



What is Healthcare Compliance Software?

(And How Should You Evaluate it?)





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1

Introduction

Healthcare compliance is a critical part of your organization, both in the protection of your patients and your business itself; without proper safeguards, policies, and visibility, you and your patients have an awful lot to lose.

Perhaps you've set out to understand this critical aspect of healthcare, or maybe, like so many others in medicine, the beast of compliance is so onerous that you don't know where to begin. Let's fix that.

Healthcare compliance is infuriatingly complex—and because it's always changing, implementing it correctly is no small task. This is where compliance software comes in. Compliance software is exactly what it sounds like: software that manages your healthcare compliance needs. The right needs—hopefully.

Why “hopefully”? Because not all healthcare compliance software manages the areas of compliance that you need. Compliance isn't static, like a checkbox you can tick and move on. Compliance is complex, spread across teams and departments. It's a holistic, interconnected web of responsibilities, policies, and reporting, and it doesn't stop.

You need to find the right software not only to manage all of that, but to do so without requiring all of your time and energy just to keep up.

2

The 7 Elements of an Effective Compliance Program

Remember how we mentioned that enforcement is pretty transparent? The Department of Health and Human Services (HHS) Office of the Inspector General (OIG) wants you to succeed. They want you to do the right thing so that they don't have to issue fines or other enforcement actions. However, because they are so clear in their expectations, they are less forgiving of those who slip up.

Their expectations are outlined in the OIG's "seven elements of an effective compliance program"—the minimum necessary requirements to maintain compliance. Note that we said "maintain," because compliance is ongoing—that's going to be a key theme, and an important way that good compliance software differentiates itself.

Each of the seven elements requires robust, organization-wide enforcement, coordination, and documentation, in addition to annual review in many cases. How does healthcare compliance software manage all of that? Very easily and without much work from you, if you choose the right product.



3

Create a Compliant Workforce

If your employees aren't compliant, your organization isn't compliant.

That's a simple statement with a lot of implications. Everyone in your organization is either contributing to your compliance, or creating gaps in it—gaps that could lead to major fines.

Part of creating a compliant workforce is supplying everyone at your organization with the right tools and knowledge to succeed. Perhaps a larger part of the solution lies in the cultivation of a culture of compliance (say that ten times fast) so that everyone understands their role in safeguarding patients and preventing gaps.

If you do manage to create a compliant workforce, there are additional benefits you might not have predicted, too. Not that avoiding bankruptcy *isn't* a major boon.

\$600,000

HHS OCR settlement against PIH Health due to employee email phishing breach

Everyone in your organization is either contributing to your compliance, or creating gaps in it.



HIRE THE RIGHT PEOPLE

You are responsible for the people you choose to hire and keep on your team, but a great job interview and a glowing letter of recommendation won't save you if they appear on an exclusion list. Even if you have the time to check every new hire against 55 exclusion lists, you probably aren't going to be able to do that every single month for every single employee—and if you don't, you're on the hook for their transgressions.

A complete healthcare compliance software will quietly monitor all relevant exclusion lists and alert you if any of your employees pop up. This is an area where your software should be able to do just about the entire job, only roping you in if it finds something. Don't settle for less—you've got better things to do.

TRAIN YOUR EMPLOYEES

This seems simple, but it's a major way many organizations fail at compliance right away. Your employees are constant, active participants in your compliance program, and that isn't something that comes naturally.

A quick safety meeting with your team a couple times a year isn't going to cut it. Unless you plan on becoming a compliance training expert and personally hosting sessions with every single employee at your company, you're going to need software that fills this gap.

What to look for: a quality workforce training system

Quality, not quantity | Training needs to be comprehensive, but be wary of software that focuses too much on quantity of training. Your employees don't need to become regulatory experts, they just need to operate safely in their respective roles. Software vendors who focus too heavily on the quantity of training content are often trying to distract from low quality or relevance.

Ease of use | This is a no-brainer, but you won't use a training system that's convoluted to administrate, and your employees won't use one that is impossible to navigate. Good software of any kind should be intuitive and approachable, even (especially) if you're not an expert. Find software that you can actually see your employees using without much complaint or confusion.

Clear paper trail | Mistakes can happen even if your training is perfect, and you won't necessarily get penalized for that—as long as you can *prove* that your training really was sufficient. Great training doesn't mean anything to the OIG without receipts, which your compliance software needs to offer. If an employee accidentally discloses PHI, you need to be able to point to the recent training module they completed and then clearly ignored. Only if you can prove that you did your part are you safe from prosecution.

Active recommendations | Your compliance software needs to connect the dots for you by tracking and presenting everything in a simple, actionable way. Who has completed training on what topics? What new training is coming up soon? Are you getting training recommendations based on gaps elsewhere in your compliance program, like incident management? Find software that presents all of this in simple terms that you can easily understand.

DO THINGS THE RIGHT WAY, AND CONFIRM IT

On top of routine compliance training, you likely have policies ranging from core HIPAA requirements to things like workplace conduct or even expense reimbursement. These rules and policies are all part of your framework for a workforce that shares the right priorities. Whether a specific policy falls under healthcare compliance or HR, a central tool reinforces all of them as part of a broader culture of compliance.

The right compliance software also simplifies the task of seeing whether everyone has actually received and completed the training across the board. A great way to reduce the effort required of you is to implement software that offers a simple dashboard with a compliance score for each employee, illustrating at a glance who is up to date and who needs your attention. If someone does need attention, your compliance software should explain what your next steps are—next steps that should ideally take place in the platform itself.



Basically, you should expect prospective healthcare compliance software to summarize everything your employees are doing right and wrong, as well as what you should do to fix it, in the simplest and most user friendly terms possible.

The screenshot displays the 'Employees' dashboard in the Compliance Group software. It features a sidebar with navigation options like Home, My Work, and various compliance and risk management tools. The main content area includes summary cards for 'Total Active Employees' (51), 'Main Workforce Types' (19 Full Time, 21 Part Time, 7 Contractors, 4 Consultants), and 'Total Inactive Employees' (0). Below these is a table of employee records with columns for Name, Location, Group, Type, Conformance, Tasks, and Screening. The table lists five employees with their respective compliance scores and task statuses.

NAME	LOCATION(S)	GROUP(S)	TYPE	CONFORMANCE	TASKS	SCREENING
Allen, Douglas douglasallen@clinicmail.com	Lakeside Medical Center	Clinical	Full-Time	18	Not Reviewed	Not Reviewed
Allen, George georgeallen@healthnet.io	Lakeside Medical Center	Admin	Full-Time	10	Not Reviewed	Not Reviewed
Angela, Miss missangela@exsamplehealth.org	Summit Health Group	Clinical	Part-Time	40	No Matches	No Matches
Bates, Jennifer jenniferbates@healthnet.io	Greenwood Family Practice	Admin	Full-Time	10	Not Reviewed	Not Reviewed
Bennett, Lori loribennett@clinicmail.com	Riverside Care Associates	Admin	Consultant	60	No Matches	No Matches

4 Manage Incidents

Even with the best-trained workforce, incidents will still happen. If you think you're on top of things because of how few incident reports you get, you're in more trouble than you realize. Low incident report volumes doesn't mean low incident volumes—it means your problems are going unreported.

Incident management is the structured process of identifying, documenting, investigating, and resolving events that could compromise patient safety, data privacy, or regulatory compliance. In order to stay protected, you need to be able to demonstrate that you have a proactive framework in place—not just a reactive approach to addressing problems after the fact.

To create this framework, you need a simple, user-friendly way to build a culture of transparency and turn it into action. Look for compliance software that makes it simple for employees to submit incident reports, ideally in more than one way.

Once you receive reports, your chosen software should make it simple to track and review them for clear, real-time, 24/7 reporting. More importantly, it should automatically connect reported incidents to the rest of your compliance framework.

TIP!

Your chosen software should also track not only the incident logs, but also all the remediation steps in a simple, audit-ready trail that proves accountability. No matter how well you handle an incident, you could still face massive fines if you don't have the documentation to prove it.

\$2.9B+

False Claims Act penalties

The DOJ reported in excess of \$2.9 billion in settlements and judgements under the False Claims Act for FY 2024, and that number is only rising.

Source: Epstein Becker Green



- What are the next steps you should take now that you are aware of this incident?
- Is there additional training you should assign based on this failure?
- What new processes or safeguards need to be implemented?
- Is there now external reporting you must complete, or patient notifications?

If the software you're considering doesn't answer these questions automatically, it's not going to help you maintain compliance.

5

Assess & Manage Risk

Risk management is possibly one of the most complex and challenging areas of healthcare compliance. Because it encompasses processes and systems across your entire business, it's incredibly easy for risk to become siloed—separated, disconnected, and therefore undetected—across teams and departments.

Regular risk assessments can help to identify some of these weak points, but the only risk management strategy that is truly effective is one that brings departments together in a central piece of software towards a common goal.

98%

of small healthcare practices incorrectly believe they are HIPAA compliant

Source: Becker's Hospital Review



RISK MANAGEMENT: YOUR STARTING POINT

Risk management is largely about processes and systems. In particular, data security requirements have become significantly more stringent in the past couple of years, with enforcement becoming stricter to match. As of 2025, for instance, the Department of Justice forbids even de-identified or encrypted bulk data transfers of PHI without security oversight.

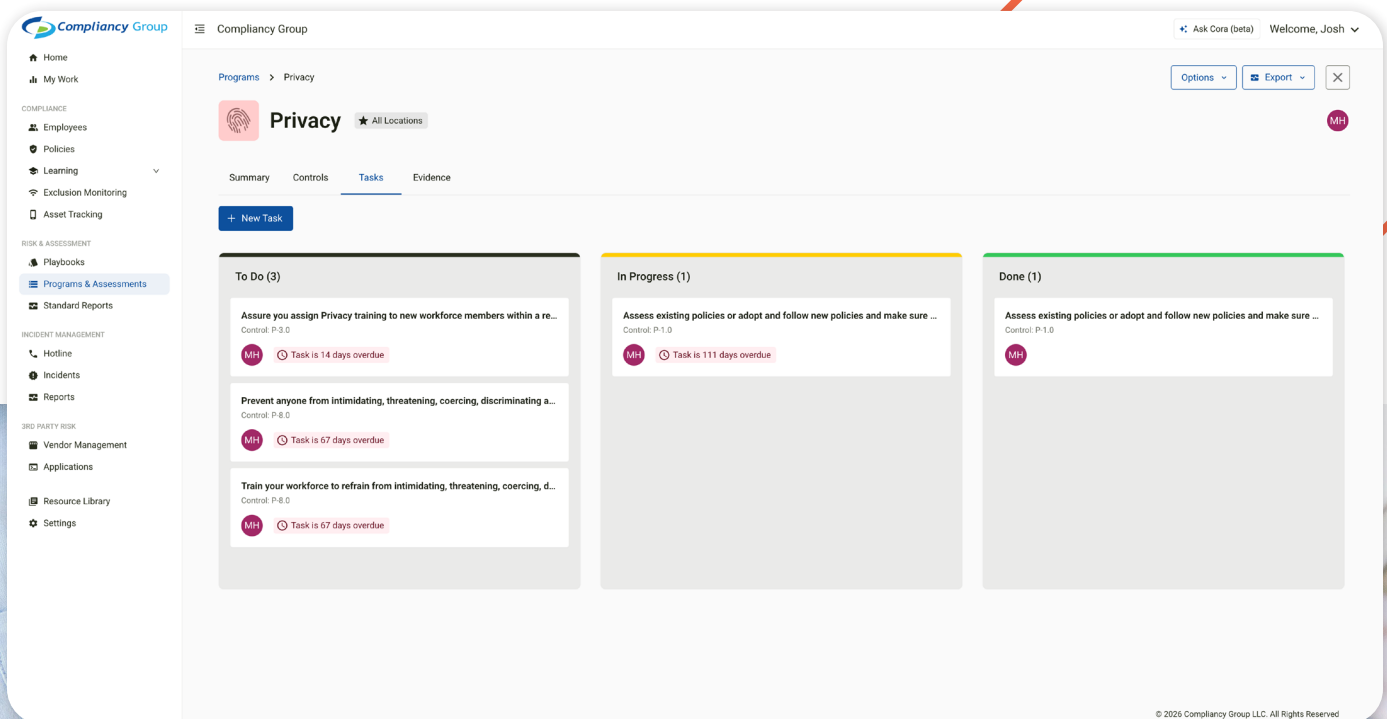
To stay ahead of the regulators, you need strong, clear governance structures that minimize risk according to the OIG's seven elements. A high-level, organization-wide risk assessment is your starting point for identifying your baseline needs in accordance with the seven elements, and any compliance software worth using will be able to guide you through that with relative ease.

AFTER THE RISK ASSESSMENT

Here's where some software can really stand out, though: once you have your initial risk assessment results, you still need to take action. After all, a risk assessment without consequent action only serves as proof of your weaknesses, and actually increases your likelihood of major fines.

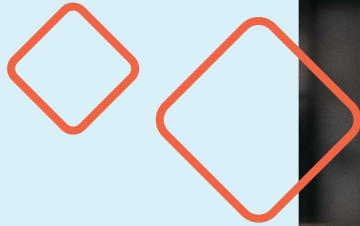
The best healthcare compliance software will take the results of your risk assessment and recommend clear action to resolve your identified sources of risk based on priority. Ideally, this will take place within the same software, simplifying the process and massively reducing the amount of work and research required of you.

For instance, let's say your risk assessment identifies major weaknesses in your data security practices. Data security is a complicated and multifaceted challenge, but strong compliance software will suggest a prebuilt data security program for you to implement. This program should include bite-sized tasks such as implementing data encryption for PHI in transit, assigning training (ideally also through the same central compliance software), and creating an inventory of all licensed software installed on corporate devices.



The screenshot displays the Compliance Group software interface. The main content area is titled "Privacy" and shows a task management dashboard. The dashboard is organized into three columns: "To Do (3)", "In Progress (1)", and "Done (1)". Each task card includes a description, a control reference (e.g., P-3.0, P-1.0, P-8.0), and a status indicator (e.g., "Task is 14 days overdue"). The interface also features a sidebar with navigation options like "Home", "My Work", "COMPLIANCE", "RISK & ASSESSMENT", and "INCIDENT MANAGEMENT".

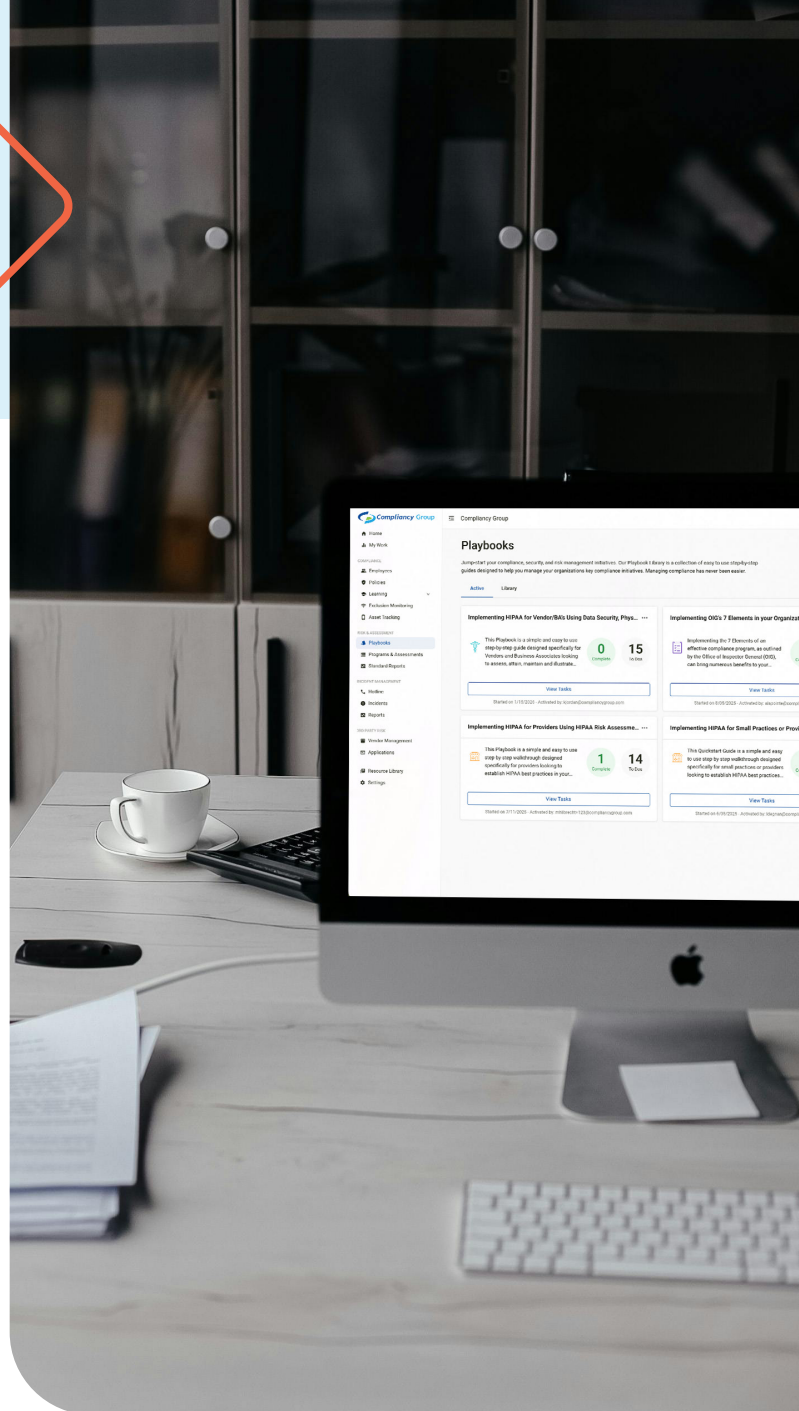
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SOFTWARE SHOULD DO MORE

A bonus feature of some software is its ability to offer complete, prefabricated playbooks or strategies for complying with common regulation, such as HIPAA. These playbooks are simple, easy-to-follow processes for bringing your organization up to speed on relevant regulatory requirements, thereby eliminating major sources of risk. Carefully evaluate the quality and depth of included content. Does this software offer built-in content to remediate risk? Is the content approachable, actionable, and relevant? Make sure the content is thoughtful and useful, not just something added to pad out the library.

Finally, your software should track your progress as you complete tasks associated with risk programs or playbooks—again, any action you can't prove will not help you in the case of an audit. Having all your evidence in one place could save you millions, not to mention the time and stress you'll save by not scrambling to pull data from across departments, spreadsheets, and other disparate sources.



Roughly
80%

of HIPAA fines cite
missing risk assessment
documentation

Source: National Law Review

The easier your software makes all of these tasks and processes, the more likely you are to get buy-in from around your organization. Your ideal risk management scenario is one in which everyone has signed on to a culture of compliance in which they all do their parts to minimize and manage risk. A single piece of software that connects all the different areas of risk assessment, tracking, reporting, remediation, and training makes it simple to close the gaps between people and teams within which risk can flourish.

Which is Best: Point Solution or Comprehensive Platform?

When evaluating healthcare compliance solutions, most businesses set out in search of one of two things: a point solution, or a comprehensive platform. Here's a quick breakdown.

Point Solution | An independent software tool designed to address a single, narrow use case such as training, incident response, or data security. **Focus: solve one problem.**

Comprehensive Platform | A single piece of software that manages all your compliance needs in a single system. **Focus: simplify healthcare compliance.**

POINT SOLUTION (Single Tool)

COMPREHENSIVE PLATFORM (All-in-One)

FUTURE SCALABILITY

Flexibility to scale individual solutions independently, but additional burden of scaling solutions one at a time.

Entire compliance program can scale at once. New use cases can be added without additional software.

EASE OF USE

Disjointed user experience, often with duplicate logins and additional steps which may reduce engagement.

Single system can reduce obstacles to engagement.

RISK MITIGATION

May be superior at mitigating risk in a vacuum, but leaves gaps between systems that encourage risk.

Connects all compliance activities to eliminate gaps and reduce risk of breaches or fines.

SUPPORT POTENTIAL

Support can excel within provided software, but cannot offer holistic advice on compliance program.

Support can assist with needs spanning the entire compliance program, mirroring platform.

BEST IN CLASS

More likely to be best available solution for one specific problem.

Not always best in any one area, but may create the more complete and secure compliance framework.

EXPERTISE REQUIREMENT

Requires greater expertise and effort to manage compliance across multiple systems.

Simpler administration with less room for error due to integrated nature of single-system approach.

COST SAVINGS

Offers cost savings if only one problem needs solving, but costs can stack rapidly with each new solution.

May offer better value by eliminating need for multiple systems; reduces administration time and overhead.

EASE OF REPORTING

Requires significantly more time to collect reporting data from across multiple systems.

Often provides clearer, more complete reporting with less effort due to centralized nature.

Here's a quick checklist to ensure software adequately covers risk management:

- Does it guide your initial risk assessment?
- Does it connect risk to remediation tasks?
- Does it include built-in remediation content such as training, policy templates, assessments, etc.?
- Does it offer a holistic view of sources of risk alongside solutions?



Want a more in-depth evaluation of your risk posture? Try our free risk calculator!

CHECK MY RISK

6

Manage Third-Party Risk

You aren't the only source of risk at your business. Everyone you work with—and sometimes even the vendors your other teams work with—can expose you to major risk. Regardless of where the risk comes from—internal or external—you are responsible.



“Healthcare organizations need to start thinking more broadly about their external relationships. Anyone can sign a BAA, keen to acquire your business. The due diligence in evaluating vendor security practices and verifying they are meeting their contractual obligations is up to the healthcare organization itself.”

Dotty Bollinger
President, Integrity Healthcare Advisors

So where does third-party risk come from? The short answer: **everywhere**. It's not just vendors you rely on, it's also all the software and services you use. If there's any way for a tool, person, or company to violate any healthcare regulation, then there's risk.

To minimize this risk, you first need to be aware of it. This means having a way to track all of your business relationships, corporate software, and any other potential sources of third-party risk. The easiest way to do this is to find software that handles this task for you, centralizing your various sources of third-party risk so nothing gets overlooked.

Ideally, this software should also guide you in identifying tasks, gaps, and responsibilities as they relate to your sources of third-party risk.

Let's break this down into two categories:

SOFTWARE

Software equals risk. It stores sensitive data—often in the cloud, which is just a fancy way of saying “someone else's computer.” Without taking the proper steps to monitor and secure your software and to ensure it's used responsibly, you create the sort of risk that is frequently cited in breach settlements.

\$500K
The cost of OrthopedicsNY's 2025 settlement over a preventable cybersecurity breach

Use your compliance solution to maintain an inventory of all software used by your organization, how it's used, and what steps you're taking to secure that software. The compliance software should help guide you by indicating recommended security measures, such as multifactor authentication and data encryption.

VENDORS

You likely have multiple vendors, and agreements with each of those vendors (BAAs, under HIPAA). But agreements can expire, business relationships can evolve, and vendors can run into their own issues.

Tracking this web of risk and responsibility across your vendors is much easier when it's centralized and recorded. A compliance system that suggests relevant information to track, request, and update is going to make this job a whole lot easier, especially if it can also issue reminders as agreements expire or vendors appear on exclusion lists.

Finally, compliance software that tracks all this information in a central location can double as insurance: if something does go wrong, you have all the information to prove that you took all the right steps to avoid liability.

7 Save Time & Cost

We've talked a lot about "central solutions" throughout this guide, and for good reason: it's the best way to maintain compliance. As we've seen, compliance isn't any one thing, and it's not even a collection of separate responsibilities; healthcare compliance is a single, interconnected web of responsibilities, risk, and processes that reaches every corner of your business.

Because compliance is a tightly connected web, your compliance software needs to support a similarly complete, interconnected program with clear action items and processes that leave no room for gaps. Compliance at your business is unified and comprehensive; your software needs to reflect that.

Remember: every gap between systems, software, processes, or departments is room for risk to flourish. Multiple systems, even if they overlap, create blind spots that can expose you to liability. Besides, more products or duplicative processes is just more work for you.

REDUCE COMPLEXITY TO REDUCE TIME & COST

Picking the right compliance software is about identifying what should be complex, and what shouldn't be. This is actually pretty easy.

Healthcare compliance is complex; therefore, healthcare compliance software needs to be complex. USING that software should be simple.



"The biggest factor, as I've mentioned before, is time savings. Being in full compliance while having the support of experts justifies the annual expense. I would recommend Compliancy Group to anyone who values easy and responsive communication, a highly organized and streamlined process, and outstanding support."

Dr. Juan E. Lopez Rosario

Owner, Dental Health Solutions

[Read the full story here](#)

Look for compliance software that does everything, but makes it easy for the layperson. Your software should distill down the complex regulatory landscape into a simple, easy-to-follow set of tasks that you can easily complete or delegate without needing to pass the state Bar or complete a Master's in computer science. You have more important things to focus on, and your compliance software should let you do just that.

When your single piece of compliance software manages all the needs we've laid out in this guide, you'll not only save on the cost of consultants or overlapping digital tools, but you'll also regain the time you need to focus on the parts of your job that actually create revenue—without worrying that you'll lose it all to a preventable fine.



MORE REASONS TO CENTRALIZE

An additional benefit of this reduced complexity is the elimination of perverse incentives. As we mentioned, a central solution reduces gaps that can breed risk while making it easier to address compliance more completely—but that’s not the only way you’ll benefit.

People are lazy. It’s in our nature. We hate wasting time on boring, menial tasks that don’t seem to bring us closer to any exciting or high-priority goal. Unfortunately, much of compliance comprises boring, menial tasks. A central compliance tool solves this.

In essence, the easier and less frustrating it is for you and your employees to fulfill your compliance duties, the more likely you all are to do so. The right central solution makes compliance easy and engaging enough that your workforce will lose the incentive to skip training, forget documentation, or find other sketchy workarounds that invite risk.

DON'T OVERLOOK SUPPORT

Even the best, easiest compliance software can still be daunting, especially if you have never created a complete compliance program before. No matter how great the tool, there will come a day when you need help, and it’s critical that help is available when you need it.

Many flashy tools can appear modern, comprehensive, and inviting, but the second you run into an issue, their phone lines are all busy.

Compliance Group is the top reviewed healthcare compliance software by *real customers*



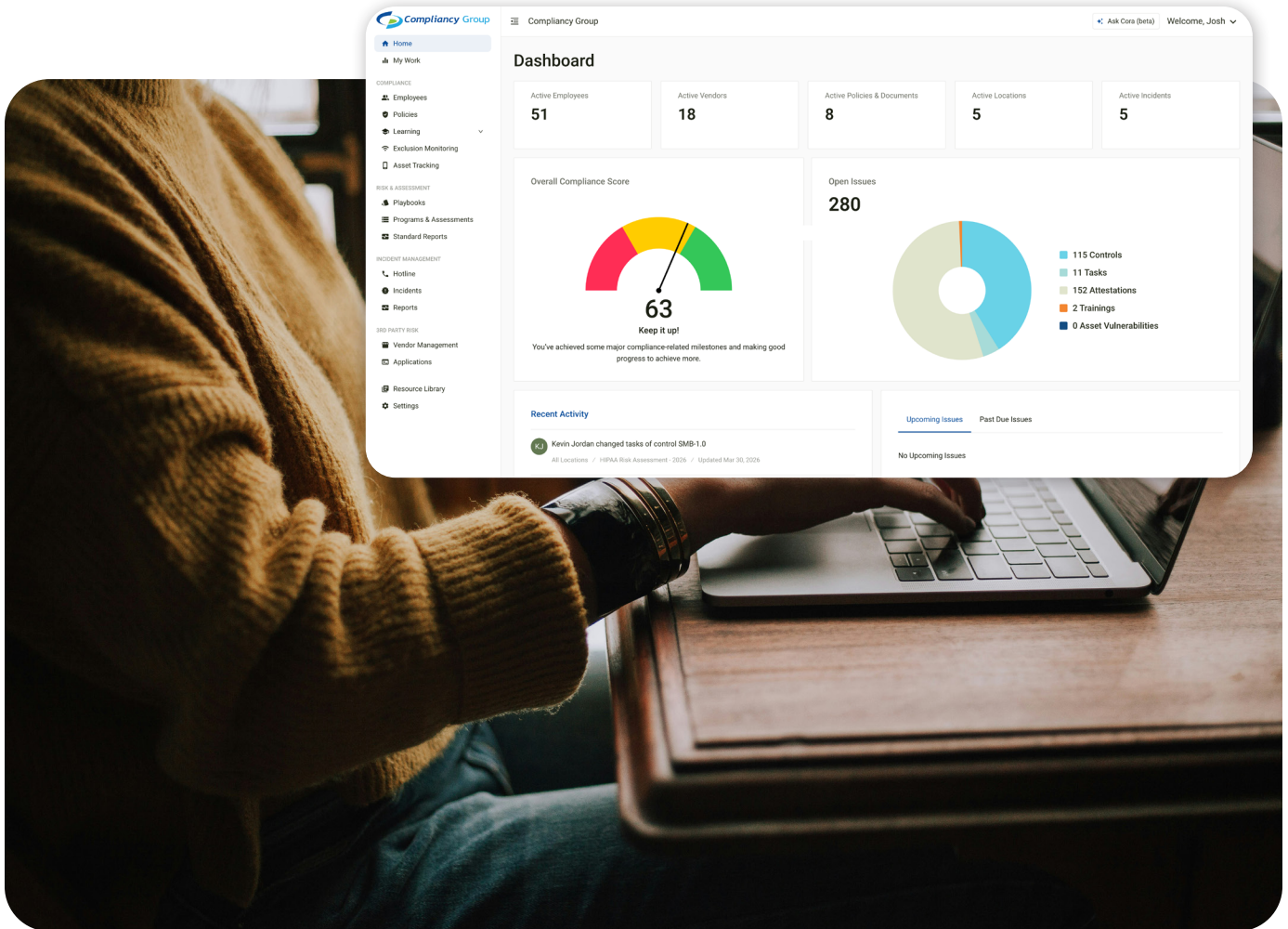
Of course, no software vendor is likely to admit that their support sucks. A great way to verify the strength of a vendor’s support is to talk to longtime customers, or to read customer reviews on verified, third-party sites like G2. When your business’s survival is at stake, your software provider shouldn’t just be a vendor; they should be a partner, working with you to educate, assist, and guide based on complete and up-to-date industry expertise.

Tools with eager, expert support increase your ability to utilize your software fully, thereby maintaining full compliance while giving you back the time you need to do work that can’t be offloaded to software.

Get Started with Compliancy Group

Ready to see how much quicker and safer compliance becomes with the right software? The Guard from Compliancy Group is the number one pick among customers because it makes compliance easy. Book a demo today to look inside The Guard, and find out what you're missing.

[BOOK A DEMO](#)



Compliancy Group makes healthcare compliance simple. Our platform streamlines risk assessments, workforce compliance, and incident management—so your team spends less time on paperwork and more time on patient care. By simplifying complex requirements and documenting due diligence, we help you reduce risk, protect your organization, and build confidence with regulators, partners, and patients. Learn how our software can help you mitigate risk in your organization!

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