

Spotlight: Blue Shield of California on Assessing the Effectiveness of an Ethics and Compliance Program



Blue Shield of California, a health insurance giant serving over four million members and employing 6,800 people, has a simple mission: to ensure all Californians have access to high-quality healthcare at an affordable price. “Everyone needs access to healthcare from the moment of birth, but the system by which we give it to people is very fragmented,” explains Hope Scott, the organization’s VP, Chief Risk and Compliance Officer. “There are many people trying to make it better.”

Those people include federal and state regulators, as well as legislators. “It’s a very complex regulatory environment to be providing such fundamental services to people,” she says. That environment makes it all the more important that Blue Shield of California has strong policies, institutions, and an overall culture oriented toward ethical business practices. To help support her work, Scott engaged Ethisphere to perform a Program Assessment and get a qualified outside perspective on the strengths of the organization’s current ethics and compliance program and understand areas for improvement.

Assessments Keep Blue Shield Proactive

Much of the work of ethics and compliance professionals comes in response to trouble or misconduct that has already occurred. Seeking to be more proactive, Scott wanted to bring in “an organization that really knows ethics, compliance, and integrity, and could actually help us improve our program by bringing lots of industry knowledge.”

“The last program assessment that we conducted was done by one of the Big Four accounting firms, and they approached it like a financial audit. It was time and resource-intensive, and wasn’t terribly helpful or actionable.”



“We want to be proactive. The decision to pursue the assessment was driven by a combination of best practice in the industry, and the need to make sure we’re on the right path and focusing on the right areas. That goal is best served by having an outside organization come in, benchmark us, and provide us with an understanding of where our program is strong and ideas for strengthening it.”

Hope Scott
VP, Chief Risk & Compliance Officer
Blue Shield of California

Benchmarking from Ethics Specialists

Scott sees a big part of her job as getting other company stakeholders invested in compliance. “I focus on that top level, clearing the path for my team by getting buy-in from senior people,” she says. Many organizations claim to be able to assess ethics programs, like the accounting firm that had done Blue Shield’s last audit, but they lack expertise and data. Hope had to make sure that her colleagues understood that this assessment would be different since they were working with ethics and compliance experts.

“I didn’t have to sit with the Ethisphere team and walk them through everything,” she says of the process. “I just gave them my documents, and a list of my people. My general counsel had asked me, ‘Is this going to be a nightmare?’ No! It really wasn’t. I was not bothered by their team at all.”

“We might have gotten there eventually, but it was definitely a direct outcome of the Ethisphere assessment as a recommendation from a highly-qualified outside entity. Without the assessment helping us focus on the commonalities between all of these investigations, it probably would’ve taken us a lot longer.”

Recommendations Lead to Action

Once Ethisphere had completed its document review and interviewed all of Blue Shield’s stakeholders, we provided a report that Scott was then able to use to implement tangible improvements to her program.

“We took some of the findings to the audit committee, where we talked about alignment between human resources and ethics investigations,” Scott says. “Now, we’re able to track and trend significant HR and workplace matters, which weigh on the culture at the company.”

Additionally, Scott’s team promoted the Compliance Leader Verification they had earned internally to the full company by putting an ethics and compliance screensaver on all company laptops.

A Partnership, Not A Test

Scott believes her team’s attitude toward the process was the key to success. “It’s not a test!” she insists. “It’s not an audit. Coaching staff members won’t get you anything out of it. It lets you see where and how things can be better.” For that reason, honesty was key, but it wasn’t hard to get. “Nobody felt like they had to pretend that they knew everything. Because we had a level of trust, we positioned it as a partnership, so people were pleased and proud to talk candidly.”

“We will definitely do another program assessment in a few years,” she says, in part to see how effective an ongoing integration of a subsidiary company to Blue Shield’s compliance culture has been. “If you want good insight into what other people in your organization are thinking about as you interact with them, having Ethisphere step in and do their magic is a great opportunity for helpful feedback.”



About the Program Assessment

Ethisphere’s program assessment evaluates the components of a successful compliance and ethics program:

- Written standards
- Training and communications
- Monitoring and auditing
- Enforcement and discipline
- Program resources
- Perceptions of the compliance environment

Ethisphere’s team of experts performs a detailed document review, interviews top leaders, and determines how an organization’s program functions and whether it reaches the rank-and-file employee. Each company’s program is benchmarked against a relevant peer-set and against the World’s Most Ethical Companies® so the recommendations are backed by the most current set of industry data.