



Gulf Coast Center

Corporate Compliance Annual Report

Fiscal Year 2023

Submitted by:
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Gulf Coast Center
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Gulf Coast Center’s Corporate Compliance Program was implemented in FY 2002 and definitively established the organization’s commitment to honest and responsible conduct. With an emphasis on the highest level of professionalism and ethical standards, the Compliance Plan and Business Code of Conduct continue to be essential components of the Compliance Program and serve to reduce the organization’s risk of improper or unlawful behavior. This report reflects key components of the Center’s Compliance Program with corresponding activities of FY 2023, as well as comparison figures from FY 2002 through FY 2023 where indicated. The report also includes a summary of accomplishments from the Federal fiscal year (October 2022 – September 2023) as reported by the Office of Inspector General (OIG) and the Department of Justice (DOJ).

Corporate Compliance Training

Communicating the procedures, laws and expectations associated with compliance through ongoing training is not only essential to the success of a compliance program, but is one of the seven elements of an effective compliance program published by the OIG. This is reiterated in the *U.S. Department of Health and Human Services Office of the Inspector General Compliance Program Guidance, November 2023*, which states, *providing appropriate education and training is a vital component of an effective compliance program*. Therefore, as part of Gulf Coast Center’s overall compliance strategy, the completion of annual compliance training is mandatory to help ensure that an acceptable level of knowledge is maintained throughout the organization.

During FY 2023, all staff who were required to complete training by 8/31/23 accomplished the task, thus meeting this operational key result at 100%. Training for new hires and existing staff was achieved utilizing the Corporate Compliance & Rights Protection video and post-test/final exam developed by the Compliance Officer and General Counsel. One hundred eighty-nine (189) staff completed the compliance training video during FY 2023 and eighty-three (83) eligible staff¹ opted to complete the *Corporate Compliance and Rights Protection Exemption Test* with a passing score of 80 percent or better. Confirmation of training/test completion is maintained by both Human Resources and the Compliance Officer.

Compliance Reports / Investigations

The Center’s Compliance Officer investigated four (4) compliance concerns impacting four (4) individuals during FY 2023. The incidents were related to unauthorized disclosures: 1) a voicemail was left on the wrong person’s answering machine; 2) an email was sent to an

¹ 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.

unintended recipient; 3) a client's medication was given to another client; 4) a form with client information was sent to another client.

The following table denotes the number and type of reported compliance concerns investigated by 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).

FY	Confidentiality	Billing/ Documentation	Credentials	Fraud Allegations Unconf. / Conf.		Contract/ Other	TOTAL	Medicaid Refund
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)
2019	16	0	0	1	0	0	17	(0)
2020	4	0	0	0	0	0	4	(0)
2021	14	0	0	0	0	0	14	(0)
2022	2	0	0	0	0	0	2	(0)
2023	4	0	0	0	0	0	4	(0)
Total	340	23	5	9	9	7	393	\$126,826.71 (22)

Corporate Compliance Committee

The Corporate Compliance Committee meets regularly and continues to advise, assist and support the Compliance Officer in operating and monitoring the Compliance Program. The committee convened quarterly during FY 2023 with meetings on September 20, 2022; December 20, 2022; March 21, 2023; and June 20, 2023.

During FY 2023, the committee welcomed Chief Information (CIO) Officer Devon Stanley who filled the vacancy left by the former CIO.

Membership during FY 2023 included the following individuals and is reflective of the major service areas:

- Amy McMahon, Director of Behavioral Health Services, Brazoria County
- Casey Duty, Manager of Utilization Services
- Cindy Kegg, Corporate Compliance Officer
- Jerry Freshour, Director of Crisis & Community Outreach

Kelsey Hoosier, Director of Human Resources
Mary Mallini, Director of Reimbursement Services
Melissa Hollman, Contract Manager/QM Supervisor
Devon Stanley, Chief Information Officer
Sandy Patterson, Director of Behavioral Health Services, Galveston County
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!
- 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, 2023, was completed by Eide Bailley in January 2024. Per Chief Financial Officer Rick Elizondo, there were no Federal or State compliance findings. The audit was reviewed and approved by the Center's Board of Trustees at the January 31, 2024 Board Meeting.

Compliance – A Federal Perspective

On December 1, 2023, the Health and Human Services Office of Inspector General posted the OIG's Semi-Annual Report to Congress covering April 1, 2023 – September 30, 2023. The report highlighted the achievements of the 2023 Federal fiscal year (October 1, 2022 through September 30, 2023) and included the below accomplishments:

- nearly \$3.44 billion in expected recoveries resulting from HHS-OIG audits and investigations;
- 707 criminal enforcement actions against individuals or entities that engaged in crimes that affected HHS programs;
- exclusion of 2,112 individuals and entities; and
- civil actions against 746 individuals or entities which include false claims and unjust-enrichment lawsuits filed in Federal district court, civil monetary penalty settlements, and administrative recoveries related to provider self-disclosure matters.

On February 22, 2024, a press release from the *Office of Public Affairs* reported that the Department of Justice exceeded \$2.68 billion in False Claims Act settlements and judgments in the fiscal year ending Sept. 30, 2023. According to the release, recoveries since 1986, when Congress substantially strengthened the civil False Claims Act, now total more than \$75 billion. Accomplishments highlighted in the DOJ report include:

- Of the more than \$2.68 billion in settlements and judgments, over \$1.8 billion involved the health care industry, including managed care providers, hospitals, pharmacies, laboratories, long-term acute care facilities, and physicians.
- Recoveries in fiscal year 2023 also reflect the department's focus on key enforcement priorities, including fraud in pandemic relief programs and alleged violations of cybersecurity requirements in government contracts and grants.
- The government and whistleblowers were a party to 543 settlements and judgments, the highest number of settlements and judgments in a single year.
- Whistleblowers filed 712 qui tam² suits with settlements and judgments exceeding \$2.3 billion. The government paid out over \$349 million to those who exposed fraud and false claims by filing these actions. The number of lawsuits has grown significantly since 1986, with an average of more than 13 new cases every week during fiscal year 2023.

Conclusion

Gulf Coast Center recognizes that a compliance program may not entirely eliminate improper activities. However, a firmly established and effectively communicated commitment to compliance serves to promote a *culture of compliance* within the organization and may significantly reduce and mitigate the risk of unlawful and unethical conduct. In the pursuit of operational excellence, the longstanding expectations set forth in the Compliance Plan and Business Code of Conduct continue to demonstrate the Center's earnest efforts to promote honest and responsible behavior. The Compliance Officer, Compliance Committee, General Counsel and Executive Leadership/Management will continue to work collaboratively to support and maintain a compliance strategy that effectively promotes the highest standards of professional conduct.

² *Qui tam* provisions of the False Claims Act 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.