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Is a new hotline vendor in your future?

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There could be many reasons your organization needs or wants to change hotline vendors. Perhaps your contract is ending, and you want to take the opportunity to investigate other vendor options. Maybe budget constraints have you contemplating the cost of your current hotline and wondering whether it is too high, or the customer service you receive from your current vendor is less than ideal. Whatever reasons your organization has for looking to change vendors, there are several matters to consider before proceeding.

Before getting into those considerations, we should review why a hotline is needed in the first place. In its Compliance Program Guidance for Hospitals, the Office of Inspector General (OIG) states that one of the seven fundamental elements is to provide effective communication.^[1] This is a way to facilitate communication between compliance and all employees. This can be in the form of comment boxes, open-door policies, or anonymous hotlines. These modes of communication provide a mechanism for employees to report misconduct as well as protect those that do report from retaliation.

In the *Evaluation of Corporate Compliance Programs* guidance issued in June 2020, U.S. Department of Justice states that a “hallmark of a well-designed compliance program is the existence of an efficient and trusted mechanism by which employees can anonymously or confidentially report allegations of a breach of the company’s code of conduct, company policies, or suspected or actual misconduct.”^[2] To determine effectiveness, the Department of Justice asks whether the company’s compliance program has a system in place to allow for anonymity and whether it is well publicized.

If you have had the same hotline vendor for years, you may not have thought about the behind-the-scenes aspects of how it works and what you may need to keep in mind should a change be desired. The following are items to consider when contemplating a hotline vendor change.

Vendor company research

Where to start? A quick Google search will provide you with plenty of companies that offer hotline services. You could also query colleagues or visit a vendor booth (virtual ones, now!) at national meetings. It is of course up to you to determine how many companies you want to research, but for my organization, I wanted to review enough to give me a comparison but not so many that it was overwhelming. I decided that reviewing three companies in addition to our current vendor would provide a good sample.

A company website is a good place to find information on its services, features, and how long it has been in operation. Eliminating newer companies is not the objective, but one should feel confident that the vendor will remain in business. I also thought it was important to know whether the vendor had expertise in the healthcare industry. Having a vendor that is familiar with healthcare issues and language such as “HIPAA,” “Stark,” or

“fraud,” to name a few, can give a sense of confidence that the reports you receive would be applicable to your business lines.

Is the vendor willing to provide you with names of current customers that you may contact? Any vendor should be eager to give you this information, and you should definitely call several from the client list provided. I personally wanted to know whether they had received good customer service from the vendor and whether they would renew their contract with the company based on their service.

Structure and output

One of the biggest questions you may need to ask before getting too far into your research is this: Does your organization own the hotline phone number? My organization was fortunate to own the hotline phone number, but it actually took some digging to locate this information. We had to check with our information technology and finance departments to verify this was the case. Be aware there are vendors that may require you to use their phone number, which can make transitioning to a new vendor more difficult.

Does the vendor provide an option for caller/reporter anonymity? Is the hotline available 24/7? The OIG Compliance Guidance for Hospitals states, “At a minimum, comprehensive compliance programs should include the...maintenance of a process, such as a hotline, to receive complaints, and the adoption of procedures to protect the anonymity of complainants and to protect whistleblowers from retaliation.”^[3]

Does the vendor provide more than one method for reporting? It is advisable to have an option for callers to either speak to an operator or to use a web-based reporting system. This allows reporters to express their concerns in the format with which they are most comfortable.

What is the expected length of time for you to receive notification of a report from the vendor? Reports should be received promptly so you can investigate and respond in a timely manner. This ensures employees that their concerns are important and taken seriously.

Another consideration is whether your vendor will contact you immediately for an urgent or high-risk situation. A designated call list should be provided to your vendor for these situations. It is important that you are notified quickly so that an urgent issue reported on a Saturday, for example, does not linger in an unopened email until Monday.

How are the reports delivered to you? Consideration of privacy standards should be taken into account due to possible Health Insurance Portability and Accountability Act issues with protected health information if a patient or a patient’s family member contacts the hotline. Best practice would be to have notification of an available report— rather than the full report—sent to you via email or fax.

Does the vendor’s system have the ability for reporters to call back or log in to provide additional information? Because of anonymity, there are times when more information could assist you with your investigation. Our new vendor provided this service, along with the capability for our team to submit questions for the caller, which can be very advantageous.

Pricing and contracts

What is the methodology for determining pricing by the vendor? The two types of pricing methods I discovered during my research were based on the number/range of employees in your organization or the number of calls received. Be sure to inquire as to how the number of calls is defined and whether there is an additional fee if you should go beyond the number of calls in your contracted amount. Does “call count” include every single call? And how are callbacks counted?

The 2020 Risk & Compliance Hotline Benchmark Report states that over the last four years, the median of 1.4 reports per 100 employees has remained consistent.^[4] You can determine your own organization's reporting volumes by taking the total number of reports received from all your reporting areas, dividing that number by the number of employees in your organization, and then multiplying the result by 100.

Does the contract give you the option to cancel? The vendors I researched had a 30-day written notice for termination, prior to renewal, provided within a 12-month contract. Make sure you have a choice to cancel your contract *without cause* in the event you are unhappy with the service you receive.

Retention and access to files

If you terminate your current contract, would you have access to your previous files? If your current vendor is willing to export and send your reports to you, is there a fee to do this? Maybe you maintain your reports on a secure drive within your organization, but if you do not, this is another item to consider.

Marketing

One of the best methods to communicate the existence of your hotline is to have the contact information displayed on posters in prominent places. The OIG Compliance Guidance for Hospitals states, "If the hospital establishes a hotline, the telephone number should be made readily available to all employees and independent contractors, possibly by conspicuously posting the telephone number in common work areas."^[5] This could also provide a good opportunity to review where you have posters placed and whether you have any new locations that may need posters.

Some vendors will supply posters as part of the contract, or they may be purchased separately. If you don't want the added expense or vendor logo on your posters, you may also contact a local printing company or make the posters in-house if you have the capability to produce a professional product for display.

When you decide to change your hotline vendor, your phone number may change if you don't own it, and the website address may also change. Do you know where this information is posted in your organization? Making a list of all the places you have advertised the hotline number and website can be very helpful. Think about your company intranet site, a public-facing company website, newsletters, policies, training materials, and the code of conduct, to name a few.

Conclusion

A hotline is very important not only from a regulatory standpoint to have an effective compliance program, but it is also important for your employees to feel confident that your hotline works. It is worth the effort to have a vendor you trust to partner with for your hotline service.

Takeaways

- An effective compliance program needs a mechanism for employees to report allegations of misconduct.
- Your hotline vendor should provide you with personalized service and be willing to discuss issues with the service or the quality of a report.
- There are many considerations in operating a hotline, so take your time to research the companies and what your organization really needs.

- The cost of your hotline is a consideration—but not the only one.
- Make sure to market your hotline so that employees know it is available.

1 Publication of the OIG Compliance Program Guidance for Hospitals, 63 Fed. Reg. 8,987, 8,989 (February 23, 1998).

2 U.S. Dep't of Justice, Criminal Div., *Evaluation of Corporate Compliance Programs* (Updated June 2020), <http://bit.ly/2Z2Dp8R>.

3 Publication of the OIG Compliance Program Guidance for Hospitals, 63 Fed. Reg. 8,989.

4 Carrie Penman, *2020 Risk & Compliance Hotline Benchmark Report*, NAVEX Global, 6, accessed March 16, 2021, <https://bit.ly/3czLWbS>.

5 Publication of the OIG Compliance Program Guidance for Hospitals, 63 Fed. Reg. 8,995.

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