

Compliance Today – February 2021 Corrective action plan monitoring

By John Falcetano

John Falcetano (john.falcetano@brooksrehab.org) is Director Corporate Compliance at Brooks Health System in Jacksonville, FL.

A critical element of any effective compliance program is monitoring. As a service to our members, each month this column focuses on potential monitors for specific business lines or functions.

In today's healthcare environment, compliance professionals must focus on the process that organizations follow in order to comply with rules, regulations, and laws that govern the healthcare industry. Auditing and monitoring activities have always been a key element of any effective compliance program. Compliance professionals frequently conduct audits based on various guidance documents and important metrics of how effectively their organization is complying with regulatory requirements.

The Office of Inspector General considers ongoing auditing and monitoring necessary in order to have a successful compliance program. Compliance professionals are familiar with and frequently conduct compliance audits. They conduct formal and systematic audits to evaluate controls put in place by management to achieve regulatory compliance. They test control effectiveness and adequacy to determine whether the controls reduce errors and mitigate compliance risk. These audits are objective and independent of the process that is being reviewed.

When we think of monitoring, on the other hand, we think of an ongoing process usually conducted by management to ensure processes are working as intended. While monitoring can be objective, it is not usually independent of the process. Monitoring is less structured than auditing and can be as simple as periodically spot-checking to quickly assess the adequacy of a process. Typically, someone in the department is responsible for monitoring activities, and frequently it does not involve the compliance professional actually conducting the monitoring.

Once an audit has been concluded and audit findings have been identified, the compliance professional recommends steps management should take to remedy the findings. This is done by providing management with a formal corrective action plan (CAP). The CAP is management's written commitment to implement the corrective action recommended by the compliance professional.

It is important that compliance professionals monitor CAPs to ensure management has implemented and corrected the issues identified. This is an important step, since management has many responsibilities, and taking corrective action to address an audit finding is not always their top priority.

In conclusion, compliance professionals should create a process to monitor CAPs. They can randomly select a few CAPs to monitor each quarter as part of their annual compliance work plan. In the busy world of compliance, monitoring CAPs is easily overlooked and can be detrimental to an organization.

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