

**TRI-CITY HEALTHCARE DISTRICT
AGENDA FOR A REGULAR MEETING
OF THE AUDIT, COMPLIANCE AND ETHICS COMMITTEE**

June 15, 2017

8:30 a.m. – 10:30 a.m.

Assembly Rm. 1

Tri-City Medical Center, 4002 Vista Way, Oceanside, CA 92056

The Committee may make recommendations to the Board on any of the items listed below, unless the item is specifically labeled "Informational Only"

	Agenda Item	Time Allotted	Action/ Recommendation	Requestor/ Presenter
1.	Call to order/Introduction of Scott Livingston, Interim Chief Compliance Officer	5 min.		Chair
2.	Approval of Agenda	2 min.		Chair
3.	Public Comments – Announcement Comments may be made at this time by members of the public and Committee members on any item on the Agenda before the Committee's consideration of the item or on any matter within the jurisdiction of the Committee. NOTE: During the Committee's consideration of any Agenda item, members of the public also have the right to address the Committee at that time regarding that item.	1 min.		Standard
4.	Ratification of Minutes- March 16, 2017	3 min.	Action	Chair
5.	Old Business – None	--	--	--
6.	New Business – Discussion and Possible Action			
	a) <u>Administrative/Compliance Policies</u> 8610-280 – Unclaimed Property	10 min.	Action	K. Topp
	b) Audit Update – Information Only	5 min.	Information Only	CFO
7.	Motion to go into Closed Session			
8.	Closed Session			
	a) Approval of Audit, Compliance & Ethics Closed Session Minutes of April 20, 2017 (Authority: Government Code Section 54957.2)	5 min.	Action	Chair
	b) Conference with Legal Counsel – Potential Litigation (Authority Government Code Section 54956.9(d) (2 Matters)	20 min.	Action	CCO
9.	Motion to go into open session			
10.	Open Session			
11.	Report from Chairperson on any action taken in Closed Session (Authority: Government Code, Section 54957.1).	1 min.		
12.	Committee Communications	5 min.		All
13.	Date of Next Meeting: July 20, 2017	1 min.		Chair
14.	Adjournment			Chair
15.	Total Time Budgeted for Meeting	1 hour		

Tri-City Medical Center
Audit, Compliance & Ethics Committee
March 16, 2017
Assembly Room 1
8:30 a.m-10:30 a. m.

Members Present:	Director Larry W. Schallock(Chair); Director James Dagosino, DPT, PT; Director Leigh Anne Grass; Jack Cumming, Community Member; Faith Devine, Community Member; Kathryn Fitzwilliam, Community Member; Leslie Schwartz, Community Member
Non-Voting Members:	Steve Dietlin (CEO); Ray Rivas, Acting CFO; Kapua Conley, COO; Cheryle Bernard-Shaw, CCO
Others Present:	Jody Root, General Counsel; Teri Donnellan, Executive Assistant; Kathy Topp; Director, Education, Clinical Informatics & Staffing; Joni Penix, Director, Revenue Cycle Operations; Lisa Mattia, Infection Preventionist
Absent:	Cary Mells, M.D.; Physician Member

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
1. Call to Order	The meeting was called to order at 8:30 a.m. in Assembly Room 1 at Tri-City Medical Center by Chairperson Schallock.		
2. Approval of Agenda	It was moved by Mr. Jack Cumming and seconded by Director Dagosino to approve the agenda as presented. The motion passed unanimously.	Agenda approved.	
3. Comments by members of the public and committee members on any item of interest to the public before Committee's consideration of the item	There were no public comments.		
4. Ratification of minutes – February 16, 2017	It was moved by Mr. Leslie Schwartz and seconded by Director Dagosino to approve the minutes as presented. The motion passed unanimously.	Minutes ratified.	
5. Old Business	None		
6. New Business			

A) Administrative Policies & Procedures:	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
<p>1) 8610-278 – Contract Review</p>	<p>Ms. Kathy Topp stated Policy 8610-278 was brought to the committee at a prior meeting and pulled for further revisions. Ms. Topp reviewed the changes that were made at the suggestion of the committee.</p> <p>The committee had extensive discussion regarding the contract approval process and signature authority. Mr. Dietlin explained there is a separate Signature Authority Policy 8610-232 that is referenced in the policy.</p> <p>Ms. Bernard-Shaw commented on the Procedure for Legal Review. She explained that certain contracts will need review by outside legal counsel however we have attempted to standardize the contracts as much as possible to efficiently utilize our legal services.</p> <p>Discussion was held regarding Conflicts of Interest and the definition of a "family member". Chairman Schallock noted there is a separate policy that defines "family member". Ms. Bernard-Shaw stated potential conflicts need to be disclosed, however in many situations the conflict can be remedied.</p> <p><i>General Counsel, Mr. Jody Root joined the meeting at 8:43 a.m.</i></p> <p>Mr. Root recommended the Policy be pulled for several reasons. He stated Exhibit A Standard Form Agreements has not been updated and the process followed by the Finance, Operations & Planning Committee is not consistent with the policy. Mr. Root further explained that the Exhibit implies that the Board approved all items listed which is not the case. Ms. Bernard-Shaw agreed that there are a number of templates that need to be reviewed. Director Grass questioned how long it might take to get the templates reviewed. Ms. Bernard-Shaw responded approximately one month. In the interest of time and getting the Policy through the review process Mr. Dietlin suggested the Exhibit be amended to reflect the Templates that have</p>	<p>Standard Contract Templates to be reviewed; Policy to be amended to be consistent with Finance, Operations & Planning process.</p>	<p>Ms. Bernard-Shaw</p>

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
	<p>been approved and add additional templates as they are approved. The committee urged Ms. Bernard-Shaw to review the templates and bring the policy back to the committee as soon as possible,</p>		
<p>2) 8610-279 – File Maintenance for Contract and Leases (DELETE)</p>	<p>Ms. Kathy Topp suggested Policy 8610-279 be pulled as it is tied to Policy 8610-278.</p>	<p>Policy 8610-279 will be brought back to the committee in conjunction with Policy 8610-278.</p>	<p>Ms. Donnellan</p>
<p>3) 8610-292 – Internal Charge Audit</p>	<p>Ms. Kathy Topp introduced Ms. Joni Penix, Director of Revenue Cycle Operations who is here today to answer any questions related to Policy 8610-292 – Internal Charge Audit. Ms. Topp stated the policy was pulled in November for clarification and is brought forward today for consideration.</p> <p>Minor formatting changes were suggested.</p> <p>Ms. Penix explained the various types of audits and how often these audits might occur.</p> <p>Ms. Penix left the meeting at 9:04 a.m.</p>		
<p>4) 8610-530 – Emergency Response Employees, Notification of</p>	<p>Ms. Topp introduced Ms. Lisa Mattia, Infection Preventionist. Ms. Topp explained Ms. Mattia is here today to answer any questions related to the policy. Ms. Topp stated Policy 8610-530 was revised as recommended by the Committee to clarify The Ryan White Comprehensive AIDS Resources Emergency Care Act. Ms. Mattia noted the word "offices" in section B. 1. should be struck and replaced with "officers".</p> <p>Discussion was held regarding the acronym MICN. Ms. Mattia stated the acronym stands for Mobile Intensive Care Nurse, however the term used most often at Tri-City is Base Hospital Coordinator. It was recommended MICN be defined and placed in brackets</p> <p>Ms. Mattia left the meeting at 9:08 a.m.</p>		

Person(s) Responsible	Action Recommendations/ Conclusions	Discussion	Action Recommendations/ Conclusions
		<p>Ms. Topp stated Policy 8610-562 is presented today for its normal review process. She stated changes to the policy are minor and the correct process was included under Corrective Action.</p> <p>At Mr. Schwartz's request, Ms. Topp provided clarification on the language "terminate" and "intent to terminate".</p> <p>Director Grass requested clarification on paid Administrative Leave. Ms. Topp explained when a staff is placed on Administrative Leave it is always paid leave as it is investigatory until the issue is resolved. Ms. Bernard-Shaw stated this policy is consistent with our union agreement.</p>	
Ms. Donnellan	<p>Recommendation to send Policies 8610-292 – Internal Charge Audit, 8610-530 – Emergency Response</p>	<p>Ms. Bernard-Shaw stated Policy 8750-574 codifies our current processes for nonmonetary compensation items provided to physicians. She explained we are required to track what is routinely given to any physician or physician group that is a member of our organized Medical Staff. Ms. Bernard-Shaw stated Policy 8750-574 outlines our internal process for tracking other things that might be provided to a physician. She noted failure to track could result in a Stark violation.</p> <p>Mr. Schwartz questioned if there is a mechanism in place to ensure employees are aware of the policy and their responsibility to track. Ms. Bernard-Shaw stated training is provided to employees on an annual basis and employees are made aware of the maximum dollar amount allowed for the current year.</p> <p>Ms. Fitzwilliam questioned how expenses are tracked. Ms. Bernard-Shaw stated physician's expenses are tracked and reconciled on an annual basis.</p> <p>It was moved by Mr. Cumming to recommend approval of Policies 8610-292 – Internal Charge Audit, 8610-530 – Emergency Response Employees, Notification of, 8610-562 – Responding to Compliance Issues; Remedial</p>	

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
	<p>Action and 8610-574 – Tracking Remuneration & Use of Items & Services and from Referral Source and Tracking Use of TCHD Resources by Referral Sources. Mr. Schwartz seconded the motion. The motion passed unanimously.</p> <p><i>Ms. Topp left the meeting at 9:18 a.m.</i></p>	<p>Employees, Notification of 8610-562 – Responding to Compliance Issues; Remedial Action and 8610-574 -- Tracking Remuneration & Use of Items & Services and from Referral Source and Tracking Use of TCHD Resources by Referral Sources to the Board for approval; items to be placed on Board agenda and included in agenda packet.</p>	
<p>B) Review of FY2017 Year to Date Financial Statement Results</p>	<p>Chairman Schallock stated the financials are typically presented on a quarterly basis however due to the full agenda last month we deferred the presentation to this month and will report the FY2017 year to date financials. Chairman Schallock stated it is important for the committee to hear the quarterly financial presentation so that when the Audit comes forward for review the Committee has an indication of where we are headed.</p> <p>Mr. Rivas gave a brief report on the Fiscal 2017 YTD financial results as follows (Dollars in Thousands):</p> <ul style="list-style-type: none"> • Net Operating Revenue – \$195,285 • Operating Expense – \$196,359 • EROE - \$11,735 • EBITDA - \$2,869 <p>Other Key Indicators for the current year included the following:</p> <ul style="list-style-type: none"> • Average Daily Census - 183 • Adjusted Patient Days – 66,495 • Surgery Cases – 3,690 	<p>Information Only.</p>	

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
	<ul style="list-style-type: none"> • Deliveries – 1,580 • ED Visits – 37,155 <p>Mr. Rivas also presented graphs which reflected trends in Net Days in Patient Accounts Receivable, Average Daily Census excluding Newborns, Adjusted Patient Days, Emergency Department Visits, EROE and EBITDA.</p> <p>Mr. Cumming questioned why we are off budget. Mr. Rivas stated some of our initiatives did not kick off as quickly as anticipated. Mr. Conley noted Emergency Department visits are down not only at Tri-City but across the board.</p> <p>Mr. Dietlin stated that although we are not seeing the volumes as projected, we were able to control the costs associated with that.</p> <p>Mr. Dietlin also discussed the spike that initially occurred with Obamacare.</p> <p>Mr. Cumming questioned what Tri-City's readmission rate is. Mr. Conley stated our readmission rate is 7.6%, down from 8% last year and close to leading the county. He noted we track all admissions, not just Medicare admissions.</p> <p>Mr. Dietlin stated the balance sheet will look much different in March. He reported the District has been pursuing long term financing for quite some time and last week we completed a 25-year, \$85.8 million mortgage financing issued by the United States Department of Housing and Urban Development (HUD). He explained Lancaster Pollard is the lender and HUD is the guarantor in the transaction. Mr. Dietlin stated the 25-year fixed rate financing with an interest rate below 5% is a significant step towards securing our future, giving the district some much needed liquidity.</p> <p>Committee members expressed their appreciation to Mr. Dietlin for his diligence in securing the long term financing. Mr. Dietlin stated it was a group effort. He explained there is</p>		

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
	<p>Discussion</p> <p>a community requirement to be part of the HUD 242 program. As such, mayors of all three cities as well as Chamber CEOs of all three cities met with HUD officials during their site visit to show their support of the hospital. In addition, all Board members and several members of the Medical Staff also met with HUD during their site visit. Mr. Dietlin stated HUD was impressed with our cohesive partners.</p>		
7. Oral Announcement of Items to be Discussed during Closed Session (Government Code Section 54957.7)	Chairperson Schallock made an oral announcement of the items listed on the agenda to be discussed during closed session which included approval of closed session minutes and one matter of Potential Litigation.		
8. Motion to go into closed session	It was moved by Director Dagostino and seconded by Mr. Leslie Schwartz to go into closed session at 9:45 a.m. The motion passed unanimously.		
9. Open Session	The committee returned to open session at 10:05 a.m. with attendance as previously noted.		
10. Report from Chairperson on any action taken in Closed Session (Authority: Government Code, Section 54957.1)	Chairperson Schallock reported no action was taken in closed session.		
11. Comments from Committee Members	Chairman Schallock welcomed Ms. Faith Devine to the committee.		
12. Date of Next Meeting	Chairperson Schallock stated the Committee's next meeting will be held on April 20, 2017.	The committee's next meeting is scheduled for April 20, 2017.	
13. Adjournment	Chairperson Schallock adjourned the meeting at 10:05 a.m.		



AUDIT COMPLIANCE AND ETHICS COMMITTEE
June 15, 2017

Administrative Policies & Procedures	Policy #	Reason	Recommendations
1. Unclaimed Property - Financial	280	3 year review, practice change	

Administrative Policy

ISSUE DATE: 07/03

SUBJECT: Unclaimed Property - Financial

REVISION DATE: 05/09

POLICY NUMBER: 8610-280

Department Approval:	01/17
Administrative Policies & Procedures Committee Approval:	05/0901/17
Operations Team Committee Approval:	05/09
Finance & Operations Committee Approval:	06/09
Medical Executive Committee Approval:	n/a
Audit, Ethics and Compliance Committee Approval:	
Board of Directors Approval:	06/09

A. PURPOSE:

1. To comply with California's Unclaimed Property Program, and Civil Code sections 50050 – 50053.

B. DEFINITIONS OF TERMS:

1. Unclaimed property includes:
 - a. Vendor checks
 - b. Payroll checks
 - c. Patient refund checks
 - d. Credit Balances
2. Proper Notice – After three years, publication once a week for two successive weeks in a newspaper of general circulation published in the Tri City Hospital District (TCHD) area.

C. POLICY:

1. All unclaimed property held by TCHD that remains unclaimed in its treasury or in the official custody of its officers for three years is the property of TCHD after proper notice is given.

D. PROCESS FOR NOTICE PUBLICATION AND CLAIMING OF FUNDS:

1. Outstanding vendor, payroll and patient refund checks:
 - a. Any outstanding checks more than six months are to be reviewed. Attempts are to be made to contact payee for checks to be cashed.
 - b. For checks outstanding for more than six months where the payee cannot be contacted, the checks are to be held for publication notice in the local newspaper after three years.
2. Outstanding credit balances on patient accounts are to be researched for validity on a routine basis.
 - a. Attempts are to be made to identify and refund to the proper entity/person.
 - b. Outstanding unresolved credit balances will be considered unclaimed property and are to be held for publication notice in the local newspaper after three ~~(3)~~ years.
3. The Finance Department will publish in a local newspaper the names, ~~last known address,~~ and dollar amounts of ~~outstanding checks and outstanding credit balances,~~ **that have been outstanding for after the expiration of three years, period per § 1531 of the Unclaimed Property Law and Regulations, October 2013.**
4. Claimant of funds has 60 days after first publication to claim funds. Claimant must prove ownership of funds by providing proper identification. If claimant is not original owner, or owner is deceased, documentation must be provided showing entitlement to property.
5. Unclaimed property will be transferred to the general fund of TCHD, after 60 days of first publication.

E. **ATTACHMENTS:**

1. Claim Form
2. Public Notice Format

F. **REFERENCES:**

1. California Government Code, Section 50050-50056
2. Unclaimed Property Law and Regulations, ~~Kathleen Connell~~ **Betty T. Yee**, California State Controller, ~~January~~ **October 1999 2013**

Claim Form

**TRI CITY HOSPITAL DISTRICT
CLAIM FORM**

Claim to recover monies being held by Tri City Hospital District pursuant to Government Code sections 50050 et.seq.

Name as advertised: _____ ID# _____

Address as advertised _____
(Attach proof you received mail at the advertised address)

Name of Claimant/Business: _____

Current Address of Claimant/Business _____

ATTACH PHOTOCOPY OF DRIVERS LICENSE OR OTHER PICTURE I.D. AND PROOF OF CURRENT ADDRESS.

If claimant is not the original owner or owner is deceased, attach documents supporting claim and check one of the following:

- _____ 1. As heir or survivor, attach copy of death certificate and a copy of will or notarized list of heirs including address.
- _____ 2. As guardian, executor, administrator or other representative capacity. (If appointment is currently in force, enclose document evidencing such authority)
- _____ 3. If name of company is advertised, attach copy of articles of incorporation, etc. to identify individual having authority to sign for company.

I agree, that if for any reason it is found that I am not entitled to this payment or receive a duplicate payment, I will return the funds to Tri City Hospital District within 15 days of such finding.

Signature: _____ Date _____ Phone # _____

(If Joint Account, both must sign)

Signature: _____ Date _____ Phone # _____

Public Notice

PUBLIC NOTICE

Notice of Names of Persons appearing to be owners of unclaimed money being held by Tri City Hospital District.

Pursuant to Government Code sections 50050 et. Seq., ~~the Chief Financial Officer~~ of Tri City Hospital District hereby gives notice to the below listed individual(s) that it is holding, and has held for a period of three or more years, unclaimed money allegedly belonging to said individual(s). It is proposed that the money will become the property of Tri City Hospital District on the below stated date; such date not more than 60 days after the first publication of this notice.

Date on which money shall become the property of Tri City Hospital District on _____.

Signed: _____, CFO
Tri City Hospital District

TO CLAIM THESE FUNDS:

If your name or the name of your company is listed below:

1. Cut out and complete the Claim Form.
2. Attach one photocopy of three different pieces of current identification, i.e. driver's license, or other picture ID's.
3. Mail to address listed below.
4. Allow 90 days from receipt of documents by Tri City Hospital District to receive your check or notice of denial.

Inquiries and claims should be mailed to:

Tri City Hospital District
Finance Department – **ATTN: Accounting**
4002 Vista Way
Oceanside, CA 92056