



Building and Managing Your Compliance Hotline A Complete Checklist



Corporate compliance programs rely on employees to report perceived compliance violations, but many healthcare organizations struggle to build trust with their employees. A recent report found that 30% of healthcare staff have avoided reporting a cybersecurity compliance issue for fear of losing their job¹ - leading to increased risk of regulatory fines.

A compliance hotline enables employees, stakeholders, or external parties to report compliance concerns and suspected wrongdoing without the fear of retribution, ensuring your organization can:

- Manage, mitigate, and eliminate potential compliance risks
- Promote confidence in the compliance program
- Ensure employees feel their voice is heard

However, more than half of all organizations rate their current hotline as only “moderately effective” - and in some cases much worse.²

The following checklist provides a comprehensive guide to building and managing a more effective compliance hotline program. It is based on over a decade of experience offering industry-leading compliance services and education.



Identify Responsible Personnel

The first step to setting up a compliance hotline is to establish a series of roles and responsibilities, including:

□ Hotline Users

The organization must identify which personnel are authorized to use the hotline. Generally, the users include employees, physicians, executive staff, board of directors, and contracted employees.

□ Hotline Function

There must be a clear individual or team who is responsible for maintaining the operations and integrity of the hotline. In most cases, this role will be taken up by the Compliance Officer, and key tasks will include:

- a) Ensuring that the hotline functions accurately and appropriately;
- b) Coordinating investigations of reported violations, infractions, and concerns;
- c) Providing feedback to callers as requested;
- d) Reporting hotline activity to executive leadership and governing board; and
- e) Managing hotline record retention and documentation.

□ Call Report Access

All call complaints, allegations, and concerns, along with all documents related to reviews and investigations, should be maintained under lock and key with limited access controls. It is important to determine who will be allowed to see the caller's complaint and what actions have been taken in response to them.

The most efficient method is to identify the individuals who are charged with acting upon call reports. All other parties should get permission from the Compliance Officer to see reports and results of investigations. Anyone gaining access to the information should be logged as having seen it.

□ Report Resolution

There must be an official system for referring complaints to the appropriate party and ensuring they are resolved. The Compliance Officer generally takes on this role, with most cases handled by human resources (HR). However, other parties such as legal counsel, medical director, and procurement may also be involved in resolving complaints.

There must be a follow-up process where those responsible for the investigation inform the Compliance Officer of the results and any recommended actions. Findings may result in administrative action being taken against a wrongdoer and, in certain situations, may lead to making changes to policies, procedures, or processes.

Policies and Procedures

Your compliance hotlines must have a series of policies in place to establish:

□ Confidentiality and Anonymity

It is imperative that those contacting the hotline understand that they can report a concern or suspicions with total anonymity; there must be clear policies in place to establish these facts. Equally, users must know that if they choose to disclose their identity, they will still be protected by both the law and company policy.

This is required by the U.S. Sentencing Commission Guidelines, OIG Compliance Guidance, and DOJ Guidelines.

□ Non-Retaliation/Non-Retribution

Many employees fear reporting a compliance issue will lead to retaliation, especially if the issue relates to a senior member of staff. It is, therefore, essential to create an official policy that prohibits retaliation against those who use the hotline. Once again, this is stressed by the U.S. Sentencing Guidelines, OIG Compliance Guidance, *and* the DOJ Guidelines.

□ Debriefing Processes

There must be a standard protocol detailing how callers should be debriefed. This process will generally involve the caller being asked:

- About the general nature of the call
- About the concern or violation
- Why they are concerned
- How long the problem has been going on and who is involved in the issue
- Who else knows about the matter
- What action the caller expects

□ Complaint Investigations and Resolutions

It is important that all reports are thoroughly investigated in a uniform manner. There must be a policy in place that describes exactly how the relevant personnel should investigate and resolve complaints, concerns, and allegations. The Compliance Officer should then train those who would be assigned to investigate these issues in that guidance.

Documentation

Your hotline policies must establish clear guidelines to ensure accurate and comprehensive documentation, including:

□ Reporting Mechanisms

You must determine from the outset how often hotline activity will be tracked and reported. It is best practice to regularly compile summary reports which detail:

- The type and number of hotline calls received
- The results of every review
- The steps taken to resolve complaints

These should be filed regularly as part of management/executive compliance committee meetings, as well as quarterly reports to the board.

Important note: Information on matters under review or investigation should not be discussed. It is not a good practice to have investigations in the process discussed for many reasons, including the fact that there is no need to know at this stage, and disclosures could prejudice the process.

□ Record Retention

It is important to have a document retention policy concerning reports received through the hotline and all subsequent actions taken. The policy should set forth how long documents should be retained and when and under what circumstances they can be expunged.

Generally, most concerns, such as policy interpretation, scheduling problems, or venting, can be expunged after three months if resolved. Complaints needing more investigation or legal review should be retained until completely resolved. Complaints related to sexual harassment or malpractice may need to be kept longer, especially if the investigation is ongoing. The organization's legal counsel should be involved in determining the length of retention in such cases.



Hotline Set-Up

The following steps are required to officially launch your compliance hotline:

□ Establish Operating Hours

Your hotline must have clear operating hours to ensure users know when they can contact you. The industry's best practice is to operate your hotline 24/7; in fact,^{3[OBJ]} This is particularly important for those healthcare services such as hospitals and skilled nursing facilities that function around the clock. This is particularly important for those healthcare services such as hospitals and skilled nursing facilities that function around the clock.

Employees should be informed of the hours of operation through memoranda and compliance training.

□ Ground Rule Message

Those calling the hotline should receive a standard message regarding the ground rules. This message can screen out misdirected calls and give callers time to organize their thoughts. Most importantly, the message should quickly inform all callers that:

- Their report will be anonymous
- There is a policy against retaliation
- The call is not being recorded and will not be traced
- All their rights will be protected
- Their confidentiality will be preserved should they choose to identify themselves

□ Vendor Selection

The hotline's effectiveness will largely depend upon those answering the call and how they managed the debriefing of the caller. With rare exceptions, it is best to select an external provider to handle calls. Research even suggests this leads to more effective hotlines.

Not only does it help your organization avoid resourcing issues, but employees also generally trust that a third party is likely to be objective and respect their anonymity.

A few important factors to consider include:

- **Experience:** Does your vendor have a track record of handling calls related specifically to healthcare?
- **Tolls:** Does the vendor ensure that employees can access their service through a toll-free telephone number?
- **Web-Based Reporting:** Nearly half of employee contacts are through web-based reporting nationwide. Does your vendor offer this service in addition to having live operators answering calls?

Service Optimization

Once your hotline is up and running, there are several steps to ensure it continues to operate smoothly, such as:

Ongoing Monitoring

According to the OIG, all programs and operations should be subject to continuous monitoring for compliance with written guidance and standards by the responsible program manager. In the case of hotline operations, whoever manages them has this responsibility.

Third-Party Audits

OIG guidance calls for all compliance hotlines to undergo periodic independent audits by parties independent of the function to verify ongoing monitoring is taking place and that the program is functioning effectively as designed.

Compliance Education

It is very important to train employees and other authorized users on how to use the hotline properly. The method by which the hotline can be accessed and used should be included in the Code of Conduct and policy documents, and training should include:

- How to access the hotline
- The types of concerns addressed
- Discussion of confidentiality
- Review of the non-retaliation/retribution policy
- What callers can expect from the service provider
- Hotline operating hours
- How complaints are investigated and resolved

However, compliance education and training programs should devote attention to the alternative compliance communication channels that begin with a supervisor, any member of management, and the Compliance Officer. The compliance hotline should be a last resort when all other channels are unavailable.

Survey Employees

Your hotline exists to support and embolden employees, which means regular feedback is essential to assess and improve the hotline's effectiveness. Periodically survey employees about the compliance program and ask questions about awareness of and trust in using the hotline.

Build Trust with a Robust Compliance Hotline

Establishing and managing an effective compliance hotline is a critical step in fostering a culture of transparency and accountability within your organization. By providing employees, stakeholders, and external parties with a trusted mechanism to report concerns, you not only mitigate compliance risks but also strengthen confidence in your organization's integrity.

For healthcare organizations striving to build or improve their compliance hotline, partnering with an experienced provider can make all the difference. Compliance Resource Center offers comprehensive hotline services designed to meet your organization's unique needs.

Contact us today to learn how we can help you establish a hotline that fosters trust, enhances compliance, and supports your organizational goals.

Contact Us



Info@complianceresource.com



complianceresource.com

