

Gulf Coast Center  
Corporate Compliance  
Annual Report  
Fiscal Year 2018

Submitted by:  
Cindy Kegg, Corporate Compliance Officer  
Gulf Coast Center  
January 2018

**Gulf Coast Center**  
**Corporate Compliance Annual Report**  
**Fiscal Year 2018**

Gulf Coast Center's ongoing commitment to preventing, identifying and correcting behavior that may result in fraud, waste or abuse remained an organizational priority during FY 2018. The Center's Corporate Compliance Plan and Business Code of Conduct have been in place since FY 2002 and provide the foundation for the compliance efforts within the organization. The Center continues to demonstrate a good faith effort to comply with applicable laws and regulations and promote ethical and responsible conduct. This report reflects key components of the Center's compliance program with corresponding activities of fiscal year 2018, as well as comparison figures from FY 2002 through FY 2018 where indicated. The report also includes a summary of accomplishments from the Federal fiscal year (October 2017 – September 2018) as reported by The Office of Inspector General (OIG) and The Department of Justice (DOJ).

**Corporate Compliance Training**

The Office of Inspector General's guidance on compliance training clearly conveys the expectation that organizations will develop and implement regular and effective training for all employees. Educating employees on the expectations set forth in the organization's Compliance Plan and Business Code of Conduct is fundamental to an effective compliance strategy and vital to the overall success of the program. To help ensure that Gulf Coast Center staff maintain an acceptable level of knowledge, mandatory compliance training is required of all staff, interns and volunteers. Compliance training is included in New Employee Orientation (NEO) and is available to all staff. The Center's Human Resources Department increased the frequency of NEO from once monthly to twice monthly during FY 2018. This not only affords more frequent and timely training for new employees, but also offers increased opportunities for existing staff to attend annual compliance training. In addition, the Compliance Officer and General Counsel completed a compliance training video in October 2017. The video provides another option for compliance training when the Compliance Officer is unavailable to present. The Compliance Officer provided twenty-two (22) Corporate Compliance Trainings during FY 2018, with two (2) additional presentations provided via video. A total of two hundred and fifty-three (253) participants attended. As in past years, a compliance exemption test was available to eligible staff in lieu of attending a scheduled training. An additional seventy-eight (78) eligible staff<sup>1</sup> opted to take the test and passed with the required score of 80% or better. Confirmation of attendance / successful test completion is maintained by both Human Resources and the Compliance Officer.

---

<sup>1</sup> 1) have been employed with the Center at least 5 years (60 months); 2) have not been the subject of a compliance investigation; and 3) have not caused a payback of greater than \$50

### **Compliance Reports / Investigations**

The Center’s Compliance Officer received nineteen (19) compliance concerns impacting one-hundred and nineteen (119) individuals during FY 2018. All incidents were related to confidentiality/HIPAA violations and included unencrypted emails, incorrect fax numbers / mailing addresses and client information released without a signed authorization. The majority of incidents impacted nine (9) individuals or less with 78% of these events affecting only one (1) individual. One FY 2018 incident involving an unencrypted email impacting seventy-four (74) individuals was recently determined by MIS to have a secure server connection so no breach occurred. This brought total FY 2018 incidents to eighteen (18) with forty-five (45) individuals impacted.

The below table denotes the number and type of compliance concerns reported to the Compliance Officer since the initiation of the compliance program in FY 2002.

(Numbers in parenthesis represent incidents resulting in a refund. For example: 2 (1) reads 2 investigations, 1 of which resulted in a refund. Similarly, the *Medicaid Refund* column denotes in parenthesis the number of incidents responsible for the refund for that fiscal year).

<b>FY</b>	<b>Confidentiality</b>	<b>Billing/ Documentation</b>	<b>Credentials</b>	<b>Fraud Allegations Unconf. / Conf.</b>		<b>Contract/ Other</b>	<b>TOTAL</b>	<b>Medicaid Refund</b>
2002	0	2 (1)	2 (1)	0		2	6	\$9,821.31 (2)
2003	1	3 (1)	3 (1)	0		1	8	\$3,654.20 (2)
2004	11	2 (1)	0	3 (1)	1 (1)	0	17	\$15,437.36 (3)
2005	14	2	0		1 (1)	0	17	\$17,699.55 (1)
2006	8	3 (1)	0	1 (1)		0	12	\$12,471.46 (2)
2007	11	3 (2)	0	0		0	14	\$14,994.83 (2)
2008	5	0	0		2	0	7	(0)
2009	5	2	0		3 (3)	0	10	\$27,672.28 (3)
2010	4	0	0	3 (3)	1 (1)	0	8	\$22,168.46 (4)
2011	7	0	0	0		1	8	(0)
2012	22	2 (1)	0	1		1	26	\$46.76 (1)
2013	18	1	0		1 (1)	2	22	\$275.22 (1)
2014	22	0	0	0	0	0	22	(0)
2015	18	2	0	0	0	0	20	(0)
2016	111	1	0	0	0	0	112	\$2,585.28 (1)
2017	25	0	0	0	0	0	25	(0)
2018	18	0	0	0	0	0	18	(0)
<b>Total</b>	<b>300</b>	<b>23</b>	<b>5</b>	<b>8</b>	<b>9</b>	<b>7</b>	<b>353</b>	<b>\$126,826.71 (22)</b>

### **Annual Compliance Survey**

The annual *Corporate Compliance Survey* was distributed to all staff in September 2018. The survey serves as a follow-up to the FY 2018 compliance training and evaluates staff competency on basic compliance information. The survey further evaluates staffs’ perception of the compliance plan through questions related to the successful resolution of reported concerns, if applicable, as well as management support. In addition, the survey provides another mechanism for staff to identify compliance issues or concerns that were not previously reported. Follow-up was completed with one (1) staff to further explore comments made on the survey. Several other reported issues were either already being addressed or were program specific and directed to the manager. Overall survey responses indicated that staff were both

knowledgeable and satisfied with the manner in which reported issues were addressed during FY 2018.

### **Corporate Compliance Committee**

The Corporate Compliance Committee meets regularly and continues to advise and assist the Compliance Officer with monitoring the compliance program and ensuring that the Center's compliance efforts are both effective and responsive to the needs of the organization. The committee convened quarterly during FY 2018 with meetings on September 25, 2017; December 19, 2017; March 20, 2018; and June 19, 2018.

Committee membership remained constant during FY 2018; however, two staff changes prompted the committee to consider new appointments for FY 2019. Monica Mehalshick, Director of Recovery Programs left the committee after moving to a part-time consulting position within the program. In addition, long standing committee member Pam Melgaras, Chief Information Officer retired from the Center in FY 2018. Committee appointments representing both Recovery Services and MIS were deferred until these positions are filled. Although the Director of Recovery Programs position remains vacant, Reginald Brumfield was hired as the Center's new Chief Information Officer in August 2018 and was recommended for committee membership in September 2018. Melissa Tucker, CEO approved his committee appointment on September 21, 2018.

Membership during FY 2018 included the following individuals and is reflective of the major service areas:

Amy McMahon, Director of Youth Behavioral Services  
Casey Duty, Manager of Utilization Services  
Cindy Kegg, Corporate Compliance Officer  
Donna Gordon, Director of Reimbursement Services  
Jeanine McNulty, Chief Human Resources Officer  
Jerry Freshour, Chief Operating Officer  
Melissa Hollman, Contract Manager/QM Supervisor  
Monica Mehalshick, Recovery Services Director (retired from the committee)  
Pam Melgares, Chief Information Officer (retired from the Center)  
Timothy Ornelas, IDD Crisis Intervention Specialist

In addition to addressing and responding to any specific concerns identified during the quarterly meetings, the committee routinely reviews the following:

- Compliance reports and incidents
- Compliance investigations
- Business Code of Conduct Violations
- Overpayments / refunds / fee collection
- Audit findings
- Quality Management activities
- Drug and alcohol testing (Connect Transit and other Center programs)

- Licensure / website verifications / exclusion lists / background check issues
- HITECH Breach Notification issues
- The Compliance Plan, Compliance Procedures and Business Code of Conduct
- Risk and Compliance Annual Assessment
- MIS Security Risk Assessment

### **Fiscal Audit**

The Center's Annual Financial and Compliance Audit for the year ending August 31, 2018 was completed by Eide Bailley (formerly Davis Kinard) in January 2019. Although the final report had not been received by the date this Annual Compliance Report was submitted, per Chief Financial Officer, Rick Elizondo there were no Federal or State compliance findings. The audit will be presented to the Center's Board of Trustees for review and approval at the January 23, 2019 Board Meeting.

### **Compliance – A Federal Perspective**

On December 3, 2018 the Health and Human Services Office of Inspector General posted the OIG's Semi-Annual Report to Congress covering April 1, 2018 – September 30, 2018. The report highlighted the achievements of the 2018 Federal fiscal year (October 1, 2017 through September 30, 2018) and included the below accomplishments:

- expected investigative recoveries of \$2.91 billion;
- criminal actions against 764 individuals or entities that engaged in crimes against HHS programs;
- exclusion of 2,712 individuals and entities; and
- civil actions against 813 individuals or entities.

On December 21, 2018 a press release from the *Office of Public Affairs* reported that the Department of Justice recovered over \$2.8 billion in settlements and judgments from civil cases involving fraud and false claims against the government in the fiscal year ending Sept. 30, 2018. According to the release, recoveries since 1986, when Congress substantially strengthened the civil False Claims Act, now total more than \$59 billion. Accomplishments highlighted in the DOJ report include:

- Of the \$2.8 billion in settlements and judgments, \$2.5 billion involved the health care industry and included drug companies, hospitals, pharmacies, laboratories and physicians.
- Whistleblowers filed 645 *qui tam*<sup>2</sup> suits in fiscal year 2018. Qui tams suits account for a large percentage of False Claim Act cases and have increased significantly since 1986. Of the \$2.8 billion in total settlements and judgments during fiscal year 2018, over \$2.1 billion arose from qui tam lawsuits which averaged more than 12 new cases every week. The government paid \$301 million to the individuals who exposed fraud and false claims by filing these actions.

---

<sup>2</sup> *Qui tam* provisions allow private citizens to file suits alleging false claims on behalf of the government. If the United States prevails in the action, the whistleblower, known as a relator, receives up to 30 percent of the recovery.

**Conclusion**

The Gulf Coast Center recognizes that although a compliance program may not entirely eliminate improper activities, a firmly established and effectively communicated commitment to compliance may significantly reduce the risk of improper, unlawful and unethical conduct within the organization. Through the expectations set forth in the Compliance Plan and Business Code of Conduct, the Center continues to demonstrate a good faith effort to promote honest and responsible behavior by educating staff, conveying clear expectations of conduct, detecting errors and correcting identified problems. The Compliance Officer, Compliance Committee, General Counsel and Executive Management will continue to work collaboratively to support and maintain a compliance strategy that effectively promotes organizational integrity and reduces the risk of illegal or unethical conduct.