered annually

TOP 15 **LARGEST**
AUDITOR
of AHA's Top U.S. Multi-Hospital Systems
- Arnes Research Group

4,932
Number of healthcare projects
during 2018

Insights from the DOJ

They are watching you.



What do these organizations have in common?



Beaumont



Significant Settlements with Federal Government Related to False Claims Act – Last 5 Years



\$513M	Tenet Healthcare Corporation (North Fulton Medical Center and Atlanta Medical Center) October 2016	\$25M	Columbus Regional Healthcare System Columbus, GA September 2015
\$237M judgment settled for \$72.4M	Tuomey Healthcare System Sumter, SC October 2015 (Hospital sold to third party)	\$24M	Kalispell Regional Healthcare System Kalispell, MT September 2018
\$84.5M	William Beaumont Hospital Detroit, MI August 2018	\$21.75M	Citizens Medical Center Victoria, TX April 2015
\$69.5M	North Broward Hospital District Broward County, FL September 2015	\$20.75M	University of Pittsburgh Medical Center – Hamot Hamot, PA March 2018
\$55M	Lancaster Regional Medical Center & Heart of Lancaster Medical Center (HMA) Lancaster, PA September 2018	\$18M	Westchester Medical Center Valhalla, NY May 2015
\$42M	Pacific Alliance Medical Center Los Angeles, California June 2017	\$17M	Lexington Medical Center West Columbia, SC July 2016
\$34M	Mercy Hospital Springfield, MO June 2015	\$14.25M	Mercy Health Cincinnati, OH May 2018
		\$10M	Robinson Health System Portage County, OH March 2015

Shaded organizations either engaged PYA after settlement, or PYA was selected to serve a Federal Monitor post-settlement.

A man in a white shirt and tie is covering his face with his hands in a cluttered office setting, suggesting stress or frustration. A red banner is overlaid on the bottom half of the image.

Penalties add up.



Eye to eye with the DOJ

From the trenches





VALUATION





75th Percentile (x3)

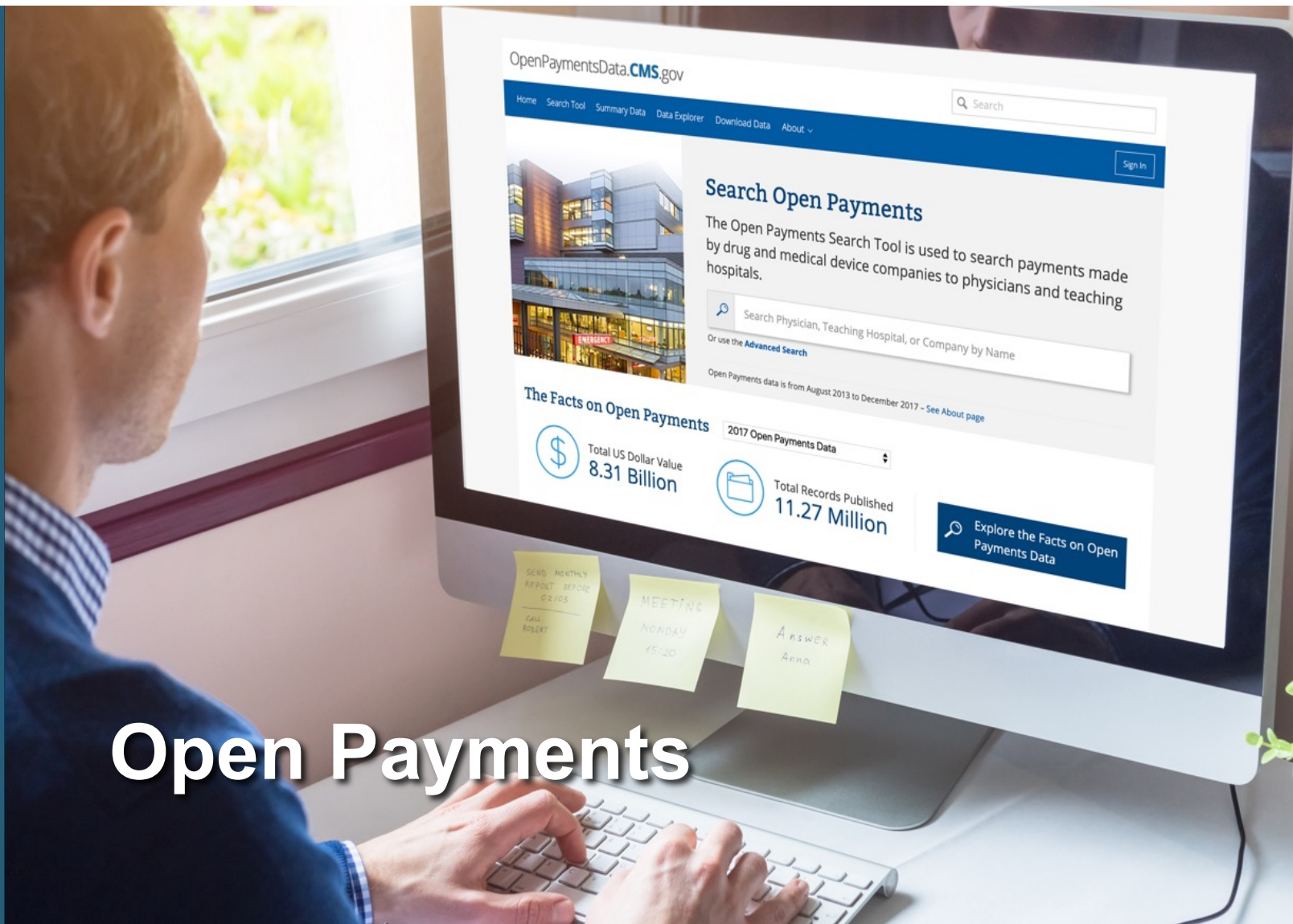
VALUATION

Facility-Wide Medical Director or Call Coverage Needs Assessments



VALUATION





Open Payments

Physician Leadership Awards

VALUATION



Stacking



Week Start: Monday, January 12, 15

Rate per hour: \$60.00

Day	Date
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Monday	1/12
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Tuesday	1/13
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Wednesday	1/14
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Friday	1/16
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Saturday	1/17
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Weekly Time Sheet

Week Start: 2/7/15

Rate per hour: \$50.00

Time Sheets



COMPLIANCE



Memorialize



Approval Process within Workflow

Referral Service Arrangement Process



A person's hands are shown holding a glowing, interconnected network of blue lines and dots, symbolizing digital technology or data. The background is dark blue with a subtle pattern of these network elements.

Centralized Tracking

Accounts Payable and Payroll



Monitoring Access to Physician Data

Monitoring
Access to
Physician Data

A magnifying glass with a black frame and handle is positioned on a dark brown wooden surface. The lens is focused on a small area of the wood, which appears slightly brighter and more detailed than the surrounding area.

Independent Audits

A photograph of a man in a dark suit and light blue shirt, seen from behind, standing at a podium. He is looking towards a large, blurred audience seated in a conference hall. A laptop is open on the podium in front of him. The background is filled with people, creating a bokeh effect.

Concluding Remarks



Open Discussion

