ETHICO

2025
Healthcare Benchmark Report

Hotline and Investigation Management

Table of Contents

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Letter from Leadership

As we present the findings of our 2024 Healthcare Benchmark Report, we stand at a pivotal moment for healthcare compliance professionals. The last twelve months have tested our industry's resilience, bringing challenges and opportunities that will shape our profession for years to come.

With a new administration and evolving regulatory landscapes, one truth remains clear: now is the time for Ethics and Compliance to assert itself as a strategic lever within our organizations. Regardless of political affiliations, our mission transcends partisan divisions. We are uniquely positioned to help navigate uncertainty by speaking the language of business—ROI, risk management, and strategic alignment—while maintaining our commitment to integrity.

For the first time in history, middle managers are less engaged than the employees reporting to them. This unprecedented development threatens to undermine the cultural foundations we've worked to establish. While "tone from the top" remains essential, it is the "mood in the middle" that determines whether ethical principles truly permeate the organization. Middle managers are the cultural battlefield where values either flourish or wither. They translate executive vision into daily practice and shape employee experience more profoundly than any corporate policy. When these vital liaisons disengage, the ripple effects erode trust, communication, and ethical decision-making throughout the organization.

Amid economic pressures and regulatory flux, Ethics and Compliance must evolve from being perceived as the organizational "seat belt"—a necessary but constraining safety measure—to become the headlights that illuminate the path forward, helping healthcare organizations navigate complex care delivery models while maintaining regulatory compliance and patient-centered focus.

To achieve this transformation, consider these strategic priorities:

First, reinvigorate your Speak Up programs with a focus on protecting reporters and addressing retaliation head-on. Organizations with robust reporting mechanisms and swift, fair resolution processes consistently outperform their peers.

Second, engage middle managers as champions. Provide them with tools, training, and incentives to spot risks early and foster open dialogue within their teams.

Finally, elevate your role from compliance officer to compliance executive—a risk-based business partner who leverages unique insights to drive organizational performance. Embrace technology, leverage AI, and apply behavioral science. Ethics and Compliance is truly the business quality department, ensuring integrity remains the foundation of sustainable success.

The next decade can look remarkably different from the last, but only if we evolve our approach. What brought us here will not take us where we need to go.

We remain committed to empowering you on this journey. Together, we can transform how organizations understand and value the critical work of Ethics and Compliance—not merely as a defensive necessity but as an essential driver of business excellence and cultural health.

The path forward begins with the insights in this report. The time for transformation is now.

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Executive Summary

01

The average case closure time was 21 days (Status Quo Comparison 45 days), 1 day less than last year's figure. 78.5% of cases were resolved within 30 days, a 4.6% decrease from 2023.

21 Days

42 Days

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Status Quo

02

The proportion of self-identified reporters reached 73% in 2024 (Status Quo Comparison 54%)

73%

54%

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Status Quo

03

While hotline remains the dominant reporting channel at 53% (Status Quo Comparison 29%), other channels have grown significantly, accounting for 47% of reports.

53%

29%

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Status Quo

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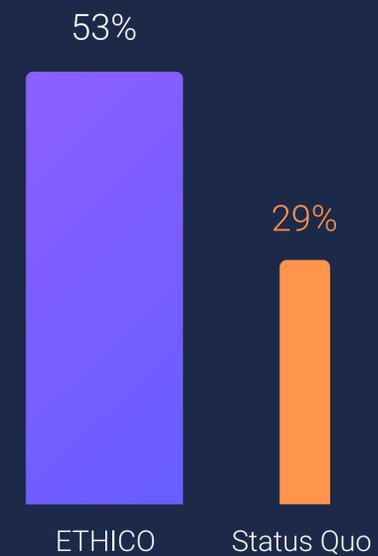
Executive Summary

04

Substantiated reports accounted for 55% of all reports (Status Quo Comparison 46%), up 5% from 2023.

55%

46%

ETHICO   Status Quo
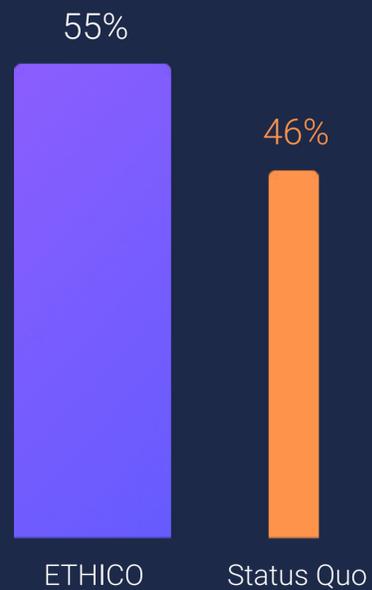
05

Reports with Follow-Ups represented 21% of all reports in 2024 (Status Quo Comparison 26%), up 1.3% from 2023.

21%

26%

ETHICO   Status Quo

06

Total reports per 100 employees decreased to 3.8 in 2024 (Status Quo Comparison 1.6).

3.8

1.6

ETHICO   Status Quo

ETHICO
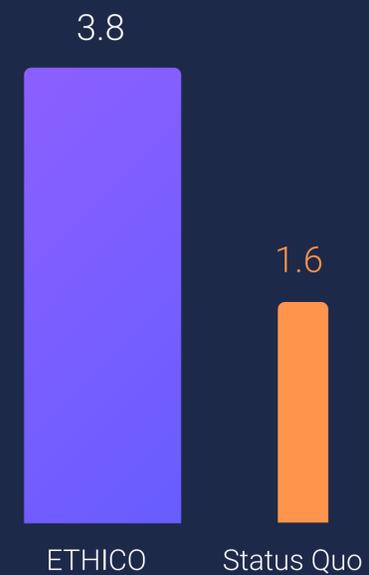
Case Closure Rate

Case closure time is a critical performance indicator for healthcare programs, serving as a quantifiable metric of process efficiency and organizational responsiveness to stakeholder concerns.

The five-year trend analysis reveals significant improvement in case resolution efficiency. Ethico-enabled healthcare organizations have consistently outperformed industry benchmarks, reducing average closure time from 27 days in 2020 to 21 days in 2024—a 22.2% improvement. This performance level represents a 50% efficiency advantage compared to the Status Quo Comparison of 42 days.

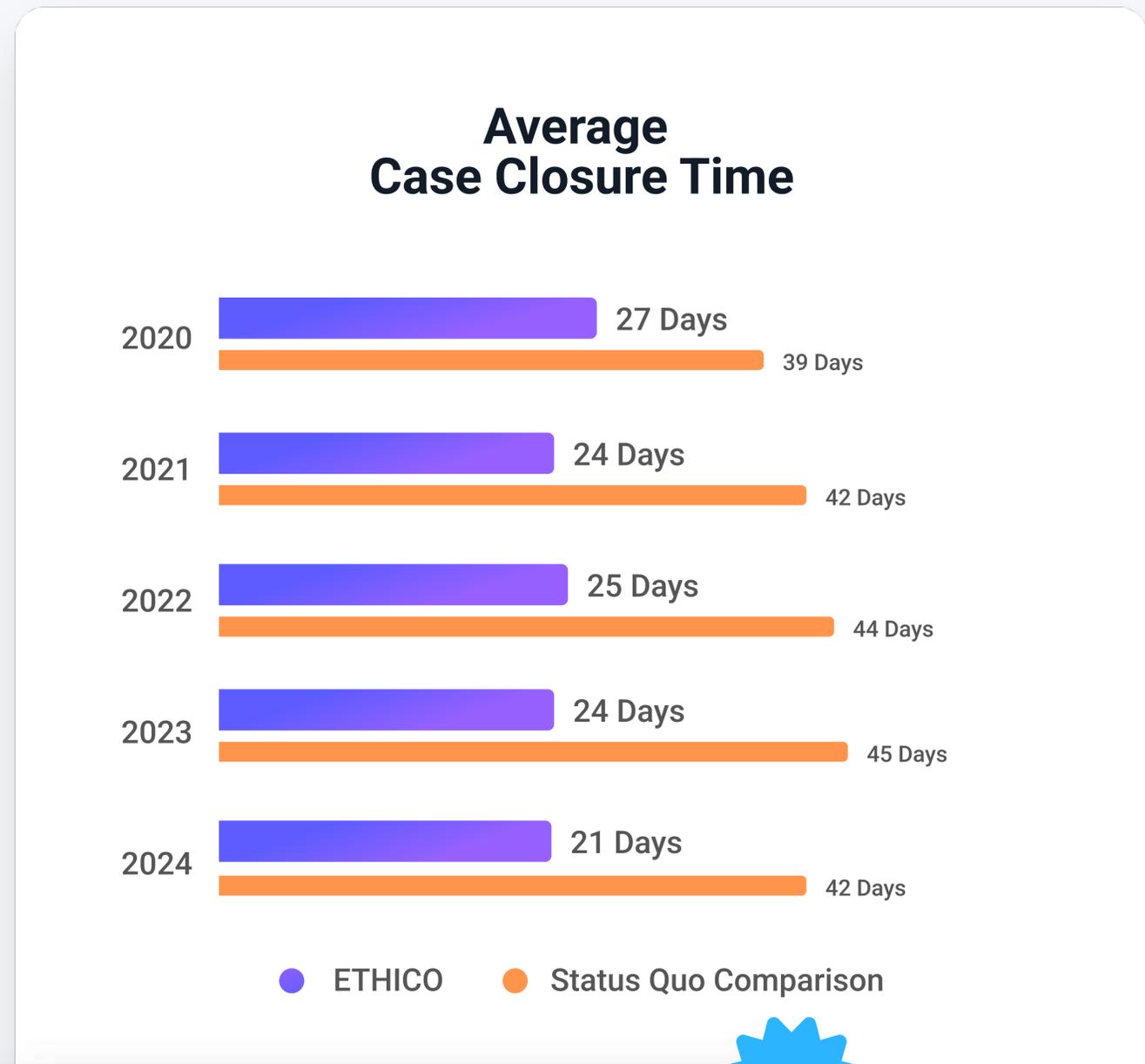Companies that fail to address cases promptly following a report may expose themselves to increased regulatory and legal risks. 84% of whistleblowers attempt to report internally before escalating their concerns externally.

Leading healthcare organizations have stabilized their performance by implementing structured improvements to their investigation protocols. Key investments driving these results include automated workflow systems designed specifically for healthcare compliance requirements, intelligent case routing based on clinical risk factors, and streamlined documentation protocols that satisfy healthcare's unique regulatory documentation requirements.

Average Case Closure Time

Year	ETHICO	Status Quo Comparison
2020	27 Days	39 Days
2021	24 Days	42 Days
2022	25 Days	44 Days
2023	24 Days	45 Days
2024	21 Days	42 Days

● ETHICO ● Status Quo Comparison

?

Which investigation stage typically creates the longest delays in your case resolution process?

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1

Case Closure Rate

Trends in Case Closure Time

	0-30 Days	31-60 Days	61-90 Days	91+ Days
2020	ETHICO 77.3% / Status Quo 39%	ETHICO 9.5% / Status Quo 28%	ETHICO 3.9% / Status Quo 28%	ETHICO 9.3% / Status Quo 28%
2021	ETHICO 80.8% / Status Quo 34%	ETHICO 9.8% / Status Quo 28%	ETHICO 4.0% / Status Quo 14%	ETHICO 4.5% / Status Quo 24%
2022	ETHICO 76.0% / Status Quo 33%	ETHICO 14.0% / Status Quo 30%	ETHICO 6.0% / Status Quo 14%	ETHICO 4.0% / Status Quo 23%
2023	ETHICO 79.1% / Status Quo 37%	ETHICO 10.0% / Status Quo 24%	ETHICO 5.1% / Status Quo 15%	ETHICO 5.8% / Status Quo 25%
2024	ETHICO 77.2% / Status Quo 39%	ETHICO 13.4% / Status Quo 25%	ETHICO 4.6% / Status Quo 13%	ETHICO 4.8% / Status Quo 24%

● ETHICO   ● Status Quo Comparison

After reaching a peak performance of 80.8% of cases closed within 30 days in 2021, metrics have normalized to 77.2%, a stabilization effect following several years of fluctuation.

Ethico-enabled organizations consistently maintained more than double the case closure rate of the Status Quo Comparison.

Cases requiring 31-60 days for resolution increased to 13.4%, reflecting growing complexity in healthcare compliance as regulatory requirements undergo turbulent change.

Significantly delayed cases (91+ days) decreased to 4.8% in 2024, suggesting more effective management of complex investigations.

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Case Closure Rate

THINK ABOUT

- What are the most common bottlenecks in your case closure procedure? At what stage are they stagnating?

- How do case closure times vary between different facility types in your healthcare system (hospitals vs. clinics vs. long-term care)? Are there best practices to share across settings?

- What external regulatory changes might explain shifting closure patterns?

$$\text{Case Closure Rate} = \frac{\text{Total Days Open}}{\text{Total Cases Closed}}$$

Determine the number of days each issue is open and sum all the days. Divide the total sum of all days open by the total number of cases closed.

TIPS

- **Conduct aging category analysis.** Identify which specific case types are taking longer to resolve & develop individual procedures to streamline these cases.

- **Establish differentiated response timelines.** Create escalated pathways for cases involving direct patient care concerns, potential regulatory violations, or quality of care issues.

- **Leverage investigation technology.** Use holistic case management systems with the capability to document, track, and follow-up on cases within one platform.

- **Segment cases by clinical vs. administrative context.** Clinical investigations often require different handling procedures and resource allocation than purely administrative matters.

- **Enhance cross-functional collaboration.** Eliminate procedural delays by strengthening partnerships with departments that provide critical investigation inputs.

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Issue Anonymity

Trends in Issue Anonymity

Year	Identified	Anonymous	Status Quo Comparison (Identified)	Status Quo Comparison (Anonymous)
2020	69%	31%	44%	56%
2021	72%	28%	50%	50%
2022	71%	29%	56%	44%
2023	71%	29%	56%	44%
2024	73%	27%	54%	46%

Legend: ● Identified ● Anonymous ● Status Quo Comparison
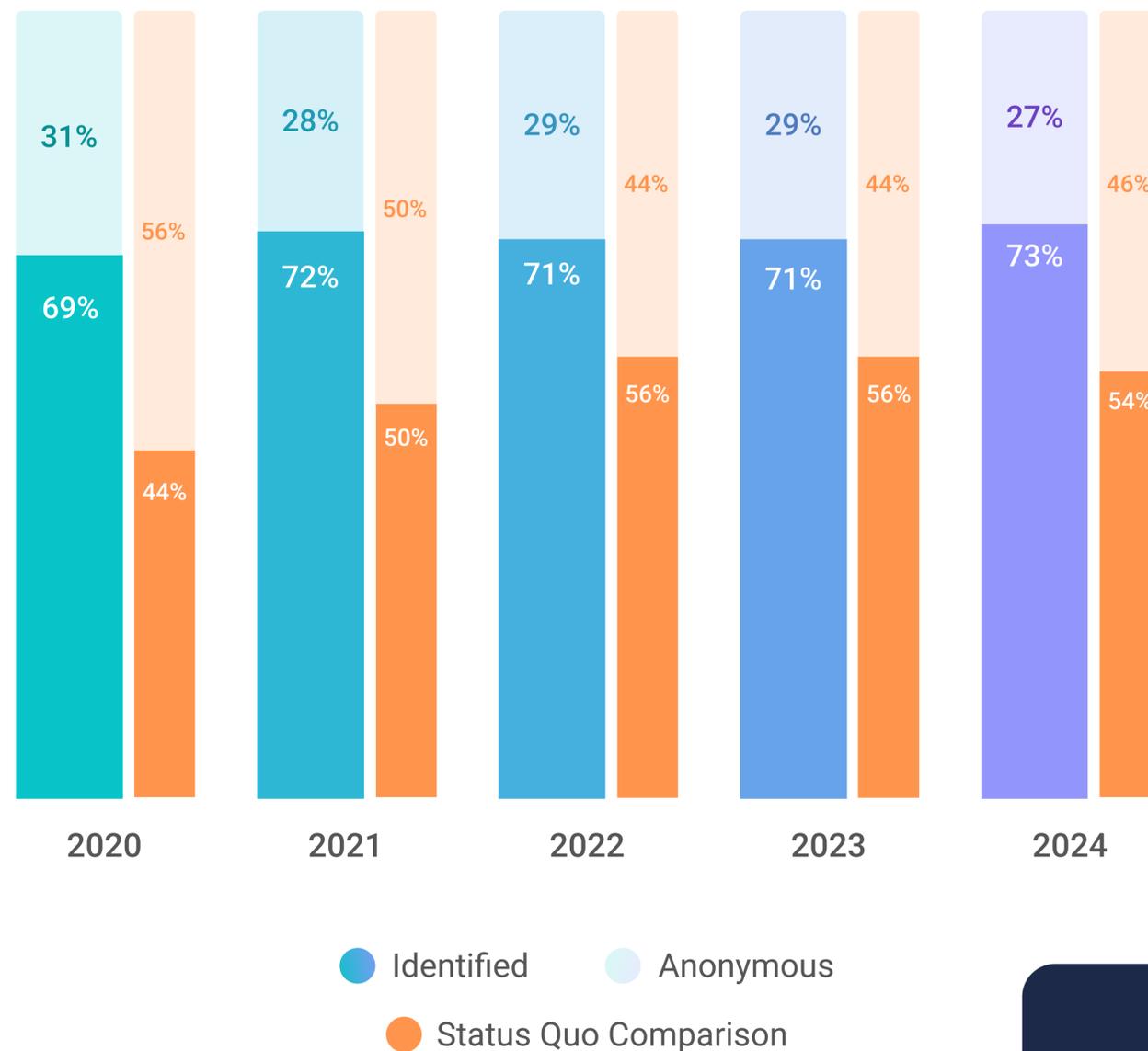
Issue Anonymity continues to be a vital indicator of workforce trust and program effectiveness. In 2024, 73% of healthcare reporters were willing to share their identity (Status Quo Comparison 54%), representing a new benchmark high.

This progression shows healthcare organizations building trust with reporters, noteworthy in an industry where professional licensing concerns and hierarchical structures have historically contributed to reporting hesitancy. The decrease in anonymous reporting to 27% suggests healthcare organizations have made substantial progress in creating psychologically safe reporting environments.
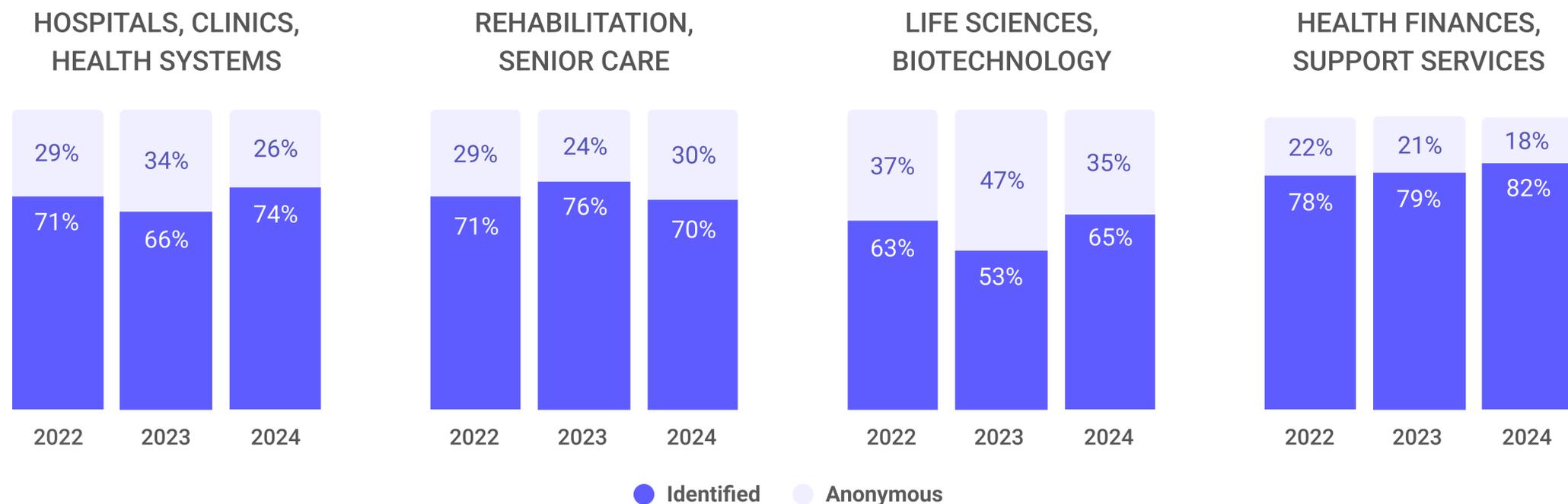
While reduced anonymity generally indicates stronger ethical cultures, anonymous reporting channels remain essential—particularly for issues involving patient data or matters touching on clinical competency.

Anonymous rates below 20% may indicate an intimidating reporting process. Rates above 35% could signal cultural issues.

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Issue Anonymity

Issue Anonymity by Sector

| | HOSPITALS, CLINICS, HEALTH SYSTEMS | REHABILITATION, SENIOR CARE | LIFE SCIENCES, BIOTECHNOLOGY | HEALTH FINANCES, SUPPORT SERVICES |

HOSPITALS, CLINICS, HEALTH SYSTEMS
- 2022: 29% Anonymous / 71% Identified
- 2023: 34% Anonymous / 66% Identified
- 2024: 26% Anonymous / 74% Identified

REHABILITATION, SENIOR CARE
- 2022: 29% Anonymous / 71% Identified
- 2023: 24% Anonymous / 76% Identified
- 2024: 30% Anonymous / 70% Identified

LIFE SCIENCES, BIOTECHNOLOGY
- 2022: 37% Anonymous / 63% Identified
- 2023: 47% Anonymous / 53% Identified
- 2024: 35% Anonymous / 65% Identified

HEALTH FINANCES, SUPPORT SERVICES
- 2022: 22% Anonymous / 78% Identified
- 2023: 21% Anonymous / 79% Identified
- 2024: 18% Anonymous / 82% Identified

● Identified ○ Anonymous

Health Finances & Support Services emerged as the healthcare gold standard with an impressive 82% identified reporting rate in 2024—a 4% improvement from 2022 and substantially exceeding industry averages. Hospitals, Clinics, Health Systems show robust performance with 74% identified reporting in 2024, rebounding significantly from a concerning dip to 66% in 2023.

These sector-specific variations highlight the importance of benchmarking against relevant peer groups rather than broad industry averages. Healthcare organizations should evaluate their anonymity metrics against both their specific subsector and aspirational targets from adjacent healthcare segments.

> Is your organization tracking anonymity rates by facility type, department, and professional role to identify specific trust gaps among clinical versus administrative staff?

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Issue Anonymity

THINK ABOUT

• **How can you triangulate the anonymity rate with other indicators to help generate insights or anecdotes that can be leveraged to improve trust in your organization? Here are some examples:**

  • **How do anonymity rates vary by clinical role?** Physicians, nurses, and administrative staff often have different reporting patterns. Do your physicians report at higher anonymous rates than other clinical staff? This might reflect concerns about peer relationships and career implications.

  • **How do anonymity rates differ between clinical and non-clinical issues?** Reports touching on clinical competency or patient care concerns often have higher anonymity rates than administrative matters. What does this distribution reveal about psychological safety?

  • **Is there a correlation between anonymity rates and leadership changes?** When new clinical or administrative leaders join, anonymity rates often shift. Tracking these patterns can provide insights into leadership effectiveness.

  • **Do specific facilities or service lines show outlier anonymity rates?** High-pressure environments like emergency departments, operating rooms, or intensive care units may show different reporting patterns than ambulatory settings.

> "**Department-specific** anonymity patterns provide more actionable diagnostics than system-wide metrics."

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Issue Anonymity

TIPS

$$\text{Anonymous Rate} = \frac{\text{Total Anonymous Issues}}{\text{Total Issues}}$$

$$\text{Identified Rate} = 1 - \text{Anonymous Rate \%}$$

Divide your number of anonymous issues by total issues to get your anonymous reporting rate. Subtract the anonymous reporting rate from 1 to get your identified rate.

- **Align with patient safety reporting principles.** Leverage existing culture frameworks from patient safety initiatives to nurture psychological safety in compliance channels.

- **Allow anonymous two-way communication.** Offer communication channels that allows reporters to maintain confidentiality while still interfacing with the investigation team.

- **Commit to anti-retaliation.** Create a robust, publicly articulated framework that communicates the consequences for retaliating.

- **Create safe practice for identified reporting.** Implement "practice reporting" for non-sensitive matters to help clinical staff become comfortable with the process before facing high-stakes reporting situations.

- **Follow-up & communicate outcomes.** Ensure that reporters are kept up to date with the outcome of their report. If possible, publicize the results to promote a culture of transparency and accountability.

Issue Anonymity

Average Days to Close Issues
Submitted Online

Anonymous

25 DAYS

Identified

26 DAYS

Average Days to Close Issues
Submitted In-Office/In-Person

Anonymous

30 DAYS

Identified

21 DAYS

Average Days to Close Issues
Submitted by Hotline

Anonymous

20 DAYS

Identified

17 DAYS

42%
HUMAN RESOURCES

27%
ENVIRONMENT, HEALTH & SAFETY

16%
PRIVACY, INFOSEC

17%
BUSINESS QUALITY/CUSTOMER RELATIONS

29%
COMPLIANCE, REGULATORY, LEGAL

37%
UNFAIRNESS, MANAGEMENT ISSUES

57%
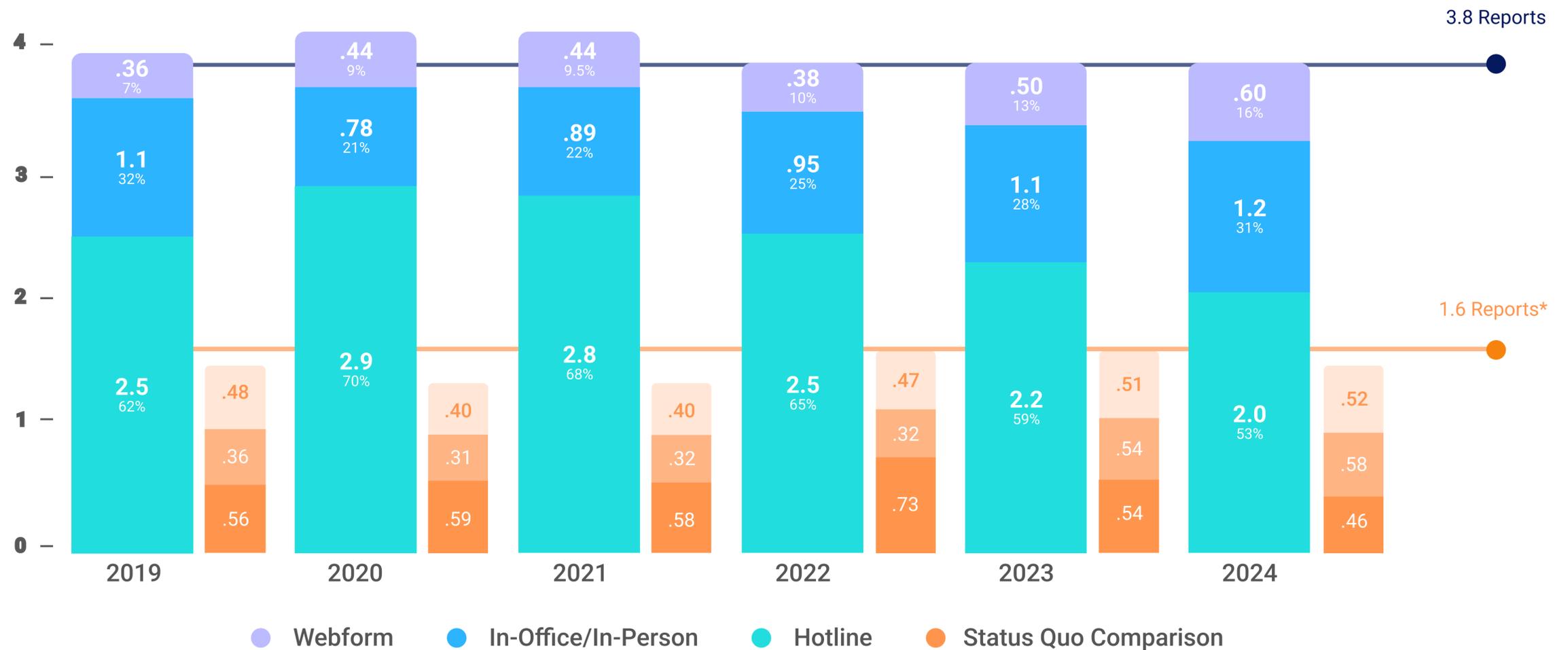DISCRIMINATION, HARASSMENT, RETALIATION

29%
FRAUD, THEFT, PROPERTY DAMAGE

36%
STAFFING

Anonymity Rate Based on **Issue Category**

13 Healthcare

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3

Reporting Channel Use

Reporting Channel Use per 100 Employees

| Year | Webform | In-Office/In-Person | Hotline | Status Quo Comparison |
|------|---------|--------------------|---------| |

3.8 Reports

1.6 Reports*

2019	.36 / 7%	1.1 / 32%	2.5 / 62%	.48 / .36 / .56
2020	.44 / 9%	.78 / 21%	2.9 / 70%	.40 / .31 / .59
2021	.44 / 9.5%	.89 / 22%	2.8 / 68%	.40 / .32 / .58
2022	.38 / 10%	.95 / 25%	2.5 / 65%	.47 / .32 / .73
2023	.50 / 13%	1.1 / 28%	2.2 / 59%	.51 / .54 / .54
2024	.60 / 16%	1.2 / 31%	2.0 / 53%	.52 / .58 / .46

● Webform   ● In-Office/In-Person   ● Hotline   ● Status Quo Comparison

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Reporting Channel Use

Analysis of reporting channel utilization in 2024 reveals continued evolution in intake patterns, with Hotline reporting now comprising 53% of total reports (down from 59% in 2023), In-Office/In-Person reporting at 31% (up from 28% in 2023), and Webform submissions rising to 16% (an increase from 13% in 2023).

The total reporting rate of 3.8 reports per 100 employees has remained stable compared to 2023, but the composition has shifted significantly. This redistribution suggests organizations are successfully meeting stakeholders where they are.

The rise in In-Office/In-Person reporting is particularly promising, as it indicates stronger engagement from management layers. Research consistently shows employees are 6-8 times more likely to report concerns to a manager before seeking official reporting channels, making this growth a strategic victory for compliance programs able to capitalize on that risk intelligence with proxy reporting tools.

Webform reporting's continued growth points to increased digital comfort among healthcare professionals. This may reflect greater technology integration in clinical environments and the proliferation of digitally-accessible reporting options.

As new technologies continue to expand intake capabilities — from AI-assisted reporting to automated case triage — healthcare organizations that balance technological innovation with empathetic interaction will capture more complete risk intelligence and build stronger cultures of integrity.
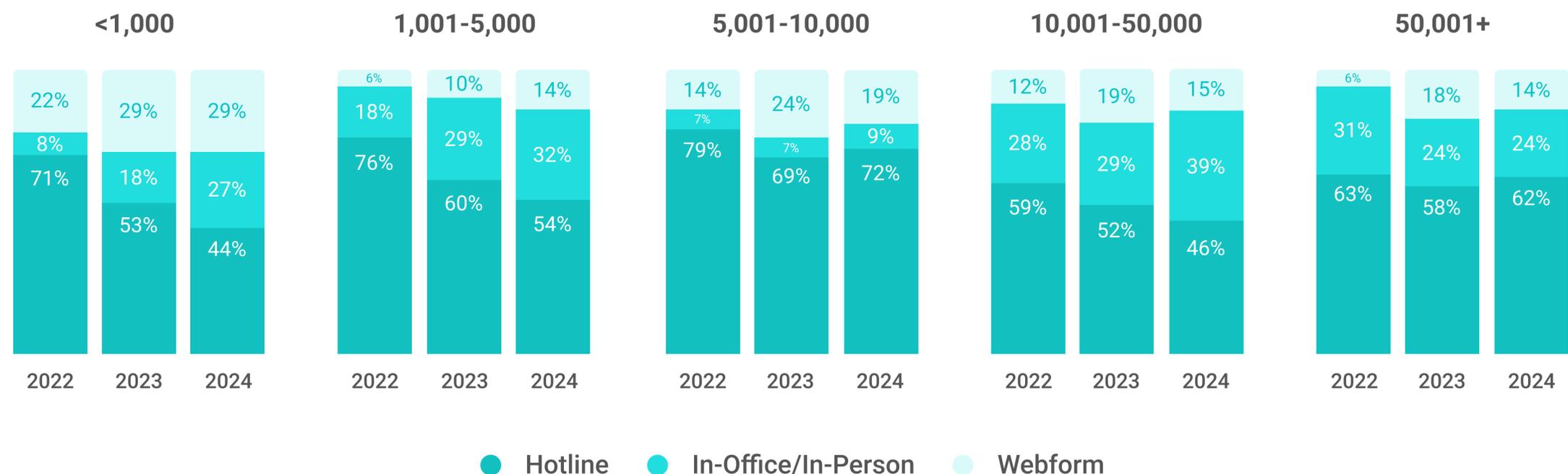
Employees are

6-8 x

More likely to report to a **manager** before seeking official reporting channels

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Reporting Channel Use

Reporting Channel Use by Company Size

<1,000	1,001-5,000	5,001-10,000	10,001-50,000	50,001+

<1,000

- 2022: 22% / 8% / 71%
- 2023: 29% / 18% / 53%
- 2024: 29% / 27% / 44%

1,001-5,000

- 2022: 6% / 18% / 76%
- 2023: 10% / 29% / 60%
- 2024: 14% / 32% / 54%

5,001-10,000

- 2022: 14% / 7% / 79%
- 2023: 24% / 7% / 69%
- 2024: 19% / 9% / 72%

10,001-50,000

- 2022: 12% / 28% / 59%
- 2023: 19% / 29% / 52%
- 2024: 15% / 39% / 46%

50,001+

- 2022: 6% / 31% / 63%
- 2023: 18% / 24% / 58%
- 2024: 14% / 24% / 62%

● Hotline   ● In-Office/In-Person   ● Webform

The most significant shift in this year's data appears in small (<1,000) organizations, where Hotline usage declined dramatically from 53% to 44%, while In-Office/In-Person reporting surged from 18% to 27%.

Mid-sized organizations (1,001-5,000) show steady migration from Hotline dependence (60% to 54%) toward more balanced utilization across alternate channels (46% cumulatively).

Large organizations (5,001-10,000) exhibit the strongest preference for traditional Hotline reporting at 72%, reversing the previous year's trend toward Webform reporting.

The largest healthcare systems (10,001+ employees) continue to demonstrate balanced channel distribution, though Hotline usage declined most significantly in the 10,001-50,000 category (from 52% to 46%), and increased in the 50,001+ category (58% to 62%).

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Reporting Channel Use

THINK ABOUT

- Is your channel distribution aligned with your facility types? Do clinical staff need different reporting options compared to administrative staff or those in outpatient settings?

- Do reporting channels address the unique privacy concerns in healthcare settings?

- Does a new employee to understand their reporting options? Are long-time employees updated on new reporting options?

$$\text{Reporting Channel} = \frac{\text{Cases by Intake Method}}{\text{Total Cases}}$$

Generate your list of cases over the last year and code each one based on the intake channel. Sum all cases by channel and divide each total by the total number of cases.

TIPS

- **Implement effective proxy reporting tools.** Equip managers to document concerns raised directly to them, capturing valuable intelligence that might otherwise remain unrecorded.

- **Develop specialized protocols for patient safety concerns.** Create expedited pathways for reports involving immediate patient safety risks that require more urgent handling.

- **Create channel-specific training for intake specialists.** Develop tailored training modules that address the unique challenges and opportunities of each reporting avenue.

- **Map the reporter journey across channels.** Document the full experience from a reporter's perspective to identify and eliminate unnecessary steps or confusion.

- **Address clinician reluctance factors.** Confront the barriers healthcare professionals face, such as team dynamics, professional retaliation, and patient abandonment fears.

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Abandonment Rate: Losing Reports Before They Begin

"Statistical analysis demonstrates that callers are approximately

8x

more likely to remain on the line when a live person answers promptly"

They summoned the courage to call. You put them on hold. They hung up. What does that tell them about your commitment to ethics?

In the current regulatory environment where oversight bodies may be operating with constrained enforcement capabilities, healthcare institutions must rely on internal monitoring systems. Each abandoned compliance call contains critical information that, if captured, could mitigate significant organizational risk exposure.

Callers are approximately 8x more likely to remain on the line when a live person answers promptly. This finding underscores a fundamental truth: organizations must create intake processes that don't just gather data, but listen to people.

Develop specialized training for intake personnel that emphasizes both technical competence (CCEP) and interpersonal sensitivity (Empathetic Elicitation), to ensure that reporters feel valued, not processed.

Eliminate automated greeting systems and prioritize immediate human connection, especially during peak reporting hours. Complex phone trees, excessive hold times, and multi-stage authentication processes increase abandonment exponentially. Minimize the steps between a reporter's decision to call and the initial intake.

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Optimize reporter convenience through regular self-assessment. Perform "secret shopper" calls to help identify friction points. Consider whether your hours of operation, language options, and accessibility features accommodate the full diversity of your workforce to ensure risk data isn't limited by artificial constraints.

The inability to identify abandonment patterns in real time prevents continuous improvement. Measure real-time abandonment metrics by implementing systems that flag abandoned calls immediately. Establishing abandonment rate targets and incorporating them into program evaluation metrics creates accountability for this critical aspect of risk intelligence gathering.

Request detailed abandonment data from your provider, segmented by every available variable relevant to healthcare. Where are the silent spaces in your reporting landscape? Is your abandonment rate higher among clinical or administrative staff? Do patient-reported concerns show higher abandonment than staff reports?

These patterns reveal who feels unwelcome in your speak-up culture. With this data, you can target and strengthen specific sectors of your organization & reporting process to make it easier for users, and more valuable for your organization.

While an optimized intake system forms the foundation of abandonment reduction, the surrounding organizational culture determines whether that system will thrive or wither. In organizations with best-in-class abandonment rates, reporting isn't just enabled—it's celebrated as an act of organizational citizenship.

In companies where leaders speak frequently about the value of speaking up, abandonment rates plummet.

Middle managers serve as the critical bridge between risk intelligence and your program. When your supervisor dismisses concerns raised to them, no amount of technical optimization will overcome the resulting chilling effect.
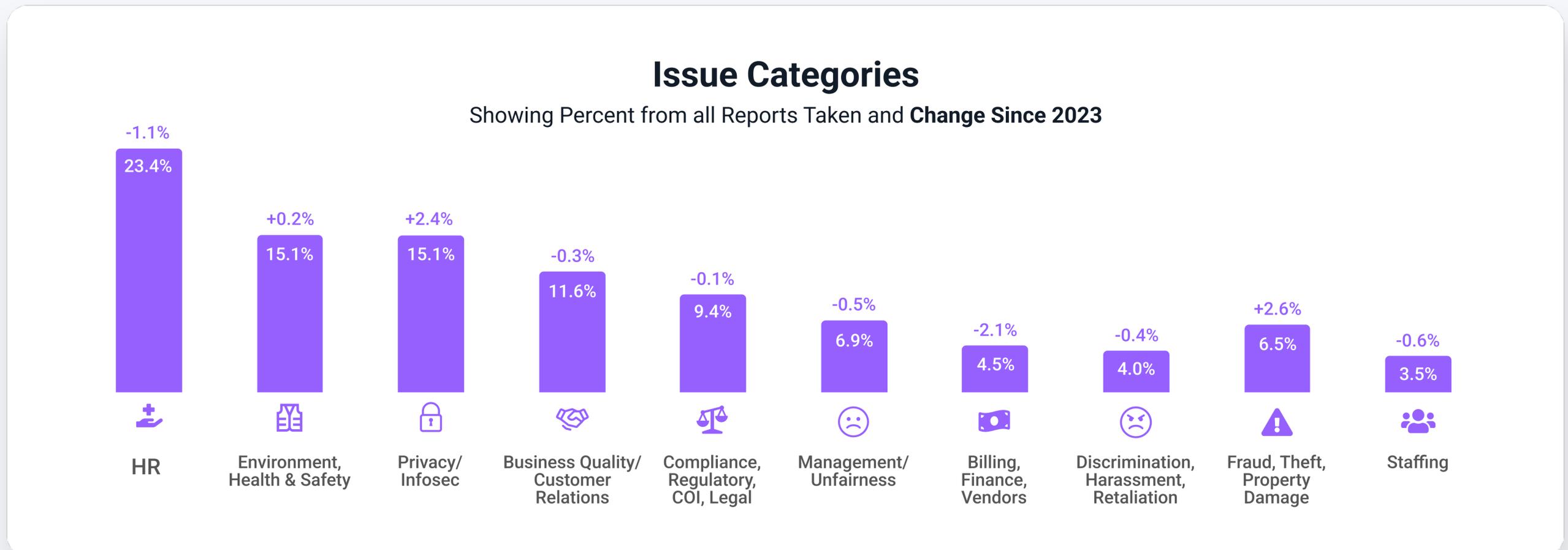
When they welcome a report, provide the appropriate resources, and elevate the person brave enough to speak up, they create a significant precedent for any others who think they should report. With fewer regulatory guardrails, your organization's ability to self-monitor is your primary defense. Remember, it is not an employee's duty to submit a report, it is yours to create the safety, security, and support necessary for them to want to.

ASK YOURSELF

- Do your leaders treat ethics and compliance as a necessary evil or as a strategic advantage?
- Do they view reports as annoying problems or as valuable intelligence?
- How can you take steps to educate them on the importance of compliance to a healthy work culture?

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Issue Categories

Issue Categories

Showing Percent from all Reports Taken and **Change Since 2023**

Category	Percent	Change
HR	23.4%	-1.1%
Environment, Health & Safety	15.1%	+0.2%
Privacy/Infosec	15.1%	+2.4%
Business Quality/Customer Relations	11.6%	-0.3%
Compliance, Regulatory, COI, Legal	9.4%	-0.1%
Management/Unfairness	6.9%	-0.5%
Billing, Finance, Vendors	4.5%	-2.1%
Discrimination, Harassment, Retaliation	4.0%	-0.4%
Fraud, Theft, Property Damage	6.5%	+2.6%
Staffing	3.5%	-0.6%

Analysis of the 2024 issue categorization data reveals significant shifts in reporting patterns across the healthcare sector.

Human Resources issues remain the dominant category at 23.4% of all reported concerns, a slight decline of 1.1% from last year.

Two categories demonstrated notable increases: Privacy/Infosec (15.1%, +2.4%) and Environment, Health & Safety (15.1%, +0.2%). The sharp rise in Privacy/Infosec reports likely reflects heightened awareness of cybersecurity vulnerabilities in healthcare systems.

Business Quality/Customer Relations issues declined (11.6%, -0.3%) and Compliance, Regulatory, COI, and Legal concerns declined (9.4%, -0.1%), while Management/Unfairness issues decreased (6.9%, -0.5%).

The most dramatic shift appears in Fraud, Theft, Property Damage reports (6.5%, +2.6%). This rise warrants close monitoring, as it signals vulnerabilities in asset protection systems or financial controls.

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Breaking Down the Numbers

Issue Categories

Out of all issues, what are **EMPLOYEES** mostly reporting?

37.1 %
Human Resources

16.8 % Privacy/Infosec

9.8 % Compliance, Regulatory, COI, Legal

5.7 % Discrimination, Harassment, Retaliation

9.5 % Management, Unfairness

8.5 % Environment, Health & Safety

What are **CUSTOMERS** mostly reporting?

28.1 %
Environment, Health & Safety

25.2 % Business Quality, Customer Relations

11.2 % Privacy/Infosec

What are **VENDORS/ CONTRATORS** mostly reporting?

21.3 %
Human Resources

18.1 % Privacy/Infosec

10.1 % Compliance, Regulatory, COI, Legal

21 Healthcare

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Issue Categories

Human Resource-related compliance matters, which constituted approximately 33% of reports in the pre-pandemic period, has recalibrated to 24.5% in 2024.

This represents a significant decrease that cannot be attributed to workplace reorganization, as healthcare's essential workforce maintained physical presence throughout the pandemic. This decline likely indicates a reallocation of risk attention toward patient-centered concerns.

The Environment, Health & Safety category exhibited the most pronounced volatility, with an unprecedented increase to 25.4% in 2020, followed by a gradual regression to 12.7% by 2024.

Business Quality/Customer Relations concerns demonstrated a notable decline to 11.6%, while Privacy/Information Security decreased to 12.1%. This inflection point is significant in healthcare, where digital initiatives accelerated by the pandemic have now been formalized.

The convergence of these reporting categories toward more equivalent proportions suggests a maturing compliance ecosystem in healthcare organizations, with more balanced risk assessment and mitigation strategies.
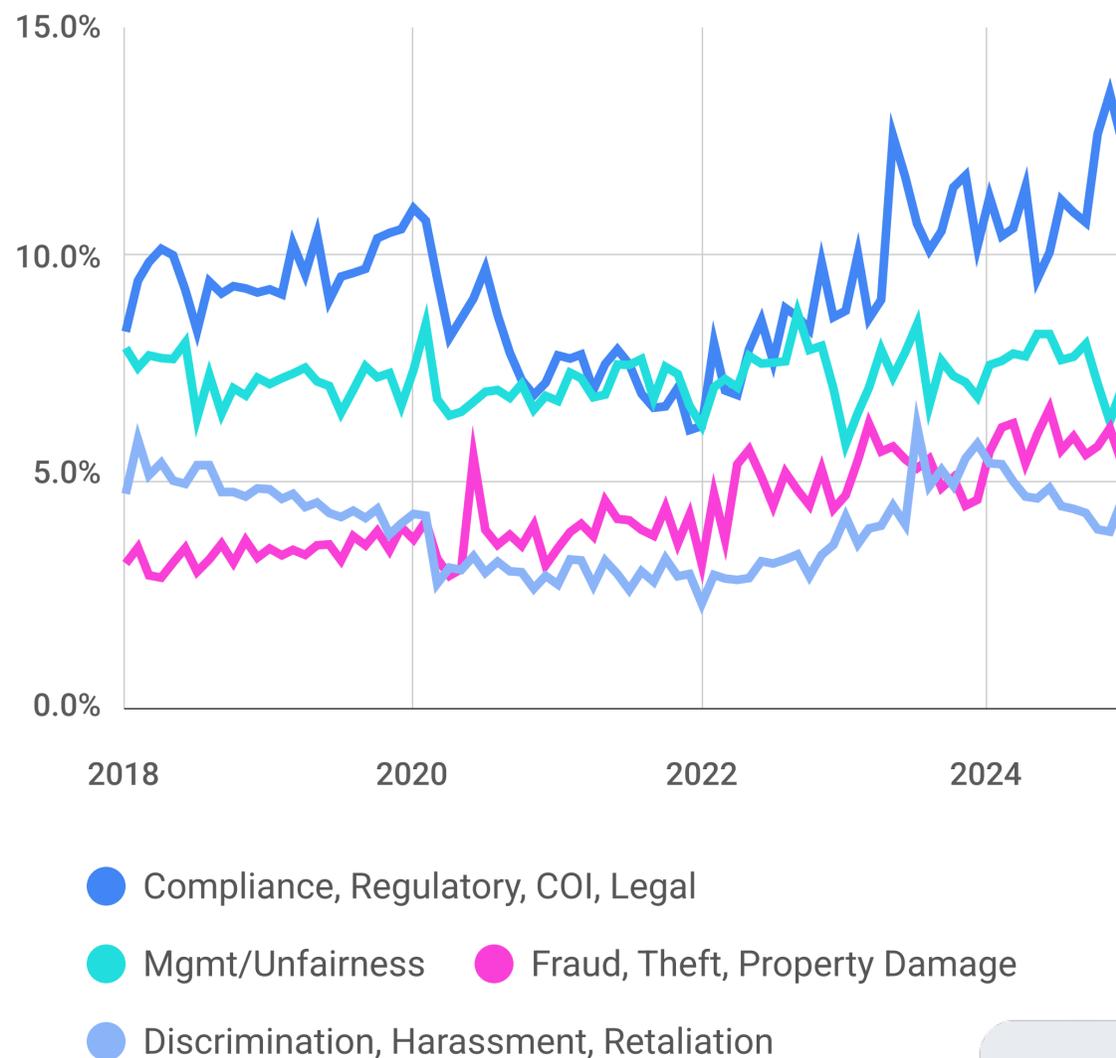
Trends in Reporting Issues (One)

Legend:
- HR
- Environment, Health & Safety
- Privacy/Infosec
- Business Quality/Customer Relations
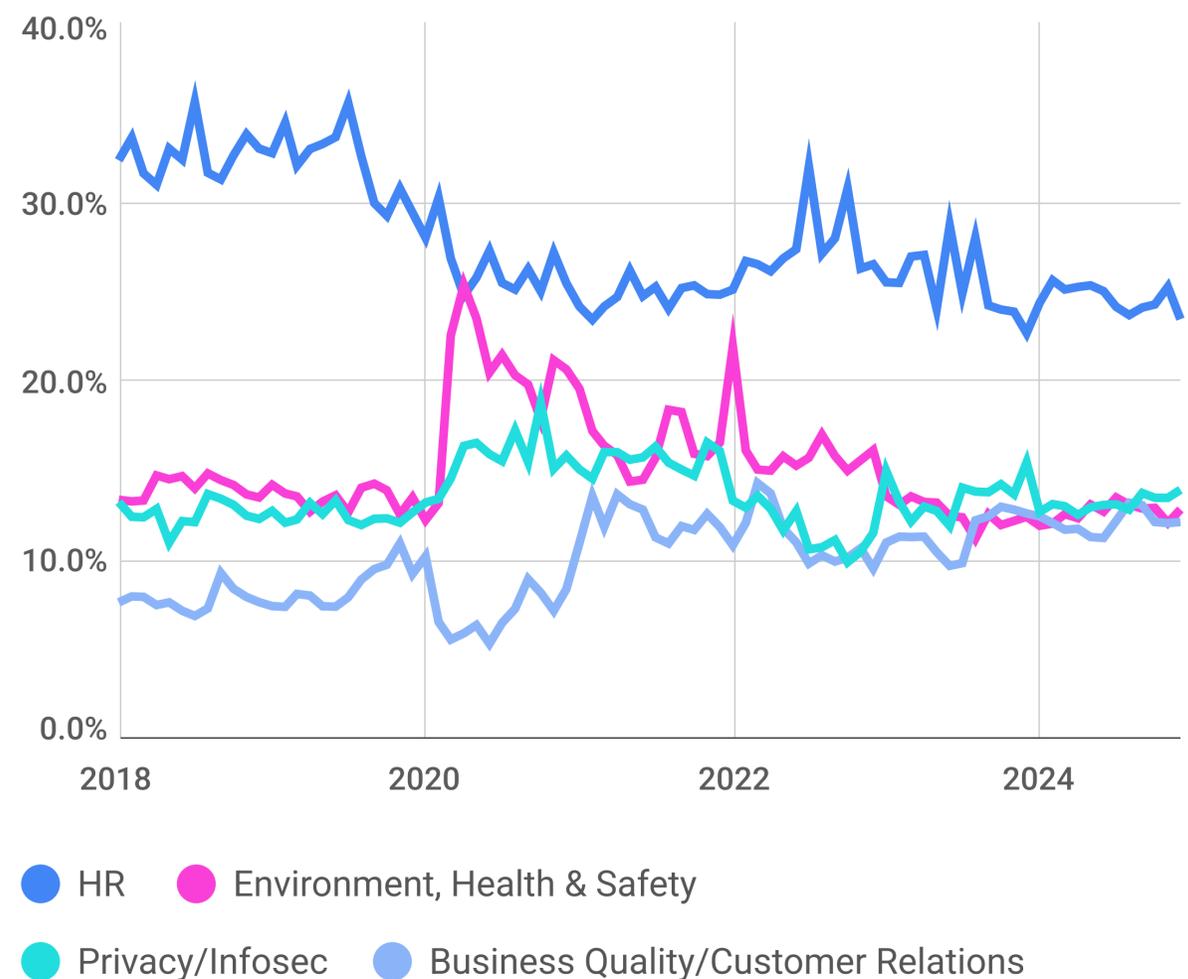
How are you leveraging these reporting trends to inform resource allocation within your program?

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Issue Categories

Trends in Reporting Issues (Two)

- Compliance, Regulatory, COI, Legal
- Mgmt/Unfairness
- Fraud, Theft, Property Damage
- Discrimination, Harassment, Retaliation

The increase in Compliance, Regulatory, COI, Legal issues represents the most significant growth trend in our benchmark history, signaling that regulatory compliance has become a top-tier priority.

Management/Unfairness reports have maintained remarkable consistency over the six-year period, ranging between 6-8% of total reports. The steady nature of this category represents a persistent cultural challenge that transcends circumstantial changes.

Discrimination, Harassment, and Retaliation reports dropped from pre-pandemic levels around 5% to approximately 2-3% during the pandemic, then steadily increasing since 2022. This trend aligns with the healthcare industry's renewed focus on workplace culture following the initial crisis response phase.

The increase in Fraud, Theft, Property Damage reports represents a sustained growth in this category since 2020. Healthcare compliance leaders should monitor this category closely and build more comprehensive internal controls.

Moderate increases in the Discrimination, Harassment, Retaliation category may be a positive indicator of Speak Up culture.

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Issue Categories

Financial Integrity / Accounting, Labor / Employment Compliance, Legal, Regulatory Complaints, Agency Review, Contracts

9.50%

False Claim Reports

19.10%

Antitrust Related, Crime, Corruption / Money Laundering, Bribes / Kickbacks

5.00%

General Compliance Inquiries

11.50%

Code of Conduct Violation

15.10%

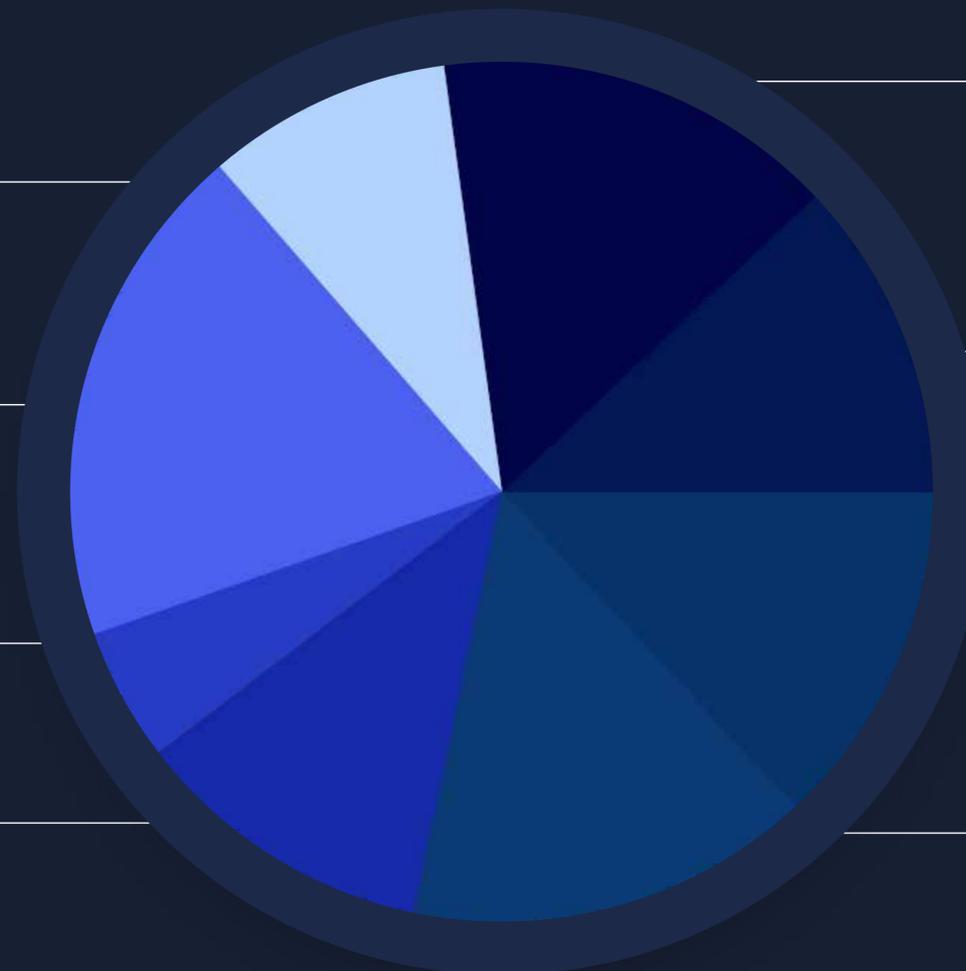Dispute Over Rights (Civil, Consumer, Patient)

11.40%

Misrepresentation/Falsification

13.20%

Conflicts of Interest

15.20%

False Claims Reports represent the largest category at 19.1% of all compliance issues in healthcare, reflecting the industry's ongoing struggle with complex billing requirements. This high percentage signals continued vulnerability to regulatory scrutiny and potential financial penalties. For healthcare organizations, this underscores the critical need for robust documentation practices, regular billing audits, and comprehensive staff training on proper coding and billing procedures.

24 Healthcare

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Issue Categories

THINK ABOUT

- How do your false claims reports compare to the 19.1% industry average? What specific billing practices or documentation processes might be contributing to this high percentage?

- How do external factors correlate with fluctuations in certain reporting categories in your organization? Are your reporting avenues optimized for these categories?

- Are there opportunities to use your category trend data to anticipate future compliance challenges and proactively develop mitigation strategies?

$$\text{Issue Intake by Category} = \frac{\text{Issue Category}}{\text{Total Cases}}$$

Aggregate all reports/issues over a specific time period and assign consistent categories to each issue. Once categories are assigned to each case, determine the number of instances in each category and divide by the total number of cases in the measurement period. This will give you your proportion of cases by category. Repeat for other equal measurement periods to compare trends over time.
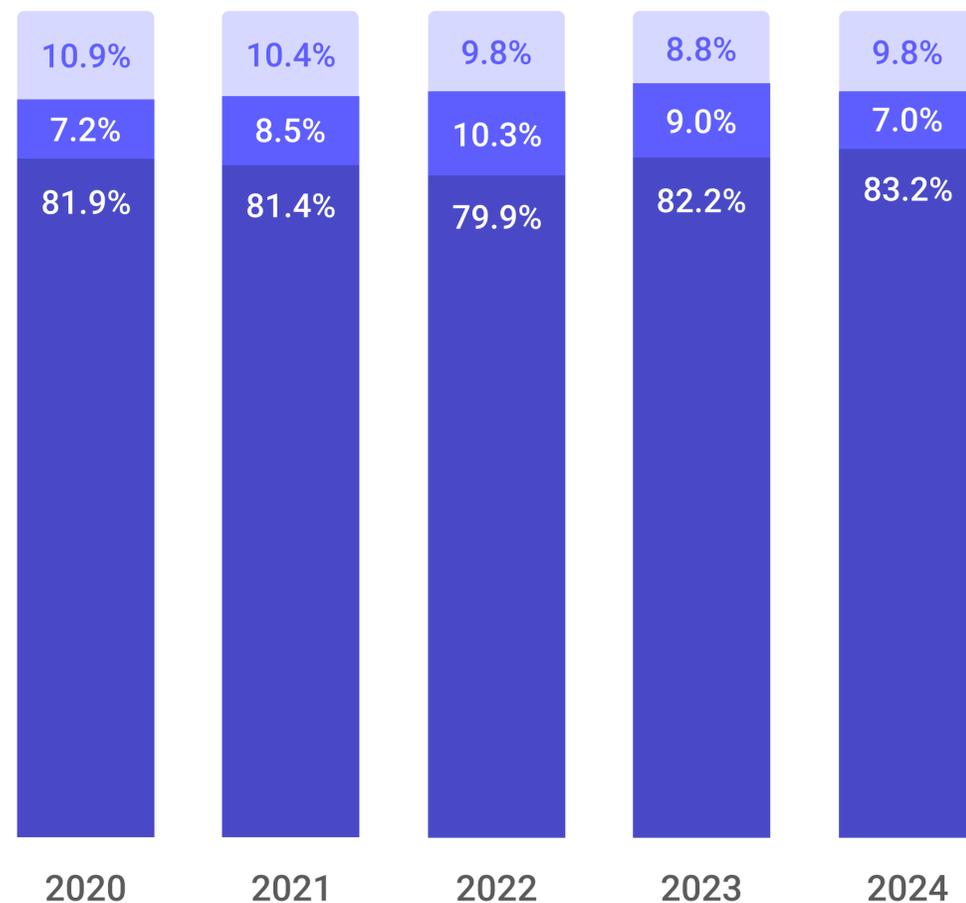
TIPS

- **Adjust categories to reflect your specific concerns.** Ensure your taxonomy captures issues in the categories most pertinent to your industry.

- **Avoid vague categories.** Well-defined specific categories produce more actionable data than vague ones like "misconduct."

- **Implement predictive analytics.** Utilize historical data to anticipate category fluctuations.

- **Connect compliance and quality metrics.** Cross-reference categories with patient satisfaction to identify correlations.

- **Specialize investigative protocols by category.** Create tailored investigation playbooks for high-growth categories.

Issue Severity

Trends in Issue Severity

	2020	2021	2022	2023	2024
Severe/Urgent	10.9%	10.4%	9.8%	8.8%	9.8%
Severe/Non-Urgent	7.2%	8.5%	10.3%	9.0%	7.0%
Regular	81.9%	81.4%	79.9%	82.2%	83.2%

Legend: ● Regular ● Severe/Non-Urgent ● Severe/Urgent

In 2024, Severe Issues (Severity Level I and II) maintained the decreasing trend observed in recent years, accounting for 16.8% of all reports. Regular Issues (Severity Level III) increased marginally to 83.2%, continuing the upward trend observed since 2020.

Severity Level I Severe and Urgent

This is the highest priority of a reported issue, as it is both a serious and imminent threat to a person, property, or environment, or one that has just occurred. Best practice is to make immediate direct notification to coordinators upon initial report completion.

Severity Level II Severe, but not Urgent

The second-highest priority of a reported issue, defined as a serious situation that requires prompt attention, but does not require immediate action. These calls are typically ongoing situations like drug and alcohol use, workplace violence, etc.
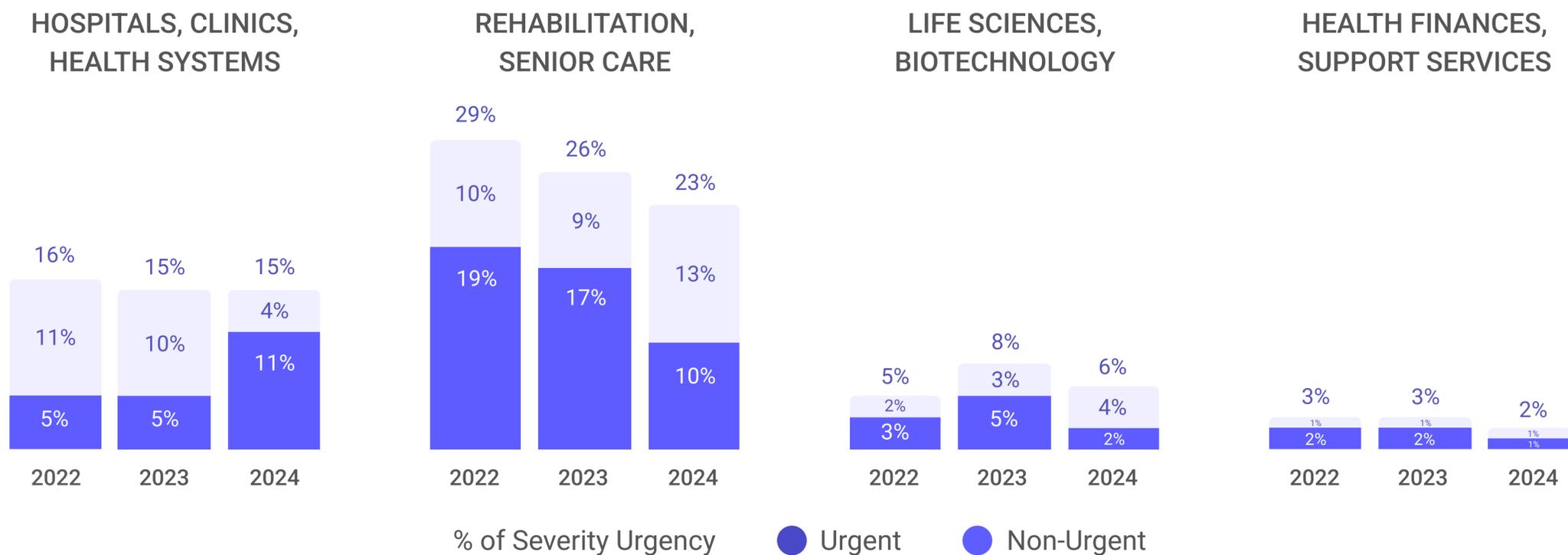
Severity Level III Everything Else

Calls that do not require immediate action, but must be addressed in order to properly understand and mitigate risk and to build a culture of trust and understanding among personnel. These follow the standard digital (e.g., email or case management system) notification procedures.

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Issue Severity

Issue Severity by Sector

HOSPITALS, CLINICS, HEALTH SYSTEMS

2022	2023	2024
16%	15%	15%
11%	10%	4%
5%	5%	11%

REHABILITATION, SENIOR CARE

2022	2023	2024
29%	26%	23%
10%	9%	13%
19%	17%	10%

LIFE SCIENCES, BIOTECHNOLOGY

2022	2023	2024
5%	8%	6%
2%	3%	4%
3%	5%	2%

HEALTH FINANCES, SUPPORT SERVICES

2022	2023	2024
3%	3%	2%
1%	1%	1%
2%	2%	1%

% of Severity Urgency ● Urgent ● Non-Urgent

Hospitals, Clinics, Health Systems show a pronounced shift toward higher severity reports, with Urgent (Severity Level I) issues more than doubling from 5% to 11% in 2024.

The Rehabilitation, Senior Care sector experienced the most dramatic change, with severe reports decreasing from 26% to 23%. The reduction in Urgent cases (from 17% to 10%) indicates improved preventative measures.

Life Sciences, Biotechnology saw a decrease in Non-Urgent (Severity Level II) issues (5% to 2%). Health Finances, Support Services maintained the lowest overall severity (2%), with a decrease in Non-Urgent issues and stabilization of Urgent reports at 1%.

The data shows patient-facing sectors face more high-severity incidents, due to their direct impact on patient safety and care.

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Issue Severity

THINK ABOUT

1. Are your severity definitions appropriately calibrated?

Are your severity levels designed to identify issues that could directly impact patient outcomes? How do your classifications integrate with patient safety reporting systems and clinical risk management protocols?

2. How does your intake process influence severity determinations?

Your intake methodology can affect how issues are classified upon initial receipt. Does your process objectively determine severity based on specific risk factors, or do intake personnel rely primarily on subjective judgment? Are severity classifications automatically suggested based on certain keywords or issue characteristics, or is each determination made manually?

3. How well do your response protocols align with severity classifications?

The ultimate purpose of severity classification is to ensure appropriate resource allocation and response timelines. Does your organization have clearly defined protocols for addressing each severity level, and are these protocols consistently followed? Are notifications properly escalated to the appropriate leadership levels?

$$\text{Issue Severity Level Rate} = \frac{\text{Total Severity Level Type}}{\text{Total Issues}}$$
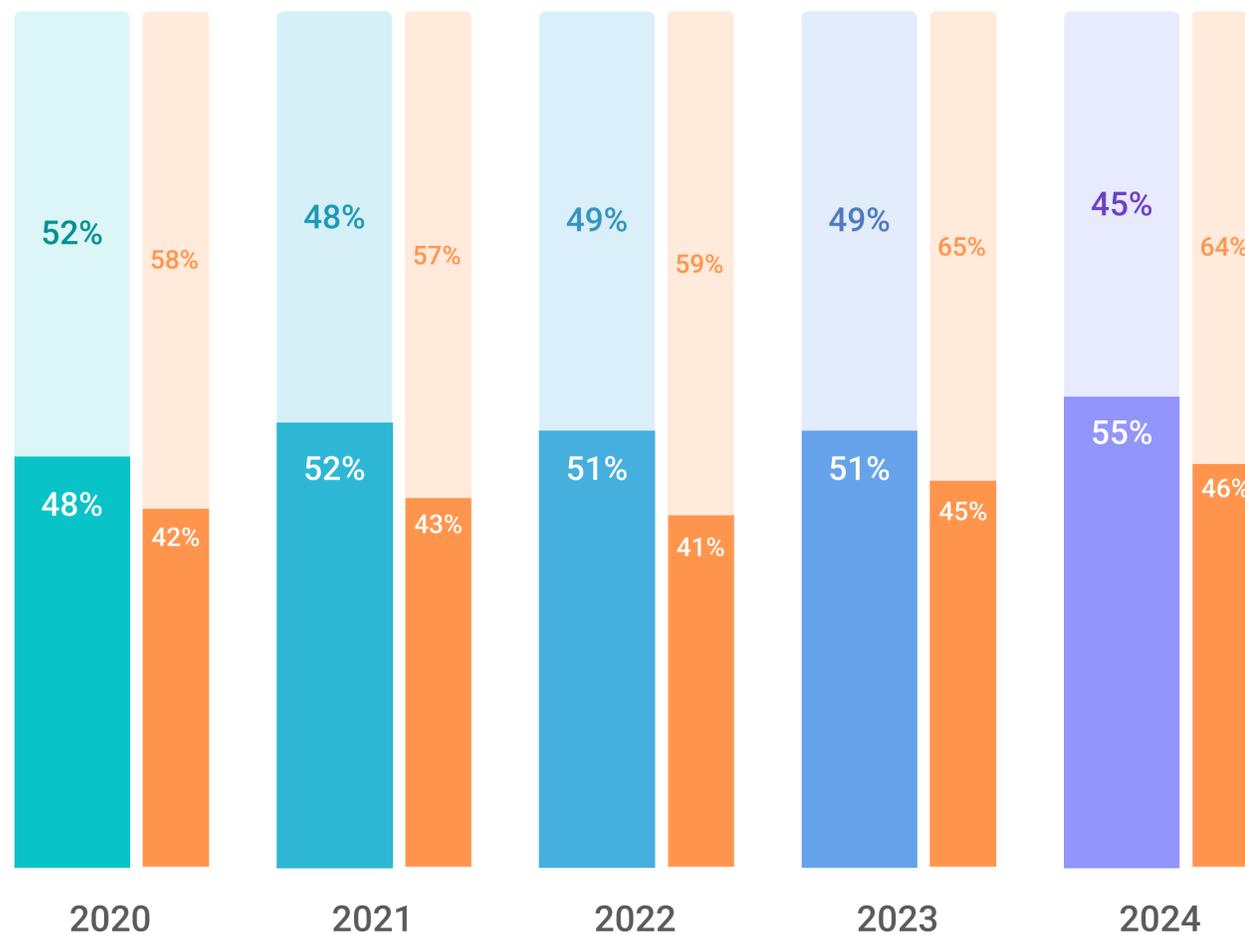
Aggregate all of your reports over the time period to be analyzed and apply a severity level to each. Sum each severity level type and divide each total by total issues to get your percentages.

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Issue Substantiation

6

Trends in Issue Substantiation

Year	Unsubstantiated	Substantiated	Status Quo Comparison (top)	Status Quo Comparison (bottom)
2020	52%	48%	58%	42%
2021	48%	52%	57%	43%
2022	49%	51%	59%	41%
2023	49%	51%	65%	45%
2024	45%	55%	64%	46%

● Substantiated ● Status Quo Comparison
● Unsubstantiated

Issue substantiation—the validation of reported concerns through investigation—has rebounded significantly, reaching 55%, up 4% from 2023.

After several years of stabilization around 51%, this upward trend is particularly encouraging for healthcare organizations where accurate risk identification is critical to patient safety and regulatory compliance.

This rise in substantiation rate is due in part to the renewed certification of Ethico-staffed risk specialists' CCEP (Certified Compliance & Ethics Professional) qualifications.

Investing in specialized training for intake personnel can significantly improve the quality of information gathered and lead to more substantiated cases. Expert intake representatives can better sort between meaningful compliance concerns and general grievances.

Organizations with CCEP-qualified intake specialists demonstrated 10% higher substantiation rates.

29 Healthcare

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Issue Substantiation

THINK ABOUT

- **How can you analyze the substantiation trends in your organization to identify improvement opportunities and maximize risk intelligence gathering? Consider these perspectives:**

  - **How do your substantiation rates compare across clinical vs. non-clinical reports?** Analyzing this distinction can reveal whether patient care concerns are being properly validated compared to administrative issues. Clinical reports often require specialized knowledge to investigate effectively, so lower substantiation rates in clinical areas might indicate a need for more clinically-trained investigators or better documentation requirements.

  - **How does substantiation vary between different facility types?** Compare rates between hospitals, outpatient clinics, and long-term care facilities to identify environmental factors affecting report quality. This analysis can help you tailor your compliance training to address facility-specific challenges in gathering verifiable information.

  - **Have you examined substantiation rates across different intake channels?** This difference might signal opportunities to enhance information gathering in non-face-to-face channels. Consider implementing more dynamic web forms with conditional logic that adapts questioning based on initial responses, potentially capturing more actionable information that improves substantiation.

> " **Triangulate your anonymity rate** with other metrics to identify where **reporter trust can be improved.** "

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Issue Substantiation

TIPS

$$\text{Substantiated Case Rate} = \frac{\text{Total Closed Cases - Unsubstantiated Cases}}{\text{Total Closed Cases}}$$

$$\text{Unsubstantiated Case Rate} = 1 - \text{Substantiated Rated \%}$$

Divide your number of substantiated cases by the total number of closed cases. Exclude open cases to eliminate noise from your results.
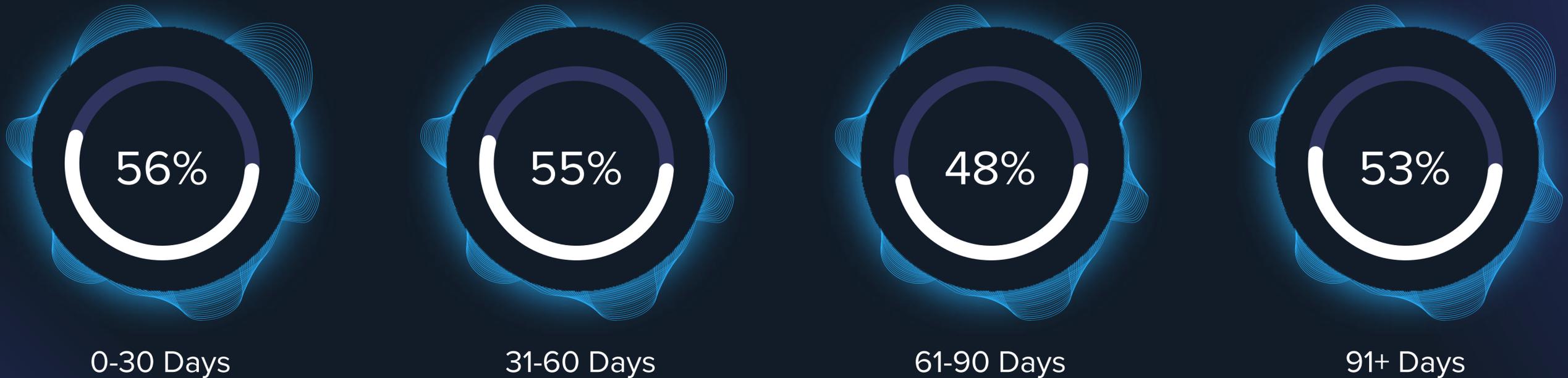
Repeat the process for the previous period (e.g., quarter, year) to analyze internal trends and areas to improve.

- **Conduct root cause analysis.** Categorize unsubstantiated reports by healthcare-focused factors like clinical documentation gaps, conflicting clinical opinions, or misunderstandings of medical protocols to identify targeted improvement opportunities.

- **Leverage technology for evidence preservation.** Implement solutions that capture document evidence promptly when reports are received, preventing evidence degradation that often leads to unsubstantiated outcomes.

- **Establish a clinical consultation network.** Create a pool of clinicians across specialties who can provide subject matter expertise during complex investigations.

- **Leverage specially-trained intake specialist.** Ensure that specialists are familiar enough with healthcare compliance to prompt reporters for the extra details crucial to substantiate the case.

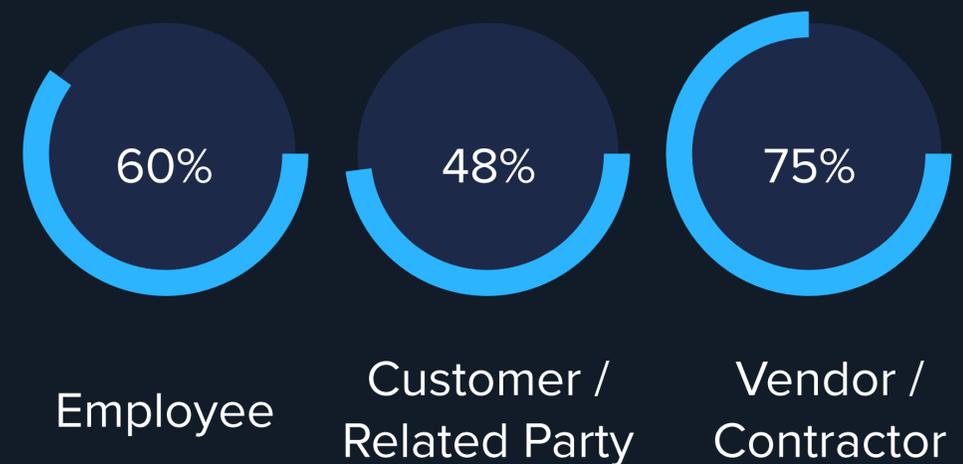**ETHICO**

Breaking Down the Numbers

Issue Substantiation

How likely is substantiation at different resolution times?

56%	55%	48%	53%
0-30 Days	31-60 Days	61-90 Days	91+ Days

What % of issues were substantiated **within each business sector?**

Hospitals, Clinics, Health Systems		60%
Rehabilitation, Senior Care		56%
Life Sciences, Biotechnology		64%
Health Finance, Support Services		75%

What is the substantiation rate for **different types of reporters?**

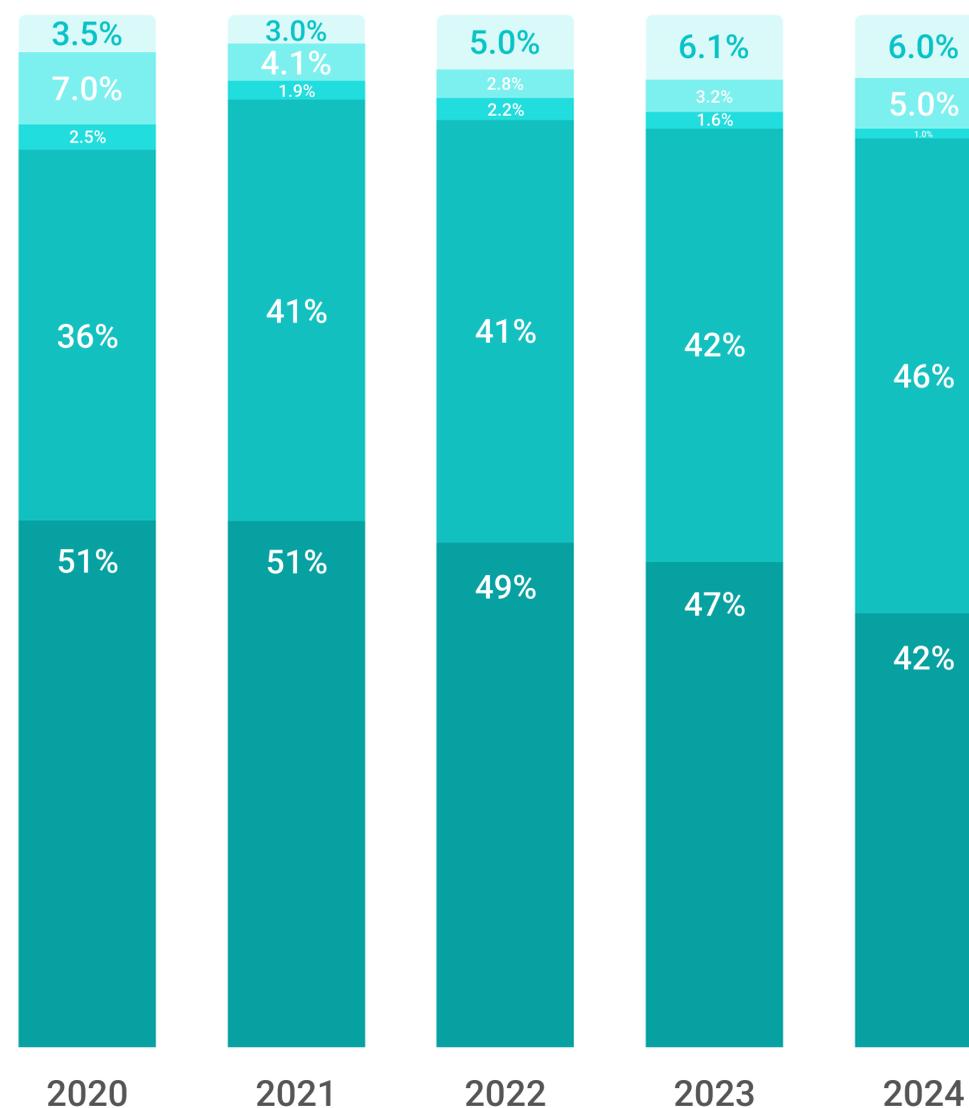| 60%	48%	75%
Employee	Customer / Related Party	Vendor / Contractor

32 Healthcare

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Reporter Types

The data reveals a significant shift in reporter demographics in 2024, with employee reports dropping to 42% of total volume—the lowest percentage recorded in the five-year period. Customer/Related Party reports have risen to a record high of 46%.

This rebalancing of reporter sources marks a fundamental evolution in Ethics and Compliance. What was primarily an internal feedback mechanism has become a risk intelligence network that captures insights across the stakeholder ecosystem.

The healthcare industry is uniquely positioned in this trend, as patients and their advocates serve as critical intelligence sources for compliance concerns. This shift reflects the increasingly consumer-driven nature of healthcare services, enhanced patient advocacy, and heightened expectations regarding quality of care.

Trends in Reporter Composition

	2020	2021	2022	2023	2024
Other	3.5%	3.0%	5.0%	6.1%	6.0%
Anonymous/Withheld	7.0%	4.1%	2.8%	3.2%	5.0%
Vendor/Contractor	2.5%	1.9%	2.2%	1.6%	1.0%
Customer/Related Party	36%	41%	41%	42%	46%
Employee	51%	51%	49%	47%	42%

Legend:
- Other
- Anonymous/Withheld
- Vendor/Contractor
- Customer/Related Party
- Employee

33 Healthcare

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Issue Substantiation

For each business sector, **who are the people submitting issues?**

	HOSPITALS, CLINICS, HEALTH SYSTEMS	REHABILITATION, SENIOR CARE	LIFE SCIENCES, BIOTECHNOLOGY	HEALTH, FINANCE, SUPPORT SERVICES
Employee	60%	56%	71%	41%
Customer/Related	39%	42%	25%	57%
Vendor/Contractor	1%	2%	4%	2%

What % of reporter types are submitting issues in these categories?

	HUMAN RESOURCES	ENVIRONMENT, HEALTH & SAFETY	PRIVACY, INFOSEC	BUSINESS QUALITY/ CUSTOMER RELATIONS	COMPLIANCE, REGULATORY, COI, LEGAL	UNFAIRNESS, MANAGEMENT ISSUES	BILLING, FINANCE, VENDORS	DISCRIMINATION, HARRASSMENT, RETALIATION	FRAUD, THEFT, PROPERTY DAMAGE	STAFFING
Employee	93%	27%	65%	16%	66%	78%	31%	87%	32%	37%
Customer/Related	6%	72%	33%	83%	33%	21%	64%	12%	67%	62%
Vendor/Contractor	1%	1%	2%	1%	2%	2%	5%	1%	1%	1%

From **Fewer Issues - Most Issues**

34 Healthcare

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Why Nobody Reads Compliance Updates (and How to Fix It!)

In today's healthcare environment, clinicians and staff face unprecedented communication overload. Physicians receive up to 80 notifications per shift in their EHR system alone, while nurses manage approximately 60-100 communications during a typical workday—all while balancing direct patient care responsibilities. When administrative staff add 120+ emails, secure messaging platforms, and regulatory updates, it's no wonder critical compliance information gets buried in the noise.
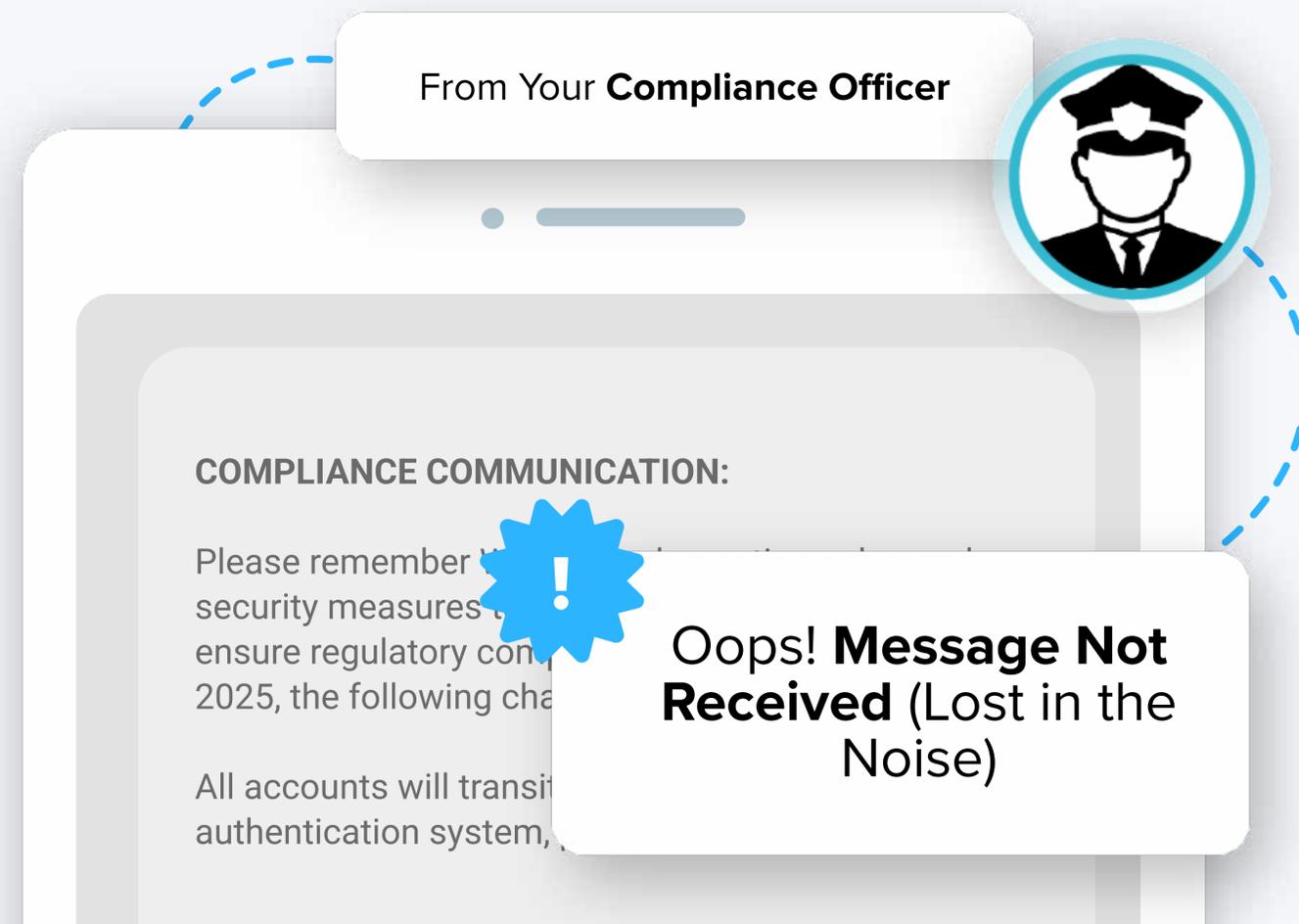
This "communication crisis" is particularly concerning in healthcare, where missed compliance information can lead to serious patient privacy breaches, billing fraud allegations, and significant regulatory penalties.

The fundamental challenge lies not in the content of communications but in their delivery and positioning. Traditional compliance messaging follows an outdated broadcast model that fails to acknowledge how modern professionals consume information.

The human brain is naturally drawn to novelty, relevance, and emotion—precisely the elements missing from standard compliance updates. Furthermore, information that is perceived as administrative, obligatory, or disconnected from daily work activates what psychologists call "selective attention," where individuals subconsciously filter out information deemed non-essential.

Innovative programs are embedding compliance requirements within relatable narratives. By transforming abstract regulations into concrete scenarios featuring recognizable characters and situations, compliance professionals can bypass cognitive resistance and foster genuine engagement.

The most effective compliance communications reach employees precisely when decisions are being made. Sometimes called "just-in-time" communication, this method recognizes that information presented at the moment of relevance has exponentially greater impact than generalized background information.

From Your **Compliance Officer**

COMPLIANCE COMMUNICATION:

Please remember t... security measures ... ensure regulatory con... 2025, the following cha...

All accounts will transit... authentication system, ...

Oops! **Message Not Received** (Lost in the Noise)

Article

Why Nobody Reads Compliance Updates
(and How to Fix It!)

MAXIMIZE YOUR PROGRAM

- Short Videos
- Interactive Simulations
- Audio Content
- Visual References

Distribute awareness across multiple mediums ranging from enterprise social platforms to physical spaces. This diversity of format and channel increases the likelihood of engagement while reinforcing key messages through repetition across contexts.

Examples include contextual reminders integrated into enterprise software, location-based prompts triggered when employees enter high-risk environments, and decision flowcharts embedded directly in operational tools.

Leading compliance programs are reimagining their communication strategies by incorporating behavioral science principles with innovative approaches to content creation and delivery. Role based audience segmentation, teach-verify-apply education procedures, and event-triggered communications are just some techniques that leverage psychology to garner engagement.
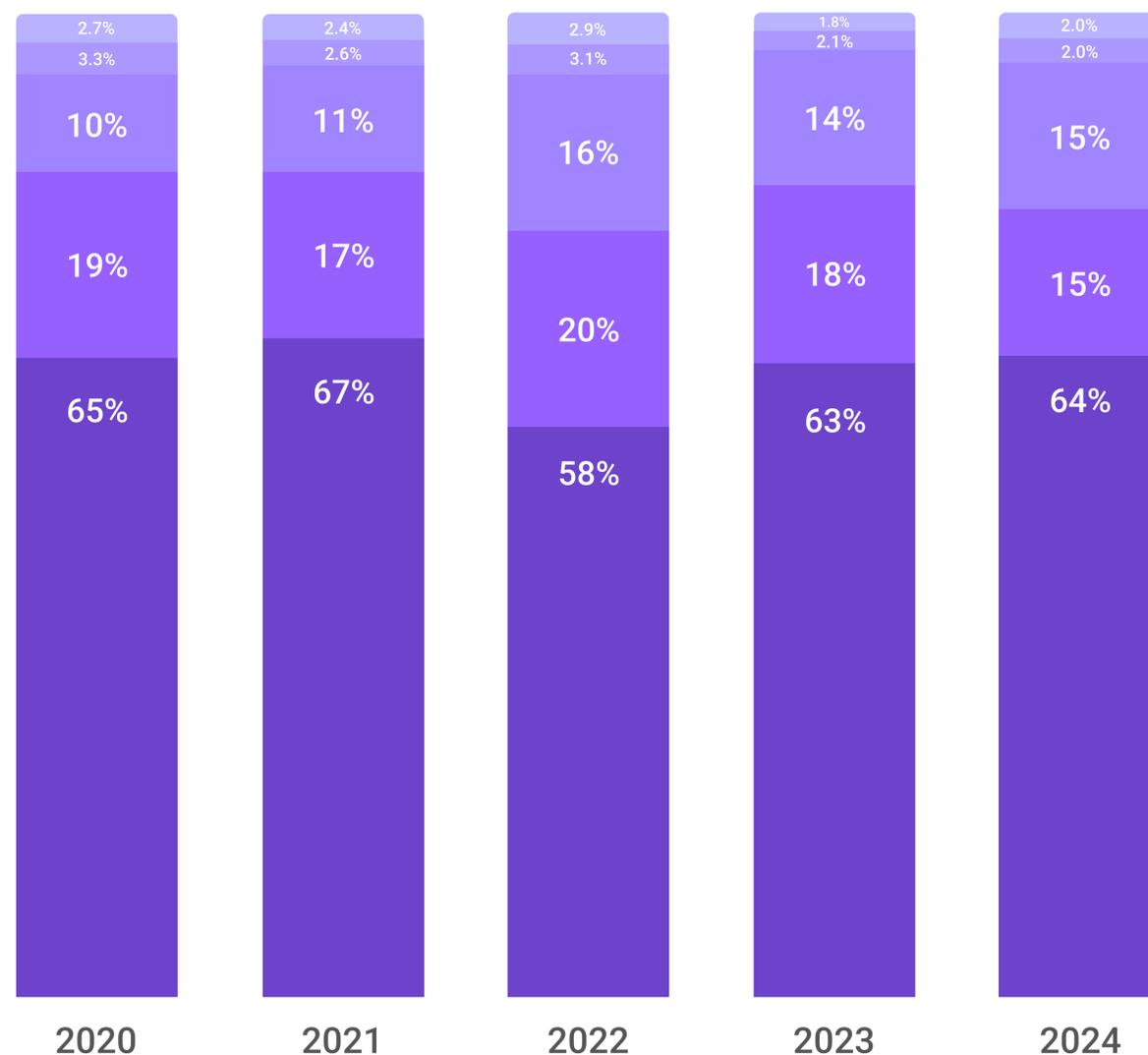
Effective compliance programs recognize that their ultimate goal is not merely to distribute information but to shape behavior. By applying behavioral science principles and innovative communication strategies, ethical leaders can transform ignored updates into meaningful interventions.

Remember, your competition for attention isn't other corporate communications—it's the immediate demands of patient care, clinical alarms, and the countless other priorities competing for your healthcare team's limited mental bandwidth.

To win that competition, you need communications that are relevant, engaging, and delivered at the right moment through the right channels. By reconceptualizing compliance communications as a specialized form of influence rather than information dissemination, organizations can go beyond training completion rates to the lived behavioral outcomes that regulations and policies intend to create.

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Reporter Awareness

Trends in Reporter Awareness

	2020	2021	2022	2023	2024
Other Company Communication	2.7%	2.4%	2.9%	1.8%	2.0%
Code of Conduct/Policy	3.3%	2.6%	3.1%	2.1%	2.0%
Training/Orientation	10%	11%	16%	14%	15%
Word of Mouth/Referral	19%	17%	20%	18%	15%
Printed Materials	—	—	—	—	—
Internet	65%	67%	58%	63%	64%

Legend:
- Other Company Communication
- Code of Conduct/Policy
- Training/Orientation
- Word of Mouth/Referral
- Printed Materials
- Internet

Monitoring Reporter Awareness remains a critical component for evaluating the effectiveness of Ethics and Compliance program outreach. Our 2025 analysis reveals significant evolution in how stakeholders discover reporting channels.

The Internet continues to be the primary source of reporter awareness (64%), while Printed Materials continues to decline (15%). This digital preference persists despite the healthcare industry's return to traditional workplace models post-pandemic.

Word of Mouth/Referral awareness experienced a modest increase to 15%, continuing the normalization trend following its anomalous spike to 16% in 2022.

Training/Orientation and Code of Conduct/Policy reporter awareness continues to make up the smallest percentage of awareness, underscoring permanent shift towards digital-first information seeking.

37 Healthcare

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Reporter Awareness

THINK ABOUT

• How is your organization responding to the continued dominance of digital channels for awareness?

• Do you have a comprehensive "Ethics Portal" where all reporting channels & employee-facing documentation is available?

• Does your reporting portal accommodate the unique needs of clinical staff?

• Code of Conduct awareness continued to decline, now representing just 2% of the reporter awareness total. How might you transform your code into a more dynamic, accessible resource?

$$\text{Reporter Awareness Rate} = \frac{\text{Reporter Type}}{\text{Total Cases}}$$

Identify all issues reported by an individual reporter type and then divide by your total number of issues. Repeat for each reporter type.

TIPS

• **Optimize Digital Pathways for Healthcare Workers** Consider QR codes in staff lounges, near time clocks, and in locker rooms that link directly to reporting resources.

• **Personalize awareness through leaders.** Have senior leaders share personal ethics stories in company communications, emphasizing the importance of speaking up.

• **Intranet hub.** Dedicate an internal website section explaining reporting channels and providing contacts. Include stories, infographics, FAQs, and other helpful resources.

• **Establish metrics beyond volume.** Track specific awareness KPIs, such as percentage of employees who can correctly identify reporting options.

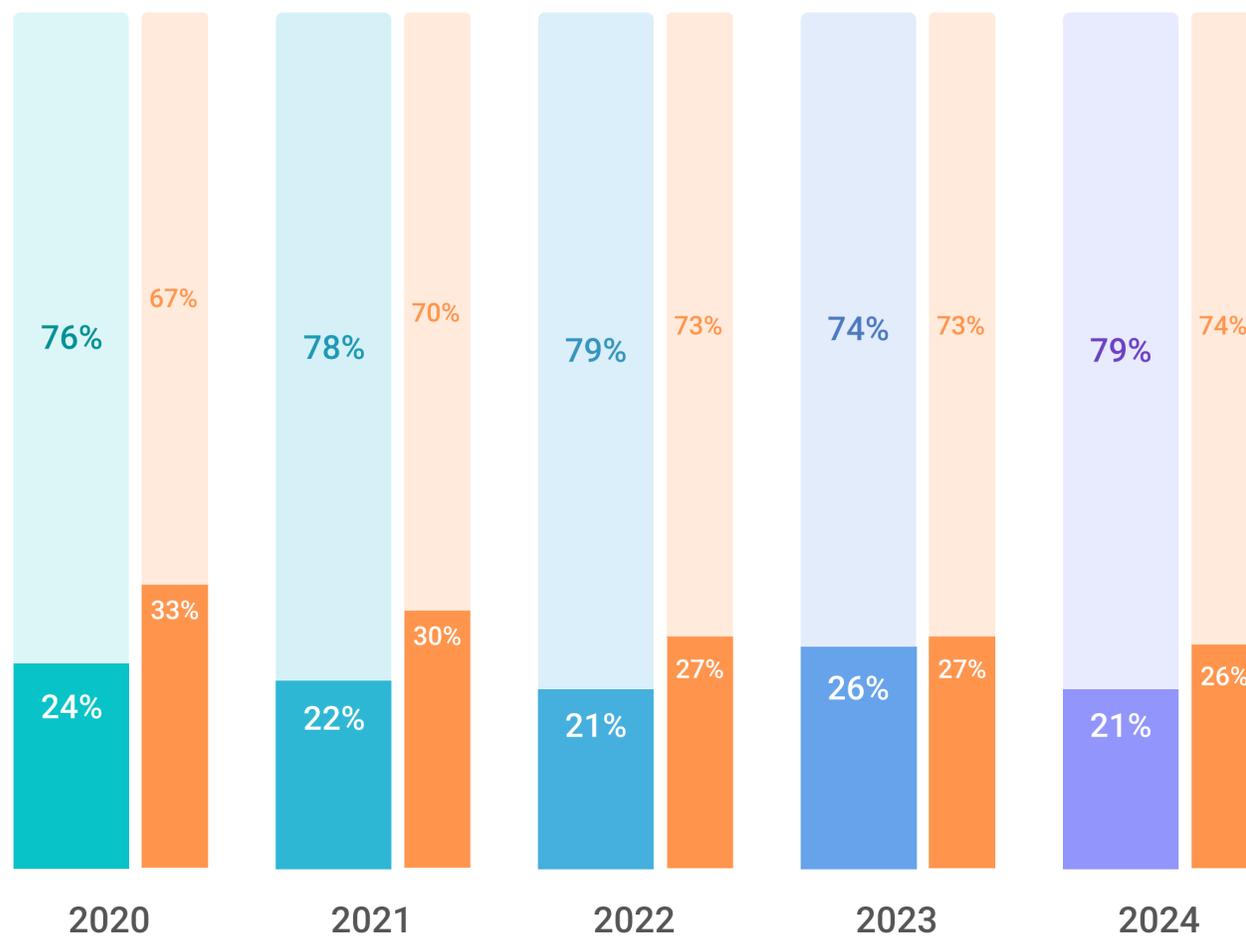**38** Healthcare

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Reporter Awareness

How do people from different business sectors learn about reporting channels?

	HOSPITALS, CLINICS, HEALTH SYSTEMS	REHABILITATION, SENIOR CARE	LIFE SCIENCES, BIOTECHNOLOGY	HEALTH, FINANCE, SUPPORT SERVICES
Internet	55%	49%	42%	60%
Printed Materials	8%	22%	22%	5%
Word of Mouth/Referral	22%	17%	20%	21%
Training/Orientation	6%	3%	8%	4%
Code of Conduct/Policy	5%	3%	6%	5%
Other Communications	4%	6%	2%	5%

From **Fewer Reporters - Most Reporters**

39 Healthcare

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Issue Sequence

Trends in Issue Follow-Ups

	2020	2021	2022	2023	2024
Reports without Follow-Ups	76%	78%	79%	74%	79%
Status Quo Comparison (upper)	67%	70%	73%	73%	74%
Reports with Follow-Ups	24%	22%	21%	26%	21%
Status Quo Comparison (lower)	33%	30%	27%	27%	26%

● Reports with Follow-Ups   ● Reports without Follow-Ups
● Status Quo Comparison

In 2024, Reports with Follow-Ups stabilized at 21% of total volume.

The consistent follow-up rate in healthcare is particularly notable given the ongoing challenges with staffing shortages and increased patient concern reporting. Leading healthcare organizations have effectively adapted their investigation and communication protocols despite these pressures.
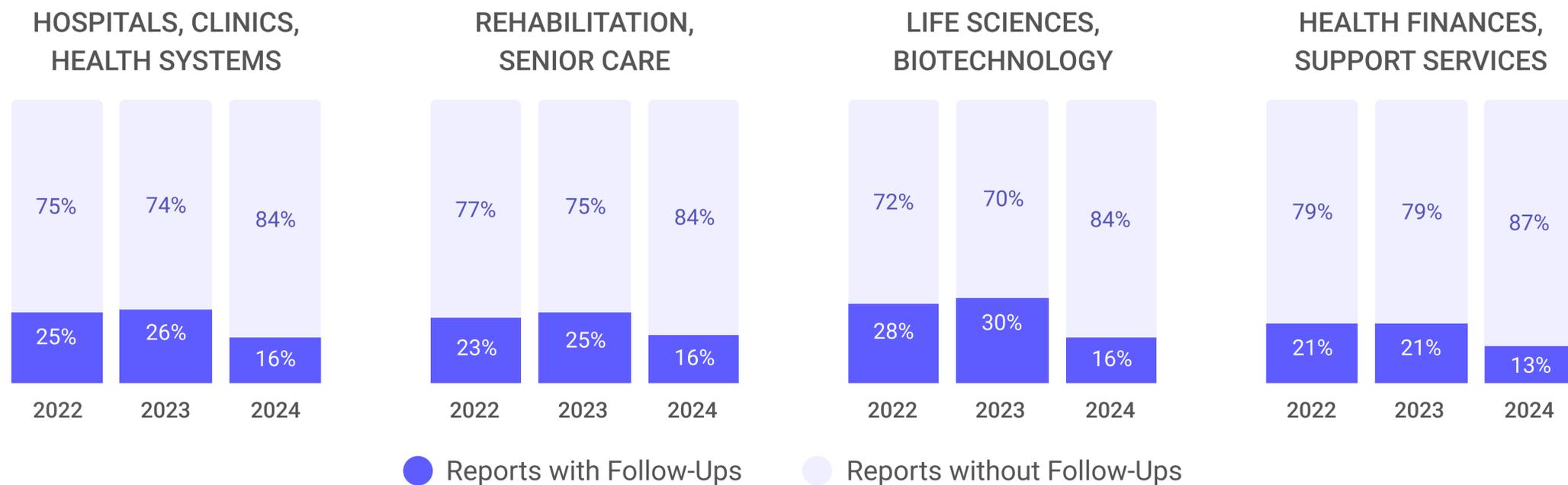
Post-pandemic normalization has allowed healthcare organizations to establish consistent investigation protocols and communication practices.

Integration of advanced case management technologies has enabled more structured follow-up communications. Leading systems now include two-way anonymous communication features that keep reporters informed without requiring formal follow-ups.

! Follow-ups can also serve as educational opportunities to educate employees on the criteria for reportable offenses.

40 Healthcare

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9

Issue Sequence

Issue Follow-Ups by Sector

HOSPITALS, CLINICS, HEALTH SYSTEMS

	2022	2023	2024
Without	75%	74%	84%
With	25%	26%	16%

REHABILITATION, SENIOR CARE

	2022	2023	2024
Without	77%	75%	84%
With	23%	25%	16%

LIFE SCIENCES, BIOTECHNOLOGY

	2022	2023	2024
Without	72%	70%	84%
With	28%	30%	16%

HEALTH FINANCES, SUPPORT SERVICES

	2022	2023	2024
Without	79%	79%	87%
With	21%	21%	13%

● Reports with Follow-Ups　　　　Reports without Follow-Ups

Follow-Up rates have declined substantially across all healthcare sectors, with an average reduction of 9.5% compared to 2023 figures.

Every healthcare sector has achieved follow-up rates between 13% and 16%, indicating a sector-wide improvement in initial reporting thoroughness and investigation efficiency.

This reduction in follow-ups reflects several positive developments: improved first-contact information gathering, more efficient investigation processes, and clearer communication with reporters.

How effectively are you gathering complete information during initial reports? Could dynamic web forms or expert intake specialists reduce follow-ups?

41 Healthcare

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Issue Sequence

THINK ABOUT

• Are patient-initiated reports generating more follow-ups than staff reports? What does this indicate about your intake process?

• What does your follow-up rate suggest about your initial intake process?

• How effectively have you integrated technology to manage communications? Does your technological infrastructure support efficient and effective reporter communication?

$$\text{Original Issue Rate} = \frac{\text{Total Calls - Follow-Up Calls}}{\text{Total Calls}}$$

$$\text{Follow-Up Rate} = \frac{\text{Follow-Up Calls}}{\text{Total Calls}}$$

Subtract your follow-ups from total cases and divide by total cases to get your original issue rate. Find the numbers of cases where a caller returned to the system to follow-up on a report. Divide this number by your total cases to find the follow-up rate.

TIPS

• **Educate intake specialists.** Equip intake specialists with clinical terminology and common healthcare scenarios to capture complete information initially.

• **Enhance intake questioning.** Create specialized intake protocols for categories with historically higher follow-up rates, ensuring more comprehensive information gathering during the initial report.

• **Conduct follow-up root cause analysis.** Review cases with multiple follow-ups to identify and address systematic information gaps.

• **Implement post-resolution satisfaction checks.** Contact reporters after case closure to assess satisfaction with the investigation process.

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Reporting Rate

Average Reports per 100 Employees
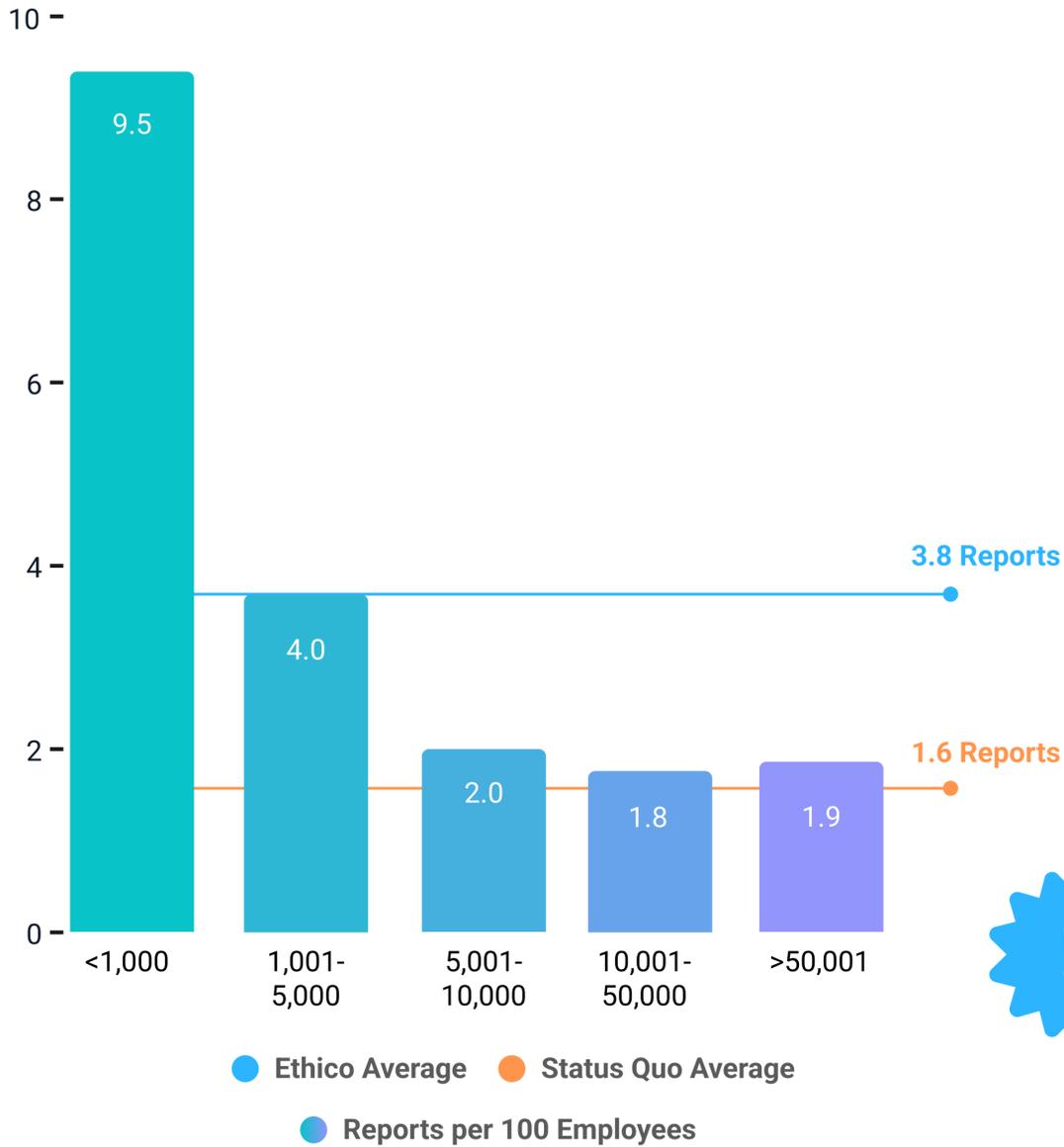
With an aggregate average of 3.8 reports per 100 employees, healthcare organizations using Ethico's solutions continue to significantly outpace the Status Quo average of 1.6 reports.

Smaller healthcare organizations (<1,000 employees) achieved an impressive 9.5 reports per 100 employees, while mid-sized organizations (1,001-5,000) maintained a strong 4.0 reports. The largest healthcare systems (>50,001) saw a slight increase to 1.9 reports per 100.

This inverse relationship between organization size and reporting rate reflects fundamental differences reporting environments. Smaller care facilities typically foster more direct communication channels, while larger healthcare systems may unintentionally create structural barriers to reporting.

For healthcare executives, these metrics represent untapped risk intelligence opportunities. Each additional report potentially prevents litigation, reduces regulatory exposure, and protects both patients and reputation.

Cross-reference report volume with substantiation rates, issue resolution impact, and prevention value to get insights into program effectiveness.

43 Healthcare

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Reporting Rate

THINK ABOUT

- What correlation exists between your reports per 100 employees metric and your patient safety incident rates?

- Are your managers equipped to receive and report issues? Have you implemented a formal proxy reporting system?

- Are your reporting rates affected by seasonal variations in patient census or staffing levels?

- Have you analyzed reporting rates across different demographic groups, locations, or departments? What might these variations reveal about psychological safety differences?

$$\text{Reports per 100 Employees} = \frac{\text{All Reports}}{\text{Number of Employees}}$$

Run a report from your case management system that aggregates all of your reports, then divide by your effective number of employees over the year. This is your reporting rate. Multiply by 100 to find your number of reports per 100 employees.

TIPS

- **Develop reporting quality metrics.** Create a framework that evaluates reports based on factors like completeness, actionability, risk mitigation value, and cultural impact to supplement volume-based metrics.

- **Design physician-specific reporting strategies.** Address the unique barriers that contribute to traditionally lower reporting rates among medical staff.

- **Leverage middle managers.** Ensure managers understand their obligation to document and escalate any issues raised to them.

- **Communicate anti-retaliation policy.** Make sure employees know retaliation for reporting is strictly prohibited.

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The Missing Link: Making the Most of Managers

The most powerful moment in healthcare compliance doesn't happen in the boardroom or within your case management system. It happens when a charge nurse leans across a desk and says to their unit manager, "Can we talk about something that's concerning me?"

Up to 65% of employees witnessed or experienced some form of wrongdoing. However, only 1.5 - 3.5 reports were submitted per 100 employees. Most programs are capturing less than 4% of the total risk intelligence available to them. Where is the rest?

The latest ECI report showed that employees are 6-8x more likely to go to their manager than to a formal reporting hotline.

Nurse managers, clinical coordinators, and department heads conduct regular one-on-ones, lead interdisciplinary discussions, and guide professional development. Each of these touchpoints represents an opportunity for employees to share observations, voice concerns, or seek guidance. The manager's response in these moments communicates far more about organizational values than any policy document ever could.

Unlike senior leaders who may seem distant or compliance staff who employees encounter only occasionally, middle managers maintain ongoing relationships built on regular interaction and mutual dependence. This relational foundation creates a level of psychological safety that formal reporting systems, however well-designed, simply cannot replicate.

65%
of employees have witnessed misconduct in the workplace

1.6
On average, E&C programs only get
1.6 reports per 100 employees

WHERE DO THE REST GO?

45 Healthcare

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Cases originating through manager channels show higher substantiation rates compared to the benchmark average, indicating better quality information. Additionally, these cases reach resolution more quickly than the industry average, creating efficiency gains for compliance teams.

Several factors distinguish organizations succeeding in this area. They implement streamlined reporting mechanisms designed specifically for managers that integrate with existing workflows. They provide targeted capability development, helping managers understand exactly when and how to escalate information they receive. They also align incentives and recognition systems to reinforce the importance of proper risk intelligence sharing.

While middle managers are a gold mine for risk intelligence, they may have to be taught that first. Teach them their own value, then provide managers with the knowledge, tools, and support to fulfill this critical role effectively.

Middle manager proxy reporting capabilities are critical to facilitate the transition of information from informal verbal exchanges to documented intelligence. A simple, accessible form that allows a manager to submit a report on an employees behalf transforms a whispered conversation into actionable data.

Equally important is aligning incentives and recognition to reinforce desired behaviors. This means incorporating ethical leadership measures into performance evaluations and publicly acknowledging managers who effectively surface important issues. Organizations should frame proper escalation not as passing problems upward but as contributing valuable intelligence that strengthens the entire organization.

Organizations can measure the effectiveness of these efforts by tracking: the proportion of total cases originating through manager channels, substantiation rates for manager-submitted reports, and employee feedback on manager responsiveness to concerns.

By transforming middle managers from mere policy enforcers into active ethics partners, compliance teams gain far more than additional risk sensors. This relationship creates a powerful symbiosis that strengthens the entire organizational fabric.

When compliance professionals invest time in understanding managers' operational challenges and tailor their support accordingly, they build credibility that pays dividends across all ethics initiatives. Managers who feel genuinely supported by compliance are more likely to seek guidance when facing ethical dilemmas, creating a virtuous cycle of collaboration.

The result is not merely better risk detection, but a fundamentally transformed organizational culture where ethical considerations become naturally integrated into business decisions at every level, creating sustainable competitive advantage through integrity.

"Organizations that **successfully activate their middle managers as intelligence sources** demonstrate measurably better outcomes."

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Methodology

Our analysis leverages data from over 1,000 organizations, each generating more than 10 reports during each measurement period. The dataset utilized in this report is comprised of approximately 230,000 reports extracted from these organizations in 2024. To facilitate comparison, we reference the "Status Quo Comparison" standard values, derived from Navex Global's 2025 Risk & Compliance Hotline & Incident Management Benchmark Report[1].

Ensuring statistical significance is paramount in our analysis. With larger sample sizes, results are less susceptible to randomness. While the Status Quo Comparison report contained over 2.1 million total reports, differences in sample sizes are not statistically relevant at these population magnitudes. Comparisons between the Status Quo datasets and our Ethico datasets maintain statistical validity.

To provide perspective on dataset sizes, a statistically significant sample from a dataset the size of the Status Quo report (approximately 2.1 million) with a 99% confidence interval and 1% error rate requires just over 21,000 reports. Our sample size exceeds this threshold by nearly 11 times. Given the similarity in the datasets' nature and the application of consistent steps to ensure statistical accuracy, we posit that both datasets exhibit a comparable degree of aggregate and specific normalcy. Throughout this report, we use aggregated raw ratios, rather than averages of averages and untrimmed data as the basis for our reported benchmarks. This approach provides a more conservative and authentic picture of performance, preserves outliers, and doesn't create unnecessary data smoothing.

For the most important metrics with skewed datasets, the resulting mean values are relatively more conservative than the related medians.

For example, "Reports per Employee" dataset has a **positive skew**, with the median value less than its mean value.
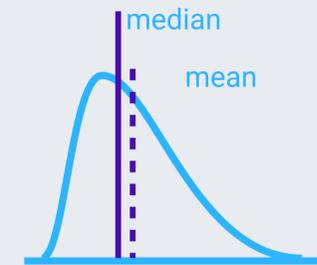
median
mean

In our view, the purpose of benchmarking is to accurately measure performance and identify ways to improve. In all cases, comparing an organization's actual reporting rate per 100 employees to the median rate of 1.9, rather than the average of 3.5 reports, is less conservative.

Our analysis utilizes a robust dataset and follows best practices to ensure statistical accuracy. We provide a conservative and authentic picture of performance by using aggregated raw ratios and untrimmed data. Comparing an organization's actual reporting rate to the median rate is more conservative and more accurate in identifying areas for improvement.

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About Ethico

For over 25 years Ethico has provided leaders who care with corporate integrity solutions that help to crowdsource risk intelligence at scale, improve the bottom line, and reinforce an authentic culture of integrity.

The Ethics & Compliance Optimization System (ecoSystem) is our next-gen integrated risk management platform informed by people working every day to make their workplaces better. It has actually-integrated modules for each of your major goals.

Next-gen workflows eliminate busy work and automatically prioritize your most important risks. Flexible analytics turn data into insights so you know what's working and what's not.

This single integrated platform, supported by our award winning customer service, gives your team the leverage it needs to reduce risk efficiently, gather smart risk intelligence at scale, and reinforce an authentic culture of integrity.

From case management and conflicts of interest/disclosure software, to issue intake and e-learning focused on the human element, to sanction monitoring and exit/stay interviews that drive a positive culture, and incident and third party risk management streamlined to make your life easier -- we are committed to helping you find the right risks while working smarter to make your world better for everyone.

We serve over 9 million employees in more than 150 countries. Our team of highly-trained, compliance-minded professionals has helped E&C leaders investigate over 10 million reports, using leading-edge tech that enables employees to report misconduct without fear of retaliation.

Ethico makes ethics easy by empowering those who care most to **Make The World A Better Workplace.**

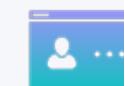Case Management Software

Third-Party Risk Management

Sanction Monitoring

Conflicts of Interest

Omnichannel Issue Intake

Ethics Portal

Flexible Disclosure Forms

Exit & Stay Interviews

Incident Management

HR & Compliance Training Library

Awareness and Communications

Data Analytics & Reporting

48 Healthcare

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