

Integrating experiential learning in compliance education

an interview with
Professor Paul Fiorelli

Director, Cintas Institute
for Business Ethics
Xavier University
Cincinnati, OH

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Professor Paul Fiorelli, JD, MBA, CCEP
 Director, Cintas Institute for Business Ethics
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 Cincinnati, OH

an interview by Adam Turteltaub

Meet Professor Paul Fiorelli

This interview with Paul Fiorelli (Fiorelli@xavier.edu) was conducted in May 2017 by Adam Turteltaub (adam.turteltaub@corporatecompliance.org), CCEP, CHC, Vice President, Strategic Initiatives and International Programs, Health Care Compliance Association & Society of Corporate Compliance and Ethics.

AT: Paul, why don't we start by giving an overview of the Cintas Institute for Business Ethics. Can you give us a quick overview of it and its genesis?

PF: First of all Adam, thanks for interviewing me. It's an honor to be part of *Compliance Today*. The Cintas Institute for Business Ethics started in 2001, even before the moral meltdowns of Enron, WorldCom, and Tyco. We had initial support from Xavier alum Mike Thyen, whose

gift funded several ethics conferences. Mike's contribution paved the way for the endowment that the Farmer Family Foundation and the former Chairman of the Board of the Cintas Corporation, Bob Kohlhepp, provided. Bob is also a Xavier graduate, and the Cintas Corporation places a great deal of emphasis on the importance of an ethical culture. Our support from the faculty, students, administration, and the business community has been overwhelmingly positive.

AT: Business schools are notoriously weak when it comes to teaching ethics. It's long been a point of criticism how little ethics curriculum there is. Do you think the criticism is justified?

PF: As a business school within a Jesuit University, we think it is critical to help our stakeholders—students, faculty, and the business community—better prepare for dealing with moral dilemmas. I can't comment on how other business schools approach ethics, only that the Williams College of Business at Xavier believes it to be very important.

Our commitment to ethics also led to forming an advisory board, made up of ethics and compliance officers from the local and regional business communities. We exchange best practices within the board, but members also share their expertise and practical knowledge with our faculty and students.

AT: How have you been able to integrate ethics into the curriculum at the Williams College of Business?

PF: The Cintas Institute for Business Ethics provides a number of initiatives to encourage our business faculty to incorporate ethics into their courses. For professors who are earlier in their careers, we offer a mentor/mentee program. I work with these faculty to encourage them to blend ethical issues into their classes. Faculty who are more advanced on the “ethics curve” may be selected for our Cintas Faculty Ethics Fellows program. We also offer experiential learning grants and grants to attend ethics-related conferences.

The Cintas Institute for Business Ethics has a companion Fellows program focusing on MBAs. Graduate students interested in courses dealing with ethics, governance, leadership, and sustainability can apply to be Cintas Graduate Ethics Fellows. Those selected are required to complete courses focusing on values-based leadership. These Graduate Fellows also complete a creative expression project. They have to come up with an ethics-related idea or incident, then express that in the form of a painting, sculpture, or video. If the Graduate Fellow doesn't want to work on the

piece alone, the Cintas Institute for Business Ethics will pay an artist to work with them.

AT: One of the programs that you have is a series of annual lectures featuring “Heroes of Professional Ethics.” What do you look for in a speaker?

PF: Our Heroes of Professional Ethics Lecture Series is sponsored by Jerry and Janet Belle, and the primary thing we look for is people who have an important story to share. Our speakers have included Erin Brockovich, John Quinones (ABC TV's “What Would You Do?”), Frank Abagnale (portrayed by Leonardo DiCaprio in the film *Catch Me if You Can*), Mark Whitacre (portrayed by Matt Damon in the film *The Informant!*), James Doty (Chairman of the PCAOB), and the former CEO of Olympus, Michael Woodford (author of the book *Exposure: From CEO to Whistleblower*). Our lecture series is free and open to the public, and it is one way we give back to the business community, along with being a resource for our students and faculty.

AT: How do the students react?

PF: Reflection is an important part of a Jesuit education, and I have my students write a private journal about attending these speeches. I am always gratified by the impact these “Heroes” have on the students. I hope their stories stay with them throughout their professional careers. Many of them return to campus years later and tell me how they remember these speakers and their revelations.

AT: I think one of the notable parts of your personal teaching is that each year you lead a group of students to the United Kingdom and France for an extended study session. Can you give us a broad outline of the program?

PF: I am fortunate to have had the opportunity to develop two international courses.

I lead a 10-day International Ethics course in London and Paris over our spring break. This trip is geared towards our MBA students, but we also have some undergrad and doctoral students. We even have ethics officers participate in the program. We also support our faculty mentees and Fellows by paying their expenses to attend the trip. I am very grateful that the Ethics and Compliance communities continue to share their passion for ethics with my group. Organizations like BP, L’Oreal, Bristows law firm, the University of Cergy-Pontoise School of Law, and the Institute for Business Ethics take time out of their busy schedules to brief us about their programs.

In the summer, I lead a 4-week program to London, in which we do several of the same activities that my MBAs do. We also integrate experiential learning into the course, like watching the play “Wicked” to explain discrimination and how we treat people who appear to be different from us, or “*Les Miserables*” to compare and contrast obsession with legal compliance (represented by Inspector Javert), with the concept of redemption and second chances (represented by Jean Valjean).

AT: It’s always sounded to me like a great experience. How are the students changed by the program?

PF: My hope is that students develop a “wanderlust,” a desire for life-long learning and an interest in travel. Even though people may speak a different language or eat food not readily available in Cincinnati, Ohio, that difference isn’t bad. Just like they say in “Wicked”—“It’s looking at things another way.”

AT: I have to ask, has it also changed your thinking?

PF: I also “look at things another way.” I hope to follow Steve Jobs’ advice to “think differently,” and not accept the status quo.

AT: We’ve talked a lot about ethics up to this point, but it has to be noted that you are no stranger to Compliance. You were, in fact, a part of the Ad Hoc Advisory Group to the U.S. Sentencing Commission that proposed changes to the Federal Sentencing Guidelines that were adopted in 2004. What was that experience like?

PF: I’ve written a number of articles and a book on the Federal Sentencing Guidelines for Organizations (FSGO or Chapter 8). Based on that, in 1998 I was selected as a Supreme Court Fellow to work at the Sentencing Commission for one year. In 2002, I was also asked to be part of the Ad Hoc Advisory Group that reviewed the Sentencing Guidelines. Our group included former members from Main Justice (Eric Holder, former Attorney General and B. Todd Jones, former Director of the Bureau of ATF), ethics practitioners from healthcare and other industries, along with three academics. We met in DC on a monthly basis for almost two years, holding public hearings and trying to suggest improvements to Chapter 8. These suggestions were incorporated into the 2004 Amendments to the FSGO. I was proud of the accomplishment of our final report, and thrilled when the U.S. Sentencing Commission forwarded these changes to Congress. They had the effect of law on November 1, 2004.

AT: Have you been pleased with the impact of the changes in the Guidelines?

PF: Yes, the original FSGO were very good, but in my opinion, the 2004 amendments made some improvements. First of all, the section on effective compliance programs was elevated from a subsection in an

application note (pre-2004 amendments) to have its own code section - §8B2.1. In addition, an effective program would not only require legal compliance, it would need to “otherwise promote an organizational culture that encourages ethical conduct...”

AT: What do you think business, and in particular healthcare, needs to do to further strengthen their ethics and compliance efforts?

PF: While rules are incredibly important, I like to think about the FSGO and the HHS/OIG Guidelines being an excellent starting point, but not necessarily the “finish line.” This is why I’m a fan of taking a principles-based approach to business ethics, building off of and complementing a strong compliance foundation. Plato recognized the importance of doing more than rule following when he said, “Good people do not need laws to tell them to act responsibly, while bad people will always find a way around the laws.” If you fast-forward 2,000 years, the former Chair of the SEC, Rod Hills, said something very similar, “It’s an old adage of a Financial Accounting Standards Board (FASB) rule. It takes four years to write. It takes four minutes for an astute investment banker to get around.”

AT: Where have you seen the greatest improvement?

PF: In the 27 years I’ve been following the FSGO and the HHS/OIG Guidelines, I think more organizations have seen these codes as ways of helping organizations grow and prosper, instead of just strategies for risk mitigation and fine minimization.

AT: Let’s go back to the classroom for a bit. When it comes to your own teaching, I know you use film a lot to help drive home points. How did you make the discovery that popular movies were good for teaching?

PF: I think a lot of people, myself included, are “visual learners.” Our lives are so complicated that sometimes a video clip from a movie can be a perfect placeholder for complex issues. This can be much more effective than droning on for another 10 minutes, even though as professors, we do like the sound of our own voices.

AT: Can you give us some examples of some of the films you use and how they might be useful for a healthcare setting?

PF: The movies I use in my online “Business Ethics Through Film” course cut across industries and focus on issues that apply to everyone. I use *The Company Men* to emphasize loyalty and the impact downsizing has on individuals and communities. *Enron: The Smartest Guys in the Room* and *Glengarry Glen Ross* look at greed and pressure to perform. In *The Informant!* we learn about price-fixing conspiracies and the duress whistleblowing places on families. I finish the course with the movie, *North Country*, starring Charlize Theron as one of the groundbreaking first women to work in the mining industry in Minnesota. This is based on the real-life sexual harassment class action lawsuit brought by Lois Jenson against Eveleth Taconite Co. in 1988.

AT: How would you respond to someone who says that using movies, TV shows, and the popular culture trivializes something as serious as compliance and ethics?

PF: If a university professor or corporate trainer uses pop culture for a cheap laugh, I might agree. While teaching or training may be more memorable and engaging with a dose of humor, you always have to ask yourself: What do I hope my students/audience will take-away from the reference? Can I use this as a jumping off point for a deeper discussion of important issues?

AT: What I like about tapping into popular culture is it engages people emotionally, not just intellectually. Like you, I'm a big fan of the behavioral economists who have spent a lot of time looking at the psychological factors that drive economic decisions. I've come to believe that the next step for compliance is to start addressing the irrational side of human behavior. Am I right in assuming you would agree?

PF: I agree with you, Adam. I give a presentation to my classes and outside groups called, "Why Good People Do Bad Things." One section deals with rationalizations, and I always incorporate a discussion of Dan Ariely's work. Dr. Ariely is a behavioral economist at Duke University and author of many books, including *The (Honest) Truth About Dishonesty* and *The Upside of Irrationality*. His social scientific experiments include studies of participants receiving one dollar per completed math equation, within a 5-minute timeframe. The subjects were allowed to self-report their results, then shred the paper, without anyone checking. Ariely's results showed they lost no money on the small group of people who reported exactly how many questions they solved. The researchers also didn't lose much money on the small group on the other end of the spectrum—those who grossly exaggerated how many problems were correct. The greatest loss was incurred by the large number of people who added just one or two correct answers to their actual total. They didn't consider themselves bad people, but were able to rationalize that they deserved it, or should have been awarded the extra money for a million different reasons.

While it's important to detect and prevent the small group of large offenders, Ariely shows we might save our organizations more money by discouraging the numerous violators who cheat a little bit. Issue awareness through effective

communication may get these offenders to change their improper behavior.

AT: Where do you think compliance should start?

PF: Let me start off by saying where I don't think compliance should start. I'm not a fan of codes of conduct with a lot of "thou shalt nots" written by lawyers for lawyers. These formalistic rules, regulations, and codes tend to threaten rather than inspire. I prefer an approach in which the company's mission is thoroughly discussed, with plenty of buy-in from all levels of the organization. Once you have a mission statement, ask yourself some questions: Do you hire for mission? Do you promote for mission? Do you discipline when people violate the mission? Can your employees spell the word M-I-S-S-I-O-N?

I ask companies the question, "If the CEO of the company tapped the average employee on the shoulder, asking her or him to explain what the mission statement means to them, would they be able to do it?"

AT: Finally, where do you see compliance and ethics in business going next?

PF: As I've already mentioned, I think compliance is critically important. I think expanding upon this by discussing ethics and corporate culture is the next step. A colleague of mine, Linda Trevino, Distinguished Professor of Organizational Behavior and Ethics at Penn State, breaks corporate culture into three elements—shared values, tone at the top, and willingness to bring bad news forward. Companies that promote a good corporate culture and follow their mission will be employers of choice in an increasingly competitive work environment.

AT: Thank you, Paul, for sharing your insights with us. 📍