

DRIVING HEALTHCARE RESULTS THROUGH STRONG PROGRAM INTEGRITY

Healthcare programs consumed 27 percent of Federal spending this year. However, while 69 percent of respondents to a Pew research study said that the Federal Government should play a major role in ensuring access to Healthcare, only 36 percent believed it was doing a good job. While not a panacea to a vexing challenge, strong program integrity agendas can improve mission performance and enhance public confidence in Government.

An excerpt from a recent paper by KPMG spells out the need for effective program integrity: “Federal program managers are facing the challenging task of ensuring Healthcare programs meet mission objectives and public expectations. Advances in technology are changing the way they oversee and operate their programs, while the ever-growing scope and complexity of care models is becoming increasingly difficult to navigate.” We asked the authors of the paper four questions. Here is what they said:

WHAT IS PROGRAM INTEGRITY?

Program integrity holistically encompasses all elements and

considerations necessary to effectively and efficiently achieve an entity’s underlying mission in the public interest, while protecting taxpayer dollars. Put simply, it’s about program performance, whether in Healthcare, disaster assistance, or national defense, and the importance of proactively managing performance.

Megan Beckwith, a Director in KPMG’s Federal Healthcare Advisory Services practice, points out that “the term has been around for decades, with people primarily associating program integrity with combating fraud, waste, and abuse, often after the fact.” Instead, she says, “program integrity must be strategic



and preventive and focused on all elements of effectively and efficiently accomplishing the mission." She spoke of being proactive versus just reacting to a situation.

She also links program integrity to the expectations in Office of Management and Budget Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, which speaks to risk management as "a series of coordinated activities to direct and control challenges or threats to achieving an organization's goals and objectives." Finally, she cites the President's Management Agenda, which states that: "Effective stewardship of taxpayer funds is a crucial responsibility of Government, from preventing fraud to maximizing impact. Taxpayer dollars must go to effective programs that produce results efficiently."

Timothy Comello, a Partner in KPMG's Risk Consulting Services practice, says, "When a new program is being designed, program integrity considerations must be embedded from day one into every aspect of the program." He adds that, "for an existing program where it has not already been done, it is similarly essential to do so, but it may take longer and be more difficult to achieve at the outset."

WHAT DOES BEING PROACTIVE ENTAIL?

Proactivity places a premium on anticipating and preventing or

adequately mitigating problems so that public expectations, broadly defined, are met, and risk management is strategic. Comello says that "in Healthcare programs, this means having a strong program integrity framework, undergirded by five dimensions: Governance, eligibility and enrollment, day-to-day operations, oversight and monitoring, and continuous improvement." Comello cites the Affordable Care Act (ACA), stating that, "From the outset, understanding and context around the expectations and specific requirements of the ACA were vital in developing the program structure and underlying regulations, processes, and accountability mechanisms. There was a strong priority on results and on avoiding a compliance or "check-the-box" implementation approach. Program integrity was viewed as going far beyond compliance to focusing on results."

Beckwith adds that it's critical to establish a culture in which members of the program team are comfortable "raising their hand" when they identify a risk that calls for immediate action. "Team members should feel support from leadership when they identify and correct problems and acknowledge mistakes," she said.

WHAT ELEMENTS FACILITATE STRONG PROGRAM INTEGRITY?

Comello and Beckwith highlight five vital facilitators to program integrity: Data and analytics, intelligent automation, system

modernization, cybersecurity, and organizational culture. Comello emphasizes that "with the explosion of data and powerful analytic tools, program managers can now see what happened, analyze why it happened, monitor what is happening now, and anticipate what might happen in the future. Healthcare agencies have access to incalculable amounts of untapped Healthcare data that can be turned into information for day-to-day operations and decision making supporting program integrity."

Beckwith speaks about intelligent automation as a "tool to automate mission delivery and business processes through digital technologies that support tasks undertaken by knowledge workers to, among other things, increase productivity, performance, reliability, and citizen engagement." She points to automating anything from "complex actuarial processes to simple documentation processes like PDF file reviews." In stressing the need for system modernization, she also says that, "Outdated, legacy management systems impede effective program integrity while consuming upwards of 80 percent of agency information technology budgets."

Comello points to cybersecurity and the potential consequences of cyberattacks on the Federal Healthcare system given the \$1.1 trillion of current year spending and the vast sums of health records containing sensitive, personally identifiable Healthcare information.

He says that, "Cybersecurity considerations are paramount to program integrity, and the impact is only expected to intensify."

Finally, Beckwith says that "the entire organization, from leadership down, must understand and agree that fundamental change is needed to achieve program goals going forward." She speaks about "breaking down organizational silos and deeply entrenched cultures that perpetuate the status quo."

ANY THOUGHTS TO FEDERAL AGENCIES CONCERNED ABOUT PROGRAM INTEGRITY?

Comello and Beckwith make clear that program integrity is not a magic potion to meeting every mission goal and public expectation for eliminating fraud, waste, and abuse. They say that "while establishing program integrity is tedious, hard work that never ends, it's a vital enabler to the effectiveness, efficiency, and accountability of Government programs that address critical public needs and expectations in a manner that achieves expected results and builds public confidence and trust."

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ABOUT TIMOTHY COMELLO

Timothy Comello has over 20 years of experience assisting Federal agencies achieve their objectives through measuring client performance, improving management of enterprise and business process risks, assessing financial accounting/reporting processes and related Federal program operations, and remediating identified enterprise or process deficiencies.



ABOUT MEGAN BECKWITH

Megan Beckwith has substantial experience leading and coordinating engagements with a focus on achieving program integrity through review of process and, in certain cases, consideration for specific Government rules and regulations around improper payment reporting, and has assisted management in evaluating internal controls over financial reporting for both commercial and Government clients and in the creation and documentation of accounting policies and processes.



ABOUT KPMG

The foundation of the U.S. health system is shifting, creating new and complex challenges and opportunities for Government Healthcare program managers, regulators, providers, and health plans. KPMG has significant experience advising Federal program managers in strengthening Federal programs. Continual program improvement is essential in today's environment. Our in-depth understanding of Government programs, regulatory experience, business process improvement, enterprise risk management, data analytics, cybersecurity, and intelligent automation applications enable us to help our clients develop, implement, improve, and maintain the integrity of their programs. KPMG's Program Integrity Framework includes interconnected dimensions that work together to drive program improvement, along with extensive methodologies and tools. The framework is designed to help government agencies effectively and efficiently achieve program objectives while being effective stewards of program resources across the entire program life cycle.