



Preventing Fraud and Whistleblowing Through Anonymous Hotlines

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Overview

According to the Government Accountability Project, a whistleblower is defined as, “a [workforce member] who discloses information that s/he reasonably believes is evidence of illegality, gross waste or fraud, mismanagement, abuse of power, general wrongdoing, or a substantial and specific danger to public health and safety.”[1] Although whistleblowing can help reveal fraud, waste, abuse or other wrongdoing in the workplace, it can also prompt government and enforcement agencies to become involved. Investigations or enforcement actions that happen as a result of whistleblowing can cost an organization thousands or even millions of dollars while decreasing the organization’s credibility and trustworthiness among patients, customers, and the workforce.

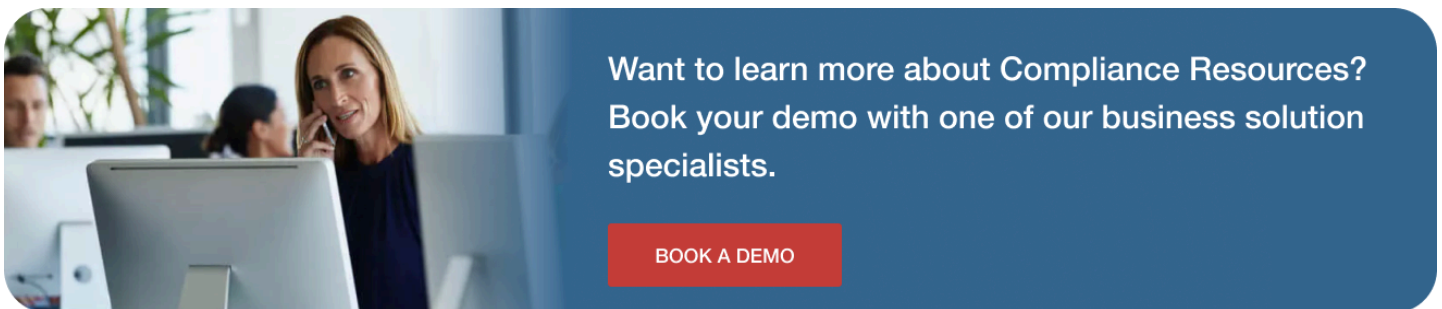
Given these consequences, health care organizations should invest in and properly develop the right resources and methods to prevent whistleblowing in the workplace. By implementing preventative measures from the start, organizations can encourage workforce members to utilize other channels for reporting potential fraud, waste or abuse internally before federal or state authorities have to get involved. Health care organizations should also promote an open culture of communication within the working environment, which can help assure workforce members that they will not be reprimanded or punished in any way for reporting a potential compliance issue in good faith. If the workforce feels comfortable reporting to a manager, the Compliance Officer, Human Resources etc., then they will be less likely to bring the issue to the attention of the government and other enforcement agencies that could issue severe penalties.

Ways to Prevent Fraud and Whistle-Blowing

The workforce needs to know that they will not face any form of retribution or retaliation for reporting fraud, waste, abuse or other unethical behavior internally before alerting higher authorities. As such, organizations need to regularly communicate information about how workforce members should respond if they witness or

are part of any non-compliant behaviors, as well as alternative reporting methods to safely document the issue. Organizations can help prevent whistleblowing by:

- Having strong leadership at the CEO and Board of Directors levels and at the management level to promote a non-retaliation environment and system of operation, identify compliance issues and/or potential whistleblowers before they take additional action, carry out independent and thorough investigations before higher authorities get involved, and undertake corrective actions as necessary to resolve any issues and prevent them from occurring again in the future.



- Implementing a true “speak up” organizational culture that encourages, or even rewards, open communication about issues in the workplace. Workforce members should feel comfortable and confident in approaching anyone in the organization with potential compliance concerns, which can keep them from taking their concerns outside the organization.
- Implementing an anonymous hotline and/or reporting mechanism for workforce members to confidentially report any suspected or actual instances of fraud, waste, or abuse. Fraud hotline services are a convenient and secure way for workforce members to immediately notify someone inside the organization about any compliance concerns.
- Providing training for leaders, managers, supervisors, and workforce members regarding what constitutes fraud, waste, or abuse, legal protections available to workforce members, how workforce members can report unethical or non-compliant behavior within the organization, and how supervisors can address and prevent reports of fraud, waste, or abuse. Training can also include examples of potential complaints, how the complaints were investigated, how the matters were resolved, and the benefits of communicating the complaints internally.
- Conducting focus groups and employee surveys to understand the workforce’s views on how the organization operates, the effectiveness of its current reporting systems, how comfortable workforce

members are reporting to a manager or supervisor, etc. By gauging the workforce's knowledge of and feelings on existing operations, the organization can learn what they are doing right and where they may need to focus efforts to make improvements, particularly when it comes to reporting compliance issues.

- Ordering external, independent auditing of the compliance program, reporting methods, and general operations to determine if the organization is running effectively and properly.
- Holding an annual "Ethics & Compliance Day" to focus on the need for transparency when reporting instances of fraud, waste, abuse or other unethical behavior in the workplace. The organization can also review workforce member accountability, explain what makes an action or behavior unethical or unlawful, provide training on organizational policies and procedures, and conduct focus groups or interview sessions with workforce members to discuss organizational values and goals.

Benefits of an Anonymous Fraud Hotline Service

One of the easiest ways health care organizations can prevent whistleblowing outside of the organization is to provide the workforce with a reliable, anonymous hotline reporting service. Fraud hotline services offer secure communication channels for the workforce to report their concerns confidentially without fearing retribution or retaliation from managers or co-workers for reporting a compliance concern. This kind of hotline also allows the Compliance Officer or other party who receives the reports to manage the concerns privately and address possible non-compliance without revealing who reported the concern. Workforce members can have confidence in their reporting through anonymous hotlines because they know that the reported information, and their identities, will not be revealed. Having a sense of security in reporting fraud, waste, or abuse promotes a culture of open communication in the organization because the workforce will not be afraid to notify an internal party of the compliance concern. They will also establish a deeper level of trust with the Compliance Officer and managers by knowing that they can securely and honestly share compliance concerns.

Each of these benefits promotes continual internal reporting of fraud, waste, abuse or unethical behaviors that prevents workforce members from blowing the whistle to a government or enforcement agency. Organizations that serve as a fraud hotline service provider should ensure they both promote the benefits of the hotline and express that management or the Compliance Officer will address the reported concerns in an appropriate and professional way while following all organizational policies, procedures, and the Code of Conduct.

In Review

Whistleblowers can prove to be a serious liability to health care organizations because their reports often lead to lengthy investigations. Federal and/or state investigations can result in high settlement fees, mistrust among patients, customers and the community, and further penalties that discredit the organization and its services. However, there are several methods that organizations can employ to prevent workforce members from becoming whistleblowers, including establishing an anonymous hotline service. Through the hotline, workforce members can internally report any suspected or actual instances of fraud, waste, or abuse that they were part of or witnessed. Anonymous hotlines are a convenient and confidential way for the workforce to share compliance concerns without having to reveal their identity or involvement in the matter. This encourages the workforce to utilize the hotline rather than blow the whistle on the organization to the government or other enforcement agencies, which could cause additional implications for the organization.

Interested in learning more about hotlines? Contact Shelby Cole at scole@complianceresource.com.

[1] <https://www.whistleblower.org/what-whistleblower>



About the Author

Richard P. Kusserow established Strategic Management Services, LLC, after retiring from being the DHHS Inspector General, and has assisted over 2,000 health care organizations and entities in developing, implementing and assessing compliance programs.