CHALLENGES FOR COMPLIANCE OFFICERS:
- Meeting increased regulatory requirements
- Limited resources
- Need to show value to leadership
- Increased responsibilities

PITFALLS OF PERIODIC AUDITS
- Don’t know what you don’t know
- May be missing true risk areas
- Lack of resources limits auditing reach

PERIODIC AUDITS VS RISK-BASED AUDITING

PERIODIC AUDITS
- Time-based
- Every provider
- Random sampling
- Dispersed resources
- Periodic identification
- Unsuspected discrete instances

RISK-BASED AUDITS
- Issue-based
- High, moderate risk providers
- Targeted sampling
- Focused resources
- Continuous monitoring
- Early detection
- Analyses trends

MAKING THE MOVE TO RISK-BASED AUDITING

FROM RISK IDENTIFICATION TO RISK MANAGEMENT
1. Identify Risk Areas
2. Organizing Monitoring
3. Feedback to Stakeholders
4. Improvement

IDENTIFY RISK AREAS

CLASSIFY PROVIDERS BY RISK
- High Risk: Series of failed routine audits requiring re-audits
- Moderate Risk: Multiple consecutive passed audits with some high-risk findings
- Low Risk: Multiple consecutive passed audits with no high-risk findings

DEVELOP YOUR PLAN
- Timeline with milestones
- Software acquisition
- Implementation
- Conversion

GAIN LEADERSHIP BUY-IN
- Increase efficiency and productivity
- Reduce risk
- Better utilization of resources

ANALYZE DATA
- Use data mining tools
- Highlight outlier cases
- Use worksheets to ensure standardized audit evaluation

DEFINE YOUR PROGRAM
- Resources
- Providers
- Approach

EVALUATE THE STATE OF YOUR CURRENT PROGRAM
- Resources
- Providers
- Approach

VALE THE STATE OF YOUR CURRENT PROGRAM
- Resources
- Providers
- Approach

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LEVERAGE REAL-TIME SOURCE DATA
- Direct data from your system 835/837s
- Eliminates distortion of data
- Enables more effective, faster analysis
- Allows more relevant benchmarking to peer organizations

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8 STEPS TO RISK-BASED AUDITING
1. Develop your plan
2. Define your program
3. Identify risk areas
4. Gain leadership buy-in
5. Analyze data
6. Classify providers by risk
7. Evaluate the state of your current program
8. Leverage real-time source data