



## AUDIT AND COMPLIANCE COMMITTEE MEETING

THURSDAY, March 14, 2019

5:30pm-7:00pm

Conference Center Located at Highland Care Pavilion

1411 East 31<sup>st</sup> Street Oakland, CA 94602

Ronna Jojola Gonsalves, Clerk of the Board

(510) 535-7515

### LOCATION:

Open Session: HCP Conference Center

### COMMITTEE MEMBERS

Ross Peterson, *Chair*

Kinkini Banerjee

Gary Charland

Louis Chicione

### MINUTES

**THE MEETING WAS CALLED TO ORDER AT 6:04 PM**

**ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:**

Kinkini Banerjee, Louis Chicoine, and Ross Peterson

**ABSENT:** Gary Charland

A quorum was established.

**A. ACTION: Approval of the minutes of the November 8, 2018 Audit and Compliance Committee meeting.**

**ACTION:** A motion was made and seconded to approve the minutes of the September 13, 2018 Audit and Compliance Committee Meeting. The motion passed.

**AYES:** Trustees Banerjee, Chicoine, and Peterson

**NAYS:** None

**ABSTENTION:** None

**B. ACTION: Extend the agreement with Moss Adams, for external auditing services, for one year (2019). The estimated fiscal impact will be \$253,700.00.**

*Rick Kibler, VP, Compliance & Internal Audit*

**ACTION:** A motion was made and seconded to extend the agreement with Moss Adams for one year. The motion passed.

**AYES:** Trustees Banerjee, Chicoine, and Peterson

**NAYS:** None

**ABSTENTION:** None

**C. REPORT/DISCUSSION: Internal Audit/Compliance Reporting Summary**  
*Rick Kibler, VP, Compliance & Internal Audit*

Mr. Kibler reviewed the report beginning on agenda packet page 10.

The Committee discussed the size of the Audit and Compliance Department. It was beneficial to have a strong audit program. Mr. Kibler said it was comparable to industry standards. Mr. Finley said that he and Mr. Kibler had a strategy meeting scheduled to discuss the department in context of the current budget concerns.

Trustee Chicoine said they should have a conversation about what would be the right size for the department, which was different perhaps than what was possible, but it was important to keep sight of where things should be going.

Trustee Banerjee said that given the financial risks increasing in the upcoming year, they needed to watch for issues they should be prepared for in the near future. Mr. Finley agreed and said there would be more conversations as the year progressed.

Trustee Banerjee asked about the 340B UD modifiers. Mr. Kibler said they had a steering committee which reported zero percent error rate on their quarterly reports. They got a letter from Medi-Cal saying some transactions didn't have modifiers. His team researched the issue and found out the committee wasn't tracing transactions all the way back to the bill. System changes in patient accounting caused a mapping problem and the modifiers weren't being picked up. The issue had been fixed and monthly audits were continuing. He added that they were working a system change that would automatically add the UD modifier every time a 340B drug was billed.

**D. INFORMATION: Status Reports (Written Reports)**  
*Rick Kibler, VP, Compliance & Internal Audit*

- 1) Internal Audit Reports
  - a) Status of FY2019 Internal Audit and Compliance Plan
  - b) Follow-up to Past Audit Reports

- 2) Compliance Program Reports
  - a) Compliance Program Assessment
  - b) Compliance Program Report
  - c) AHS Compliance Dashboard FY17 4QTR
  - d) Recent News

**E. INFORMATION: Annual Audit and Compliance Committee Agenda Calendar and Follow-Up Committee**

- 1) Audit and Compliance Committee Master Calendar and Follow-up Worksheet
- 2) AHS Board of Trustees Issue Tracking Form AUDIT COMPLIANCE Committee


The Board discussed terminations that took place at AHS and in the industry due to inappropriate access of patient records. Mr. Finley said they communicate broadly instances where this type of violation had taken place. Mr. Kibler said they also put articles on the intranet and in the Compliance newsletter. He added that when an employee was terminated other employees tended to know what happened and this helped deter future violations.

**PUBLIC COMMENT - None**

**TRUSTEE COMMENTS - None**

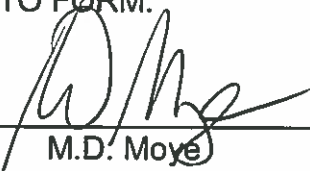
**ADJOURNMENT - 6:41 PM**

This is to certify that the foregoing is a true and correct copy of the minutes of the Audit and Compliance Committee meeting of March 14, 2018 as approved by the Audit and Compliance Committee on July 11, 2019:

  
Romna Jojola Gonsalves  
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by:

  
M.D. Moye  
General Counsel