

SCALE Case Study

SCALE Portfolio Services: Compliance

Client Profile

Number of Portfolio Companies
4

Fertility
7 patient facing brands across 12 states

Long Term Care Pharmacy
Serving >319 client locations

Primary & Urgent Care
26 practice locations across 2 states

DME
15 sites

Services Deployed



Foundational Assessment



Program Development



Advisory & Auditing



High Risk P&P



Compliance Software

Situation

SCALE was engaged by a middle market private equity firm (\$2B in committed capital), whose goal was and remains to drive transformational growth, as well as to work in an efficient and coordinated manner across its existing healthcare portfolio companies.

There was a need to rapidly and cost effectively develop a robust and scalable compliance program to sustainably maintain high quality compliance oversight.

- + While compliance was a key focus area for the portfolio companies' internal management teams, institutional-grade compliance programs had not been developed.
- + Management previously consulted with outside counsel reactively on individual compliance matters, and desired to transition to a more proactive, integrated and operationally focused approach to compliance.
- + Management teams lacked the bandwidth and specialized expertise across the holistic compliance & risk management ecosystem to build and manage their individualized compliance programs.

The private equity sponsors desired to approach compliance across its portfolio on a coordinated basis to benefit from shared best practices, shared program development, cost efficiencies and user-friendly centralized reporting.

Execution Approach

To address compliance development and oversight objectives holistically, SCALE deployed a team of specialized resources across:

- + Clinical Compliance
- + Regulatory Compliance
- + State Privacy & HIPAA / Hi-tech Compliance
- + High Risk Area Policies & Processes
- + Coding & Clinical Documentation Compliance



The Client was pleased with the individualized approach SCALE took and the outcome achieved through the following strategies:

Foundational Compliance Assessment

- + Formalized risk identification and avoidance strategy via gap assessment & due diligence audit of each company's systemic compliance risk to ascertain overall foundational risk universe and state of compliance
- + Examined compliance issues to mitigate any potential financial and operational loss
- + Uncovered vulnerabilities and established workplan to implement plan of correction

Compliance Program Development

- + Implemented robust compliance tracking tool that enabled real-time updates for C-suite, Board of Directors and Owners
- + Established multi-disciplinary Compliance Committee
- + Updated and expanded upon key policies & procedures to ensure regulatory compliance and mitigate regulatory risk

On-going Compliance Oversight

- + Established a fractional Compliance Officer role
- + Implemented processes to detect and/or prevent regulatory mishaps
- + Developed fraud, waste & abuse ("FWA") training for Board of Directors
- + Led various training & education programs related to pertinent compliance topics

Results

Program Development

- + Provided stakeholders with trusted partnership and real-time updates via engaging tracking tool on organizational compliance efforts and regulatory risks.
- + Established and attended monthly compliance committee meetings with key stakeholders of the collective companies' management team.

Compliance Program Improvement Identification & Remediation

- + Mitigated various regulatory issues as they arose, providing recommendations for remediation
- + Provided holistic program oversight via fractional Compliance Officer role
- + Worked collaboratively with the portfolio healthcare companies' teams to implement an organizational compliance program which complies with OIG's 7 elements, building annual workplans specific to their industry risk.

- + Worked collaboratively with the client companies' respective teams to implement an effective and sustainable privacy program which complies with state and federal requirements.
- + Addressed high risk area policies, providing recommendations related to internal controls that adequately measure and manage risk through auditing and self-monitoring functions
- + Completed various training & education programs related to pertinent compliance topics

Company, Sponsor-Level & Board Compliance Reporting

- + Developed materials for reporting compliance functions to Board.

Add-on Acquisition Diligence

