Policy & Procedure Management: Benchmarking Your Program

Findings from the largest research study conducted on policy management from NAVEX Global

July 25, 2017

The audio to this webinar will be streaming through your computer, please make sure the speakers are turned on.
AGENDA

Introduction by Sean Jolie, AHA Health Forum

**Policy & Procedure Management: Benchmarking Your Program**

*Findings from the largest research study conducted on policy management from NAVEX Global*

  Randy Stephens, *Vice President, Advisory Services*, NAVEX Global

  Mary Bennett, *Vice President, Advisory Services*, NAVEX Global

Question and Answer Session
ABOUT THE AHA ENDORSEMENT

Health Forum is dedicated to identifying solutions that help hospitals in their efforts to support the Triple Aim of better care, better health and lower cost.

Through the proprietary AHA Signature Due Diligence Process™, we assess products and services with rigor and award the AHA exclusive endorsement to the solutions that excel in all areas of the evaluation process.
ABOUT THIS WEBINAR

This educational event has been developed by the AHA, together with NAVEX Global. We thank this organization for their willingness to share their expertise.

Policy & Procedure Management Software & Services from NAVEX Global have earned the exclusive Endorsement of The American Hospital Association.
TODAY’S SPEAKERS

Randall (Randy) Stephens is a Vice President with NAVEX Global’s Advisory Services team. A lawyer and compliance specialist, Randy has worked in roles with legal and compliance responsibility for over 30 years. He is the author of numerous compliance related articles and commentary and is regularly featured or quoted as a compliance expert in press and publications. In 2017 Randy was named by JD Supra as #3 of the Top Ten Compliance Authors for 2016 based on readers’ choice.

Mary Bennett, R.Ph.
Vice President, Advisory Services
NAVEX Global
mbennett@navexglobal.com

Mary Bennett, R.Ph. is vice president of Advisory Services and a pharmacist by training. She previously served as vice president in the Compliance and Integrity office at Caremark, where she implemented the requirements of one of the first government agreements in healthcare. Mary works across all industries for the advisory services team, creating and facilitating award-winning training programs, conducting large and small program assessments, developing compliance communications and helping clients develop best practice programs from the ground up.

Randy Stephens, J.D.
Vice President, Advisory Services
NAVEX Global
rstephens@navexglobal.com
Agenda

• The Importance of Policy Management to Your Overall E&C Program

• Key Findings
  - State of Policy Management Today
  - Processes & Tools Used for Policy Management
  - Policy Management’s Impact on Legal & Regulatory Risks

• Key Takeaways & Recommendations

• Q&A + Additional Resources
Policies and procedures lay the groundwork. They are the backbone of your organization’s culture and set expectations for employee behavior and conduct.
Centralize, Standardize & Control

**CREATE**

- **Draft**
  - Document owner
  - Policy draft

- **Reviewers**
  - Subject Matter Experts

- **Approval**
  - Approver

**PUBLISH / ARCHIVE**

- **Distribute**
  - Queue for Later Release
  - Publish
  - Archive

- **Attestation**
  - Users
Key Findings

• Automated software solutions deliver a higher return on investment (ROI)
  – The top three policy management challenges can all be remedied with automated policy management software: training employees, meeting the demands of legal compliance and improving version control.

• Programs are moving toward policy management systems
  – Top justifications from senior management to purchase a purpose-built policy management software parallel the highest rated features of those organizations currently using a technology for policy management.

• Document Management (such as SharePoint®) cannot replace the value of Policy Management
  – Organizations with automated policy management software are twice as likely to be satisfied with their program as those without a commercial solution.

• One quarter (27%) of organizations had legal action in the past three years due to a policy coming under review
  – Nearly half (44%) believe they avoided legal action or reduced costs due to their policy management program.
Policy & Procedure Benchmark Statistical Snapshot

1,137 professionals participated in our independent and anonymous survey
Nearly Three-Fourths of Organizations Describe Their Approach As Maturing or Advanced*

*Healthcare provider data in orange bars
Key Findings

STATE OF POLICY MANAGEMENT TODAY
Polling Question #1

What Is Your Top Policy Management Challenge?

1. Keeping policies up-to-date with new and changing regulations
2. Training employees on policies
3. Improving version control, reducing policy redundancy and inaccuracy
4. Meeting the demands of legal compliance
5. Providing easy access to the most current policies and procedures
6. Other
What Is Your Top Policy Management Challenge?

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Keeping policies up-to-date with new and changing regulations</td>
<td>30.7%</td>
</tr>
<tr>
<td>Training employees on policies</td>
<td>21.8%</td>
</tr>
<tr>
<td>Improving version control, reducing policy redundancy and inaccuracy</td>
<td>30.3%</td>
</tr>
<tr>
<td>Meeting the demands of legal compliance</td>
<td>4.2%</td>
</tr>
<tr>
<td>Providing easy access to the most current policies and procedures</td>
<td>12.3%</td>
</tr>
<tr>
<td>Other (Please use chat window)</td>
<td>0.8%</td>
</tr>
</tbody>
</table>
Healthcare’s Prime Directive

“It’s important for patients to get the level of care they need, based on the most advanced guidelines and technology.”
– Special Projects Coordinator
Sanford Health
Top Policy Management Challenges: Training Employees & Keeping Up With Changing Laws & Regulations

Healthcare Provider Top 3
#1 Training Employees
#2 Version Control
#3 Meeting Legal Regulations
Policy Management Programs are Managing Large Quantities of Policies & Procedures as Several Different Types of Documents

Types of Documents Organizations Are Managing

- **Policies**: 94%
- **Procedures / Protocols**: 88%
- **HR-Related Documents (Job Descriptions, Applications, Etc.)**: 59%
- **Forms**: 56%
- **Conflict of Interest Declarations**: 41%
- **Regulatory Reports**: 40%
- **Regulations**: 38%
- **Certifications and Attestations**: 38%
- **Other**: 6%
- **I Don't Know**: 4%

Healthcare Provider Top 3
#1 Policies
#2 Forms
#3 HR Documents
Smaller Organizations of Only 500 Employees Are Still Managing Around 30 Policies & 75 Procedures.

Healthcare Provider Data
- 35% manage between 50-250 unique documents
- 20% manage 251-750
- 28% manage more than 750
Policy Management Software Includes Many Policy Types

Healthcare Provider Top 5
- 68% - Safety
- 62% - HR, Labor, Employment
- 61% - Code of Conduct
- 58% - IT Security/Data Privacy
- 56% - Information or records management

Base: Respondents who employ a centralized/standardized software solution for their policy management, n=245.
Most Organizations Review Policies Annually*

How Often Does Your Company Review Your Policies to Ensure They Are Current with Applicable Laws & Regulations?

- Monthly: 2%
- Quarterly: 4%
- Annually: 30%
- Every Two Years: 7%
- As Defined Within the Policy: 13%
- We Review Our Policies Proactively, Though Not to a Set Schedule: 21%
- Reactively, When a Potential Issue is Raised: 13%
- We Do Not Usually Review Our Policies: 6%
- Other: 5%
- I Don’t Know: 6%

*Healthcare provider data in orange bars
Multiple Stakeholders Own Policy & Procedure Management

Healthcare Provider Data

- More likely to have multiple stakeholders
  1. Legal
  2. HR
  3. E&C
  4. Finance
  5. IT

- Risk Management, Audit, Quality also involved
Budget Ownership & Dollars are Fragmented

Departmental Budget Responsibility for Policy Management Program

- Company-Wide Budget: 19%
- Ethics and Compliance: 19%
- We Don’t Have Funding For a Policy Management Program: 19%
- Legal: 17%
- Human Resources / Employee Relations: 16%
- Finance: 12%
- Risk Management: 9%
- Internal Audit / Quality Control: 8%
- Information Technology: 8%
- Environmental Health and Safety (EHS): 4%
- Security: 4%
- Procurement: 3%
- Accreditation / Licensing: 3%
- Marketing and Communications: 2%
- Other: 5%

Annual Budget for Policy Management by Organizational Size (USD)

- Less Than $5M: 36%
- $5M to $10M: 124%
- $10M to $50M: 10%
- $50M to $100M: 120%
- $100M to $250M: 10%
- More Than $250M: 10%
- No Dedicated Budget: 5%
- I Don’t Know: 55%

Base: All respondents excluding “don’t know” responses at Q6 (company annual revenue), n=997
State of Policy Management Today

• Ensure you have a clear and communicated definition of policy vs. procedure
• Multiple stakeholders are responsible for writing, reviewing and approving policies
• Those managing the policies may not be the ones with the budget to purchase the software, which means departments need to work together to come up with the budget and processes for creating an effective policy management program
• Most organizations need to prioritize budget in order to run effective policy management programs
• Even small organizations are managing a large number of policies and procedures
Key Findings

PROCESSES & TOOLS OF POLICY MANAGEMENT
Polling Question #2

Do You Currently Use an Automated Policy Management System?

1. Yes
2. No, but it is a priority now
3. No, it is not a priority
Do You Currently Use an Automated Policy Management System?

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Yes</td>
<td>31.1%</td>
</tr>
<tr>
<td>No, but it is a priority now</td>
<td>27.2%</td>
</tr>
<tr>
<td>No, it is not a priority</td>
<td>41.6%</td>
</tr>
</tbody>
</table>
Most Valuable Features of Automated Policy Management

### Healthcare Provider Top 4 with Mean

1. Centralized repository **4.45**
2. Access to policies from any device **4.42**
3. Search feature **4.26**
4. Creating and updating **4.21**
Senior Management Values Automation Features of Software
Opportunity to Educate Leadership On the Broader Range of Benefits

Senior Management Justification for Purchasing Policy Management Program

- To Centralize Policies / Procedures: 59%
- To Better Manage Policy / Procedural Documents (e.g., Ensure Correct Versioning, Etc.): 59%
- To Improve Employee Access to Policies / Procedures: 52%
- To Improve Accountability / Audit Trails: 39%
- To Reduce Risk: 37%
- To Improve Collaboration Among Departments / Functional Areas: 30%
- To Reduce Costs or Legal Fees: 14%
- Other: 7%
- Don’t Know: 14%

Base: Respondents who employ centralized/standardized policy management software (commercially developed or otherwise), n=395.
“Policy management software makes it much easier to share and standardize safety information so we can make sure the right action plans have been implemented and recorded. It helped us significantly reduce safety violations.”
– Quality Improvement Coordinator & Safety Officer
Island Hospital
Maturing / Advanced Organizations Give Significantly Higher Ratings for Each Area of Policy Management

Policy Management Ratings
(% Good, Very Good, Excellent)

- Policy Quality: Reactive / Basic 38%, Maturing / Advanced 52%
- Policy Access: Reactive / Basic 43%, Maturing / Advanced 50%
- Policy Compliance: Reactive / Basic 36%, Maturing / Advanced 43%
- Policy Communication to Employees and Outside Third Parties: Reactive / Basic 34%, Maturing / Advanced 38%
- Policy Contribution to Culture: Reactive / Basic 34%, Maturing / Advanced 38%
- Policy Defensibility: Reactive / Basic 34%, Maturing / Advanced 36%
- Policy Workflow Between Writers and Approvers: Reactive / Basic 34%, Maturing / Advanced 36%

Base: All respondents, n=985.
Purpose-Built Software Users Report Better Access to Features

Features of Current Policy Management Software Solution

- Audit Trails / Documenting Timing of Changes to Policies: 73%
- Centralized Repository for Quick and Easy Access to the Most Current Policies and Procedures: 88%
- Search Feature that Makes It Easy to Find Policies: 82%
- Creating and Updating Documents Such as Policies and Procedures: 79%
- Improved Version Control, Reduce Redundancy or Inconsistency: 73%
- Reminders, Tasks and Escalations: 94%
- Access to Policies and Procedures from Any Device: 92%
- Reporting Tools (Analytics and Graphs): 94%
- Ability to Require Employees to Attest to Key Policies and Procedures: 89%
- Ability to Track Attestation with Legal or Regulatory Requirements: 62%
- Collecting Exception Reports Related to Policies: 81%
- Ability to Evaluate Reader Comprehension / Retention with Surveys or Quizzes: 81%
- Notifications of New or Updated Requirements, Regulations or Laws: 82%
- Integration with Case or Incident Management System: 70%

Respondents who employ at least one technology solution for their policy management, n=940.
Multiple Benefits Identified of Relative Equal Importance

Benefits of Centralized Policy Software

- Helped Us to Improve Upon Our Procedures: 35%, Somewhat Agree (4), Strongly Agree (5)
- Improved Collaboration Across Different Functional Areas / Departments That Are Responsible for Managing Policies and Procedures: 33%, Somewhat Agree (4), Strongly Agree (5)
- Helped Our Employees Save Time and Increase Efficiency: 32%, Somewhat Agree (4), Strongly Agree (5)
- Improved Employees’ Knowledge and Understanding of Our Policies and Procedures: 33%, Somewhat Agree (4), Strongly Agree (5)
- Helped Us to Reduce / Avoid Liability: 33%, Somewhat Agree (4), Strongly Agree (5)
- Helped Us Avoid Operating Error and Minimize Failures: 36%, Somewhat Agree (4), Strongly Agree (5)
- Resulted in a Reduction in Personal Injuries: 17%, Somewhat Agree (4), Strongly Agree (5)

Healthcare Providers Top 4
- 65% - Improved procedures
- 64% - Improved collaboration
- 63% - Reduce liability
- 62% - Save time
Better Procedures

“Simply monitoring version tracking required a team of about 15 people to travel once a month to review and revise all policies – it was a ton of admin work. It was another challenge all together having to search and find evidence for accreditation.”
– Chief Compliance Officer
Highland Rivers Health
Processes & Tools for Policy Management

• Document management cannot replace the audit-trails, attestations and automated workflows of a policy management software

• Managing all policies and procedures in a centralized repository provides organizations with myriad of benefits from policy quality to employee access

• Senior management is more likely to justify the purchase of a policy management system based on efficiencies and automation
Key Findings

ADDRESSING LEGAL & REGULATORY POLICY-RELATED RISKS
Polling Question #3

In The Last Three Years, Has Your Company Faced Legal Or Regulatory Action Where A Policy Came Under Review?

1. Yes, we faced legal or regulatory action resulting in a policy coming under review
2. No, we did not face any legal reaction where a policy was reviewed
3. I don’t know
In The Last Three Years, Has Your Company Faced Legal Or Regulatory Action Where A Policy Came Under Review?

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Yes, we faced legal or regulatory action resulting in a policy</td>
<td>24.7%</td>
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<tr>
<td>under review</td>
<td></td>
</tr>
<tr>
<td>No, we did not face any legal reaction where a policy was</td>
<td>37.7%</td>
</tr>
<tr>
<td>reviewed</td>
<td></td>
</tr>
<tr>
<td>I don’t know</td>
<td>37.7%</td>
</tr>
</tbody>
</table>
Over One Quarter of Organizations Recall Legal Action in the Past Three Years When a Policy Came Under Legal Review*

In the Last Three Years, Has Your Company Faced Legal or Regulatory Action Where A Policy Came Under Review?

- 62% Face Legal or Regulatory Action Resulting In Policy Review
- 38% No Legal Action Where Policy Reviewed

*Healthcare Providers split 50/50
Discovery & Investigation are the Most Costly Elements of Litigation

Audit Trails with Policy Management Software Can Save Valuable Time

Avoiding/Reducing Legal Actions or Cost Due to Your Policy Management Program

- Avoided Legal Action or Reduced Costs Due to Policy Management: 44%
- No Impact: 37%
- Unsure: 19%

Reduction in Time Resolving Legal Action Due to Documentation

- Time to Resolve Reduced: 41%
- No Impact: 41%
- Unsure: 18%

Base: All respondents, n=971.
Over Two-Thirds of Respondents Require Employee Attestation

- **64%** - Require
- **21%** - Do not require
- **16%** - Don’t know

Healthcare Provider Data

- **69%** of respondents require employees to formally attest to one or more policies.
- **21%** do not require attestation.
- **10%** know the requirement.

Base: All respondents, n=977.
Addressing Legal & Regulatory Policy-Related Risks

• Both small and large organizations face legal or regulatory action on a policy coming under review

• Audit trails and reporting capabilities of an automated policy management system are crucially important to saving time in discovery and investigation

• Commercially developed policy management programs free up resources to focus on other key aspects of effective policy management programs

• The reduction of fees, fines and resources needed to respond to regulatory and litigation demands provides additional ROI for purchasing this type of a solution
Key Takeaways and Recommendations
Key Takeaways & Recommendations

• Dedicate budgets and resources for policy management
• Automate policy management to save time and reduce cost
• Launch a risk assessment to identify where your policy management and other E&C risks may be
• Track attestations consistently and keep records in a centralized place to be ready in case of legal action
• Consider how you can use policy management tools to meet third party and auditor needs
Additional Resources

• Tools & Thought Leadership:  

• The Definitive Guide to  
  Policy Management:  

• Free 30 Day PolicyTech Trial:  
  http://www.navexglobal.com/en-us/freetrial

• Policy Management ROI Calculator:  
  http://navexglobal.com/policyroi

• More Benchmarking Resources From NAVEX Global:
  – Hotline & Incident Management Report
  – Third Party Risk Benchmark Report
  – Training Benchmark Report

• Consulting Solutions:
  – Learn more about how the experts on our Advisory Services team can help you identify and address program gaps, review or create policies, provide risk and culture assessments and more. Request a consultation today.
Questions?

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CONTACT US!

Randy Stephens  
*Vice President, Advisory Services*  
**NAVEX Global**  
404.600.3242  
*rstephens@navexglobal.com*

Mary Bennett  
*Vice President, Advisory Services*  
**NAVEX Global**  
760.798.4505  
*mbennett@navexglobal.com*

Sean Jolie  
*Account Manager*  
**AHA Health Forum**  
312.895.2538  
*sjolie@aha.org*

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UPCOMING WEBINARS

A Quality and IT “Love Story” at Beaufort Memorial Hospital
Aligning Departments for a Successful Quality Reporting Year
Tuesday, August 15, noon – 1 pm Central

Imaging Excellence: A Dynamic Approach to Managing and Tracking Radiation Dose
St. Vincent Health Addresses Ever-Increasing Regulations and Improving Quality across 27 Hospitals
Wednesday, August 16, noon – 1 pm Central

How Kaiser Manages to Thrive with 30,000 Policies
Subtitle Using Policy Management Software for Change and Efficiency
Tuesday, August 22, noon – 1 pm Central

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