



AUDIT AND COMPLIANCE COMMITTEE MEETING
TUESDAY, November 17, 2015

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

LOCATION:

Open Session: HCP Conference Center

MINUTES

OPEN SESSION – The meeting was called to order at 7:13 p.m.

ROLL CALL was taken and the following Trustees were present:

Kirk E. Miller, James Lugannani, and Michele Lawrence

TAB #1 ACTION: Consent Agenda

The Committee reviewed and approved the Audit and Compliance Committee minutes from September 15, 2015.

Action: A motion was made and seconded that the Audit and Compliance Committee approve minutes from September 15, 2015. The motion passed.

AYES: Trustees Miller, Lugannani, and Lawrence.

NAYS: None

Abstention: None

TAB #2 REPORT: Internal Audit Reporting

Rick Kibler, VP, Compliance & Internal Audit

Prior to starting the Internal Audit reporting, Mr. Kibler was asked to explain why the committee was not having the presentation of Financial Statements from MGO. Mr. Kibler reported that the Financial Statements were in the process of being finalized, a draft of the Management Letter was just received, and test-work is still in process for the Single Audit. These items would not be presented until all are complete.

Discussion ensued about the urgency of completing and presenting the reports and the obligations to the County. Mr. Kibler was asked to poll the committee on potential meeting dates once all required reports are in hand.

A. REPORT: Status of External Financial Audit Management Letter

There has been minimal movement on the past audit findings. MGO had been asked to close a number of old items that were very broad in scope and identify specific actions expected to resolve issues. The draft Management Letter has been received and an updated status would be presented at the next meeting. Discussion ensued and the committee asked that the findings be ranked by priority and revised completion dates be provided if target dates were missed.

B. REPORT: Update on FY2016 Internal Audit Plan

The 2016 Internal Audit plan is considered on-time. A draft report has been issued for the Admit on Order audit and fieldwork is winding down on the ED Charge Capture audit focused on trauma charges.

C. REPORT: Follow-up to Past Audit Reports

Internal Audit routinely follows up on past audit findings to ensure corrective action has been taken to resolve issues. Considerable action has been taken to resolve reported issues, including: ACERA audit – Two items completed, 4 items in final approval stage; Disposal of IT Assets – 2 of 3 items completed, the final item not due until 2016; Meaningful Use – Progress being made and working with IT on new completion dates.

TAB #3 REPORT: Compliance Program
Rick Kibler, VP, Compliance & Internal Audit

A. REPORT: Compliance Program Report

The build of the Compliance program infrastructure is considered complete. Compliance issues continue to be reported and worked. As shown on the attached dashboards, there were 32 new issues reported during the 3rd quarter for compliance. HR issues are the most prevalent with billing issues a close second. There are 16 open issues at this time.

There were 25 new privacy issues reported during the 3rd quarter. Misdirected faxes were the most prevalent reports. There are no open issues at this time.

There have been a number of significant compliance issues reported in the news recently. Two issues were reported involving Stark violations where health plans paid in excess of fair market value resulting in substantial fines of \$72M and \$118M. Staff is assessing the AHS environment to limit exposure to these types of violations.

Discussion ensued and the committee acknowledged that although the reporting contained evidence that significant work was being performed, the reports did not put the work in context. Mr. Kibler was asked to provide more evaluative comments in the reports regarding trends or issues and provide some benchmarking for comparison purposes.

B. REPORT: Status of Compliance Plan

The 2016 Compliance plan is considered on-time. Progress is being made on reviewing and evaluating the regulatory requirements identified in the SOA Projects evaluation of the Compliance Program. When that review is finished, regulations will be assessed for risk and included in future compliance or Internal Audit plans. The 2016 compliance plan is attached for informational purposes.

C. REPORT: Current Regulatory Activity

Regulatory audits are continuing and during October we were involved in an audit of the 340B program by HRSA. Several findings were communicated during the audit; however, at this time we don't know the impact of these findings. Corrective action is in process and we are expecting a formal report in the next few months.

The HRSA audit of FQHC had no change in status and we have not received the formal report.

The OIG requested additional information during October, for the audit of Meaningful Use and that information has been provided.

D. REPORT: Follow-Up to Past Audit Reports

Outstanding items from the SOA Projects Compliance Assessment are not yet due and there has been no change in status.

TAB #4 INFORMATION: Annual Audit and Compliance Committee Agenda Calendar and Follow-Up

Kirk Miller, Interim Chair

The Audit and Compliance Committee Master Calendar is for 2015. An updated calendar will be provided once the 2016 committee schedule has been approved.

Public Comment – None.

Committee Member Remarks – None.

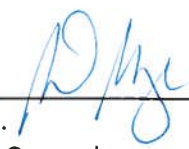
ADJOURNMENT - 8:07 pm

Respectfully submitted by:



Susana Flores
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: 
Mike Moyer, Esq.
Interim General Counsel