

# HOW BIAS AND PERCEPTION IMPACT COMPLIANCE

AHMED SALIM JD, CHC, CHPC, CHFP  
WALTER E. JOHNSON, CHC, CHPC

1



## Ahmed Salim

Ahmed is an experienced compliance and privacy officer specializing in regulatory compliance, coding and billing audits, conducting investigations, developing policies and procedures, and completing privacy work plan items. He has served as chair of multiple Privacy and Security Committees. Ahmed has worked directly with the Office of Civil Rights (OCR) on investigations and has helped implement multiple electronic health record (EHR) access monitoring systems to oversee daily privacy activity.

Ahmed is an author and frequent speaker on health care compliance, he has published and spoken on the topics of compliance program effectiveness and privacy. An alumnus of DePaul University and Western Michigan Law School, Ahmed earned his undergraduate degree in business administration and his Juris Doctorate. Ahmed is Certified in Health care Compliance (CHC), Privacy Compliance (CHPC) and Certified Healthcare Financial Professional (CHFP).



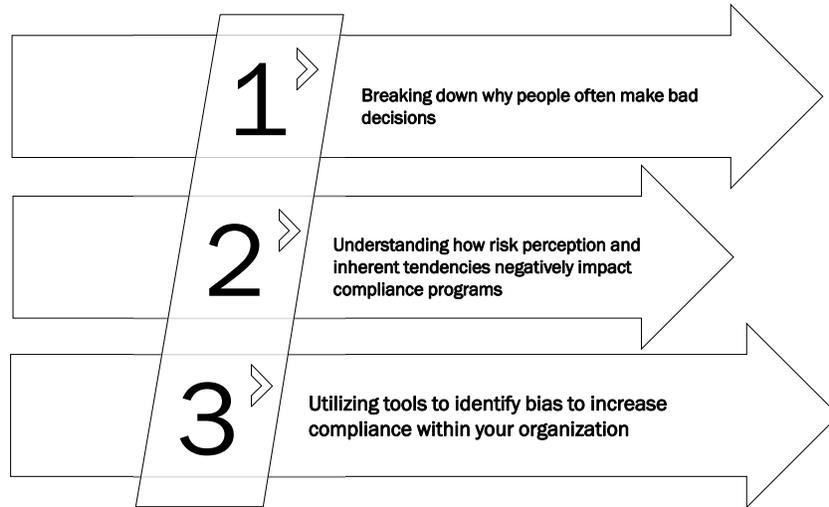
## Walter E. Johnson

Walter has experience establishing and managing regulatory compliance programs in health care and federal contracting (Civilian/DoD). As an active member of the Health Care Compliance Association and Society of Corporate Compliance and Ethics, he is an advocate for contributing to the compliance profession by mentoring compliance professionals and sharing experiences. Walter serves on the HCCA/SCCE Board of Directors, HCCA/SCCE Regional Conference Planning Committees, and as Session Track Chair for the CI and CEI. He's the author of 30+ articles available in Compliance Today, Ethikos, and Compliance and Ethics Professional.

Walter earned an undergraduate degree in Business Administration from Bowie State University and a graduate degree in International Business from Central Michigan University. Certifications include Certified in Healthcare Compliance (CHC), Certified in Healthcare Privacy Compliance (CHPC), Certified Compliance & Ethics Professional (CCEP), and Certified Compliance & Ethics Professional - International (CCEP-I).

2

# Objectives



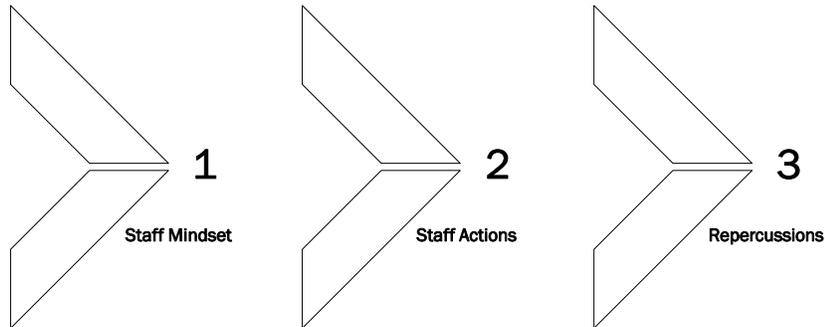
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# A Story of Perception



4

# Why Should We Care About Bias and Perception?



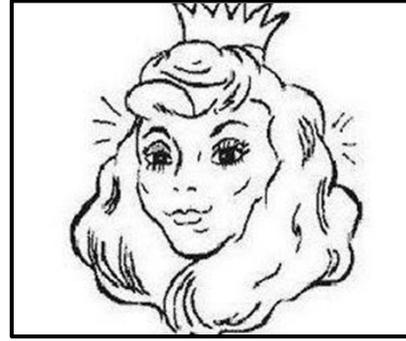
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## Here's Why...



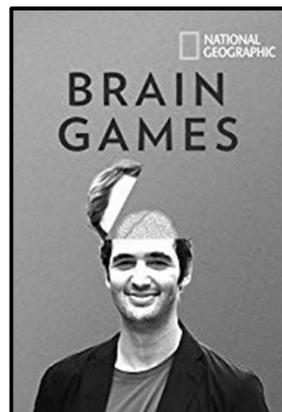
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## Another Story of Perception



7

## Another Story of Perception (continued)



8

# What is Bias?

**Bias:**

Prejudice in favor of or against one thing, person, or group compared with another, usually in a way considered to be unfair.

9

# Why Do People Make Often Bad Decisions?



“We judge ourselves by our intentions,  
and others by their actions.”

— J. M. S. M.

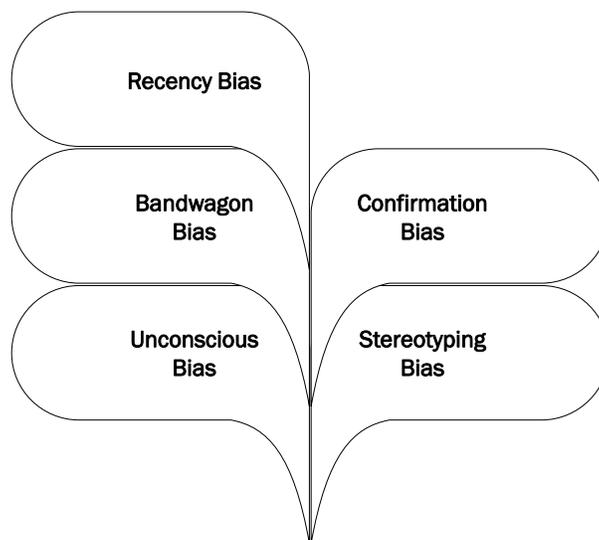
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## Why Do People Make Often Bad Decisions?



11

## Factors Leading to a Bad Decision



12

### 20 COGNITIVE BIASES THAT SCREW UP YOUR DECISIONS

<p><b>1. Anchoring bias.</b> The tendency to rely too heavily on the first piece of information received when making decisions. For example, a negotiator starting at \$100,000 will likely end up with a higher price than starting at \$50,000.</p> 	<p><b>2. Availability heuristic.</b> People overestimate the frequency of events that are more readily recalled. For example, people overestimate the number of airplane crashes because they are more memorable than the thousands of safe flights.</p> 	<p><b>3. Bandwagon effect.</b> The tendency to do things that others are doing. For example, people often buy a product because it is popular, not because they believe in it.</p> 	<p><b>4. Blind-spot bias.</b> Failing to recognize our own weaknesses. For example, people often rate themselves as better drivers than they actually are.</p> 
<p><b>5. Choice-supportive bias.</b> When you choose something, you tend to view it more favorably. For example, people who buy a product often rate it more favorably than those who do not.</p> 	<p><b>6. Clustering illusion.</b> The tendency to see patterns in random data. For example, people often see faces in clouds or patterns in stock market data.</p> 	<p><b>7. Confirmation bias.</b> The tendency to search for, interpret, and remember information that confirms our beliefs and preconceptions. For example, people often only read news stories that confirm their views.</p> 	<p><b>8. Conservatism bias.</b> When people favor their current beliefs and opinions, they often resist changing their minds. For example, people often resist new technologies or ideas.</p> 
<p><b>9. Information bias.</b> The tendency to seek more information when making a decision, even when the additional information is unlikely to be helpful. For example, people often seek out more medical tests when they are unsure of a diagnosis.</p> 	<p><b>10. Ostrich effect.</b> The tendency to ignore unpleasant or negative information. For example, people often avoid looking at their credit scores or investment portfolios.</p> 	<p><b>11. Outcome bias.</b> The tendency to judge the quality of a decision based on the outcome. For example, people often think a risky decision was smart because it worked out well.</p> 	<p><b>12. Overconfidence.</b> Excessive confidence in one's own abilities, knowledge, or judgments. For example, people often overestimate their driving skills or their ability to predict the future.</p> 
<p><b>13. Placebo effect.</b> The tendency to believe that a treatment will have a positive effect on one's health or well-being, even when the treatment is a placebo. For example, people often feel better after taking a placebo pill.</p> 	<p><b>14. Pro-innovation bias.</b> The tendency to favor new ideas and technologies over established ones. For example, people often favor new products or services over older ones.</p> 	<p><b>15. Recency.</b> The tendency to give more weight to the most recent information. For example, people often judge a company's performance based on its most recent earnings report.</p> 	<p><b>16. Salience.</b> The tendency to focus on information that is most noticeable or memorable. For example, people often focus on dramatic events or accidents when making decisions.</p> 
<p><b>17. Selective perception.</b> The tendency to see what we want to see. For example, people often focus on the positive aspects of a situation while ignoring the negative aspects.</p> 	<p><b>18. Stereotyping.</b> The tendency to make generalizations about a group of people based on their characteristics. For example, people often stereotype people based on their race or gender.</p> 	<p><b>19. Survivorship bias.</b> The tendency to focus on the survivors of a disaster or event while ignoring the victims. For example, people often focus on successful entrepreneurs while ignoring those who have failed.</p> 	<p><b>20. Zero-risk bias.</b> The tendency to prefer a certain outcome over a gamble, even when the gamble has a higher expected value. For example, people often prefer a sure thing over a 50/50 chance of winning or losing.</p> 

SOURCE: Brian Meegan, Ethics Unwrapped, "Cognitive Biases: How They Affect Your Decisions," LinkedIn Learning. Outcome bias by Jonathan Cheema, Journal of Personality and Social Psychology. Availability heuristic by Daniel Kahneman, Amos Tversky, and Daniel Kahneman, Journal of Personality and Social Psychology. Bandwagon effect by Robert Cialdini, Journal of Personality and Social Psychology. Blind-spot bias by Daniel Kahneman, Journal of Personality and Social Psychology. Clustering illusion by Daniel Kahneman, Journal of Personality and Social Psychology. Confirmation bias by Daniel Kahneman, Journal of Personality and Social Psychology. Conservatism bias by Daniel Kahneman, Journal of Personality and Social Psychology. Information bias by Daniel Kahneman, Journal of Personality and Social Psychology. Ostrich effect by Daniel Kahneman, Journal of Personality and Social Psychology. Outcome bias by Jonathan Cheema, Journal of Personality and Social Psychology. Recency by Daniel Kahneman, Journal of Personality and Social Psychology. Salience by Daniel Kahneman, Journal of Personality and Social Psychology. Selective perception by Daniel Kahneman, Journal of Personality and Social Psychology. Stereotyping by Daniel Kahneman, Journal of Personality and Social Psychology. Survivorship bias by Daniel Kahneman, Journal of Personality and Social Psychology. Zero-risk bias by Daniel Kahneman, Journal of Personality and Social Psychology.

13

## Recency Bias

### What is Recency Bias?

Tendency to weigh the latest information more heavily than older information.

### What does that mean:

Staff will tend to rely on situations and facts that has recently occurred, as opposed to relying on issues or facts that may have occurred previously.



14

## Recency Bias

### **Hypothetical:**

Ahmed is an employee of Hospital A. Ahmed has recently accessed a co-worker's medical record inappropriately, but when the concern was brought forward to compliance the reporter was informed there was not a breach. Compliance was incorrect, but now the reporter will assume Medical record access is appropriate and alert their fellow co-workers.

15

## Recency Bias

### **Common characteristics of Recency Bias:**

- Unwillingness to accept the validity of evidence that disproves new information provided
- Placing greater emphasis on facts that are recent and not the facts as a whole
- Seeking information that is current and possibly disproved opposed to consistent fact

16

# Bandwagon Bias

## What is Bandwagon Bias?

Probability of an individual's belief increasing based on the number of individuals who hold that belief.

## What does that mean:

Staff will typically rely on information, even if incorrect, when a larger group of their peers hold the same belief.



17

# Bandwagon Bias

## Hypothetical:

Walter and Ahmed are discussing Compliance hot topics at work. Sally joins their conversation and overhears the two discussing the appropriateness of certain medical procedures. Walter states that the hospital can always perform a medically unnecessary procedure on a patient without penalty, so long as the patient alerts the hospital after the procedure of the error. According to Walter, the hospital can still bill the patient but must notate the error within the patient's chart. Ahmed nods and agrees with Walter. Sally doesn't feel the information is correct but goes along with Walter and Ahmed since two minds are greater than one.



18

# Bandwagon Bias

## **Common characteristics of Bandwagon Bias:**

- Tendency to overlook fact for what the standard is within their group or department
- Willingness to take risks and ignore rules based on popular opinion
- Desire to "fit in" within their group or department
- Loyal to a department or leader



<https://youtu.be/TYlh4MkcfJA>

19

# Unconscious Bias

## **What is Unconscious Bias?**

Occurs automatically and without the person being aware of it. The bias has been ingrained into the individual's thinking and mindset.

## **What does that mean:**

Staff will have a desire not to buy into compliance no matter what is said due to a certain way of thinking for years.



20

# Unconscious Bias

## Hypothetical:

Ahmed has always had a problem following rules. He never has followed the rules and never will. There is no blatantly obvious why he refuses to follow the rules, but he continues to do so. When Ahmed starts working at Hospital A, he refuses to read or look at any Policies and Procedures regardless of the expectations set in advance. To avoid losing a new employee His manager informs him he doesn't need to do the training.



21

# Unconscious Bias

## Common characteristics of Unconscious Bias:

- Unwillingness to accept the validity of evidence that disproves previously held beliefs
- Placing greater emphasis on no facts and only on their understanding opposed to facts presented
- Unwillingness to listen to facts or any form of education
- Selective recollection of events or facts

22

# Confirmation Bias

## **What is Confirmation Bias?**

Favoring information that aligns with your existing beliefs and discounting information that does not

## **What does that mean:**

Staff will ask questions in the hopes to get the answers they are seeking more than trying to understand and follow the rules put in place.



23

# Confirmation Bias

## **Hypothetical:**

Walter wants to access his wife's medical records, but has been informed by a member of the compliance team that he may not do so. Instead of giving up, Walter decides to ask his Supervisor. His Supervisor informs Walter that access of family charts is appropriate. Walter immediately views his wife's medical records.

<https://www.persuasivelitigator.com/2017/08/fight-confirmation-bias.html>

24

# Confirmation Bias

## **Common characteristics of Confirmation Bias:**

- Unwillingness to accept the validity of evidence that disproves previously held beliefs
- Placing greater emphasis on facts that benefit their argument
- Actively seeking information that proves their point of view
- Selective recollection of events or facts

25

# Stereotyping Bias

## **What is Stereotyping Bias?**

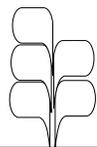
Having an expectation without real information about the person or group

## **What does that mean:**

Set in a mindset regardless of actual knowledge or opportunity to see the other side's position.

## **Hypothetical:**

Ahmed has heard stories of how the compliance department often fires his fellow coworkers. Ahmed has not directly dealt with the compliance department but does not trust them as a result. He refuses to attend any trainings presented by compliance. His goal is to stay away from the compliance department as a whole, since anyone within the department could try and fire him at any time.



26

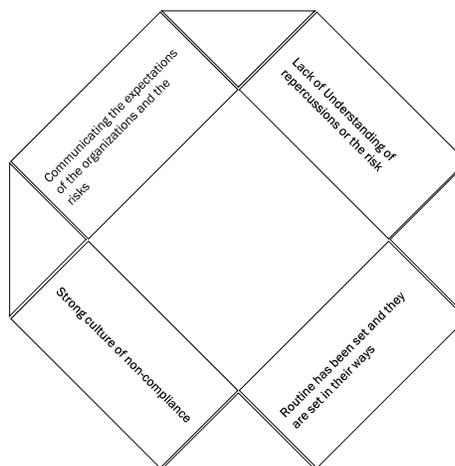
# Stereotyping Bias

## Common characteristics of Stereotyping Bias:

- Set predisposition on viewpoint they believe in
- Based on no evidence but instead on personal experience
- Typically harder to change and provide resources to help a change of opinion
- Lack of interest or desire to make changes in viewpoint

27

# Understanding Risk Perception and Inherent Tendencies



28

## Risk Perception – What is it?

- An individual's perceived susceptibility to a threat
- Greatly impacts our actions, and therefore our adoption – or rejection - of practices

29

## Risk Perception Gap

- How we perceive risk is highly personal process of decision making that has been developed over a lifetime
- The most pressing threat is not what we always worry about
- "Something bad" doesn't mean the same thing to everyone

30

## How We Process Risk

- We are better adapted to process more obvious and direct risks than abstract ones (especially if they include statistics)
- We generally weigh risk for consequences vs benefit of action

31

- Risk as feelings vs risk as analysis
  - Intuition, instincts – fast
  - Logic, reason, scientific - slow
- Feelings > facts and instinct > intellect

32

## Everyday Risks



What are some risks we take everyday?  
How do you decide if the risk is worth it?

33

## Lack of Understanding of Repercussions or Risk

### **Potential concerns:**

- Staff inability to follow policies and procedures
- Staff consistently taking risks
- Difficulty providing discipline due to a lack of understanding lack of appropriateness
- Serious culture issues

### **Possible warning signs:**

- Types of issues or questions brought forward to compliance
- Pattern of behavior out of a department
- Widespread questions or concerns

34

# Inherent Tendencies

## **What is Inherent Tendencies?**

An inclination towards a certain nature or habit

## **What does that mean:**

Staff's behavior will be dictated by

## **Hypothetical:**

Ahmed has always been a gossip. He works at a hospital so he can tell great stories to his friends and family. Unfortunately, Ahmed has a tendency to tell stories of friends and family who are patients at the hospital inappropriately.

35

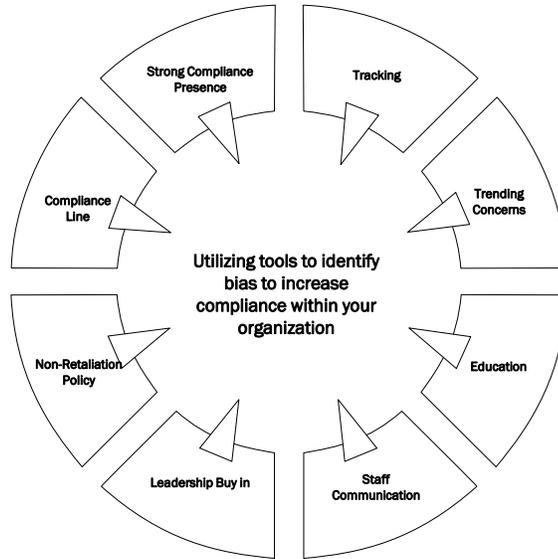
# Routine has been set and they are set in their ways

## **Identifying potential routines:**

- Identify cultural issues early
- Provide training and education
- Pay attention to concerns being brought by department to identify any potential trends
- Repeat offenders individually or within a department
- Strong culture of non-compliance
- Communicating the expectations of the organizations and the risks

36

# What Tools Can Be Utilized



37

# Questions



38

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39

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40