

**CLIENT ALERT
SEPTEMBER 2007**

**FEDERAL OIG RELEASES NEW GUIDANCE
FOR BOARDS OF DIRECTORS ON
CORPORATE RESPONSIBILITY & HEALTH CARE QUALITY**

The HHS Office of Inspector General recently issued a new educational resource guide for board members regarding their obligation to oversee the quality of care and services provided by their organizations. A copy of the September 2007 publication entitled “Corporate Responsibility and Health Care Quality: A Resource for Health Care Board of Directors” is attached to this email.

This guidance represents the third in a series of OIG board education materials concerning corporate responsibility and compliance generally. For a direct link to the prior resource guides, go to <http://oig.hhs.gov>, click on “Compliance Guidance”, and scroll down to “Compliance Resource Materials” where you can locate the July 1, 2004 and April 2, 2003 resource guides. The OIG’s board education resources are a companion to the OIG’s operating compliance guidelines tailored to specific industries (e.g. hospitals, long term care...) which are also located on the OIG’s website. The board resource guides are designed to help directors educate themselves both as to how an organization should handle compliance issues, and as how to ensure that their organization complies with applicable laws and regulations.

According to the OIG, “oversight of quality of care is a core fiduciary responsibility” of directors. Corporate board members are reminded that they are obligated to obtain from management the information necessary to satisfy their duty of care as directors. Specifically, in addition to the board’s obligation to oversee senior management’s operation of the organization’s compliance program, the board also must take steps to oversee operations in such a way as to ensure that organization is following relevant laws and regulations in its delivery of services.

The OIG states that directors need assistance in carrying out their quality of care oversight responsibilities in such a challenging environment, where: consumers are demanding greater transparency and information about the services they receive, health care quality has become a top enforcement priority for regulators, and Medicare, Medicaid and other payors are increasingly linking payment to the quality of care. The guide is designed to help directors ask appropriate questions relating to health care quality requirements, measurement tools and reporting requirements to help in defining the need for and implementation of quality of care functions and initiatives within their organization. Ten sample questions are included concerning such areas as the organization’s quality improvement and patient safety programs, reporting mechanisms for quality concerns and adverse events, resource allocation as it relates to quality, and credentialing, competency assessment/training and peer review issues.

We suggest providing the OIG’s materials to your board and including them in your board education packages going forward. The corporate compliance officer and compliance committee members also should receive this information.

In addition, please note that the OIG will be hosting a series of industry specific roundtable discussions with industry leaders regarding board oversight of quality of care. The first one (scheduled for December 2007) will pertain to long term care and will be co-sponsored by the Health Care Compliance Association.

Please contact Attorneys Jennifer Gallop or Bob Griffin with any questions.

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