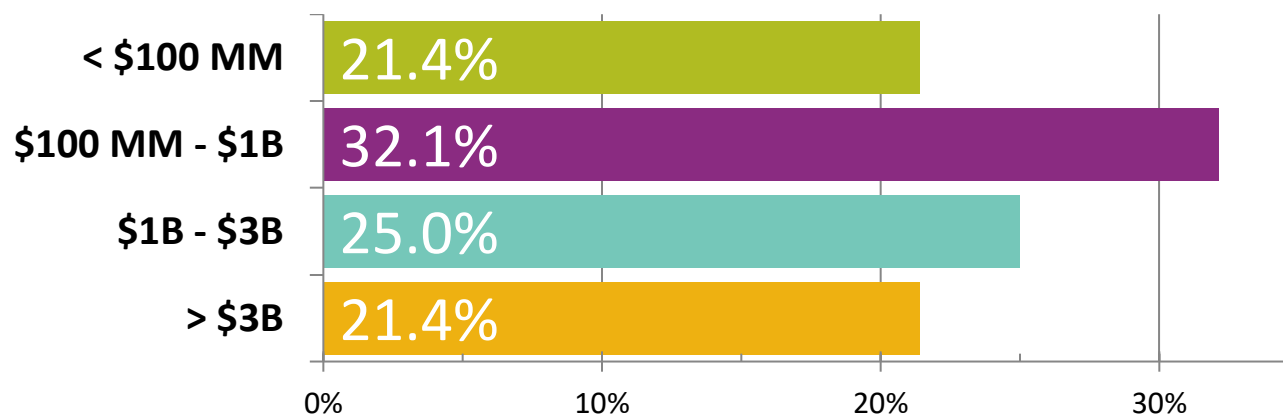


APRIL 2019 ADVAMED DDCG BENCHMARKING SURVEY ON COMPLIANCE DEPARTMENT BUDGET, STAFFING, STRUCTURE & TALENT DEVELOPMENT

as of 2014-04-13 (n=28)

DEMOGRAPHICS

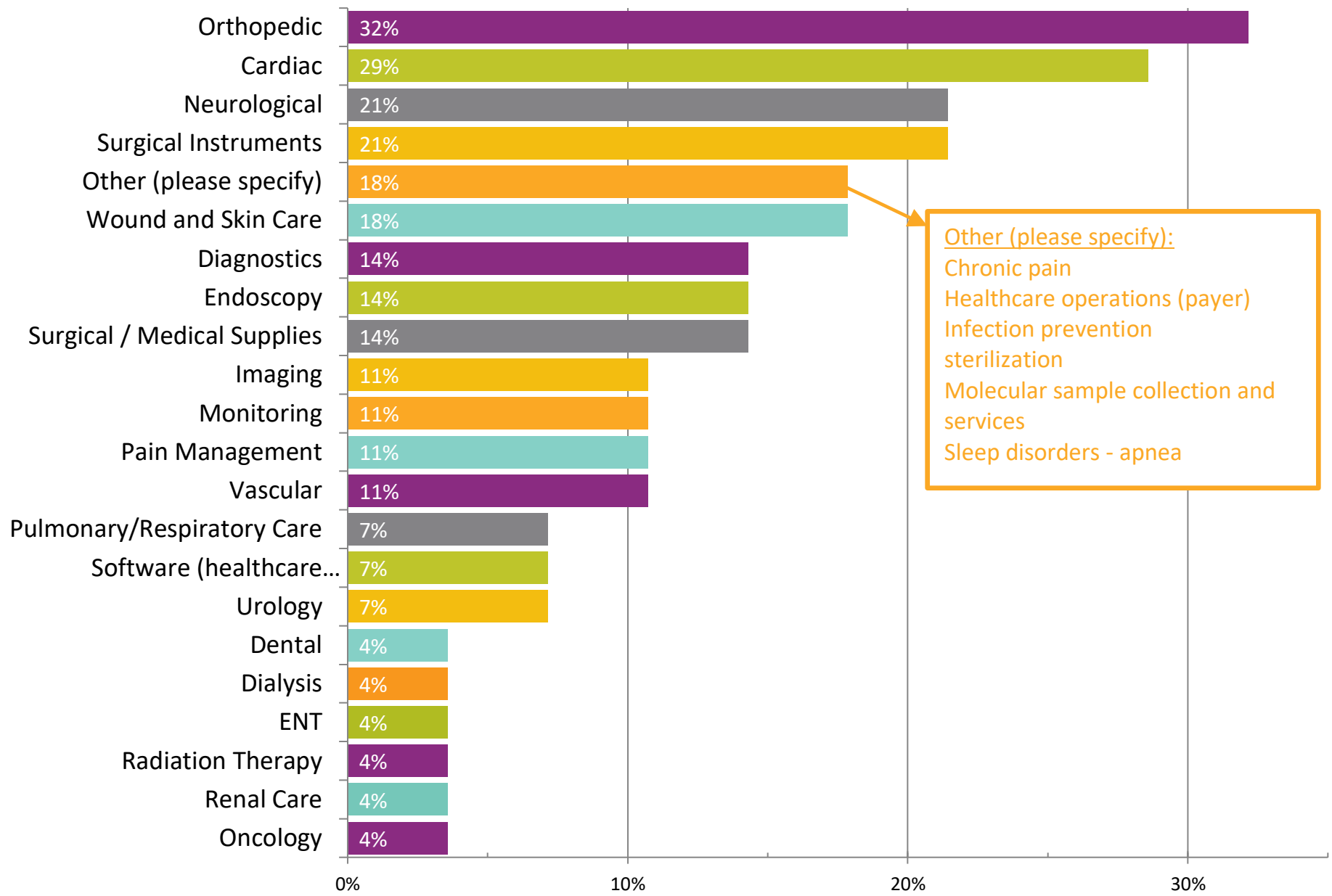
2018 worldwide gross revenue from the businesses supported by the respondents' compliance departments falls into the following distribution:



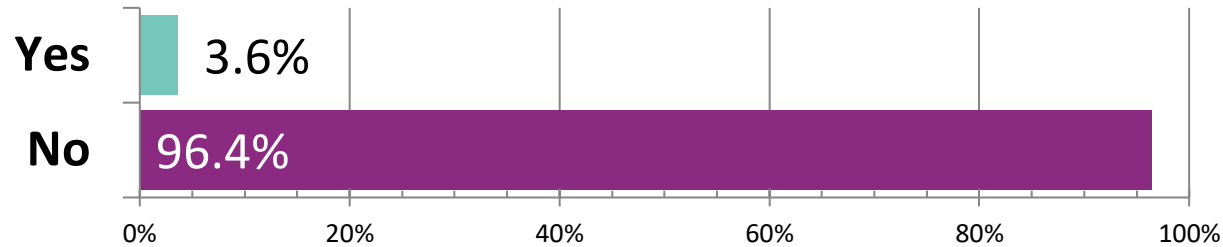
Employees at the businesses supported by respondents' compliance programs:

Range:	15 – 50,000
25 th Percentile:	468
Mean:	8,776
Median:	2,600
75 th Percentile:	6,875

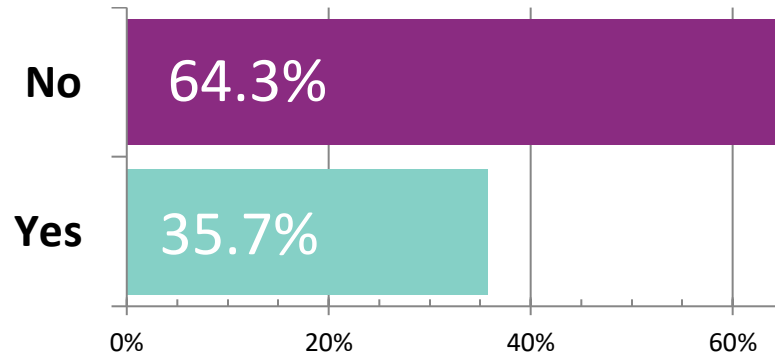
Respondents' chief industry sectors:



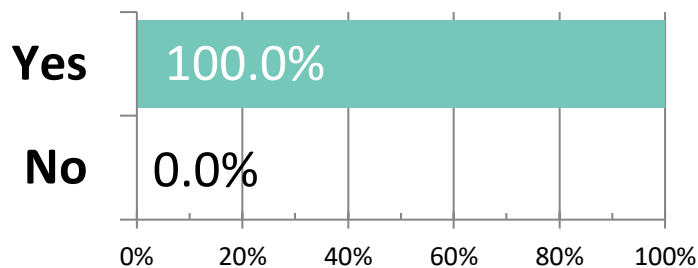
Currently under a CIA or DPA



Previously under a CIA or DPA in the last 15 years

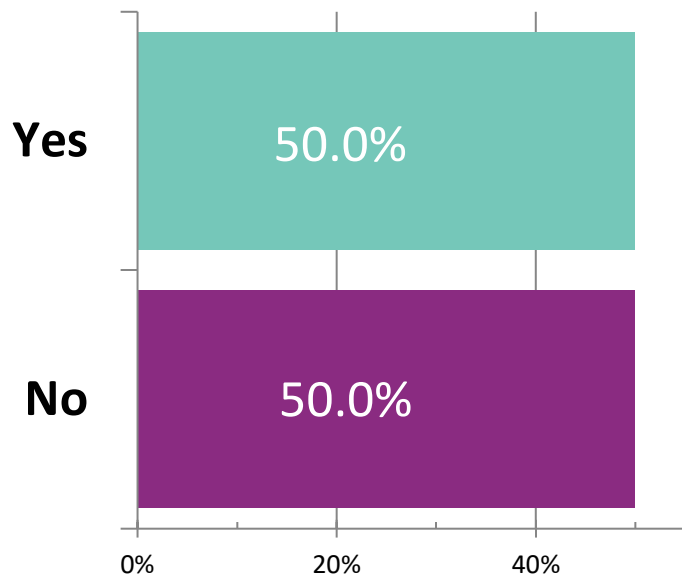


Did compliance recruit additional resources during the CIA or DPA?



- DPA which resulted in increased compliance staff
- Legal department recruited additional Compliance resources during this time (the resources ended up not being the right fit)
- I was hired to address an NPA. The Compliance department has grown 400% in 3 years.
- We more than doubled the headcount of compliance staff (excluding Professional Affairs which reported to compliance at that time)
- We created contracts administrators designed to business units.
- The organization hired a number of Professional Affairs employees.
- Initial expansion of the program resulted in split roles (RAQA/Compliance) being converted to dedicated compliance heads. Some additional infrastructure was created at a corporate level.

Did your company restructure the Compliance department following the expiration of the CIA or DPA?



- Yes, globally
- Company implemented recommendations made by outside counsel. The Compliance budget was not affected, but the company restructured in a way to include more senior-level personnel.
- Not immediately. The department continued to expand as the business continued to expand. The compliance department was restructured and many compliance analyst/manager roles were eliminated. These responsibilities have been taken on by the commercial business and others are being centralized or automated to facilitate scalability.
- Normal organizational shifts

How many employees work within your Company's Compliance Department?

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	28	3.0	16.4	6.5	22.5
0 - \$100MM	6	1.6	2.0	2.0	2.0
\$100MM - \$1 B	9	3.5	5.6	4.0	5.0
\$1B - \$3 B	7	8.5	14.4	16.0	21.0
> \$3 B	6	35.5	49.2	47.5	57.3

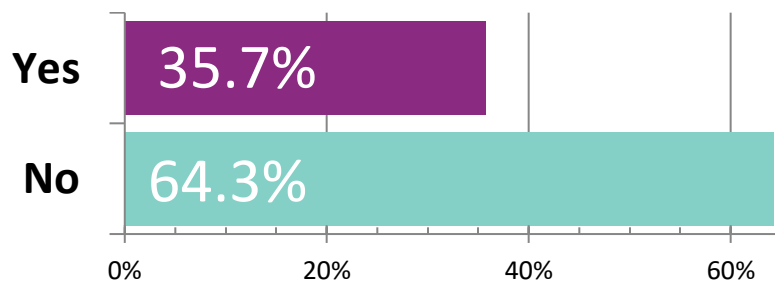
Attorneys in Respondents' Compliance Department

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	28	1.0	3.5	2.0	3.0
0 - \$100MM	6	0	0.3	0.0	0.8
\$100MM - \$1 B	9	1.0	1.7	2.0	2.0
\$1B - \$3 B	7	1.5	3.1	2.0	2.5
> \$3 B	6	5.0	9.8	8.5	14.3

Non-Attorney, Compliance Professionals Respondents' Compliance Department

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	28	1.9	12.9	4.0	19.3
0 - \$100MM	6	1.1	1.6	1.8	2.0
\$100MM - \$1 B	9	1.5	3.9	3.0	3.0
\$1B - \$3 B	7	6.0	11.3	13.0	16.5
> \$3 B	6	30	39.3	35.0	40.8

Does your company have FTEs that primarily handle compliance, but are not a part of the Compliance Internal spend?



FTEs Outside of Compliance			
25th %	MEAN	MEDIAN	75th %
1.5	3.3	2.0	4.0

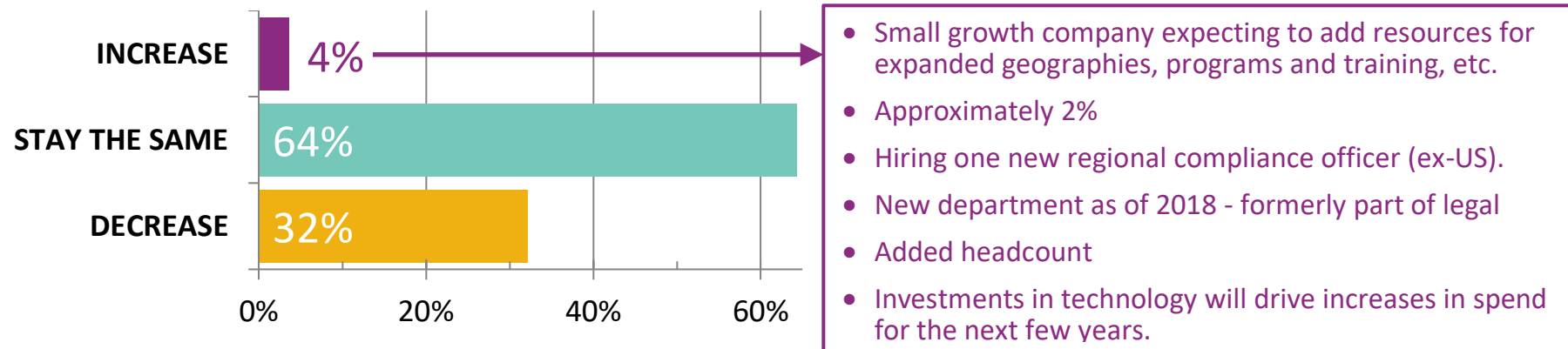
All-in Compliance Budget (including employee salary, benefits, etc.)

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	28	\$593,750	\$3,777,300	\$2,400,000	\$4,275,000
0 - \$100MM	6	\$160,500	\$298,667	\$300,000	\$437,500
\$100MM - \$1 B	9	\$550,000	\$1,907,143	\$950,000	\$2,900,000
\$1B - \$3 B	7	\$1,000,000	\$2,440,000	\$3,000,000	\$3,500,000
> \$3 B	6	\$7,800,000	\$9,820,000	\$8,000,000	\$9,300,000

2019 Budget for INTERNAL Compliance Spend

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	28	\$525,000	\$3,369,444	\$1,312,500	\$3,675,000
0 - \$100MM	6	\$102,500	\$318,333	\$190,000	\$470,000
\$100MM - \$1 B	9	\$525,000	\$1,474,167	\$712,500	\$2,456,250
\$1B - \$3 B	7	\$637,500	\$1,512,500	\$1,375,000	\$2,250,000
> \$3 B	6	\$6,200,000	\$8,960,000	\$8,000,000	\$8,800,000

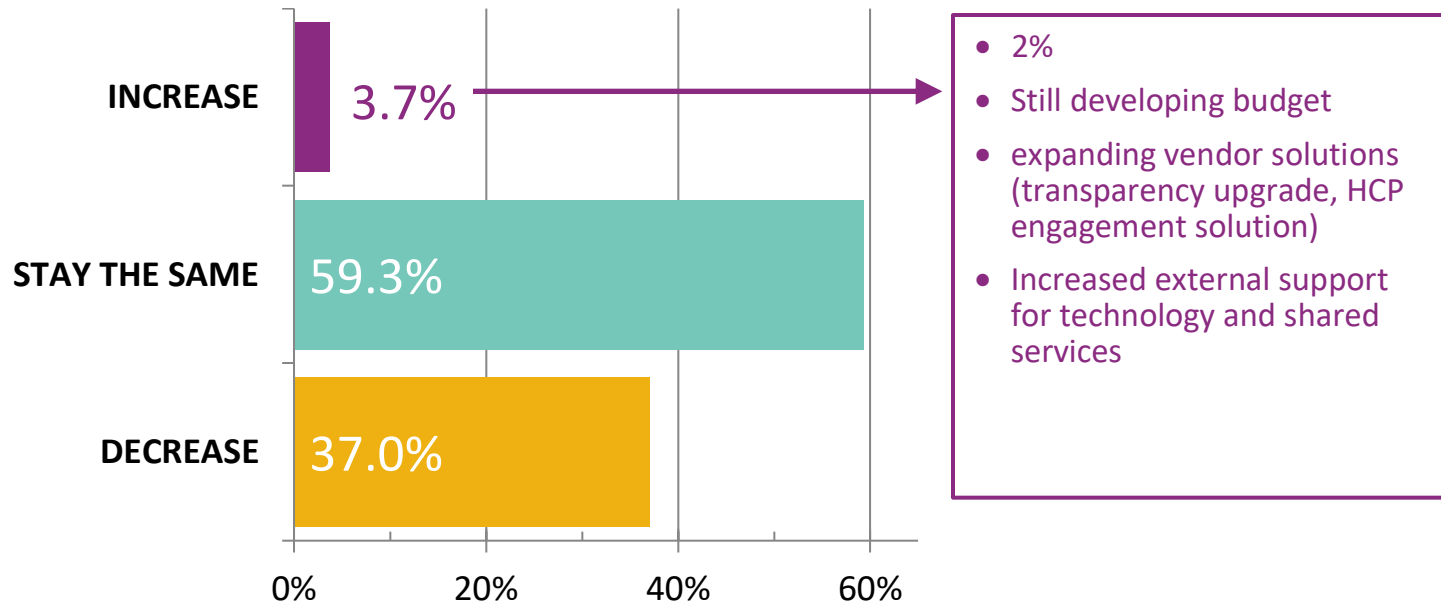
Relative to 2018, I expect my 2019 INTERNAL Compliance Spend to:



2019 Budget for EXTERNAL Compliance Spend

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	28	\$56,250	\$496,591	\$275,000	\$975,000
0 - \$100MM	6	\$0	\$36,000	\$20,000	\$75,000
\$100MM - \$1 B	9	\$62,500	\$415,833	\$112,500	\$781,250
\$1B - \$3 B	7	\$350,000	\$708,333	\$500,000	\$1,025,000
> \$3 B	6	\$500,000	\$800,000	\$900,000	\$1,000,000

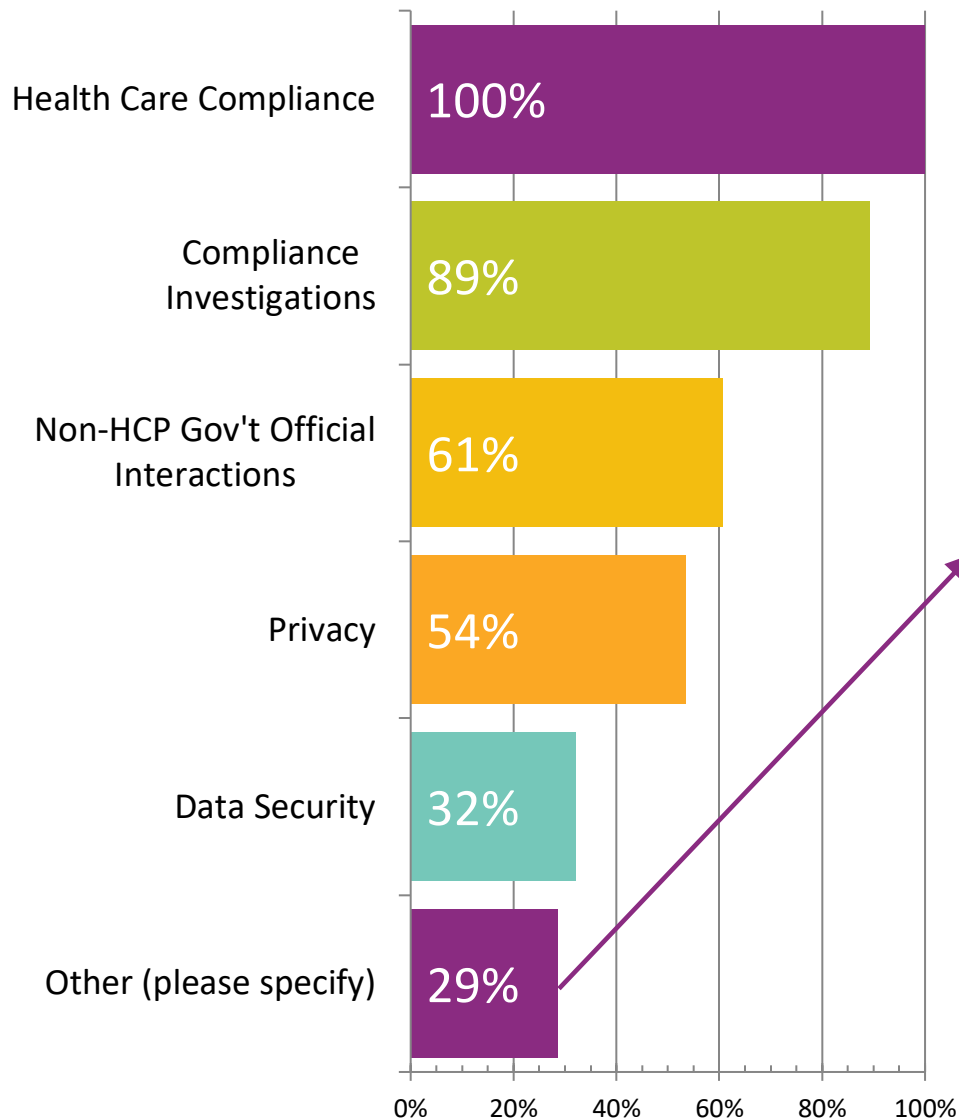
Relative to 2018, I expect my 2019 EXTERNAL Compliance Spend to:



Any tools or tips on how to justify your budget?

- Relative to other company spend, our compliance budget is small and the leadership of the company understands the importance of company resource allocation to compliance, so luckily, I don't get any pushback. Best practices and benchmarking of other companies is very useful.
- Long term risk reduction, overall commitment to ethical business conduct
- The Board lived through the enforcement activity and they think it's a positive to ensure that the Compliance budget is at least 1% of total revenue.
- Fortunately, I have very strong Executive and Board support for Compliance in my organization so justifications are not necessary.
- In the past I have used the following rationale: "Mo' money, mo' problems." -- Notorious B.I.G.
- Strong link to business strategy, outcomes, sales--transparency into internal compliance programs aimed at simplification and standardization and operational support for products and services--dashboards for compliance including risk, incident and threat management, CAPAs and compliance roadmaps-- market analysis and benchmarking
- External assessments; strong program; creating value as business partners; enforcement trends; expectation of continued enhancement/growth by enforcement agencies
- Focus discussions on solutions to present risks/problems (which may include hiring staff) - rather than the general concern that there is more work than the department can complete.
- Budget and Staffing Survey from HCCA and SCCA
- No, but perhaps this bench-marking could help
- Continue to show key metrics, identifying risks and monitoring for management
- We leverage a strategic plan that is aligned to departmental and corporate objectives.

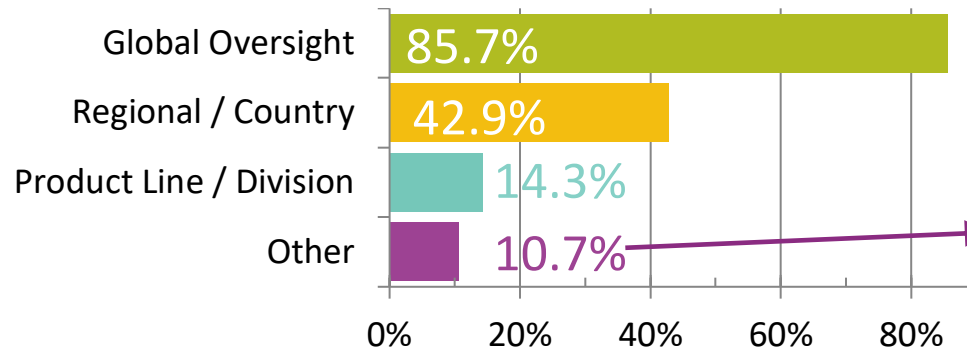
What is the scope of work of your Compliance Department?



Other (please specify):

- Human Rights
- Sustainability
- Conflicts of interest
- Professional Affairs
- HCP contracting
- Consultant credentialing (shared responsibility w/Medical Affairs)
- Oversight for Grants & Educational Event Requests
- Transparency compliance
- Data Security is in conjunction with IT
- Data Governance
- HIPAA but not general DP (handled elsewhere)
- Global anti-corruption (employee and business partner)
- Trade Compliance; Export Customs & Controls
- Compliance Auditing
- Interactions with other Government Officials does not include areas like Regulatory/ Quality, Customs, or EHS.

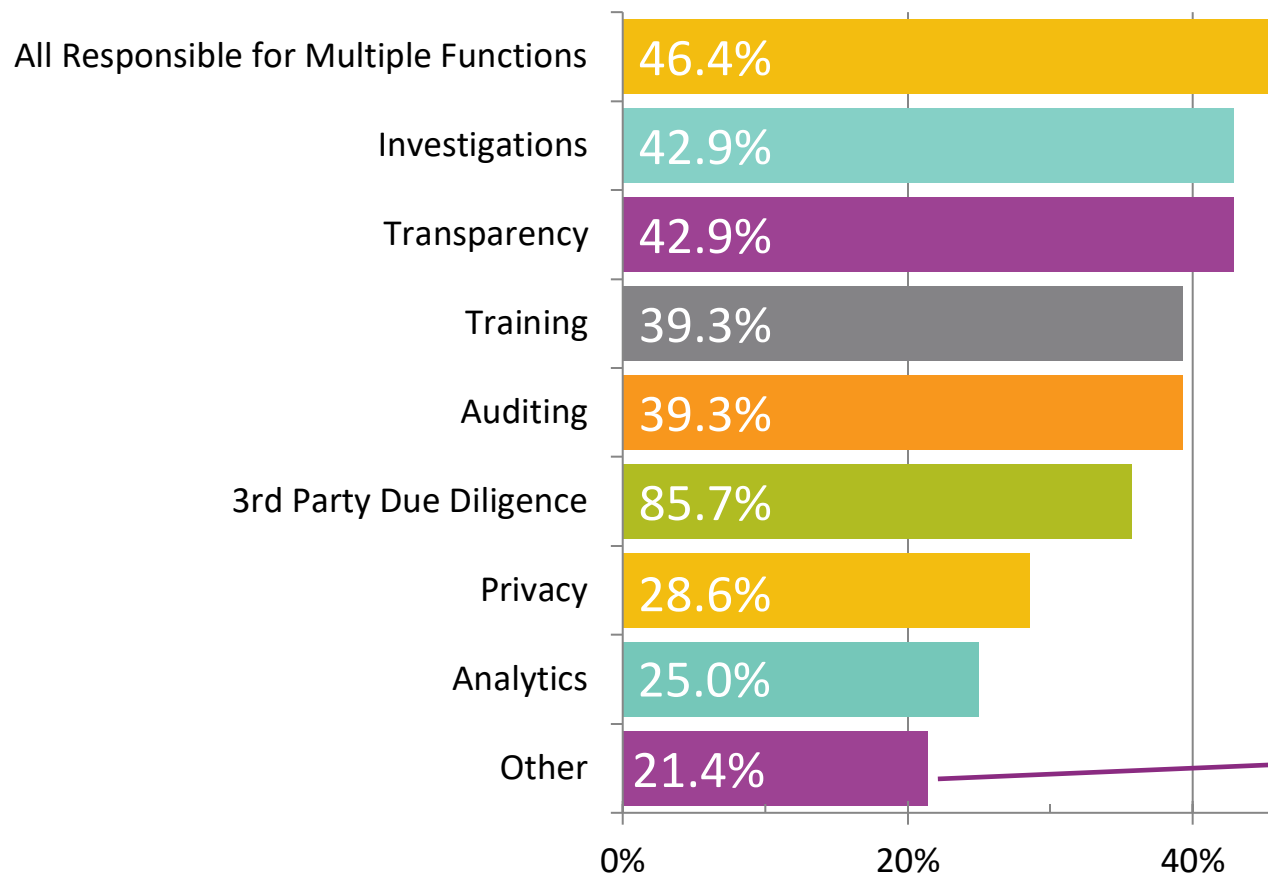
Compliance Department Organization



Other (please specify):

- Global Program, under one executive officer, with regional compliance officers
- Specialty groups like Data Privacy and Third-Party Compliance
- Organized through essential elements of a compliance program

Functions with Dedicated, Full-Time Employees

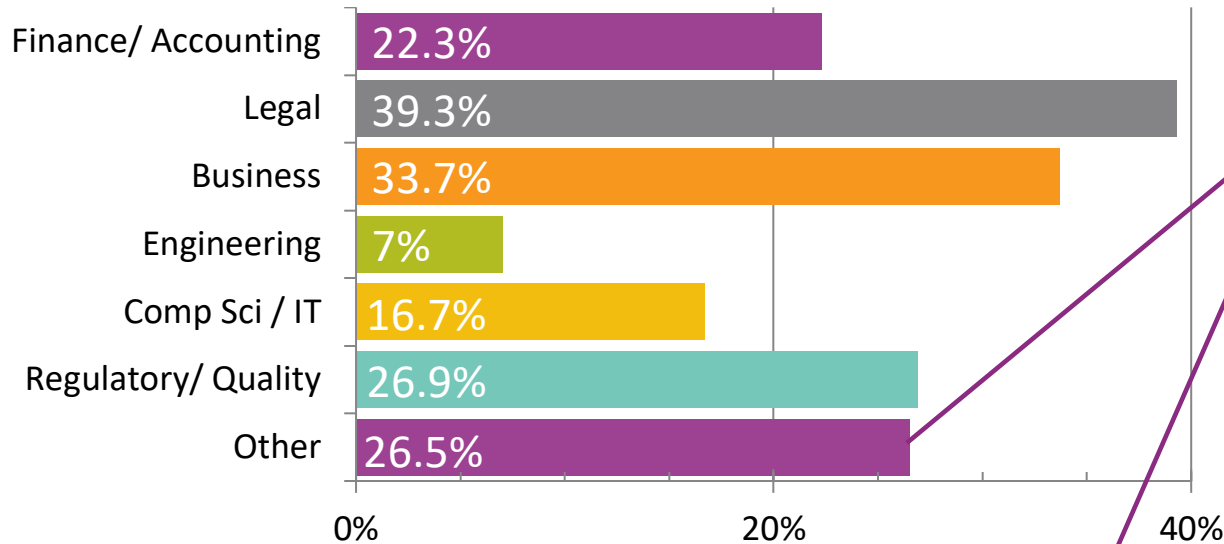


Other (please specify):

- Professional Affairs
- Data Governance

Education / Background of Professionals in Compliance Department

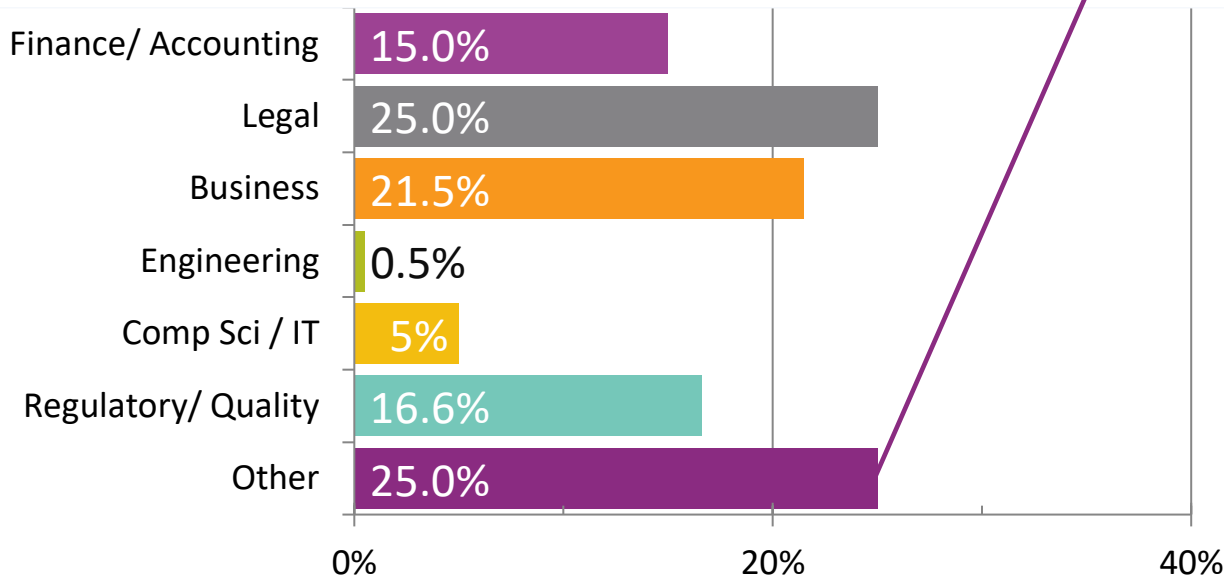
Average % Background



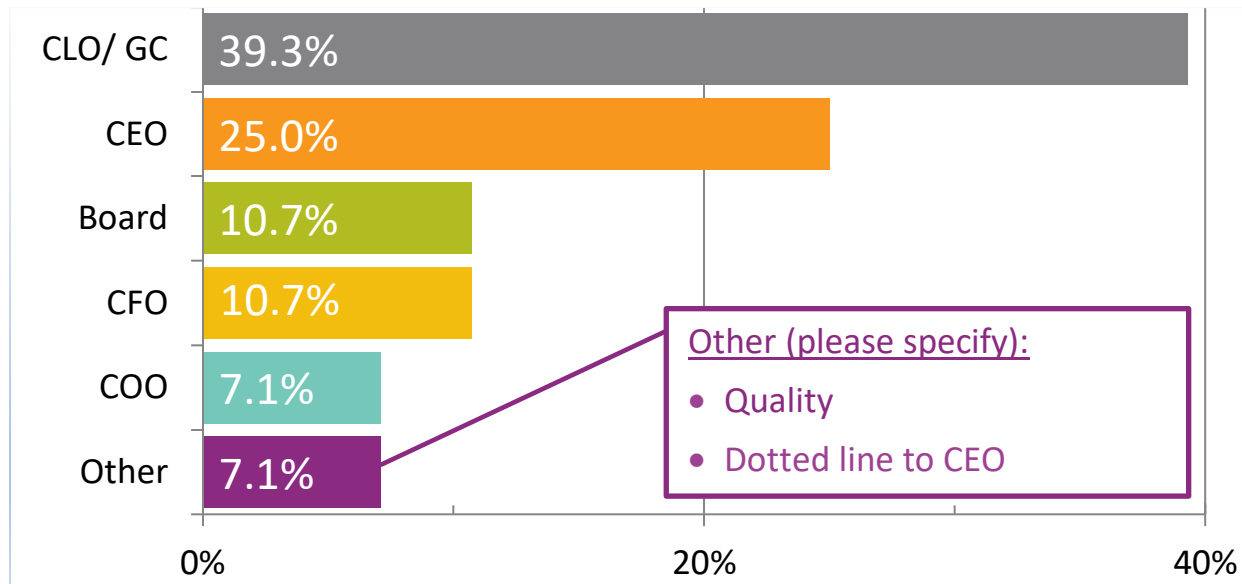
Other (please specify):

- Project Management (4)
- Human Resources (3)
- Hospital Admin/ MHA (3)
- Certified Compliance & Ethics Professional (CCEP)
- Law Enforcement
- Nursing
- Education
- Physician Contracting/ Event Specialist
- Psychology
- Communications
- Administrative
- Paralegal
- Certified Auditors

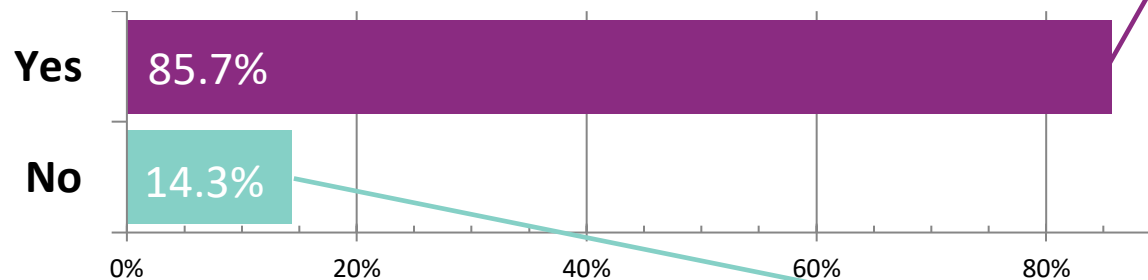
Median % Background



Where does the head of your compliance department/ function report to?



Does your company have a Compliance Committee?



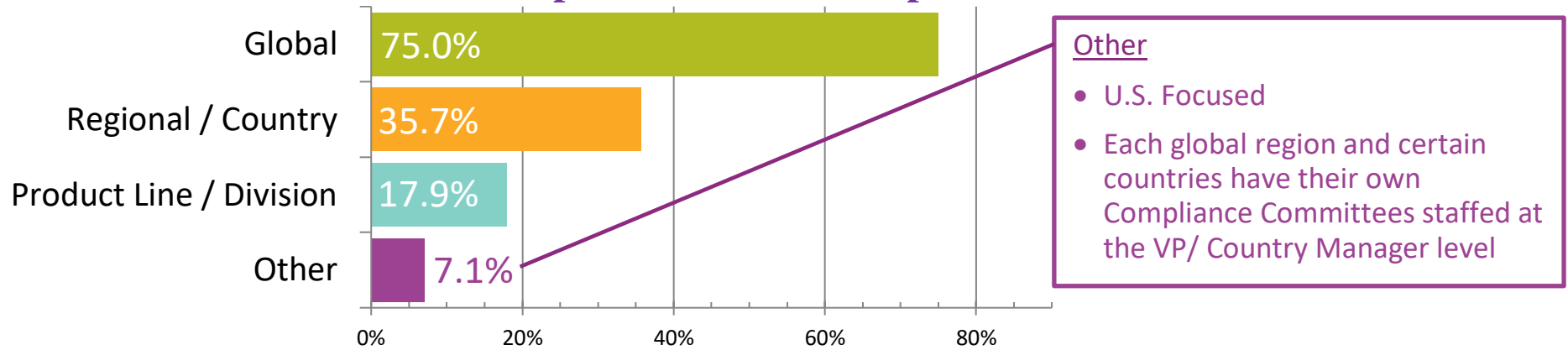
Comments:

- For Data Access and Compliance
- Global Executive Level Committee, staffed by Corporate VPs and Other Functional Leaders
- Multiple- Global and Regional
- We have 41 Active Compliance Committees Globally

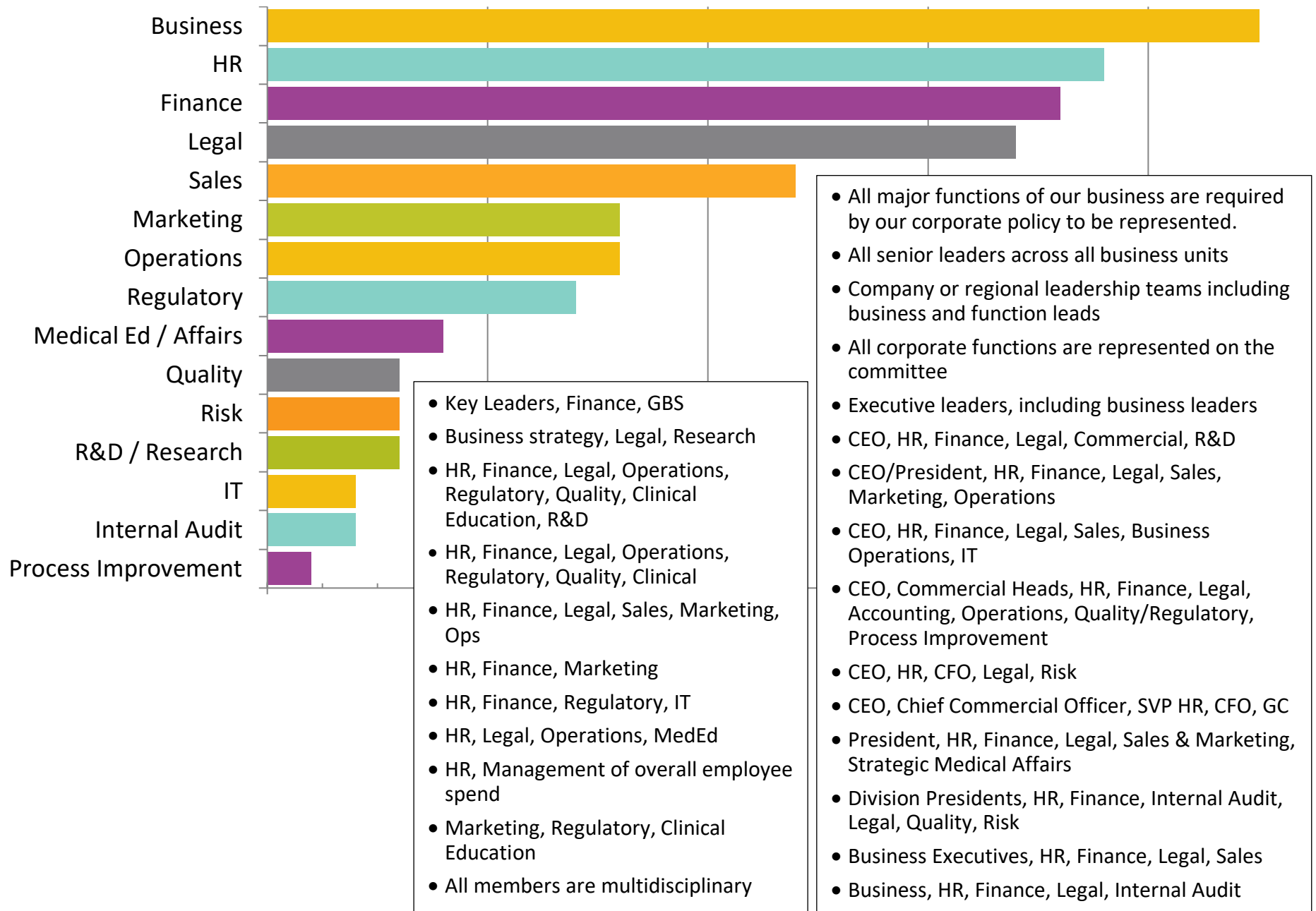
Comments:

- Building one now

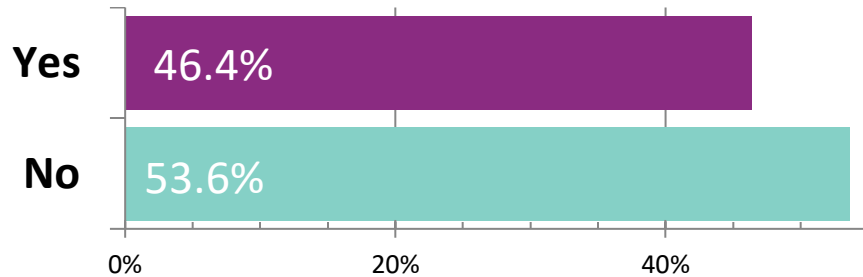
Please indicate the Level the Compliance Committee operates on.



What functions outside of compliance sit on your Compliance Committee?



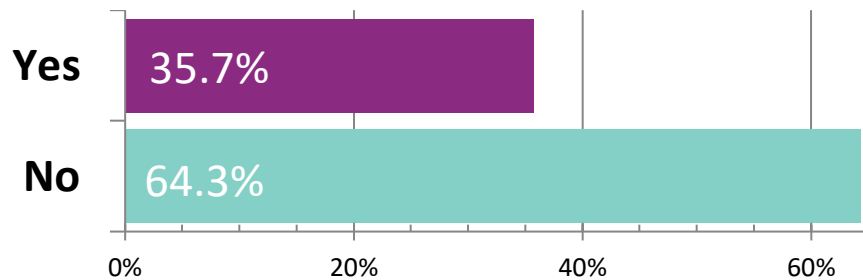
Does your company have written guidelines delegating compliance responsibility throughout the company?



- Code of conduct says that Compliance is everyone's responsibility
- Corporate Policy #8

- Guidelines are being written now
- I don't understand the question

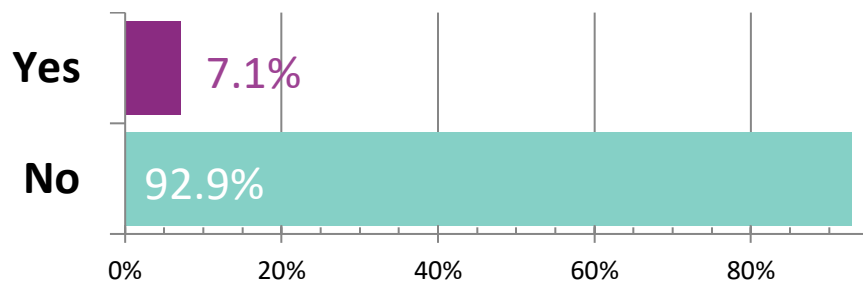
Does your company have official Compliance Champions designated within the business?



- The Legal Department
- In certain regions and countries; not in U.S.
- Where we do not have compliance committees. we

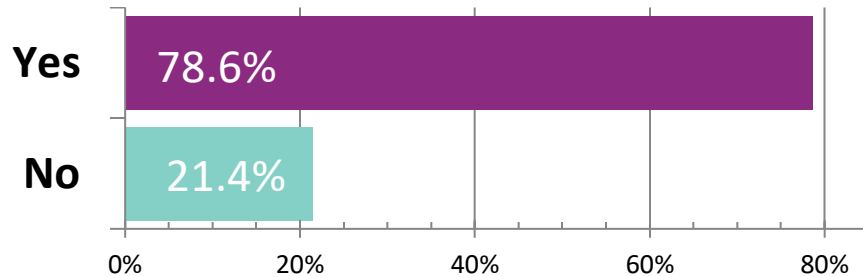
- Not official, but strong allies / ambassadors / champions in many departments
- We are too small of a company at this point

Does your compliance department utilize internships or rotational employees as part of a development program?



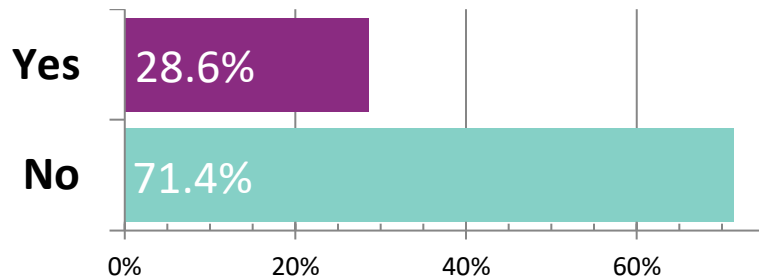
- Where possible we use interns
- We hire multiple interns annually (corporate or regionally based). We do not have a rotational program, but utilize leave coverage as development opportunities where possible.

Do your existing compliance professionals receive professional development other than on-the-job training?



- 1 attended the AdvaMed Compliance boot camp; 2 completed Ethics/corporate compliance, AdvaMed, Anti-kickback training online
- Attendance at conferences; Mentoring from outside counsel
- Seminars and use of Outside Experts
- Various Seminars and Conferences, SCCE certifications, AdvaMed meetings, MDMA meetings/events, other training (project management, difficult conversations, etc.)
- AdvaMed training
- HCCA meetings and seminars
- We provide exposure to outside training
- They are given the opportunity to participate in internal professional development workshops and 1-2 conferences per year.
- Attendance to third-party conferences once a year and internal training. Internal training is mainly focused on general subjects such as project management, PowerPoint, Leadership etc.
- Receiving certifications and attending compliance congresses is strongly encouraged.
- Seton Hall cert program, third party conferences, webinars, sales trainings
- Very limited
- Membership in professional societies, conferences, certification, standards committees
- External classes and industry meetings
- CCEP; Webinars; Lunch and Learns; Industry Association Working Groups
- They each get to attend one out-of-state conference; frequent webinars; encouraged to do public speaking and writing on compliance topics.
- Some sent to Seton Hall certification program; everyone gets to go to at least one professional conference.
- Where needed we supplement with outside courses
- Conferences, seminars, continuing education
- Internal developmental training
- All compliance professionals are required to complete a minimum of 8 hours (minimum of 2 different events) professional learning annually.
- Conferences & Training

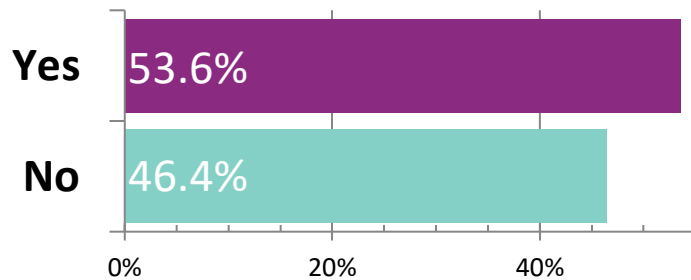
Do your compliance professionals have defined career ladders or progression plans?



- This is in its nascent stage

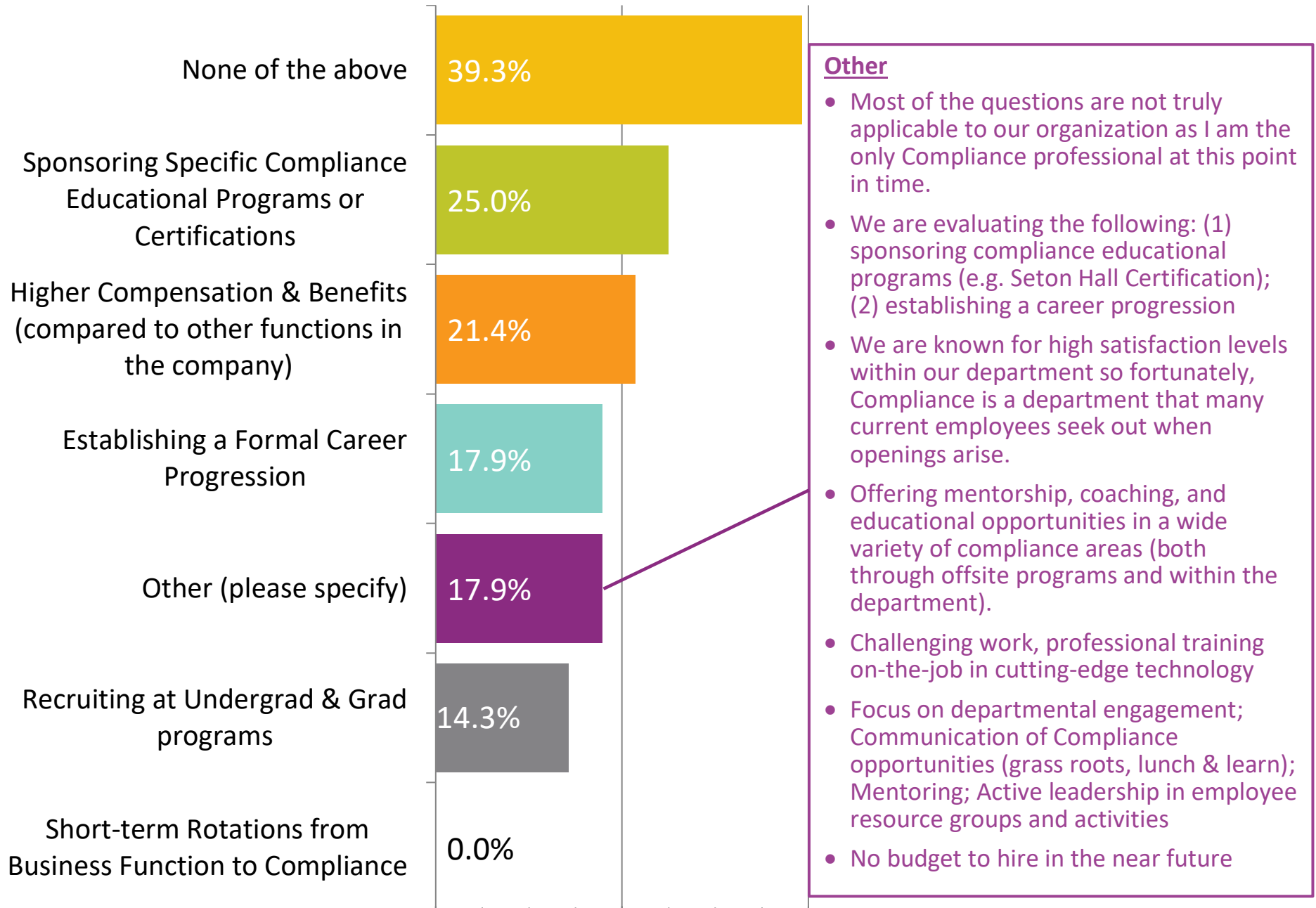
- Not all, the more senior members do
- Employees are encouraged to own their development and to initiate an Individual Development Plan in partnership with their manager. There is no defined progression, but a career matrix that allows employees to understand the differences in responsibility at each level/role.

Do your compliance professionals get training on soft skills?



- This Internal training programs on difficult conversations, communications seminars
- Our company's learning program offers training on soft skills (like having difficult conversations) that are available to all employees.
- Multiple HR/Learning Development courses are provided.
- Lunch and learns; HR internal training on Emotional Intelligence competency; Cross functional projects are examples
- Managers receive communication training.
- We offer multiple trainings at our company -- for example, effective communications; project management; leadership training
- Business partnering, influencing without authority
- Additional training and skill-building workshops
- Leadership & Cultural Training; HR Training
- Design thinking, Agile Scrum training
- Through coaching
- Corporate training
- Very limited

What actions, if any, is your company taking to attract talent to compliance roles within your organization?



What does your compliance department do to develop talent?

- Primarily OJT and internal education.
- Coaching from my supervisor. Conferences. On the job learning.
- Educational seminars and conferences, internal training, inclusion in various interactions with range of stakeholder/business partners to develop confidence/relationships
- Our challenge is keeping FTE compliance professionals once they develop expertise. They typically go to other organizations where they can earn more.
- Allows opportunities for cross-training in other regions and product lines, face-time with the Board and senior executives and weekly team meetings that expose them to the experiences of their peers.
- We do not have a current development strategy
- See previous responses.
- All of the above. A commitment to career development, including listening to the interests of each employee on their future, providing insight into possible opportunities that align with their skills, training on soft skills like emotional intelligence, and listening to what rewards motivate each individual (e.g., a day off, a gift card, celebratory lunch or dinner, public or private praise).
- We encourage that our employees be well rounded and take advantage of as many low cost or free opportunities to improve themselves as possible. Toastmasters, mentorships, job sharing, etc. Strong leadership makes for good coaching. We emphasize the importance of a strong organizational understanding by learning the business and those that work in it. We try to orient employees towards projects so that they move beyond their comfort zones and explore other aspects of compliance and the business.
- Training on-the-job in multi-functional compliance teams
- Loose mentorship and encouragement of professional meetings and events.
- Our company has a formal talent development process, where we identify development opportunities and consider succession planning, undertaken annually
- Individual development plans for key staff which include coaching, special assignments, and leadership courses
- Global Compliance Training Programs
- Strengths coaching; Managerial training (HR sponsored); Career Matrix, IDPs; strategic workforce planning; talent reviews
- Cross Train

Compliance Budget as % of Revenue

2019 Compliance Budget ÷ 2018 WWG Revenue from Businesses Supported by Compliance Department

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	20	0.096%	0.693%	0.218%	0.600%
0 - \$100MM	3		3.194%	3.500%	
\$100MM - \$1 B	7	0.173%	0.425%	0.480%	0.600%
\$1B - \$3 B	6	0.067%	0.146%	0.159%	0.231%
> \$3 B	5	0.029%	0.114%	0.143%	0.186%

Revenue per Total Compliance Spend

2018 WWG Revenue from Businesses Supported by Compliance Department ÷ 2019 Compliance Budget

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	20	\$167	\$1,495	\$460	\$1,086
0 - \$100MM	3		\$39	\$29	
\$100MM - \$1 B	7	\$167	\$517	\$208	\$682
\$1B - \$3 B	6	\$432	\$1,078	\$629	\$1,500
> \$3 B	5	\$538	\$4,156	\$700	\$3,500

Compliance Staff per Billion in Revenue

of Employees in Compliance Dept. ÷ (2018 WW Gross Revenue ÷ 1 Billion)

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	26	5.8	40.8	9.9	17.0
0 - \$100MM	5	83.3	172.8	100.0	333.3
\$100MM - \$1 B	8	8.8	13.7	13.0	18.0
\$1B - \$3 B	7	6.3	8.0	7.3	10.3
> \$3 B	6	3.5	5.1	5.0	7.0

Revenue per Compliance Staff

Revenue ÷ Compliance Staff

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	26	\$59,232,955	\$263,603,542	\$101,020,408	\$172,916,667
0 - \$100MM	5	\$3,000,000	\$19,760,000	\$10,000,000	\$12,000,000
\$100MM - \$1 B	8	\$55,468,750	\$103,184,613	\$77,380,952	\$125,000,000
\$1B - \$3 B	7	\$102,500,000	\$275,335,498	\$137,500,000	\$158,333,333
> \$3 B	6	\$145,535,714	\$667,011,116	\$204,166,667	\$292,708,333

Internal Spend per Compliance Staff

Internal Spend ÷ Compliance Staff

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	18	\$115,625	\$201,100	\$172,671	\$238,170
0 - \$100MM	3	\$101,250	\$234,167	\$107,500	\$303,750
\$100MM - \$1 B	6	\$167,857	\$212,599	\$188,839	\$234,375
\$1B - \$3 B	4	\$114,583	\$173,674	\$130,682	\$189,773
> \$3 B	5	\$173,913	\$189,403	\$179,592	\$221,429

External Spend per Compliance Staff

External Spend ÷ Compliance Staff

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	19	\$22,233	\$72,137	\$33,333	\$84,375
0 - \$100MM	3		\$34,167	\$42,500	
\$100MM - \$1 B	6	\$31,771	\$116,419	\$54,167	\$147,321
\$1B - \$3 B	6	\$25,694	\$78,209	\$60,764	\$135,938
> \$3 B	4	\$10,989	\$25,084	\$16,495	\$30,590

Total Compliance Spend per Compliance Staff

(Internal + External Spend) ÷ Compliance Staff

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	20	\$156,818	\$267,521	\$209,375	\$335,714
0 - \$100MM	3		\$268,333	\$150,000	
\$100MM - \$1 B	7	\$218,750	\$332,015	\$318,750	\$421,429
\$1B - \$3 B	5	\$159,091	\$234,790	\$185,000	\$218,750
> \$3 B	5	\$189,796	\$209,471	\$195,652	\$278,571

Internal Spend % of Total Compliance Spend

(Internal Spend) ÷ (Internal Spend + External Spend)

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	19	75.0%	80.5%	83.3%	89.4%
0 - \$100MM	3		84.4%	90.5%	
\$100MM - \$1 B	6	75.4%	76.9%	79.9%	86.0%
\$1B - \$3 B	5	70.0%	74.9%	75.0%	85.7%
> \$3 B	5	79.5%	88.1%	88.9%	94.6%

Internal to External Spend Ratio

Internal Spend ÷ External Spend

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	19	2.4	5.3	3.9	7.3
0 - \$100MM	3		7.3	9.5	
\$100MM - \$1 B	6	1.6	4.3	4.1	6.2
\$1B - \$3 B	6	1.6	3.2	2.7	5.3
> \$3 B	4	3.8	8.2	5.9	10.4

Revenue per Internal Spend

2018 WW Gross Revenue ÷ Internal Spend

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	19	\$317	\$1,880	\$568	\$1,439
0 - \$100MM	3		\$50	\$32	
\$100MM - \$1 B	6	\$268	\$692	\$458	\$943
\$1B - \$3 B	5	\$500	\$1,506	\$1,100	\$2,000
> \$3 B	5	\$613	\$4,779	\$700	\$4,516

External Spend % of Revenue

(External Spend) ÷ (2018 WW Gross Revenue)

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	19	0.0132%	0.1371%	0.0400%	0.1906%
0 - \$100MM	3		0.3917%	0.4167%	
\$100MM - \$1 B	6	0.0204%	0.1847%	0.0906%	0.2153%
\$1B - \$3 B	6	0.0203%	0.0437%	0.0323%	0.0595%
> \$3 B	4	0.0050%	0.0148%	0.0082%	0.0180%

Revenue per External Spend

2018 WW Gross Revenue ÷ External Spend

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	19	\$563	\$11,492	\$2,500	\$7,600
0 - \$100MM	3		\$258	\$240	
\$100MM - \$1 B	6	\$490	\$4,496	\$1,604	\$6,025
\$1B - \$3 B	5	\$1,850	\$3,778	\$3,100	\$5,300
> \$3 B	5	\$8,094	\$41,983	\$12,778	\$46,667

Cost per Staff Hour (= Internal Compliance Spend ÷ # Employees in Compliance Dept. ÷ 1800 hours)

WW Gross Revenue	n	25th Percentile	MEAN	MEDIAN	75th Percentile
ALL RESPONDENTS	19	\$66	\$111	\$95	\$129
0 - \$100MM	3		\$130	\$60	
\$100MM - \$1 B	6	\$93	\$118	\$105	\$130
\$1B - \$3 B	5	\$69	\$95	\$76	\$89
> \$3 B	5	\$97	\$105	\$100	\$123