



The Baseline Review

The Office of the Inspector General for the Department of Health and Human Services suggests that providers take a “snapshot” of their current operational compliance. The people conducting the review should have sufficient independence so that a true baseline can be established, as well as being well-versed in healthcare compliance theory as well as healthcare regulation and law.

The baseline review is used by an organization in two ways:

1. To determine where an organization is most at risk for fraud and abuse. The risk profile developed helps an organization determine how its compliance resources will be allocated. Targeting limited resources for their greatest positive impact is a critical and strategic job for senior management. The baseline review provides the basic due diligence for this process
2. To provide a benchmark against which the provider can measure his or her efforts of the provider to reduce or eliminate fraud and abuse. Is the compliance program working?

This high level overview of the efforts of management to be compliant with rules and regulations governing its work helps determine the following:

- how well those rules are known at all levels of the organization
- if internal controls are sufficient to locate problems and locate them early
- if the culture of the organization supports compliance
- if the training programs are sufficient to produce employees who understand the reasons for compliance and how to achieve it
- if the documentation which supports the revenue of the organization (medical records, financial records, board meeting minutes, etc) is sufficient and meets regulatory requirements

The Baseline Review is conducted through a series of interviews, review of medical records and other documentation, and a walk-through of key procedures to determine where internal controls exist. The product of this review is a prioritized list of problem areas, areas where risk needs to be addressed, recommendations for additional internal controls and an assessment of corporate culture with respect to compliance. This document, then, becomes the basis for the development of the compliance program and for addressing compliance concerns.

The Baseline Review is a critical tool in developing a compliance program and in reducing corporate risk in the face of an investigation. The fact that the organization is embarked on a compliance effort using a blueprint developed by independent and qualified individuals shows a good faith effort that may be considered by the government in its investigatory approach. A Baseline Review will not make compliance problems go away, but by revealing risk, it helps management begin to see what the outlines of a compliance solution can be.