

# Proactive Compliance Initiatives for Private Equity Platform Companies: Immediate Post-Closing Operational Fixes

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## Attorney Advertising

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# Agenda

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1. Establishing appropriate policies and procedures to ensure ongoing compliance with corporate practice of medicine restrictions and other regulatory requirements
2. Creating effective processes around consolidation efforts, including any reductions in force or management changes
3. Building out revenue cycle functions to proactively address billing and coding errors
4. Terminating any problematic arrangements for financial or compliance reasons
5. Executing possible self-disclosures or other remedial actions

# Establishing Policies & Procedures to Ensure Ongoing Compliance with CPOM and other regulatory requirements



Understand how state laws impact business structures



Make adjustments to CPoM agreements before or upon closing



Address any diligence issues not addressed pre-closing



Develop strategic plans / budgets with practice leadership



Common criticism of friendly or captive PC structure -“merely titular ownership”

- 10 Practical Recommendations to make “bona fide” and proactively address

# Assess consolidation efforts, including any reductions in force or management changes, keeping compliance in mind

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Ownership and incentive alignments may impact consolidation/centralization opportunities

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Review vendor agreements to understand consolidation implications and opportunities

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Understand termination requirements both contractual and operations considerations for vendors agreements

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Review buy versus build for key functions (e.g. revenue cycle) based on new platform. Identify when in the growth projection it may make sense to build versus buy

# Consolidation Issues / Reductions In Force

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**Identify functions that could/should be centralized to reduce unnecessary redundancy; Prioritize; Create a Transition Plan and Budget**

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**Ensure practice leadership buy-in on centralization of key functions**

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**Review staffing needs and whether level of professionalism is being met**

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**Identify reduction in force opportunities and requirements**

- Contractual Obligations
- Separation Agreement Requirements
- WARN Act Monitoring and Compliance

# Develop “Right-Sized” Compliance Structures

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Identify responsible individual(s) – in house and outside counsel, compliance personnel, consultant advisors



Management Co. should develop a compliance infrastructure to be reviewed and adopted by Practice leadership



Implementation is key



Train and re-train



Document – if you can’t find it, you don’t have it



Check your work (quizzes, audits, secret shoppers, etc)



# Building out revenue cycle functions to proactively address billing and coding errors and integrating with compliance functions

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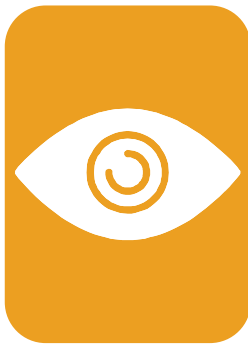


- Identify risk areas
- Create and implement an audit plan
- Perform a baseline audit to identify problem areas
- Review the billing report for the certain patterns and practices
- Determine the type of audit (focused or general).
- Choose the sample
- Review the billing, coding, and medical records.

## Building out revenue cycle functions to proactively address billing and coding errors and integrating with compliance functions (cont.)



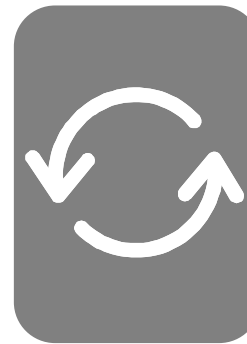
Assess the findings and determine remediation if needed (e.g. return of funds, rebilling, education, etc.)



Continue to watch (e.g., monitor and re-audit) common problem areas



Report findings according to compliance plan



Integrate audit function with compliance program

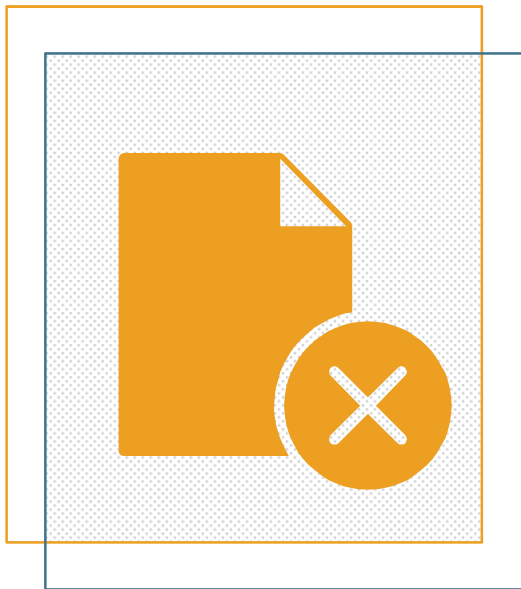


Document, document, document all audit actions in order to demonstrate the investigation and remediation process and outcome

# Terminating Problematic Arrangements for Financial or Compliance Reasons

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- Assess all economic relationships that are also referral relationships (whether in writing or not – e.g., through 1099 and A/P runs)
- Involve counsel early & maintain “attorney-client” privilege



- Where problems exist – modify promptly
  - If no modification is possible, determine terminations rights
  - Assess other remediation actions (next slide)
- Assess existing compliance policies and structure, and revise as necessary
- Train, implement and re-audit on ongoing basis

# Executing possible self-disclosures or other remedial actions

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OIG Self Disclosure Protocol (and other options)

Return of overpayments

Provider education

Possible provider termination

# Questions?

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# Upcoming Webinars

## Proactive Compliance Initiatives for Private Equity Platform Companies Webinar Series

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- **Add-On Diligence Strategy (Part 2)**  
When: October 9, 2018 at 12:00pm – 12:45pm  
People: Josh Freemire, Anjana Patel, David Weiss
- **Proactive Employment Compliance (Part 3)**  
When: October 16, 2018 at 12:00pm – 12:45pm  
People: Denise Dadika, Paul DeCamp, Peter Steinmeyer
- **Proactive Health Care Regulatory Compliance (Part 4)**  
When: October 23, 2018 at 12:00pm – 12:45pm  
People: John Eriksen, Josh Freemire, Kevin Ryan
- **Employee Benefits and Executive Compensation Compliance and Planning (Part 5)**  
When: October 30, 2018 at 12:00pm – 12:45pm  
People: Christopher McMican, Kevin Ryan, Peter Steinmeyer

**Registration is complimentary. For additional details, visit [www.ebglaw.com/events](http://www.ebglaw.com/events).**