

# Report on Medicare Compliance Volume 31, Number 26. July 25, 2022

## Sample Compliance Committee Charter

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Here's an example of a charter for a governance, compliance and ethics committee. It appears in the Health Care Compliance Association's *Healthcare Compliance Forms and Tools* and was developed by Parkland Health and Hospital System.<sup>[1]</sup>

### Sample Governance, Compliance, and Ethics Committee Charter

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The organization is committed to developing a governance system that is informed by relevant best practices and to fostering a culture of compliance that emphasizes integrity, ethical conduct, and accountability. To facilitate the fulfillment of those commitments, the Board of Managers (Board) has authorized the formation of a Governance, Compliance, and Ethics Committee (Committee), and it has approved the following charter to set forth the purposes, structure, authority, and duties and responsibilities of the Committee and its members.

<b>Purpose</b>	<p>The Board has oversight authority with respect to the system's governance practices; the operations and efficacy of its Compliance and Ethics Program (Compliance Program); and compliance with applicable federal and state laws, regulations, and administrative rules. The Committee is a standing committee of the Board and is responsible for assessing the effectiveness of the Compliance Program as well as oversight of the performance of the chief compliance and ethics officer (CCO) and the Compliance and Ethics Department (Department). The Committee shall also be responsible for driving Board development, orientation, education, and self-assessment. The Committee shall make periodic reports to the Board on all matters being handled by the Committee.</p> <p>The executive liaisons to the Committee shall be the CEO, the general counsel, the chief governance officer, and the CCO, all of whom shall assist the Committee and the Committee chair in discharging their responsibilities. The CCO shall report to the CEO and to the Committee.</p>
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<b>Membership, Meetings, Minutes, and Committee Action</b>	<p>The Committee shall be chaired by a member of the Board and shall consist of at least two other Board members. The Committee will follow the operating guidelines for membership, meetings, minutes, and committee actions as authorized by the Board and as amended from time to time.</p> <p>The Committee will meet with such frequency and at such intervals as it determines necessary to fulfill its duties and responsibilities, and in any case not less than four times per year. A majority of the Committee shall constitute a quorum for the purpose of conducting business.</p>
<b>Governance Responsibilities</b>	<p>In fulfilling its charge related to governance, the Committee is responsible for the following activities and functions, among others:</p> <ul style="list-style-type: none"> <li>• In consultation with the Company’s executive management team, periodically considering the composition of the Board to determine whether additional expertise and skills would facilitate the Board’s work, for possible recommendation to the [Administrative Body];</li> <li>• As needed, assisting the chair of the Board with member recruitment;</li> <li>• Developing a description of the responsibilities and expectations of a Board member, including statutory and fiduciary duties;</li> <li>• Overseeing Board members’ development, including orientation and annual educational plan;</li> <li>• Meeting regularly with the executive liaisons to the Committee to discuss and review Board governance activities. Among other things, the executive liaisons to the Committee will be responsible for researching and updating the Committee on pertinent educational opportunities; and</li> <li>• Developing and leading an annual self-evaluation by the Board as well as Board effectiveness assessment.</li> </ul>
<b>Compliance and Ethics Responsibilities</b>	<p>In fulfilling its charge related to the Compliance Program and the Department, the Committee is responsible for the following activities and functions, among others:</p> <ul style="list-style-type: none"> <li>• <b>Oversight of the Compliance Program</b> Overseeing the structure, operation, and efficacy of the Compliance Program and, more specifically, the following: <ul style="list-style-type: none"> <li>◦ Promoting a systemwide organizational culture focused on compliance and ethical behavior and nonretaliation;</li> <li>◦ Oversight to ensure appropriate accountability for compliance with the fundamental federal and state legal and regulatory requirements that apply to all facets of the Company’s mission and work;</li> <li>◦ Ensuring that the Code of Conduct and Ethics and compliance-related policies and procedures are complete, periodically revised as necessary, and consistently enforced;</li> <li>◦ Remaining informed with respect to the work of the Executive Compliance Committee (ECC);</li> <li>◦ Reviewing, on an annual basis, the Compliance Program risk assessment and associated work plan, which includes auditing and monitoring initiatives;</li> <li>◦ Periodically reviewing management’s responses to compliance-related inquiries and requests from federal and state legislators, regulators, and/or enforcement officials;</li> <li>◦ Ensuring that the Board is apprised of significant developments relating to the compliance expectations of</li> </ul> </li> </ul>

federal and state regulators and enforcement officials; and

- Receiving and reviewing periodic reports from the CCO on the following matters, among others:
  - The development of the Department, the adequacy of its resources, and progress against the annual work plan; and
  - Key compliance initiatives undertaken by the organization.

- **Annual Compliance Program Review**

- At least once every three years, the Committee, in consultation with the CEO, will commission an external review of the Compliance Program to be conducted by an independent third party.
- In the interim years, the Committee will receive an assessment report from the CCO as to the operation and effectiveness of the Compliance Program.
- At least annually, the Committee will receive and review a report from the ECC demonstrating oversight of the Compliance Program as evidenced by operating in conformance with the ECC Charter.

- **Compliance Reporting:** On a regular basis, the CCO will provide the Committee and/or the chair a report summarizing the following:

- The receipt, investigation, tracking, and resolution of concerns reported through the Disclosure Program;
- Audits, reviews, and/or investigations by government agencies;
- Internal reviews and/or audits regarding compliance matters;
- Overpayments to federal healthcare programs; and
- Any employment or engagement of an individual or entity who is currently, or is likely to be, excluded, debarred, suspended, or otherwise declared ineligible to participate in federal healthcare programs or federal procurement or nonprocurement programs.

- **Outside Expertise**

- The Committee will engage outside experts, as needed, to fulfill its duties.
- When warranted, based on a potentially significant, adequately substantiated allegation against a member of senior management (i.e., senior vice president or above), the Committee has the ability to directly supervise a compliance investigation through the engagement of outside legal counsel, in coordination with the general counsel, as appropriate.

- **Oversight of the CCO**

- In consultation with the Board and the CEO, annually evaluating the performance of the CCO;
- Prior to any action being taken regarding the hiring or termination of the CCO, the Committee must be consulted; and
- At least annually, or as needed, meeting with the CCO in a one-on-one, closed Committee session.

- **Oversight of the Department**

- Reviewing and approving annually the budget for the Department and any revisions to a previously approved budget for the Department. Before submitting a proposed annual budget, or revision thereto, to the Committee, the CCO shall review the proposal with the CEO and the chief financial officer;

	<ul style="list-style-type: none"><li>◦ Periodically assessing the Department, including span of control and adequacy of staffing levels, expertise, and resources.</li><li>• <b>Training:</b> Completing, on an annual basis, compliance-related training.</li><li>• <b>Conflict of Interests:</b> Reviewing and overseeing compliance with the system’s conflict-of-interests policies.</li><li>• <b>Board Reporting:</b> Reporting to the Board at its regularly scheduled meetings.</li></ul>
<b>Other Responsibilities</b>	At least annually, in consultation with the CCO and the general counsel, the Committee will review its Charter and make recommendations to the Board regarding any revisions it determines appropriate and warranted. The Committee will perform such other duties as may be assigned to it by the Board from time to time.

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