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**CLIENT ALERT**

**UPDATED GUIDANCE FOR BOARDS OF DIRECTORS  
OF HEALTH CARE ORGANIZATIONS**

As regulators step up their compliance and enforcement activities, boards of health care organizations need to be vigilant in overseeing health care quality and compliance activities. To assist in this effort, the American Health Lawyers Association reissued the U.S. Department of Health and Human Services and the Office of Inspector General's three part series on compliance for directors of health care organizations. This series consists of three educational resource guides prepared for board members regarding their obligations to oversee the quality of care and services provided by their organizations and to ensure compliance with applicable laws.

The three-part series has been condensed into one document entitled "The Health Care Director's Compliance Duties: A Continued Focus of Attention and Enforcement" and can be found at:

<http://www.healthlawyers.org/hlresources/PI/Documents/Health%20Care%20Director%27s%20Compliance2.pdf> (the "Guidance").

The Guidance is designed to help board members ask appropriate questions relating to health care quality requirements, measurement tools and reporting obligations in order to evaluate the need for and implementation of quality of care functions and initiatives within their organizations. In addition, the Guidance helps board members ensure that their organizations comply with applicable laws and regulations and educates board members as to how an organization should handle compliance issues.

Even if you currently include the Guidance in your board education packages, we suggest providing the updated materials to your board. The corporate compliance officer and compliance committee members of your organization also should receive these materials.

The following highlights key points and practical applications from the Guidance:

**Corporate Responsibility and Health Care Quality**

- Board members of health care organizations have a fiduciary responsibility to

monitor their organization's quality of care. This includes overseeing the organization's day-to-day operations, its compliance program and its adherence to its mission.

- The Guidance helps the board develop an understanding of relevant quality and patient safety issues, and focus on performance goals to increase the quality of care provided by the organization.

### **An Integrated Approach to Corporate Compliance**

- Board members' fiduciary responsibilities also include regularly monitoring the organization's general counsel and compliance officer, as each plays a key role in the organization's compliance oversight.
- The Guidance includes a series of suggested questions and areas of inquiry that the board should pursue as it oversees the general counsel and compliance officer. These questions and areas of inquiry help the board put in place appropriate processes to ensure that it receives appropriate and timely information and candid assessments relating to the compliance program.

### **Corporate Responsibility and Corporate Compliance**

- Board members also have a fundamental fiduciary responsibility to obtain information from management necessary to ensure that the organization is following relevant laws and regulations in its delivery of services.
- The Guidance is designed to help board members ask appropriate questions to assist in their understanding of the organization's compliance program. Ten sample questions are included to help board members identify significant compliance risks for the organization, understand the organization's compliance policies and staff education program, and respond to suspected compliance violations.

As you address these topics with your board, please feel free to contact Attorney Emily Kretchmer ([ekretchmer@kb-law.com](mailto:ekretchmer@kb-law.com)), Attorney Jennifer Gallop ([jgallop@kb-law.com](mailto:jgallop@kb-law.com)) or Attorney Bob Griffin ([rgriffin@kb-law.com](mailto:rgriffin@kb-law.com)) with any questions.