

## Compliance Today – August 2024



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### Compliance training: Making it a good return on investment

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by Steve Forman

During the past 30-plus years, I have built and evaluated dozens of compliance programs, including those under a corporate integrity agreement (CIA) with the U.S. Department of Health and Human Services Office of Inspector General (OIG). It is expected that compliance training be provided and include not only general compliance information but also targeted training for those involved in high-risk compliance areas. Under CIAs, both training types are mandatory. Where OIG finds such training absent may result in significant financial penalties, mandatory training, and potential exclusion from federal healthcare programs. Fortunately, most organizations do not face a CIA; however, providing effective compliance training is expected.

#### Regulatory guidance

In November 2023, OIG issued *General Compliance Program Guidance* that reinforced the importance of having effective compliance education and training programs.<sup>[1]</sup> In it, they state:

Providing appropriate education and training is a vital component of an effective compliance program. The compliance officer, with the support and aid of the Compliance Committee, should develop and coordinate a multifaceted education and training program specific to the needs of and risks presented by the entity. The program should include education and training on the entity’s compliance program, Federal and State standards applicable to the entity, and board governance and oversight of a health care entity [ . . . ] Participation in required compliance training programs should be made a condition of continued employment or engagement by the entity. Failure to comply with training requirements should result in consequences, up to and including possible termination of employment or engagement when warranted by the circumstances. Completion of mandatory training should be a basic requirement of each employee’s annual performance evaluation.

The U.S. Department of Justice (DOJ) has also underscored the significance of compliance training for effective compliance programs. In their *Evaluation of Corporate Compliance Programs Guidelines* (DOJ Guidelines), they state, “Another hallmark of a well-designed compliance program is appropriately tailored training and communications. Prosecutors should assess the steps taken by the company to ensure that policies and procedures have been integrated into the organization, including through periodic training and certification for all directors, officers, relevant employees, and, where appropriate, agents and business partners.”<sup>[2]</sup>

Given the fact that all those engaged by an organization, as well as some “business partners,” should receive compliance education, it becomes an expensive undertaking, especially challenging in this era of revenue uncertainty, limited budgets, and continuing competition for resources. According to a news release by the Bureau of Labor Statistics, “Among service-providing industries, compensation costs averaged \$46.28 for the education and health services industry sector.”<sup>[3]</sup> So, if you employ 5,000 people and require them to take two hours of compliance training annually (one hour on general topics and one hour on compliance risks related to their jobs), the cost to your organization for employees alone—*not* including training development and associated logistics—would be more than \$460,000. That number could easily increase substantially when all related costs are factored in. For relatively small organizations, bearing such a cost could be a challenge.

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