AUDIT AND COMPLIANCE COMMITTEE MEETING

Wednesday, March 18, 2026
4:00pm-5:30pm

Conference Center Located at Highland Care Pavilion
1411 East 31st Street Oakland, CA 94602
Ronna Jojola Gonsalves, Clerk of the Board
(510) 535-7515

LOCATION:

Open Session: HCP Conference Center, see above address
Teleconference Location: 4501 Pleasanton Avenue, Pleasanton, CA 94566

ZOOM Meeting Link:[1]
https://alamedahealthsystem.zoom.us/j/9361457125?pwd=4JnAmhDnBaLqY4GWf4PQBwp3w0Puy2.1&omn=84052836112
Meeting ID: 936 145 7125
Password: 20200513

One tap mobile
+14086380968,,9361457125# or
+13462487799,,9361457125#

Dial by your location
+1 408 638 0968 US (San Jose)
+1 346 248 7799 US (Houston)
+1 646 518 9805 US (New York)

Find your local number: https://alamedahealthsystem.zoom.us/u/aeojyFgeyI

MEMBERS

Greg Garrett
Nicholas Moss, MD
Sblend Sblendorio, Chair

[1] Log into the meeting at www.zoom.com. You will be directed to download the meeting app (free) if you have not used ZOOM previously. ZOOM meetings may be accessed on computers and portable devices.

NOTE: In the event that a quorum of the Board of Trustees participates on this Committee, the meeting is noticed as a Special Meeting of the Board of Trustees; however, no final Board of Trustees action can be taken.

AUDIT AND COMPLIANCE COMMITTEE MEETING AGENDA

SPECIAL NOTE: Per Brown Act requirements, Trustees of the Alameda Health System will attend board and committee meetings in person at the location(s) noticed on this agenda. Staff and members of the public may attend either in person at the location noticed on this agenda, or remotely via Zoom, using the link included on this agenda.

Public Comment Instructions
If you attend the meeting in person or on Zoom and wish to address the Board of Committee regarding an item on the agenda or in their purview, please communicate your intent with the Clerk of the Board prior to or at the beginning of the meeting. Time limitations shall be at the discretion of the Chair.

OPEN SESSION / ROLL CALL

PUBLIC COMMENT

CONSENT AGENDA: ACTION

A. ACTION: Approval of the Minutes of the October 29, 2025 Audit and Compliance Committee Meeting

Recommendation: Motion to approve

END OF CONSENT AGENDA

B. DISCUSSION: Cyber Security Update
E'Jaaz Ali, Chief Information Security Officer

C. DISCUSSION: Audit and Compliance Summary Report
Marilyn Boston, Chief Compliance Officer and Chief Audit Executive
Bonny Leung, Director, Privacy and Regulatory Compliance
Akemi Renn, Director, System Compliance

- Privacy Report
- Compliance Report Summary
- Compliance Best Practices
- Featured Project: Stark Watch
- Projects

D. DISCUSSION: Internal Audit Update

Marilyn Boston, Chief Compliance Officer and Chief Audit Executive
Michael Kopecky, Director, Internal Audit

- FY26 Internal Audit Plan
- Patient Access and Registration
- John George Revenue Cycle
- Featured Corrective Action: Parking Program

E. INFORMATION/WRITTEN REPORTS: Annual Audit and Compliance Committee Agenda Calendar and Follow-Up

E1. Audit and Compliance Committee Reports Annual Calendar
E2. Issue Tracking Form

ADJOURNMENT

Our Mission
Caring, Healing, Teaching, Serving All

Strategic Vision
AHS will be recognized as a world-class patient and family centered system of care that promotes wellness, eliminates disparities and optimizes the health of our diverse communities.

Values
Compassion, Commitment, Teamwork, Excellence, Integrity, and Respect.

Meeting Procedures
All items appearing on the agenda are subject to action by the Board of Trustees. Staff recommendations are subject to action and change by the Board of Trustees.

The Board of Trustees is the Policy Body of the Alameda Health System. The Board has several standing Committees where Board matters are the subject of discussion at which members of the public are urged to testify. Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Board Members or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room. Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of the Board or to its members, 1411 East 31st Street Oakland, CA 94602.

Members of the public are advised that all Board and Committee proceedings are recorded (audio), including comments and statements by the public in the course of the meetings. Copies of the audio recordings will be made available to the public. Copies of the agendas and supporting documents can be found here: http://www.alamedahealthsystem.org/meeting-agendas-and-minutes/. By attending and participating in Board/Committee meetings, members of the public consent to audio recording of any statements they may make during the proceedings.

Disability Access

The Meeting Rooms are wheelchair accessible. Assistive listening devices are available upon request at the Clerk of the Board's Office. To request accommodation or assistance to participate in the meeting, please contact the Clerk of the Board. Requests made at least 48 hours in advance of the meeting will help to ensure availability.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to perfumes and various other chemical-based scented products. Please help us to accommodate these individuals.

The AHS Board of Trustees is committed to protecting the private health information (PHI) of our patients. We ask that speakers refrain from disclosing or discussing the PHI of others. Please also know that, should you decide to disclose your PHI, the Trustees will still likely refer your matter, to the extent it involves PHI, to the executive staff for a confidential review of the facts and for confidential handling. If you would like more information regarding the confidentiality of PHI as it relates to the Health Insurance Privacy and Accountability Act, please refer to 45CFR Section 164.101, et.seq.

ACTION: Approval of the Minutes of the October 29, 2025 Audit and Compliance Committee Meeting

AUDIT AND COMPLIANCE COMMITTEE MEETING

Wednesday, October 29, 2025
5:00pm-6:30pm

Conference Center Located at Highland Care Pavilion
1411 East 31st Street Oakland, CA 94602
Ronna Jojola Gonsalves, Clerk of the Board
(510) 535-7515

LOCATION:

Open Session: HCP Conference Center, see above address
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MEMBERS

Greg Garrett
Nicholas Moss, MD
Sblend Sblendorio, Chair

AUDIT AND COMPLIANCE COMMITTEE MEETING MINUTES

THE MEETING WAS CALLED TO ORDER AT 5:02 pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT: Nicholas Moss, MD Sblend Sblendorio

ABSENT: Greg Garrett

PUBLIC COMMENT: None

CONSENT AGENDA: ACTION

A. ACTION: Approval of the Minutes of the June 18, 2025 Audit and Compliance Committee Meeting

Trustee Moss moved, Trustee Sblendorio seconded to approve the Consent Agenda.

ACTION: A motion was made and seconded to approve the Consent Agenda.
AYES: Trustees Moss and Sblendorio
NAYS: None
ABSTENTION: None

END OF CONSENT AGENDA

NOTE: In the event that a quorum of the Board of Trustees participates on this Committee, the meeting is noticed as a Special Meeting of the Board of Trustees; however, no final Board of Trustees action can be taken.

END OF CONSENT AGENDA

B. DISCUSSION: FY25 Financial Statements Audit Update
John Feneis, Partner, Moss Adams
Brian Conner, Partner, Moss Adams

Trustee Sblendorio asked if, given the different financial statement dates of AHS and St. Rose, next year's audit would be just the month of October for St. Rose. Mr. Feneis said as long as the fiscal year for St. Rose continued to end on September 30, the AHS June statements will blend or consolidate St. Rose's September 30, 2025. It is disclosed in the financial statements.

Trustee Moss asked if the revised timeline for approving the audit would cause issues. Mr. Azizi said Ms. Miranda and Ms. Metzger were both present and have met with them. They needed to make sure the County got what they needed on time so they could close their books.

Trustee Sblendorio asked what the deadline to submit the approved audit was. Ms. Metzger said there may not be a formal "approved by" deadline. They were meeting with the County in mid-November to share draft numbers. Mr. Conner said the most important operating deadline was the end of the calendar year. The County's Annual Comprehensive Financial Report was due on 12/31. What they were going to provide to the County would allow the County to meet that deadline. AHS did not have a specific deadline. They were able to work through this in conjunction with the County deadline.

Trustee Sblendorio said they needed to set a December 10 date for the Board of Trustees to meet and approve the audit.

C. DISCUSSION: Cyber Security Update
E'Jaaz Ali, Chief Information Security Officer

Trustee Sblendorio asked if they were going to conduct phishing simulations on AHS issued phones. Mr. Ali said they were planning to. They would test with SMS phishing, also called smishing. A text with a link would be sent to, for example, access AHS benefits, but the link would go to a phishing site. They could also make phone calls and pretend to be, again for example, a member of the C-suite asking for assistance.

D. DISCUSSION: Best Practices for Audit and Compliance
Marilyn Boston, Chief Compliance Officer and Chief Audit Executive

Trustee Moss said he would be interested in more examples of the predictive AI in a future presentation. Ms. Boston shared the privacy dashboard demonstrating the privacy proactive monitoring tool, Protenus, that has helped them go from reactive to proactive. With this tool, 74% of the investigations that they were currently doing were a result of that insight. Previously they only investigated events someone reported.

Trustee Sblendorio asked if this application was a third party application and if it was customized. Ms. Boston said they did some customization, but the product was pretty much off the shelf.

Trustee Sblendorio asked about the possibility of any back door access by the vendor. Ms. Boston said they did not have any. The program was vetted by our security assessment protocols.

Trustee Moss said there was a time when someone could log in, snoop around, and if it wasn't noticed, it wasn't noticed. He asked if people were now aware that there was a mechanism that would catch that. Ms. Boston said there was a lot of socialization and education on the program.

E. DISCUSSION: Compliance Reporting Summary
Marilyn Boston, Chief Compliance Officer and Chief Audit Executive

- Privacy Report
- Compliance Report and Best Practices
- Projects

F. DISCUSSION: Internal Audit Reporting Summary
Marilyn Boston, Chief Compliance Officer and Chief Audit Executive
Michael Kopecky, Director, Internal Audit

- Internal Audit Report

Trustee Moss asked about the resident trust account controls validation. Mr. Kopecky confirmed that residential trust accounts were financial accounts held by a resident in a facility. There was a reconciliation effort that led to some changes. They requested Audit to come back to evaluate the changes to ensure they were working.

G. <u>INFORMATION/WRITTEN REPORTS: Annual Audit and Compliance Committee Agenda Calendar and Follow-Up</u>

G1. Audit and Compliance Committee Reports Annual Calendar
G2. Issue Tracking Form

Mr. Azizi announced that the Committee would meet in closed session to discuss them item as stated on the agenda.

<u>CLOSED SESSION</u>

1. Public Employee Performance Evaluation
[Pursuant to Government Code Sections 54957(b)(1)]
Title: Chief Compliance Officer and Chief Audit Executive

Mr. Azizi announced that the Committee met in closed session and took no reportable action.

<u>ADJOURNMENT 6:35</u>

DISCUSSION: Cyber Security Update

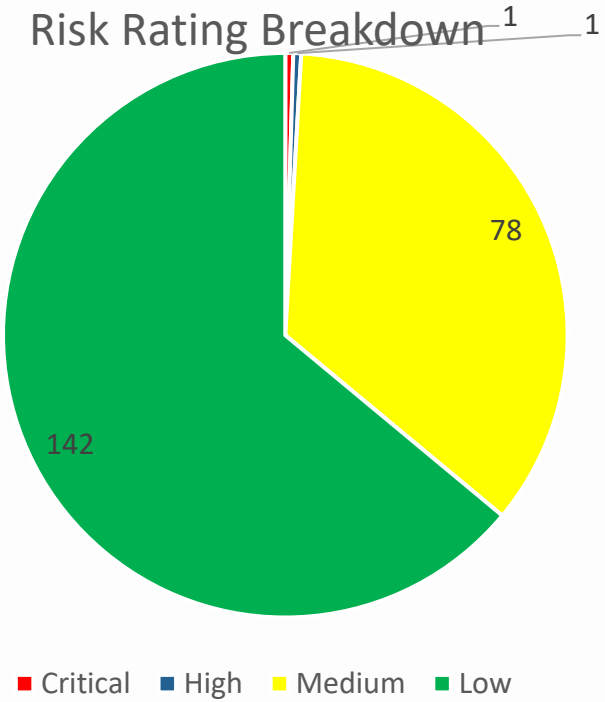
ALAMEDA HEALTH SYSTEM

Cybersecurity Report

E'Jaaz Ali (CISO)

Risk Management Dashboard

open risk	% risks >= Threshold	% risks >= threshold in progress	Risk closed last 30 days	Risk assessments completed last 30 days
221 (-58)	35.7	100%	9	7



	Rare	Unlikely	Potential	Likely	Almost Certain
Critical	0	75	1	0	1
Major	0	17	2	0	0
Moderate	0	48	9	0	0
Minor	0	46	22	0	0
Insignificant	0	0	0	0	0

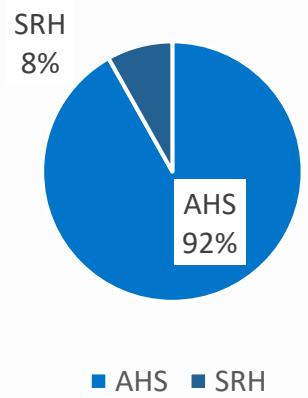
Top Risks

1. Data Loss Prevention
2. End of Life Assets
3. Critical Vuln
4. High Vuln
5. Attack Paths to Privilege Accounts

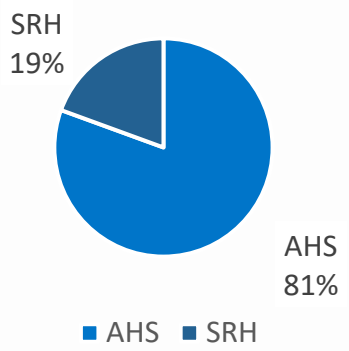
ALAMEDA HEALTH SYSTEM

Asset Management Management Dashbord

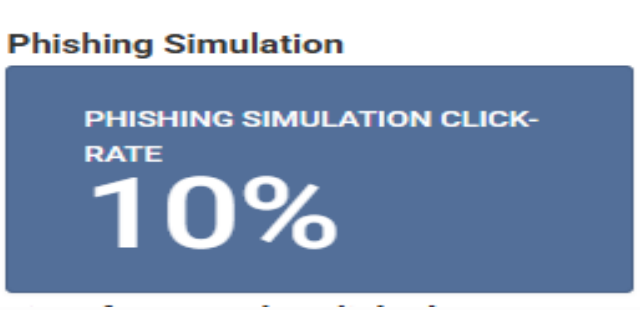
Assets



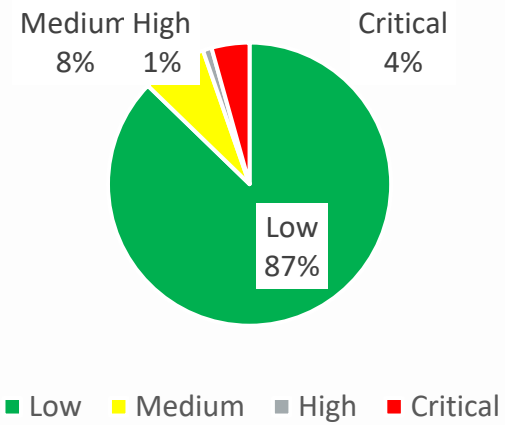
Vulnerabilities



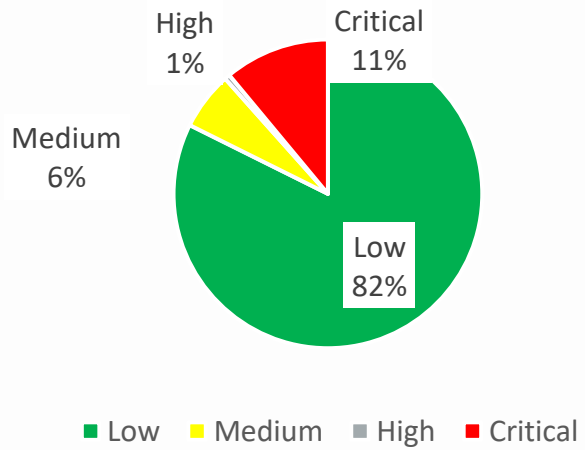
PHISHING SIMULATION



AHS Vulnerabilities



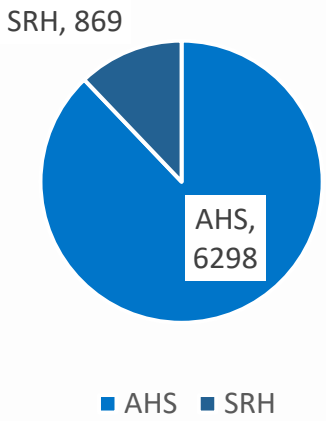
SRH Vulnerabilities



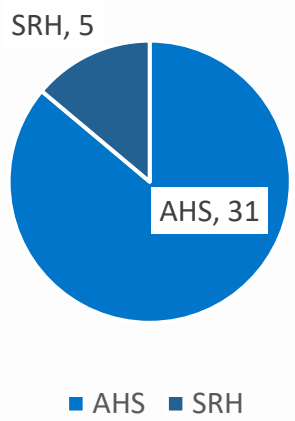
ALAMEDA HEALTH SYSTEM

Identity Governance

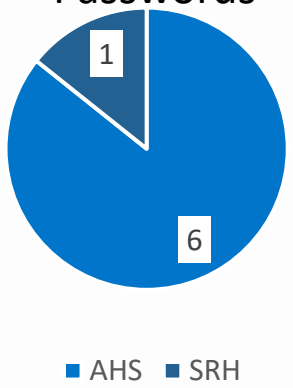
Total Users



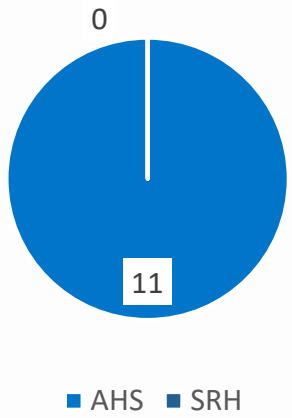
Total Privileged



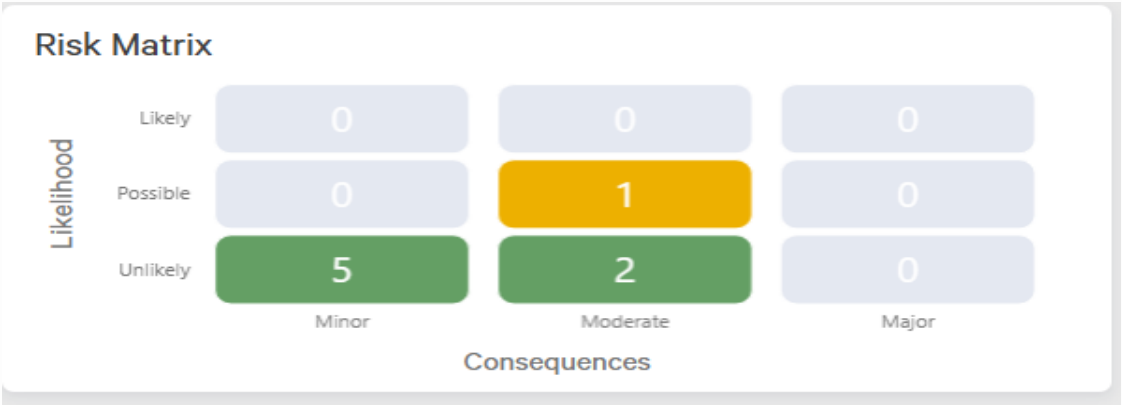
Weak Passwords



Dupicated Passwords

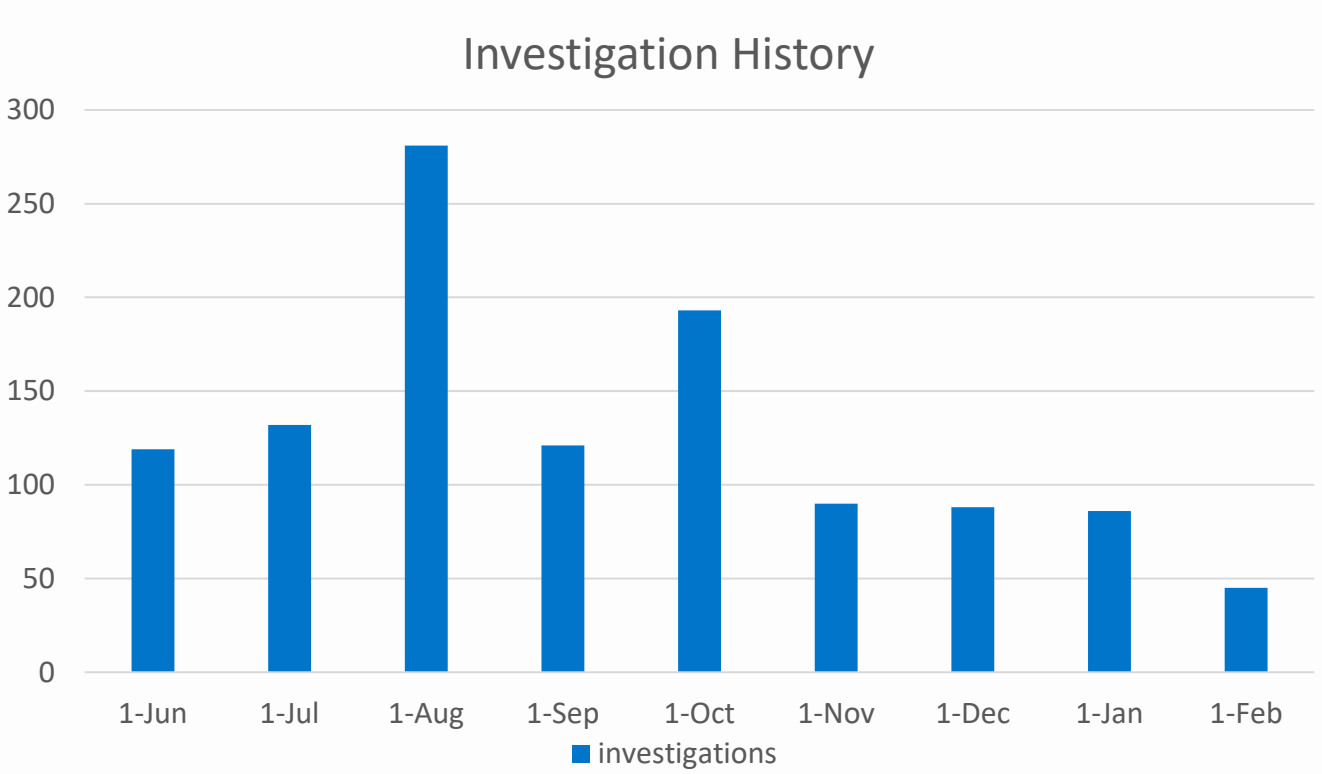


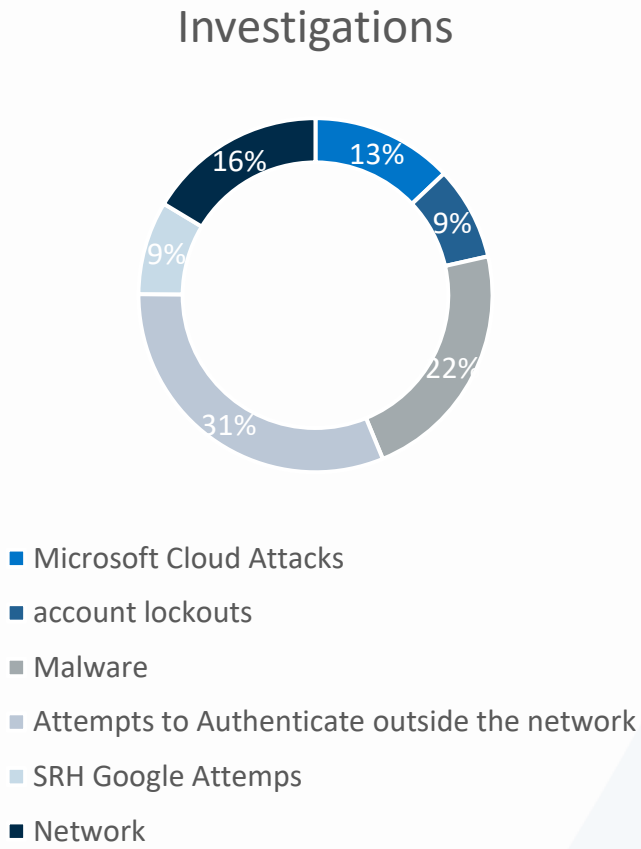
AHS Identity Risk Matrix



SRH Identity Risk Matrix

24x7 Security Operation Center





Any Questions/Comments

DISCUSSION: Audit and Compliance Summary Report

ALAMEDA
HEALTH SYSTEM
Audit and Compliance Summary Report – March 18, 2026

ALAMEDA HEALTH SYSTEM

Privacy Report

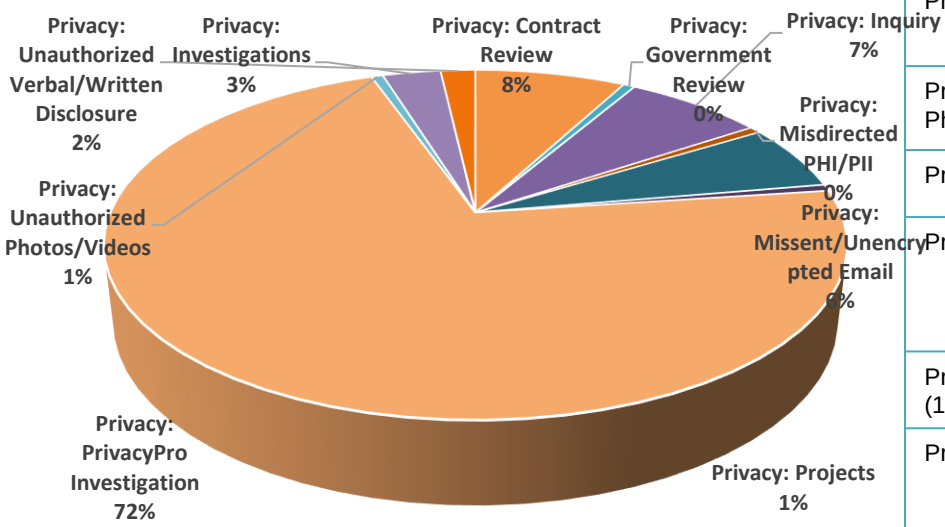
Marilyn Boston, Chief Compliance Officer and Chief Audit Executive
Bonny Leung, Director of Privacy and Regulatory Compliance

Privacy Dashboard

2nd Quarter FY2026: October 1, 2025 – December 31, 2025

Privacy Reported Issues	1st QTR	2nd QTR	3rd QTR	4th QTR
New This Period*	175	166		
Total Closed This Period (Cumulative)	231	90		
Total Pending Resolution (Cumulative)	109	97		
Reported To Government Agency	0	0		
New High-Risk Cases	0	0		

*Q2 New Cases



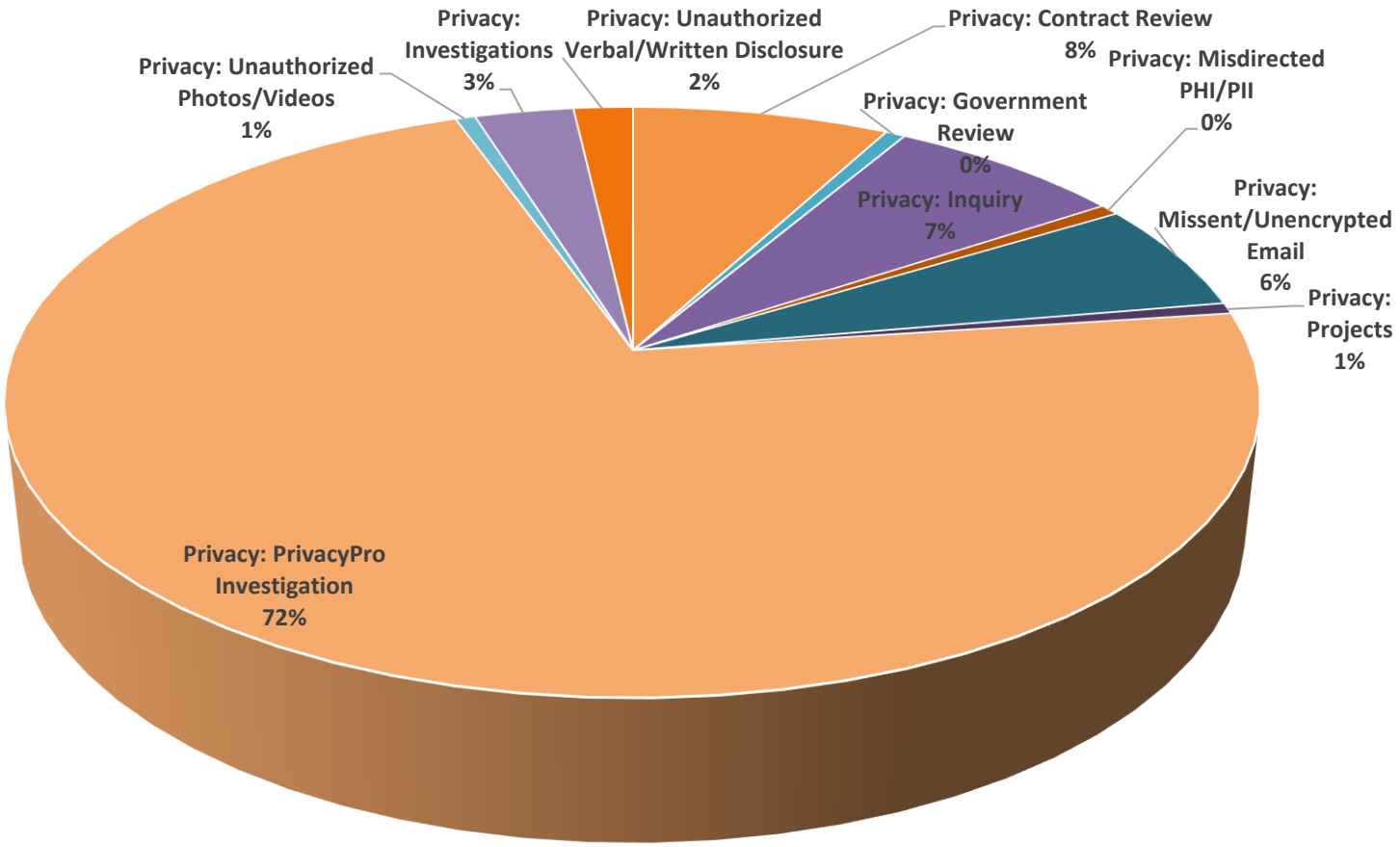
Issue Type	New Privacy Cases Reported
Privacy: PrivacyPro Investigations (119)	• Self Access • Family Member Access • Suspicious Activity • Coworker Access • VIP • Break the Glass
Privacy: Missent/Unencrypted Email (10)	• Zix Notifications
Privacy: Misdirected PHI/PII (1)	• Discharge Paperwork Given to Wrong Patient
Privacy: Inquiry (12)	• Privacy Inquiries/Questions
Privacy: Unauthorized Photos/Videos(1)	• Possible Unauthorized Photos By Patient's Family
Privacy: Projects (1)	• Update Notice of Privacy Practices
Privacy: Contract Review (13)	• BAA Reviews • Contract Reviews • Informed Consent/DUA Review
Privacy: Government Review (1)	• CDPH RFI
Privacy: Investigations (5)	• Patient Privacy Concerns • RFI Review • Possible Unauthorized Access
Privacy: Unauthorized Verbal/Written Disclosure (3)	• Possible Verbal Disclosures of PHI

ALAMEDA HEALTH SYSTEM

Privacy Dashboard

2nd Quarter FY2026: October 1, 2025 – December 31, 2025

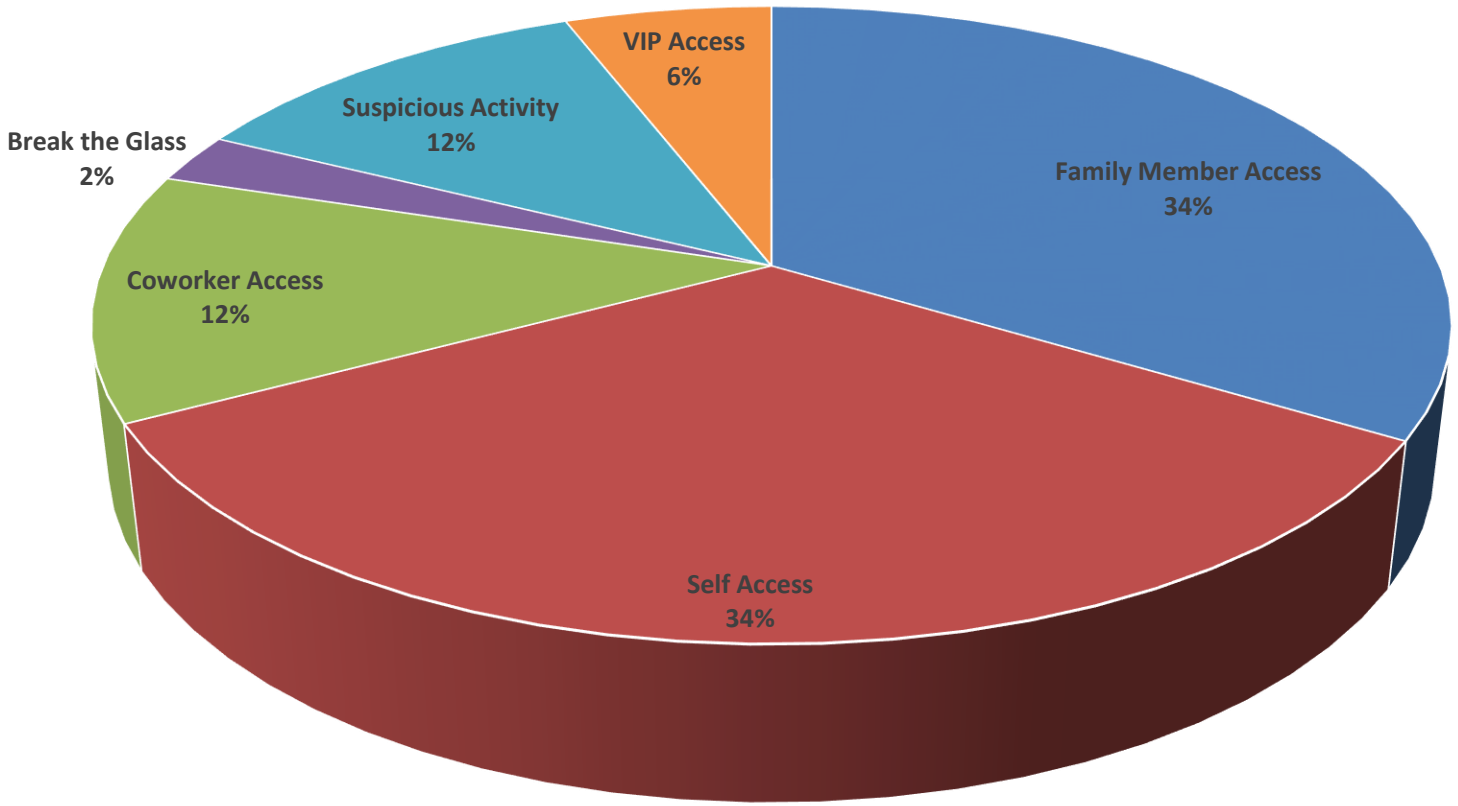
*Q2 New Cases



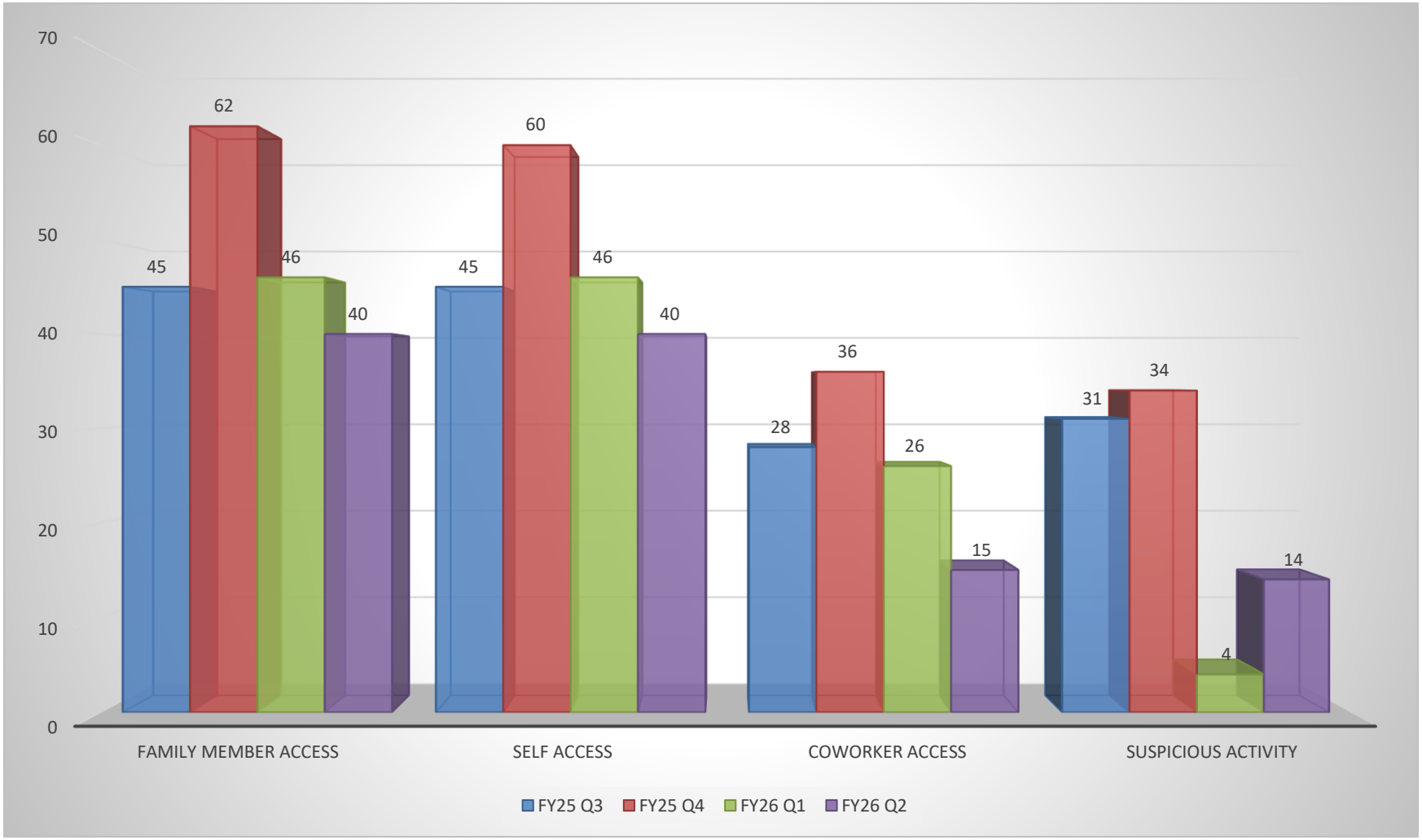
PrivacyPro Dashboard

2nd Quarter FY2026: October 1, 2025 – December 31, 2025

*Q2 New PrivacyPro Cases



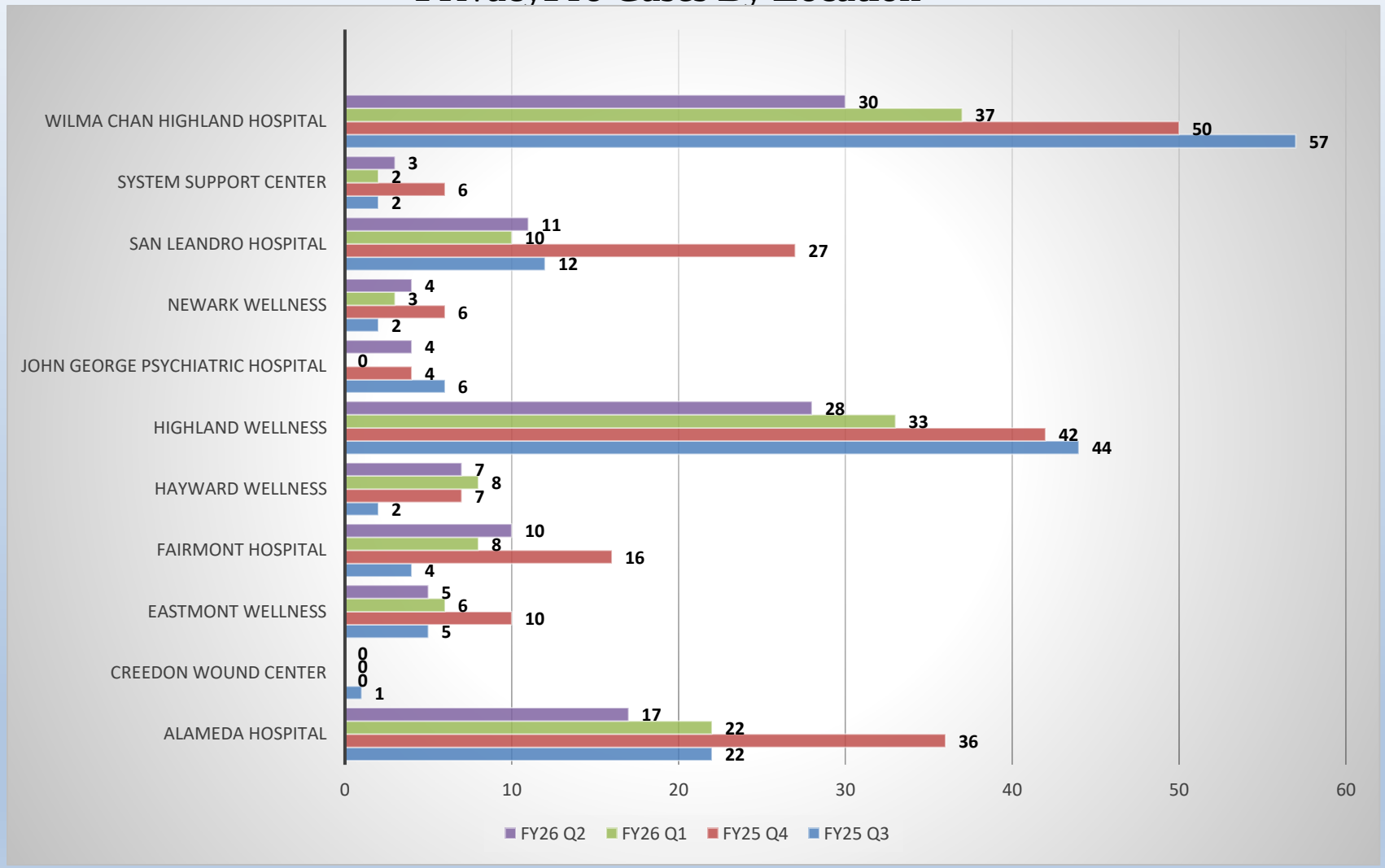
PrivacyPro Top Areas of Concern For FY26 Q2



PrivacyPro Dashboard

2nd Quarter FY 2026: October 1, 2025 – December 31, 2025

*PrivacyPro Cases By Location



ALAMEDA HEALTH SYSTEM

ALAMEDA HEALTH SYSTEM

Compliance Report Summary

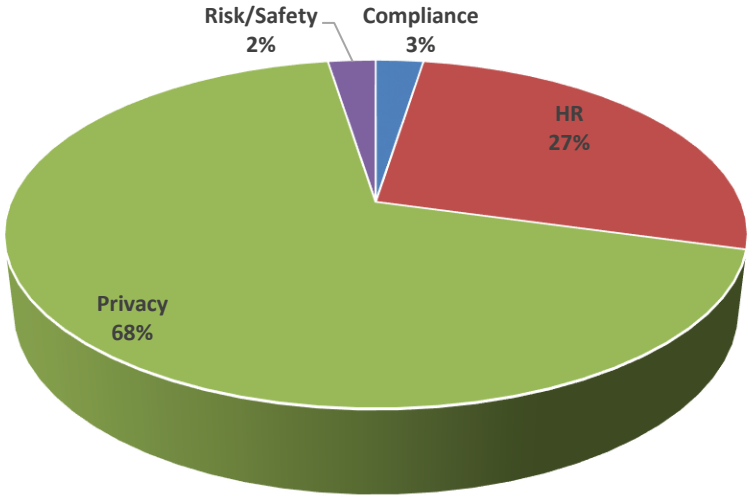
Marilyn Boston, Chief Compliance Officer and Chief Audit Executive
Akemi Renn, Director of System Compliance

Compliance Dashboard

2nd Quarter FY2026: October 1, 2025 – December 31, 2025

Compliance Reported Issues	1st QTR	2nd QTR	3rd QTR	4th QTR
New This Period*	280	243		
Total Closed This Period (Cumulative)	331	135		
Total Pending Resolution (Cumulative)	191	299		
Reported To Government Agency	0	0		
New High-Risk Cases	6	5		

*Q2 New Cases



Issue Type	New Cases Reported
Compliance (6)	• Fraud • Billing Concerns • Unethical Practice Concerns • Conflict of Interest
Privacy (166)	• PrivacyPro Investigations • Misdirected PHI • Possible Unauthorized Access • Zix: Missent/Unencrypted Emails • Privacy: Projects • Contract Review
HR (65)	• Employee Relations Incidents • Hostile Work Environment • Harassment Allegations • Retaliation Allegations • Time Theft • Employee Conduct Concerns
Risk/Patient Safety (6)	• Patient Safety Concerns • Quality of Care Concerns

Compliance Audits and Investigations

Audit Name	Summary	Audit Start Date	Planned Completion Date	Status
Retro 340B Audit	**Purpose:** Retro audit for the last fiscal year to verify modifiers were appended correctly. **Finding Update:** 1. Crossover claims did not append the modifier due to Medicare sending clams to secondary payers (mostly Medi-Cal). 2. Secondary claims for Medi-Cal had suppressed the UD modifier. 3. Certain payers within Observation claims that share the same NPI caused a 340B compliance issue. **Action Plan To Date:** 1. Conduct testing to re-submit claims with the modifier after adjudication. 2. Submitted ticket to not suppress the modifier and is in production effective. 3. Testing phase to ensure compliance with the revenue cycle team.	2/1/2026	4/30/2026 3/2/2026 4/30/2026	○ **On Track**

Compliance Audits and Investigations

Audit Name	Summary	Audit Start Date	Planned Completion Date	Status
SNF Admin Days Audit	**Purpose:** Proper billing for admin days for inpatient stays. **Findings:** 1. No instances of inappropriate billing. This is due to the current workflow that claims cannot be billed unless the required documentation and information are present to prevent inappropriate billing of claims. 2. Identified opportunities for improvement within the Case Management department to adhere to established procedures and policies for consistent documentation and process alignment. **Action Plan:** 1. A retrospective audit will be planned to confirm the effectiveness of these workflow enhancements and to ensure continued accuracy in billing practices. 2. The Manager of Case Management is working with the staff to ensure accountability with compliance standards for established procedures and policy.	12/28/2025 TBD	5/1/2026	• **Audit Completed** Not Started (FY 27) ○ **On Track**

Compliance Audits and Investigations

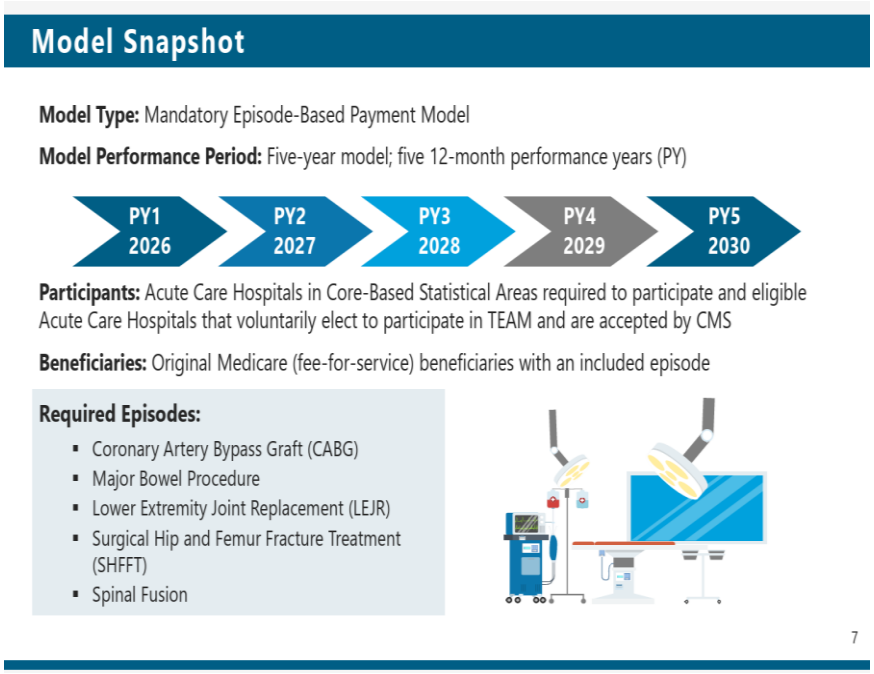
Audit Name	Summary	Audit Start Date	Planned Completion Date	Status
Incorrect charge code usage for Speech Pathology	**Purpose:** Physical Therapy billing code charged due to incorrect set up in system. Audit to identify potential refunds from Epic from 9/2019 to 10/2025. Fixed in system on 10/29/25. **Findings:** 1. Inpatient claims had the correct revenue code 440 for 2100 unique accounts since claims are grouped by rev codes. 2. Outpatient claims had 5 unique accounts that were paid for with the incorrect code. **Action Plan:** Refund of $235.50 were submitted for outpatient claims.	11/6/2025	1/31/2026	• **Completed**

Compliance Audits and Investigations

Audit Name	Summary	Audit Start Date	Planned Completion Date	Status
Quarterly 340B Audit	**Purpose:** 340B audit for October 2025 to December 2025 to identify modifier errors for applicable drugs that part of the 340B Program. **Findings:** 1. Acute Hospitals: Error rates decreased. (60,680 total items) • Medicare/Commercial – 0.05% Error Rate (0.09% previous error rate) • Medi-Cal/Managed Care - 0.4% Error Rate (0.9% previous error rate) 2. Ambulatory/Freestanding Clinics: Error rates increased due providers documenting drug administration in their progress notes instead of using the appropriate workflow in Epic. Additionally, non-medication actions were being documented manually by staff, bypassing the usual ERX system, which led to missing modifiers. (2,787 total items) • Medicare/Commercial – 2.8% Error Rate (1.3% previous error rate) • Medi-Cal/Managed Care – 6% Error Rate (3.9% previous error rate) **Action Plan:** 1. Acute Hospitals: HB Team corrected missing modifiers • Medicare/Commercial - 10 drugs • Medi-Cal/Managed Care - 172 drugs 2. Ambulatory/Freestanding Clinics: PB Team corrected missing modifiers. Proc Doc has been implemented to ensure appropriate workflows for provider documentation. CDI assessing training needs to educate providers and staff. • Medicare/Commercial - 10 drugs • Medi-Cal/Managed Care - 6 drugs	1/16/2026	1/26/2026 1/26/2026 4/31/2026 CDI Education	• **Audit Completed** ○ **Completed** (Modifier corrections and Proc Doc updates) ○ **On Tract** CDI portion

Consulting and Management Requests

Name	Summary	Start Date	Planned Completion Date	Status
Transforming Episode Accountability Model (TEAM)	**Purpose:** CMS requires submission of FAL/CEL on a quarterly bases for surgical episode category. **Update:** • Submission of key components in preparation of TEAM start date of January 1, 2026. • Creating an updated list based on productivity report.	12/1/2025 3/1/2026	 12/31/2025 4/15/2026	 • **Competed** ○ **On Track**



Mandatory for ~740 hospitals. It incentivizes lower readmissions, better care transitions, and potential financial bonuses for high-quality, cost-efficient care.

Financial Arrangement List (FAL) - Participants may enter into a sharing arrangement with a TEAM collaborator in order to make gainsharing payments and/or receive alignment payment.

Clinician Engagement List (CEL) – Participants must submit a CEL identifying clinicians engaged in the 30-day post-discharge care, with the first report due by December 31, 2025, to ensure compliance in this value-based, episode-based payment model.

TEAM is a mandatory model and will run for five performance years from January 1, 2026, to December 31, 2030.

Consulting and Management Requests

Name	Summary	Start Date	Planned Completion Date	Status
Billing Guidelines for Therapy Services	**Purpose:** Therapy service department requested billing guidelines for both inpatient and outpatient services. **Action Plan:** Create grid on workflow process, billing codes used, and billing procedures based on payer guidelines.	3/1/2026	4/15/2026	○ **On Track**

ALAMEDA HEALTH SYSTEM

Compliance Best Practices

Marilyn Boston, Chief Compliance Officer and Chief Audit Executive

Innovating Healthcare Compliance: From Reactive to Predictive

Reflections

Healing reminds us of empathy, humanity, and the patient experience.

Medicine reminds us of evidence, data, and continuous learning.

Business reminds us of sustainability, systems, and stewardship.

Compliance ensures these three remain aligned under a single mission:

Safe, Ethical, and Effective Care.

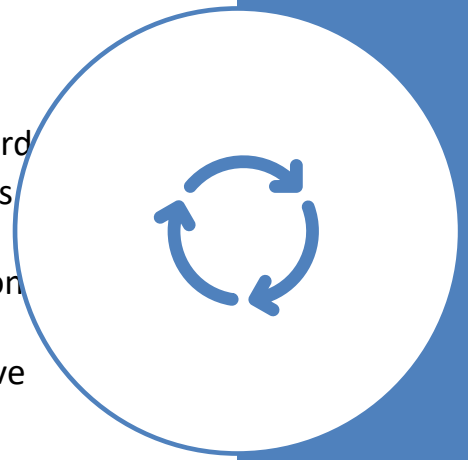
Innovating Healthcare Compliance: From Reactive to Predictive

Best Practice:

- Implement a Data-Driven, Predictive Compliance Model
- Shift the compliance function from reactive monitoring to predictive, data-driven risk management using technology and analytics.

Key Actions:

- Integrate compliance, audit, and operational data into unified dashboard
- Use analytics and AI to identify trends, outliers, and potential violations early.
- Automate repetitive monitoring tasks (e.g., HIPAA access logs, exclusion checks).
- Collaborate with IT, clinical, and operational leaders to embed predictive tools.
- Train staff to interpret and act on compliance data insights.



Benefits:

- Proactive identification and mitigation of compliance risks.
- Improved resource efficiency and staff engagement.
- Real-time insights for leadership and board reporting.
- Strengthens compliance as a strategic partner in organizational performance.

Compliance Innovation Flow: Reactive → Proactive → Predictive

Reactive (Audit Findings)	Proactive (Real-time Monitoring)	Predictive (Risk Prevention)

Technology enablers play a vital role in transforming compliance from reactive to predictive.

Reactive Stage:
- Audit tools and document management systems capture and track findings.
- Manual reporting and retrospective reviews identify issues after they occur.

Proactive Stage:
- Automation tools streamline monitoring (e.g., HIPAA access logs, exclusion lists).
- Dashboards integrate compliance, audit, and operational data in real time.
- Alerts and triggers help identify risks before escalation.

Predictive Stage:
- AI and analytics forecast potential risks based on data patterns.
- Machine learning detects anomalies and compliance trends.
- Predictive dashboards guide leadership decision-making and prevention strategies.

ALAMEDA HEALTH SYSTEM

Featured Project I Stark Watch

Marilyn Boston, Chief Compliance Officer and Chief Audit Executive

STARKWATCH

AI-POWERED HOSPITAL COMPLIANCE

& Invoice Validation

StarkWatch automates contract compliance review, payment monitoring, and audit documentation — with full citations.

Zero
SPREADSHEETS NEEDED

Minutes
NOT MONTHS TO COMPLETE

100%
FINDINGS CITED TO SOURCE

Stark Law Review

29+ compliance questions covering FMV, referral prohibitions, and more

Invoice Validation

Cross-references payments against contract terms to catch discrepancies

Audit-Ready Docs

Every finding cited to source documents, ready for OIG audits

ALAMEDA HEALTH SYSTEM

Catch Payment Violations
Before Auditors Do

- Validates payments against contracted rates
- Detects late payments with exact delay calculations
- Cites specific contract sections for each finding

Severity-Ranked
Risk Intelligence

- Critical, High, Medium, Low severity tiers
- Referral incentive and kickback detection
- Fair market value documentation gaps
- Identifies common contract problems

Lease & PSA
Sample Monitoring

- Standard compliance questions answered by by agreement type
- Weighted scoring with portfolio-level dashboards
- AI answers with citations to source documents
- Verify, challenge, or correct any finding

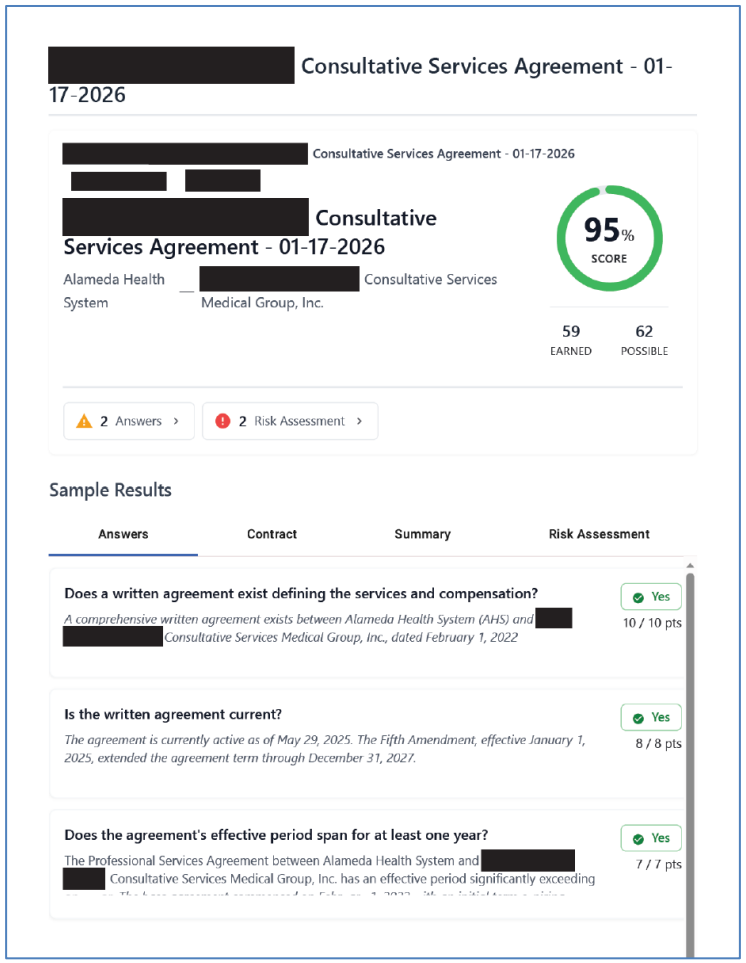
Developed with Alameda Health System

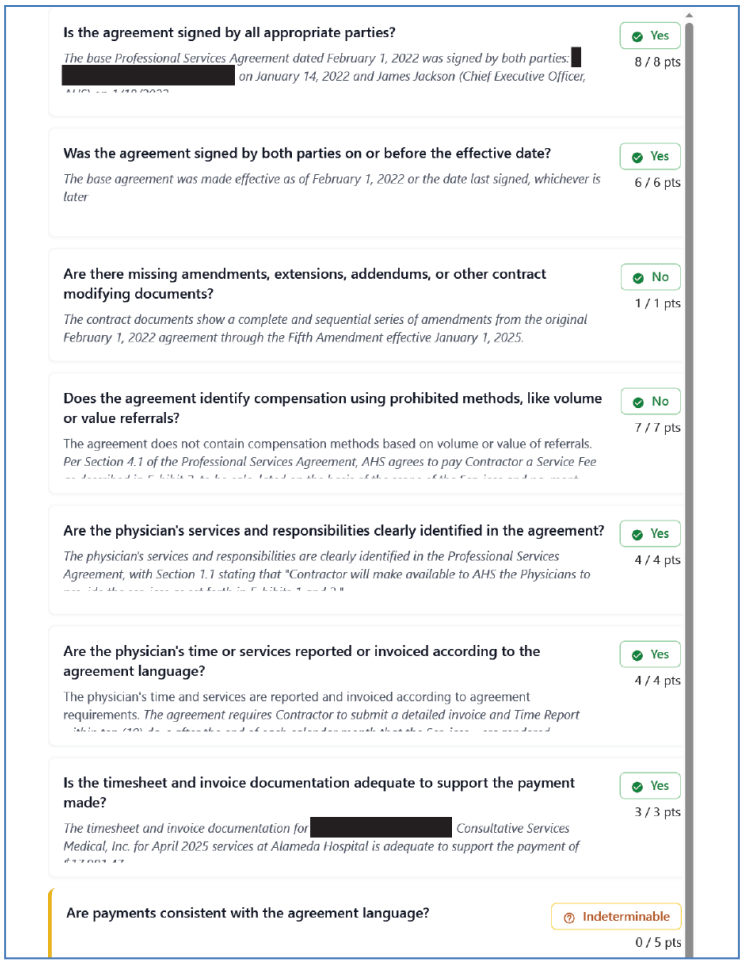
Built hand-in-hand with one of California's largest public health systems, providing real agreement data and continuous expert feedback.

Ready to modernize your compliance program?

See how StarkWatch automates physician agreement compliance review.

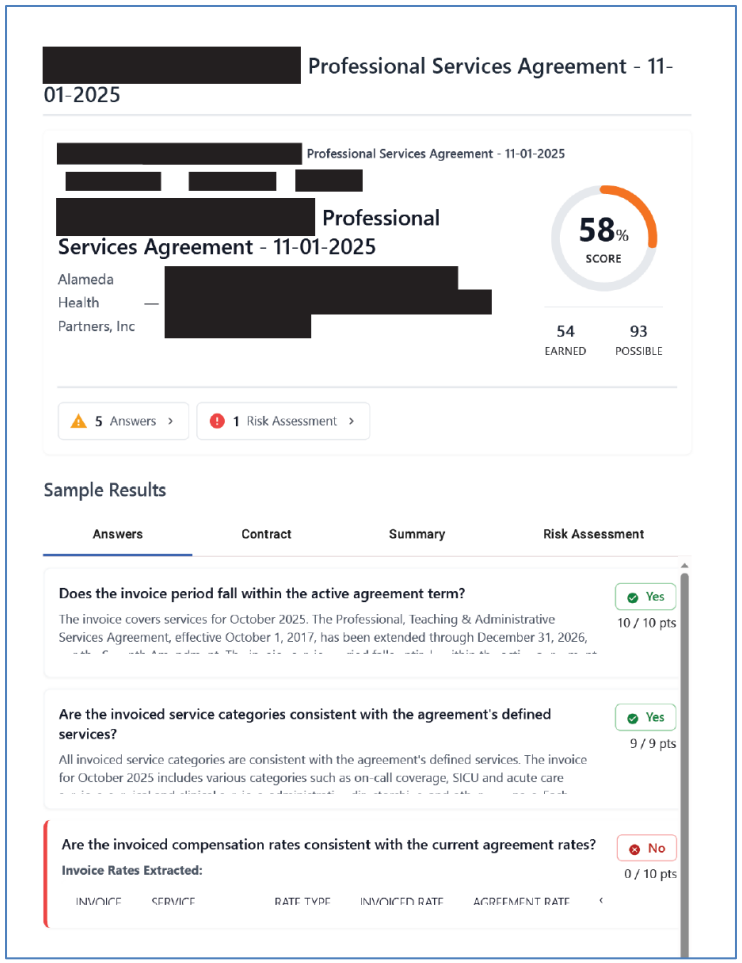
Physician Services Agreement | Stark Compliance

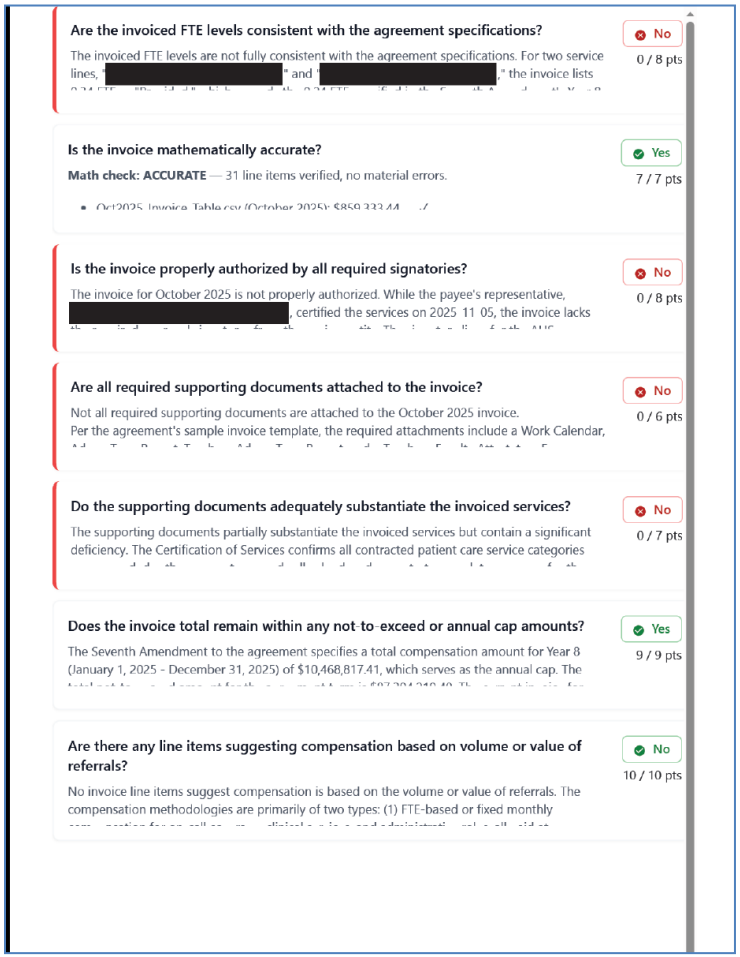




ALAMEDA HEALTH SYSTEM

Physician Services Agreement | Payment Validation





ALAMEDA HEALTH SYSTEM

Physician Services Agreement | Payment Validation

INVOICE	SERVICE	INVOICED RATE	AGREEMENT RATE	DIFFERENCE	DIRECTION
3260582	[redacted]	$59,259.18	$59,259.17	+$0.01	Favors payee
3260582	[redacted]	$59,259.18	$59,259.17	+$0.01	Favors payee
3260582	[redacted]	$16,521.12	$13,659.09	+$2,862.03	Favors payee
3260582	[redacted]	$64,551.61	$62,671.46	+$1,880.15	Favors payee
3260582	[redacted]	$38,013.73	$36,906.53	+$1,107.20	Favors payee

Summary: Five discrepancies were identified out of 33 rates verified; therefore, the invoiced rates are not consistent with the current agreement.

Citations | **Rationale**

[redacted]_Eff_Feb 2026.pdf Page 1 Line Item: [redacted]

"[redacted] | *1.24* | *FTE x* | *$711,110.10* | = | *$59,259.18*"

This citation shows the invoiced monthly rate for [redacted] is $59,259.18, which is inconsistent with the agreement.

1. [redacted] **7th Amendment Final - FE.pdf** Page 25 Exhibit 1.C, Year 9 Table

[redacted] | *1.24* | *$711,110.10* | *$59,259.17*"

This citation from the governing amendment specifies the monthly rate for [redacted]" as $59,259.17, which contradicts the invoiced amount of $59,259.18.

Systematic and Targeted Analysis

- Analysis on all invoiced line items.
- Validation of supporting documentation and contract alignment
- Summary tables highlighting identified or questionable discrepancies
- Contract citations links to easily locate where invoice does not align with contract
- Completed in 15 min

ALAMEDA HEALTH SYSTEM

Questions or Comments?

ALAMEDA HEALTH SYSTEM

Compliance and Internal Audit Projects

Incident Management System (EthicsPoint)

Key Milestones	Status
Contract Agreement	Completed
Amendment to Agreement	Completed
Project Kickoff	1/15/26
Migration of Lighthouse Data	Pending
Integration of External REST-based API Set Up	Pending
HRIS Data Feed	Pending
Configuration Build	In Progress
Configuration Review and Testing	Pending
User and Analytic Training	Pending
Communication and Education System-wide	Pending
Go-Live	Pending

Implementation Process: 16 weeks (approx. timeline)

Stark Watch

Key Milestones	Status
Contract Agreement	Completed
Project Kickoff	1/15/26
Configuration Build	In Progress
Configuration Review and Testing	Pending
User and Analytic Training	Pending
Communication and Education System-wide	Pending
Go-Live	Pending

AB 352 Reproductive Privacy

Key Milestones	Status
Regulation Review and Interpretation	In Progress
Security Assessment Review	In Progress
Epic Implementation Changes • Data segmentation • Access control • Disclosure restrictions	In Progress
Workflow Development	Pending

AB 352 adopts privacy protections for information about gender affirming care, abortion, abortion-related services, contraceptives, and to prevent out-of-state prosecution against individuals who come to California for abortion or reproductive health-related medical services or gender affirming care.

Requires AHS to develop capabilities to:

- Limit user access privileges to information systems to those persons who are authorized to access the medical information.
- Prevent the disclosure, access, transfer, transmission or processing of such information to any person or entity outside of California.
- Segregate medical information from the rest of a patient's medical record.
- Provide the ability to automatically disable access to segregated medical information by individuals and entities in another state.

DISCUSSION: Internal Audit Update

ALAMEDA HEALTH SYSTEM

Internal Audit Update

FY 2026 Internal Audit Plan

Risk Based Audits	Status
• Patient Access and Registration (carryover)	✔ **Completed**
• John George Revenue Cycle	✔ **Completed**
• Cash Posting (carryover)	Not started (Q4)
• Accreditation Management	Not started (Q4)
~~• Post-Award and Gift Process~~	~~Not started~~
~~• EHR Access and Data Security~~	~~Not started~~
~~• Health Information Management Requests~~	~~Not started~~
~~• TBD – Senior Leadership Selection~~	~~Not started~~

Recurring Audits	
• CMS Open Payments and Form 700 Audit (Annual)	Not started (Q4)
• AHS Website Price Transparency (Annual)	○ On Track
• Exclusion Testing (Monthly)	○ On Track

FY 2026 Internal Audit Plan (cont.)

Consulting, Special Projects and Mgt. Requests	Status
• 2025 Single Audit Controls Validation Support	✔ **Completed**
• 2025 AHS Website Price Transparency	✔ **Completed**
• ACP Grant Invoicing	✔ **Completed**
• ACP Grant Compliance	○ On Track
• ACP Contract Compliance	○ On Track
• Resident Trust Account Controls Validation	○ On Track
• Anonymous Patients	○ On Track
• Stark Watch – AI Monitoring Tool	○ On Track
• 2026 Single Audit Controls Validation Support	○ On Track
• ~~Enterprise Risk Management – Inventorying~~	~~Not started~~

ALAMEDA HEALTH SYSTEM

Patient Access and Registration

Patient Access and Registration

Date: December 4, 2025 Location: Alameda Health System

AUDIT RATING: Satisfactory with Minor Exceptions

CONTEXT

Internal Audit Standards require an internal audit function to establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals. The Patient Access and Registration audit was identified and included on the FY 2026 Internal Audit Plan through an annual risk assessment of AHS's audit universe. The purpose of this audit is to evaluate and test the effectiveness of internal controls that ensure completeness, accuracy, timeliness, and regulatory compliance related to Patient Access and Registration processes.

OBJECTIVES

- Ensure accurate and complete collection of patient demographic and financial information at the Patient Access points.
- Assess the adequacy and timeliness of the insurance verification processes for all scheduled patients.
- Prevent duplication of patient account numbers and patients in the Master Patient Index (MPI).
- Assess the efficiency of follow-up procedures on the Patient Access denials in reducing financial impact.
- Evaluate operations in compliance with Federal/State regulations surrounding in-scope Patient Access Functions - Pre-registration, Insurance verification, authorizations and denial follow-up processes.

SCOPE

The scope of the audit encompasses patient registration processes, including pre-registration/admitting, and insurance verification/pre-authorization and patient access related denial follow-up processes.

Time Period: 4/1/2025 - 08/31/2025 (5 Months)

Key Information System(s): Epic

Scope Exclusions: The audit excludes patient access certain functions such as scheduling, physician order management/medical necessity, financial counseling, and oversight.

CONCLUSION

Tested controls or control design had **minimal** exceptions, weaknesses or regulatory non-compliance that in aggregate notably impacts the organization.

SUMMARY OF FINDING RISKS

High - 0	Medium High - 1	Medium Low - 1	Low - 1

MAJOR FINDINGS IDENTIFIED

Medium High **Finding 1 – Copay Collection at Patient Access Points**

WHAT IS CAUSING THE FINDING?

- Policies and Procedures: There is no formalized policy guiding staff on when and how to collect copays, especially in Emergency and Admissions settings. This lack of foundational guidance results in inconsistent practices and missed revenue opportunities.
- Misaligned Operations: The physical and digital tools required to support point-of-service copay collection (e.g., payment terminals or card readers) are either unavailable or insufficient. This misalignment between operational needs and available infrastructure hinders effective execution of copay collection.
- Accountability: Staff responsibilities for copay collection are not clearly defined in procedures or job expectations. This ambiguity leads to confusion about ownership and accountability, resulting in inconsistent execution across all care settings.

WHAT ACTIONS WILL MANAGEMENT TAKE?

- HGH card readers were reinstalled when the new registration space in the main lobby was completed, and the team relocated to their new workspaces on October 8, 2025.
- Petty Cash has now been fully rolled out to HGH, SLH, and ALH to support accurate copay collection.
- Re-education has been provided on proper account documentation using the designated smart text.
- Continued refreshers will be incorporated into ongoing huddles and staff meetings.

Medium Low **Finding 2 – Gaps in Patient Registration**

WHAT IS CAUSING THE FINDING?

- Misaligned Operations: Inconsistent documentation practices across AHS facilities during the patient registration process. Although staff are guided by Registration Operator Standard Work (OSW) documents tailored to different care settings—Emergency, Admission, Ancillary, and Outpatient—there is no standardized protocol for documenting missing patient information. In many cases, staff failed to record why critical items such as photo identification, insurance cards, or required forms were not collected.

WHAT ACTIONS WILL MANAGEMENT TAKE?

- Effective immediately, refresher training has been conducted to reinforce registration accuracy. Ongoing reminders will be provided during daily huddles and staff meetings to ensure continued compliance.
- Updated Operation Standard Work for Registration and Refresher training will be provided to:
  - ✓ Reinforce the requirement to scan a valid government-issued ID and insurance card at every visit.
  - ✓ Implement the SmartPhrase ".PICNOTTAKEN" in Epic to document instances where a patient photo was not captured.
  - ✓ Update the Permission to Share status using the dropdown options: Patient Refused, Signed, or Unable to Obtain. Staff must continue to request and document this consent at each encounter until completed.

Low **Finding 3 – Patient Registration/Eligibility Denials Analysis**

WHAT IS CAUSING THE FINDING?

- Training: Registration and Eligibility denials occur when claims are rejected due to errors during patient registration or insurance verification. These errors may include incorrect demographic information, invalid or missing insurance coverage details, or inaccurate payer assignment. Such denials delay reimbursements, increase administrative workload due to rework and resubmission, and can ultimately result in lost revenue and patient dissatisfaction.

WHAT ACTIONS WILL MANAGEMENT TAKE?

- Patient Access leadership will continue to reinforce adherence to this workflow to ensure accuracy and compliance. Refresher trainings are held quarterly along with new hire training for new staff members.

ALAMEDA HEALTH SYSTEM

John George Revenue Cycle

John George Hospital Revenue Cycle

Date: March 4, 2026 Location: Alameda Health System

AUDIT RATING: Satisfactory with Minor Exceptions

CONTEXT

Internal Audit Standards require an internal audit function to establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals. The John George Revenue Cycle Audit was identified and included on the FY 2026 Internal Audit Plan through an annual risk assessment of AHS's audit universe. The purpose of this audit is to evaluate and test the effectiveness of internal controls that ensure completeness, accuracy, timeliness, and regulatory compliance related to John George Hospital's billing processes.

OBJECTIVES

- Ensure Accurate and Compliant Billing: Validate that all billed services are properly documented and meet regulatory requirements.
- Maximize Revenue Capture: Ensure timely and complete submission of eligible encounters and identify any revenue leakage from unbilled or held claims.
- Strengthen Data Integrity and Billing Internal Controls: Assess and evaluate the reliability of manual edits, reports, and related billing internal controls.
- Enhance Operational Efficiency: Review the end-to-end billing workflow to identify bottlenecks and recommend improvements in encounter tracking, invoice preparation, and submission.

SCOPE

The scope of this audit includes reviewing the end-to-end billing cycle for Behavioral Health Services, covering encounter tracking, claim submission, invoice preparation, and reconciliation processes. It will also evaluate data integrity of Epic BHCS reports, manual edits, and internal controls related to billing accuracy and compliance with Medi-Cal and Short-Doyle requirements.

Location: John George, Behavioral Health Care Services

Time Period: 1/1/2025 - present

Key Information System(s): Epic, SmartCare (Alameda County)

Scope Exclusions:

- Clinical Quality of Care: Appropriateness of clinical treatment and any associated outcomes.
- IT System Security: Cybersecurity and system configuration reviews.
- External Processes: Activities performed by the Alameda County in relation to the BHCS billing, including reconciliation of encounters with internal County systems.

CONCLUSION

Tested controls or control design had **minimal** exceptions, weaknesses or regulatory non-compliance that in aggregate notably impacts the organization.

John George Hospital Revenue Cycle

Date: March 4, 2026 Location: Alameda Health System

SUMMARY OF FINDING RISKS

High - 0	Medium High - 0	Medium Low - 2	Low - 0

MAJOR FINDINGS IDENTIFIED

Medium Low **Finding 1: Upstream Process Gaps and Revenue Impacts**

WHAT IS CAUSING THE FINDING?

- Misaligned Operations: Patient Access staff enter encounter details in SmartCare (Alameda County's behavioral health electronic system) during the registration process, where key billing information (including billing diagnosis) is captured. These encounters are subsequently serviced in SmartCare and billed by the John George billing team. Internal Audit sample testing of 75 encounters revealed operational issues such as SmartCare system failures and employee task transfers leading to un-serviced encounters and missed billing opportunities across the service categories.

  Encounter activity from January 2025 to September 2025 identified a total of 27,978 service line items, of which **1,431** (5%) required correction due to upstream registration workflow gaps or incomplete documentation across Psychiatric Emergency Services, Inpatient, and Professional Fee programs. These errors and missing documentation resulted in **$4.21M** in delayed or missed revenue.

  These deficiencies indicate AHS control gaps over SmartCare, upstream registration process, documentation workflows, and post-service validation processes.

WHAT ACTIONS WILL MANAGEMENT TAKE?

- Ensure admitting diagnoses are documented before discharge
  - Require Eligibility Clerks and Billing teams to verify that diagnoses are present before discharging any account
- Support staff with quick reference tip sheet
  - Create and distribute a tip sheet showing how to view the Admitting Diagnoses in EPIC and correctly enter Admitting Diagnoses in SmartCare.
  - Update the tip sheet whenever SmartCare workflows or fields change
- Establish review, corrections, and validation guidelines
  - Set clear timelines for reviewing and correcting missing or inaccurate Admitting Diagnoses
  - Assign responsibility to designated staff to monitor encounters for missing information
  - Implement a structured process for notifying clinicians and tracking completion of corrections
  - Require a final validation step by the Eligibility Clerk or Billing Team prior to account discharge
- Training plan
  - Provide onboarding training to all new staff covering SmartCare documentation requirements, including how to enter Admitting Diagnoses
  - Conduct annual refresher training to reinforce correct documentation workflows; ad hoc training or coaching when recurring errors or gaps are identified.

Medium Low **Finding 2: Holding Log Analysis**

WHAT IS CAUSING THE FINDING?

- The Behavioral Health Encounter Holding Log is used to track encounters pending billing, placed on hold, or marked Discharged Not Billed (DNB). Based on Internal Audit's review of holding-log documentation and statuses across Psychiatric Emergency Services (PES), Inpatient (IP), and Professional Fee (PF). The following key issues were noted:

1. **Lack of Standard Documentation and Missing Information –** Encounter information entered on the holding log is inconsistent. Critical fields use free-form text formats to document the reason for holding due to free-text formats, and some data elements are left blank due to the manual entry of the information.

2. **No unique Line Numbering/ Audit Trail Gaps –** The holding log structure does not include a unique identifier for each record, nor does it contain a controlled audit trail to track edits, deletions, or historical changes. Without line numbering or system-generated unique IDs, entries can be overwritten, removed, or modified without detection. This creates data-integrity risks and limits the organization's ability to verify completeness of the log, reconcile activity over time, or support internal/external audit inquiries.

3. **Lack of Aging Review and Quantified Impact Tracking –** Management's practice is to process the oldest hold encounters first, which helps to prioritize extended holds more than 12 months old. However, there is no monitoring process of the entire aged hold encounters. Without regular monitoring of the aged encounters, management cannot effectively assess backlog risk or identify process breakdowns contributing to delays, resulting in potential revenue leakage and avoidable write-offs.

WHAT ACTIONS WILL MANAGEMENT TAKE?

- Overhaul format of the Holding Log to include recommended improvements.
- Schedule monthly team meetings to review aging accounts and escalate as necessary for prompt invoicing.

Corrective Action Plan Status

Engagement Name	Report Issuance Date	# of Findings TOTAL	CLOSED	OPEN	Corrective Action Outstanding	Planned Implementation Date	Days Past Implementation Date		Corrective Action Status
Single Audit | Year Ended June 30, 2025	4/30/2024	2	0	2	Finding 2025-003	6/30/2024	619	O	On Track
					Finding 2025-004	6/30/2024	619	O	On Track
Payroll and Timecard Audit (AHS)	9/9/2024	2	1	1	Finding 2	10/31/2024	496	O	On Track
Vendor Risk Assessment Audit	12/31/2024	3	2	1	Finding 3	3/31/2026	(20)	O	On Track
Primary Care Capitation Audit	4/1/2025	2	0	2	Finding 1	8/31/2025	192	→	Delayed
					Finding 2	6/30/2025	254	→	Delayed
Identity and Access Management Audit	6/27/2025	3	0	3	Finding 1	9/30/2025	162	O	On Track
					Finding 2	3/31/2026	(20)	O	On Track
					Finding 3	12/31/2025	70	O	On Track
Engineering Infrastructure & Facilities Management	7/7/2025	3	1	2	Finding 1	9/1/2025	191	O	On Track
					Finding 2	11/1/2025	130	O	On Track
Price Transparency	7/11/2025	2	1	1	Rec. 1	12/31/2025	70	O	On Track
Patient Access and Registration	12/1/2025	3	0	3	Finding 1	12/4/2025	97	O	On Track
					Finding 2	12/4/2025	97	O	On Track
					Finding 3	12/4/2025	97	O	On Track
John George Revenue Cycle Audit	3/4/2026	2	0	2	Finding 1	6/1/2026	(82)	O	On Track
					Finding 2	3/15/2026	(4)	O	On Track

TOTAL OUTSTANDING **17**

ALAMEDA HEALTH SYSTEM

ALAMEDA HEALTH SYSTEM

Featured Corrective Action | Parking Program

Featured Corrective Action | Parking Program

Background

- April 2024 – Issued Parking Program audit with 5 findings.
- February 2026 – Last corrective action implemented for Finding #3.

Finding #3 Audit Results

AHS contracts for parking services for Alameda and Highland Hospital campuses, which includes garages, lots, valet, and shuttle. Additionally, the vendor provides financial and operational reporting, when requested.

The parking service vendor's financial reporting and weekly updates to AHS management **did not include** sufficient detail, key data, or metrics to effectively evaluate the operational health or financial impacts to AHS's parking program.

Organization Impact

Missed opportunities to improve open parking spaces wait times, assess parking demands, track occupancy, improve employee/customer morale, and make informed strategic decisions to positively affect revenues and costs.

Recommendation

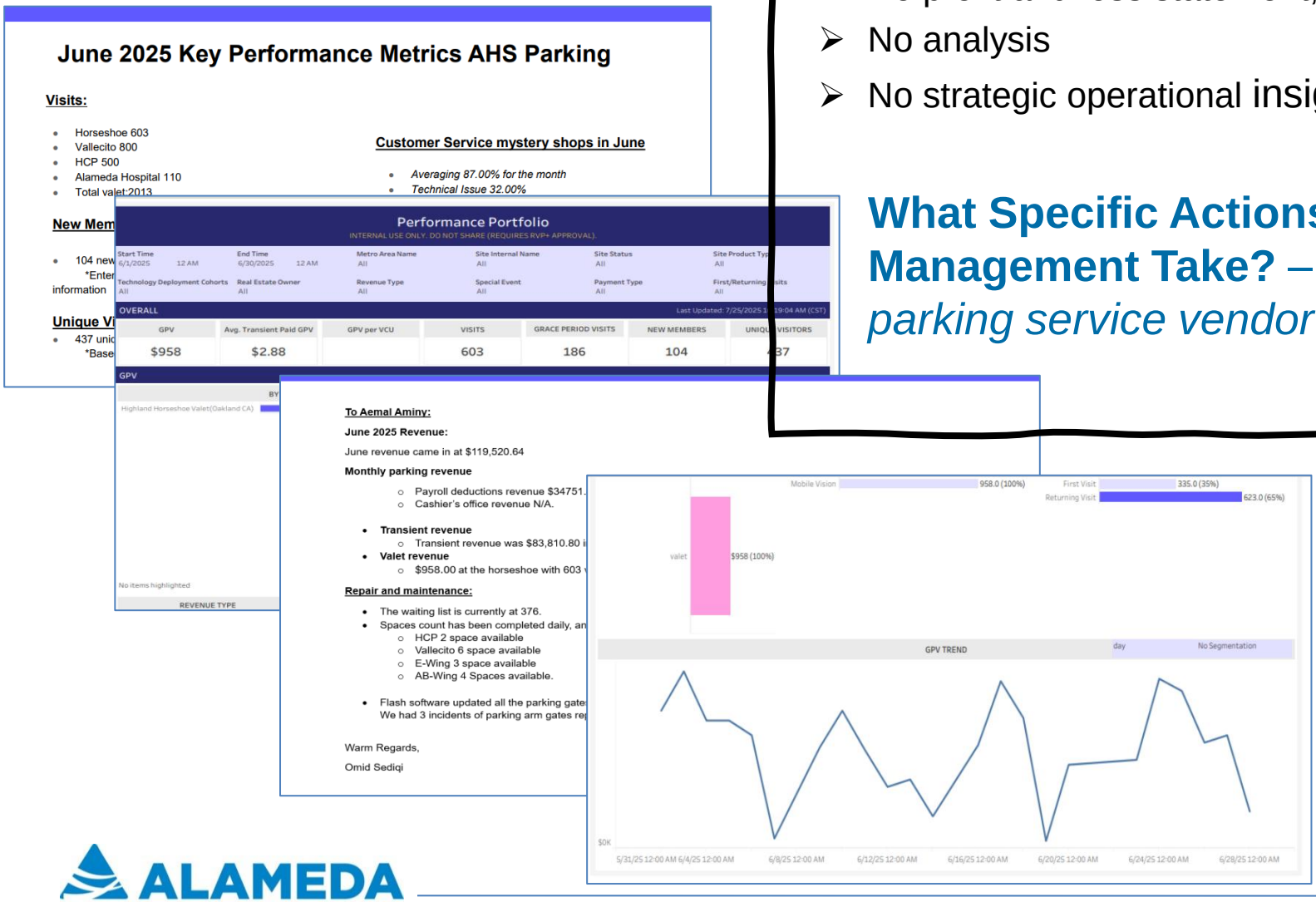
AHS Parking Department should establish a monthly reporting dashboard with key parking program financial and operational metrics, as well as results from utilization assessments.

PRIOR STATE

Limited Financial and Operational Data

- 4-page point in time executive summary and observational update
- No profit and loss statement,
- No analysis
- No strategic operational insight

What Specific Actions Did Management Take? – *Change parking service vendor*



June 2025 Key Performance Metrics AHS Parking

Visits:

- Horseshoe 603
- Vallecito 800
- HCP 500
- Alameda Hospital 110
- Total valet:2013

Customer Service mystery shops in June

- *Averaging 87.00% for the month*
- *Technical Issue 32.00%*

New Mem

- 104 new
  *Enter
  information

Unique Vi

- 437 unic
  *Base

Performance Portfolio

INTERNAL USE ONLY. DO NOT SHARE (REQUIRES RVP+ APPROVAL)

Start Time	End Time	Metro Area Name	Site Internal Name	Site Status	Site Product Typ
6/1/2025 12 AM	6/30/2025 12 AM	All	All	All	All

Technology Deployment Cohorts	Real Estate Owner	Revenue Type	Special Event	Payment Type	First/Returning
All	All	All	All	All	All

OVERALL

Last Updated: 7/25/2025 1 :04 AM (CST)

GPV	Avg. Transient Paid GPV	GPV per VCU	VISITS	GRACE PERIOD VISITS	NEW MEMBERS	UNIQU VISITORS
$958	$2.88		603	186	104	37

GPV

BY

Highland Horseshoe Valet(Oakland CA)

No items highlighted

REVENUE TYPE

To Aemal Aminy:

June 2025 Revenue:

June revenue came in at $119,520.64

Monthly parking revenue

- Payroll deductions revenue $34751.
- Cashier's office revenue N/A.

- **Transient revenue**
  - Transient revenue was $83,810.80
- **Valet revenue**
  - $958.00 at the horseshoe with 603

Repair and maintenance:

- The waiting list is currently at 376.
- Spaces count has been completed daily, an
  - HCP 2 space available
  - Vallecito 6 space available
  - E-Wing 3 space available
  - AB-Wing 4 Spaces available.
- Flash software updated all the parking gate
  We had 3 incidents of parking arm gates re

Warm Regards,

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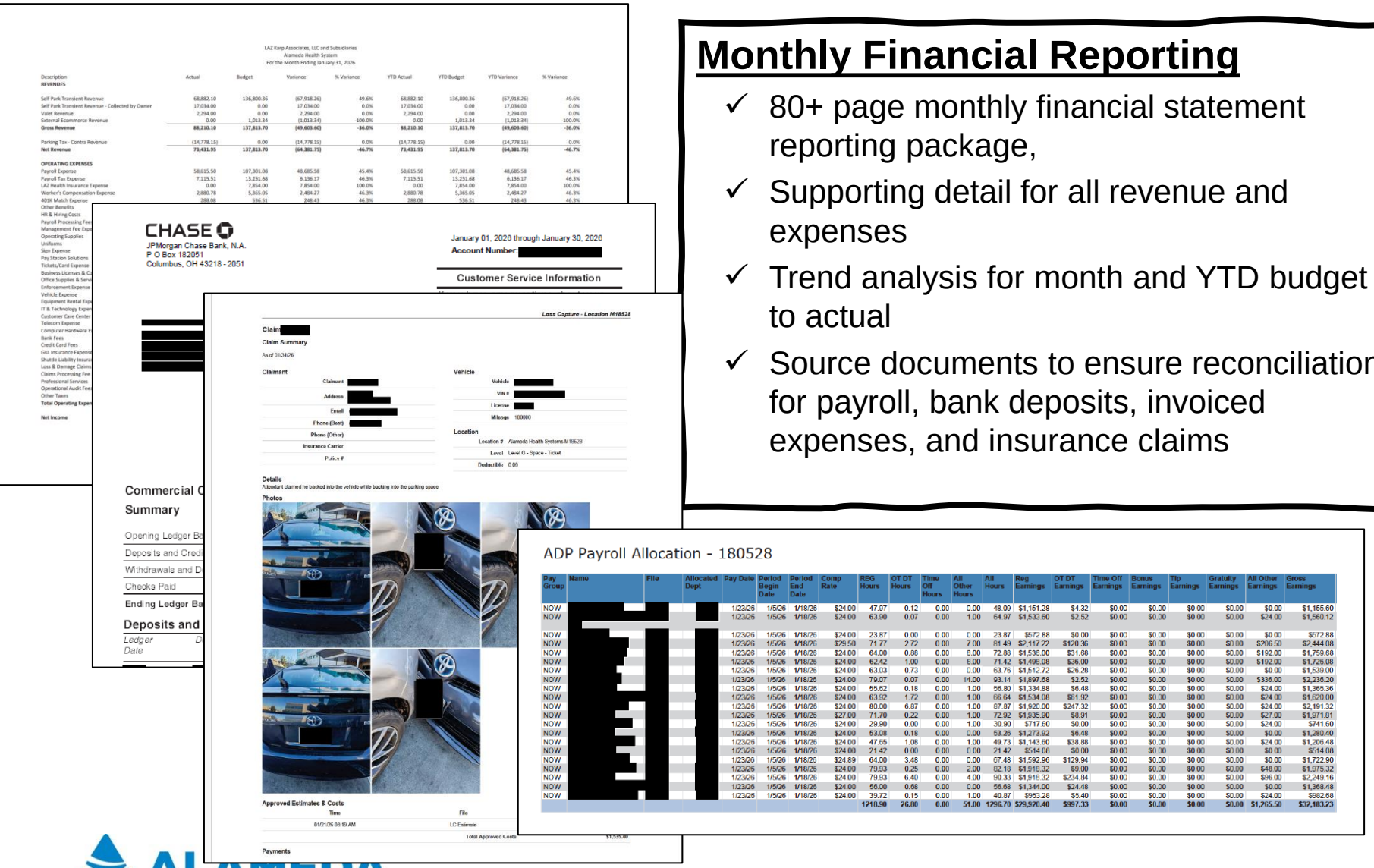
ALAMEDA HEALTH SYSTEM

CURRENT STATE – *new vendor*



Monthly Financial Reporting

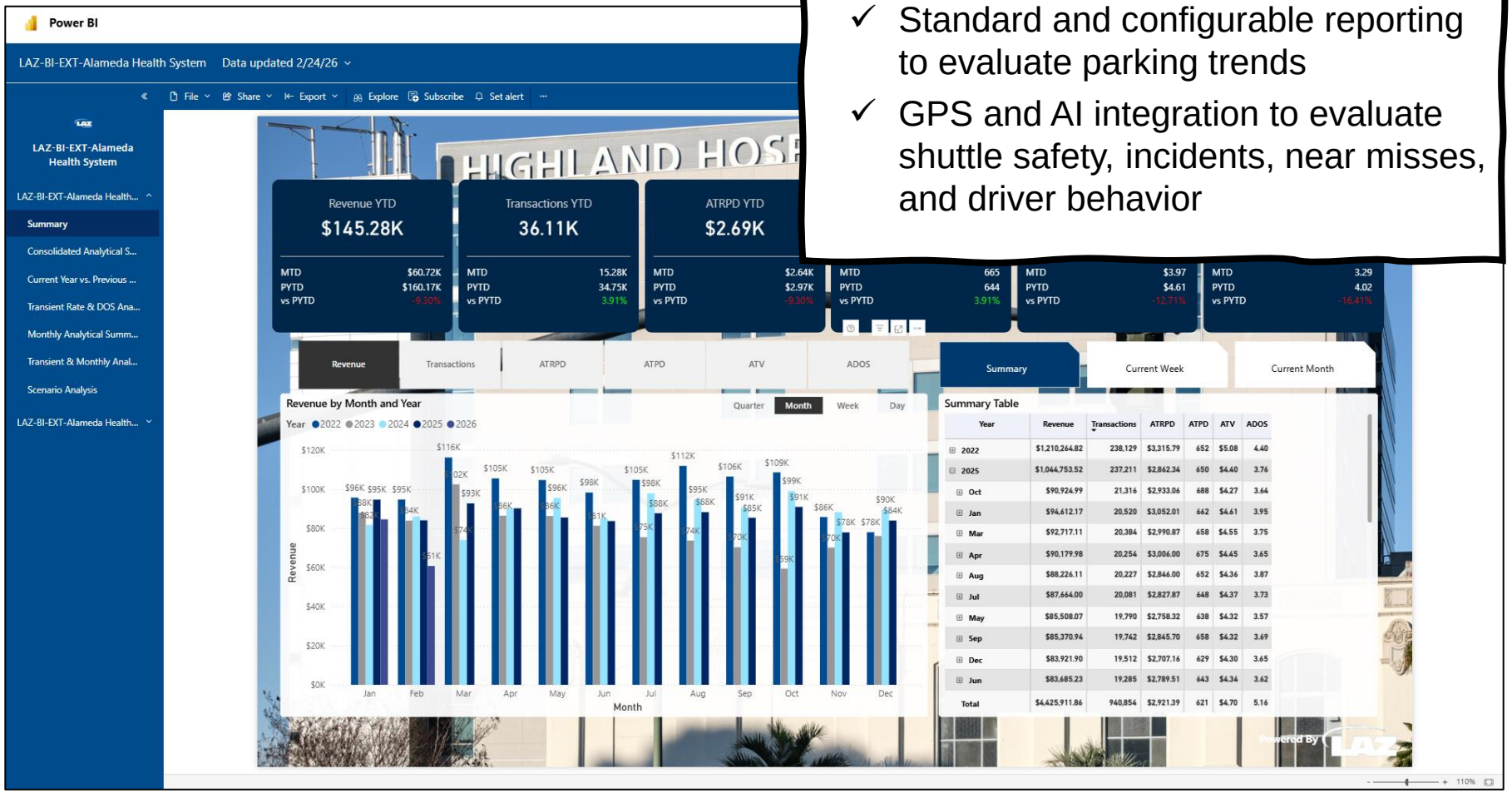
- ✓ 80+ page monthly financial statement reporting package,
- ✓ Supporting detail for all revenue and expenses
- ✓ Trend analysis for month and YTD budget to actual
- ✓ Source documents to ensure reconciliations for payroll, bank deposits, invoiced expenses, and insurance claims

ALAMEDA HEALTH SYSTEM

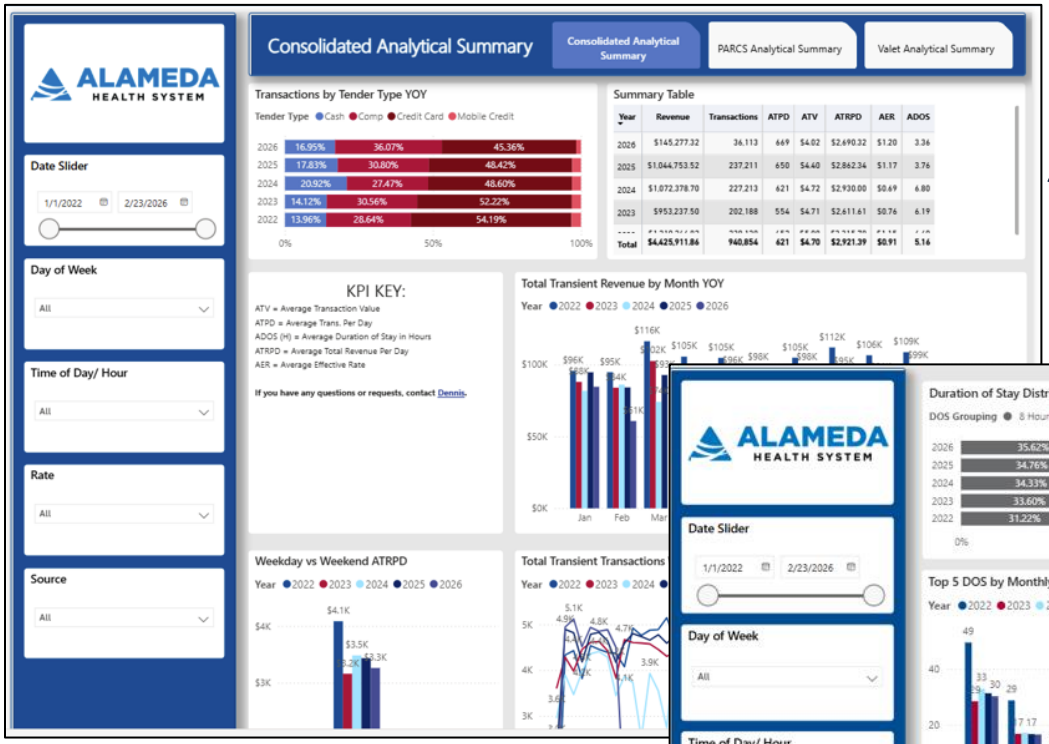
CURRENT STATE – *new vendor*

Real Time Operational Data

- ✓ Operational dashboard with KPIs and essential parking metrics
- ✓ Standard and configurable reporting to evaluate parking trends
- ✓ GPS and AI integration to evaluate shuttle safety, incidents, near misses, and driver behavior



CURRENT STATE – *new vendor*

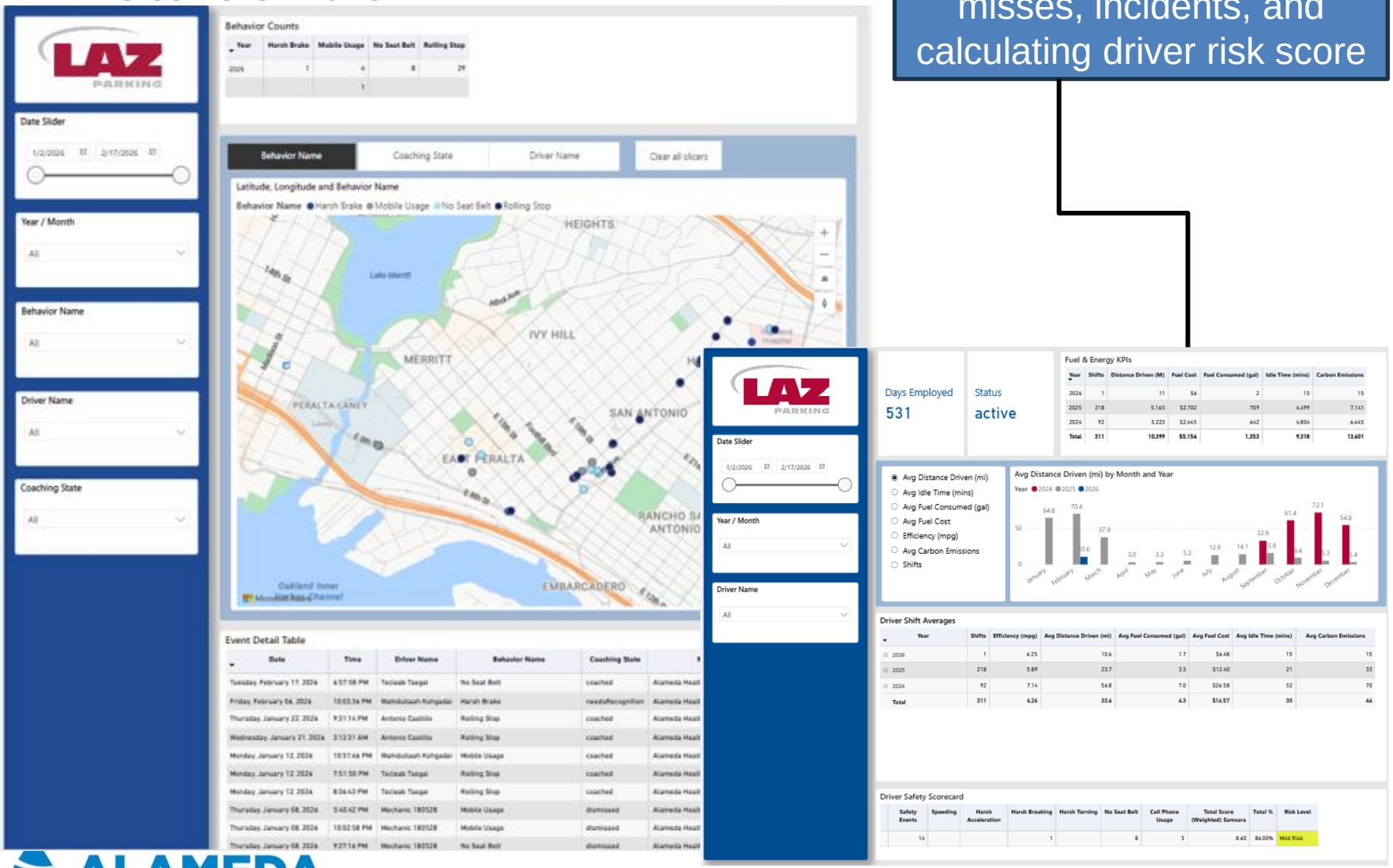


KPIs and Analytical Metrics

Operational Parking Trends

CURRENT STATE – *new vendor*

Shuttle driver safety using GPS and AI – logging near misses, incidents, and calculating driver risk score



INFORMATION/WRITTEN REPORTS: Annual Audit and Compliance Committee Agenda Calendar and Follow-Up

2026 Audit and Compliance Committee Calendar

Topic	3/18/2026	6/17/2026	9/16/2026	No November Meeting
01 Cybersecurity Report	Report Summary	Report Summary	Report Summary	Report Summary
02 Compliance and Privacy Report • Compliance Audit Summary Reports • Consulting Engagements • Dashboards • Projects	Report Summary	Report Summary	Report Summary	Report Summary
03 Internal Audit (IA) Report • Audit Plan Status • Internal Audit Summary Reports	Audit Report	Annual Audit Plan	Audit Report	Audit Report
04 External Audit Report (Moss Adams)	No Update Will Be Presented	Annual Financial Audit Plan	Audit Update	Final Audit Report
05 Education Session	Compliance			

2025 Audit and Compliance Committee Issue Tracker

Topic Under Discussion	Date Raised	Assigned To	Target Due Date	Status