



AUDIT AND COMPLIANCE COMMITTEE MEETING

WEDNESDAY, February 17, 2021

5:30pm-7:30pm

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: Telephonic/Electronic Meeting

MEMBERS

Taft Bhuket, MD

Luisa Blue

Alan E. Fox

Sblend A. Sblendorio

AUDIT AND COMPLIANCE COMMITTEE MEETING AGENDA

THE MEETING WAS CALLED TO ORDER AT 5:33 pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT: Taft Bhuket, MD, Luisa Blue, Alan E. Fox, and Sblend A. Sblendorio

ABSENT: None

PUBLIC COMMENT: Non-Agenda Items

None

A. ACTION: Election of Audit and Compliance Committee Chair

M. D. Moye, General Counsel

ACTION: A motion was made and seconded to select Trustee Fox as the Audit and Compliance Committee Chair. A roll call vote was taken, and the motion passed.

AYES: Trustees Bhuket, Blue, and Sblendorio

NAYS: None

ABSTENTION: Trustee Fox

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.

B. ACTION: Approval of the minutes of the November 18, 2020 Audit and Compliance Committee meeting.

ACTION: A motion was made and seconded to approve the minutes of the November 18, 2020 Audit and Compliance Committee meeting. A roll call vote was taken, and the motion passed.

AYES: Trustees Bhuket, Blue, Fox, and Sblendorio

NAYS: None

ABSTENTION: None

END OF CONSENT AGENDA

C. REPORT/DISCUSSION: Internal Audit/Compliance Reporting Summary

Rick Kibler, VP, Compliance & Internal Audit

Akemi Renn, System Director, Compliance

Mr. Kibler and Ms. Renn reviewed the presentation beginning on agenda packet page

Trustee Fox asked how the organization accomplished the internal audit function. Ms. Renn said they did a risk assessment where they discussed risk with various leaders around the organization. They had two full time internal auditors who reported to the VP of Compliance.

Mr. Fratzke asked if the denial review included administrative days and admission denials and if it included John George. Mr. Kibler said they found that denials were a large portion of the AR. It wasn't going to help to report an issue with the action plan. Instead they looked at whether there was a reasonable process for managing the denials. Ms. Renn said EPIC was helping reduce the denials.

Trustee Fox asked if the 340B issues were a result of how they were not supposed to bill Medi-Cal for certain drugs. Ms. Renn said that Medi-Cal received that rebate from the manufacturer. The modifier identified that drug. He asked if they missed the modifier, were they overpaid for the drug, and the settlements were to pay the manufacturers back. Mr. Kibler said because they didn't put the modifier on they were paying wholesale instead of 340B so they had to pay the difference back to the manufacturer who had to pay it to the State.

Trustee Bhuket asked about staffing for the 340B claims process. Ms. Renn said there was a full-time person plus a handful of others who did parts of it, probably equaling about two people. She said they had to look at multiple pieces of information in order to settle the claims.

Trustee Bhuket asked, if they started with 200K claims and were down to 90K, how long it would take to complete the last of the claims. Mr. Kibler said they were anticipating a week or so.

Trustee Sblendorio asked what they were doing to prevent this from happening again and ensure ongoing compliance. Ms. Renn said there was a team in place to perform regular audits. They were also working with Revenue Integrity to ensure they would test out the improvements to EPIC. Ms. Miranda said they wanted to fix this on the back end to charge everyone the same. On the back end, EPIC would go and look and determine the average cost and apply it to the claim. It still had to be tested. Mr. Kibler said they had been doing 100% audits on the UD modifier on every 340B drug. Ms. Renn said they were also reaching out to similar organizations to see how they managed this.

D. VP Compliance and Internal Audit Succession Planning Discussion

Rick Kibler, VP, Compliance & Internal Audit

D1. Compliance Officer Succession Plan

E. INFORMATION: Status Reports (Written Reports)

Rick Kibler, VP, Compliance & Internal Audit

Akemi Renn, System Director, Compliance

E1. Internal Audit Reports

E1a. Status of FY2021 Internal Audit and Compliance Plan

E1b. Follow-up to Past Audit Reports

E2. Compliance Program Reports

E2a. Compliance Report

E2b. AHS Compliance Dashboard FY21 2QTR

E2c. Recent News

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

Committee

F1. Audit and Compliance Committee Master Calendar and Follow-up Worksheet

F2. AHS Board of Trustees Issue Tracking Form AUDIT COMPLIANCE Committee

TRUSTEE COMMENTS

ADJOURNMENT: 6:40 pm

This is to certify that the foregoing is a true and correct copy of the minutes of the Audit and Compliance Committee February 17, 2021 meeting as approved on September 15, 2021:

Ronna Jojola-Gonsalves

Ronna Jojola Gonsalves
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: *shakib azizi*
[shakib azizi \(Oct 4, 2021 15:29 PDT\)](#)
Ahmad Azizi
Interim General Counsel









2021-02-17 AC Minutes FINAL APPROVED

Final Audit Report

2021-10-05

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