

**TRI-CITY HEALTHCARE DISTRICT
 AGENDA FOR A REGULAR MEETING
 OF THE AUDIT, COMPLIANCE AND ETHICS COMMITTEE
 April 16, 2019
 8:30 a.m. – 9:00 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/Welcome	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- February 19, 2019	3 min.	Action	Chair
5.	Old Business – None			
6.	New Business – a) Fiscal Year 2019 – Financial Statement Audit Proposal	15 min.	Discussion/ Possible Action	CFO
7.	Committee Communications	5 min.		All
8.	Committee Openings – One	3 min.		Chair
9.	Date of Next Meeting: Thursday, May 16, 2019	2 min.		Chair
10.	Adjournment			Chair
11.	Total Time Budgeted for Meeting	30 min.		

**Tri-City Medical Center
Audit, Compliance & Ethics Committee
February 19, 2019
Assembly Room 1
8:30 a.m-10:00 a. m.**

Members Present:	Director Larry W. Schallock(Chair); Director George Coulter; Director Tracy Younger; Faith Devine, Community Member; L; Kathryn Fitzwilliam, Community Member (Subject Matter Expert); Dr. Cary Mells, Physician Member
Non-Voting Members:	Steve Dietlin (CEO); Ray Rivas, CFO; Scott Livingstone, COO; Carlos Cruz, CCO; Susan Bond, General Counsel
Others Present:	Maria Carapia, Compliance Manager; Teri Donnellan, Executive Assistant
Absent:	Steve Dietlin (CEO); Leslie Schwartz, Community Member

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
1. Call to Order/Welcome Introduction of New Board Members	The meeting was called to order at 8:30 a.m. in Assembly Room 1 at Tri-City Medical Center by Chairman Schallock. Chairman Schallock introduced new Board members, Director George Coulter and Director Tracy Younger.		
2. Approval of Agenda	It was moved by Mrs. Faith Devine and seconded by Dr. Cary Mells 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 – October 18, 2018	It was moved by Mrs. Faith Devine and seconded by Chairman Schallock to approve the minutes of October 18, 2018 as presented. The motion passed with Directors Coulter and Younger abstaining from the vote.	Minutes ratified.	
5. Old Business	None		
6. New Business			

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
a) Update on FY2019 Financial Statement Audit	Mr. Ray Rivas, CFO stated that over the years the committee has had discussion regarding changing auditors from time to time. The options were to engage a new firm or remain with the same firm but do a switch in audit partners which is more cost effective while still getting a “fresh set of eyes” on the books. Moss Adams has also acknowledged it is a good practice to rotate auditors every few years which has been our practice. Mr. Rivas stated he has requested a proposal from Moss Adams to perform the FY 2019 Financial Statement Audit and will bring that forward to the committee for their consideration. Mr. Rivas anticipates the price will be in line with previous year's audits.	Information Only; Moss Adams proposal to be brought forward to next meeting.	Mr. Ray Rivas
b) Administrative Policies & Procedures: 1) Compliance Officer – 535	<p>Mr. Carlos Cruz reported the policies brought forward today do not involve any significant changes and are mainly “housekeeping” changes that are being made as part of the three year review process.</p> <p>With regard to Policy 535 – Compliance Officer, Mr. Cruz noted previously the Board was responsible for the hiring of the Chief Compliance Officer however the Board has delegated that duty to the Chief Executive Officer. Director Younger questioned why the change was made. Chairman Schallock explained the Board determined there should be more day-to-day oversight of the Compliance Officer and believed it was more appropriate for the Chief Compliance Officer to be hired by and report to the CEO. Ms. Fitzwilliam stated the current reporting relationship for the CCO is consistent with best practice.</p> <p>Chairman Schallock requested clarification on Section E. Authority of Compliance Officer: Review of Findings, related to the CCO’s “authority to engage qualified outside legal counsel and consultants to assist him achieve the objectives of the Compliance Program”. Mr. Cruz stated typically if there is an issue that requires legal counsel he would work with our General Counsel Ms. Bond. However if the situation required outside legal counsel the policy provides the CCO with authority to engage outside counsel.</p>		

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
2) Compliance Program Overview – 532	Mr. Cruz stated the Compliance Program Overview Policy 532 follows OIG requirements. Dr. Mells questioned if the Medical Staff is included as a “Workforce Member”. Mr. Cruz stated the Medical Staff is considered a Workforce Member. After further discussion it was suggested that the definition be further defined to include Medical Staff and Allied Health Professionals as it is a definition that is used in several subsequent policies. Ms. Guerra stated she would revise the definition in subsequent policies to reflect this change.		
3) Disclosure of Protected Health Information – 513	Mr. Cruz stated minor “housekeeping” changes are reflected in Policy 513 – Disclosure of Protected Health Information. The committee had no comments or questions.		
4) HIPAA Mitigation - 591	Mr. Cruz explained that his responsibilities now include that of the Privacy Officer however his title remains Chief Compliance Officer. He suggested that Privacy Officer be removed throughout the HIPAA Mitigation Policy since his title does not include that of the Privacy Officer. There was discussion as to whether removal of the Privacy Officer could cause confusion and if the language in the policy is sufficient to make it clear that the Chief Compliance Officer's responsibilities include that of the Privacy Officer. There was also a question as to the Security Officer title. Mr. Cruz explained in this instance Security Officer is referring to the Vice President of IT, Mark Albright. After further discussion it was suggested the committee recommend approval of the policy as written with the exception of the addition to the Work Force Member definition and directed Mr. Cruz to revisit the policy with Mr. Dietlin.		
5) Duty to Report Suspected Misconduct; Potential Compliance Irregularity - 544	Mr. Cruz reported the Duty to Report Suspected Misconduct policy 544 was revised to reduce the complexity of the policy. He noted the duty to report is also reflected in our Code of Conduct.		
6) Monitoring Compliance – Auditing & Reporting; Introduction; General Policies	Mr. Cruz reported the Policy 551 Monitoring Compliance – Auditing & Reporting: Introduction; General Policies was deleted and incorporated into policy 553 which will be		

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
<p>- 551 (DELETE)</p> <p>7) Notice of Privacy Practice – 518</p> <p>8) Use and Disclosure of Protected Information for Fundraising – 525</p> <p>9) Verification of Identity and Authority of Persons Requesting Protected Health Information (PHI), including Personal Representatives - 593</p>	<p>presented at the committee's next meeting.</p> <p>Mr. Cruz stated per discussion at the October, 2018 meeting, the Notice of Privacy Practice Policy 518 was modified to define patient vs. patient relationship. Mr. Livingstone provided clarification on the policy and Notice of Privacy Practices as well. It was noted the effective date on the Notice of Privacy Practices should be March 1, 2019, following Board approval of the policy.</p> <p>Ms. Bond questioned if the Notice is also available in Braille. Ms. Guerra stated the Notice is available in Spanish and we have an interpretation service that is used for other languages as needed. Mr. Cruz indicated he would follow up on whether we are required to have the Notice in Braille.</p> <p>Ms. Guerra noted the definition of Work Force member will also be revised to reflect the Medical Staff and Allied Health Professionals.</p> <p>Mr. Cruz stated there were minor housekeeping changes to Policy 525 – Use and Disclosure of Protected Information for Fundraising. Again, the definition of Work Force member will be amended.</p> <p>Mr. Cruz stated there were no significant changes to the Verification of Identity and Authority of Persons Requesting Protected Health Information (PHI), including Personal Representatives Policy 593.</p> <p>It was moved by Director Coulter to recommend approval of policies as presented and amended as follows:</p> <ol style="list-style-type: none"> 1) Compliance Officer – 535 2) Compliance Program Overview – 532 3) Disclosure of Protected Health Information – 513 4) HIPAA Mitigation - 591 5) Duty to Report Suspected Misconduct; Potential Compliance Irregularity - 544 6) Monitoring Compliance – Auditing & Reporting; 	<p>Recommendation to be sent to the Board of Directors to approve the aforementioned Policies as amended; policies to be placed on Board agenda and included in agenda packet.</p>	<p>Ms. Donnellan</p>

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
	<p>Introduction; General Policies – 551 (DELETE)</p> <p>7) Notice of Privacy Practice – 518</p> <p>8) Use and Disclosure of Protected Information for Fundraising – 525</p> <p>9) Verification of Identity and Authority of Persons Requesting Protected Health Information (PHI), including Personal Representatives - 593</p> <p>Mrs. Faith Devine seconded the motion. The motion passed unanimously.</p> <p><i>Ms. Tricia Guerra left the meeting at 9:10 a.m.</i></p>		
c) 2019 Enforcement Trends	<p>Mr. Cruz presented an overview of 2019 Health Care Enforcement Trends that included the following:</p> <ul style="list-style-type: none"> ➤ Opioids ➤ Telemedicine ➤ Home Health ➤ Stark Law/Anti-Kickback Statute ➤ False Claims Act ➤ Hospital Billing of Inpatient Services ➤ Cybersecurity/Privacy <p>Mr. Cruz stated the Office of Civil Rights (OCR) has concluded an all-time record year in HIPAA enforcement activity of 10 cases and one judgment, totaling \$28.7 million with surpassed the previous record of \$23.5 million in 2016.</p>	Information Only.	
d) TCHD Compliance Program Update	<p>Mr. Cruz presented the calendar year 2018 TCHD Compliance Program Year in Review which included information on the following:</p> <ul style="list-style-type: none"> ➤ Compliance and Privacy Policies ➤ Compliance Program Marketing ➤ Privacy/Security ➤ Hotline ➤ Culture of Compliance ➤ Compliance Training 	Information only.	

	Discussion	Action Recommendations/ Conclusions	Person(s) Responsible
1) Work Plan Development	<p>Mr. Cruz stated Compliance works with various stakeholders to identify areas of concern, gaps, and opportunities to improve. He presented information on the Work Plan as follows:</p> <ul style="list-style-type: none"> ➤ Stakeholder Meetings ➤ Review of Enforcement Trends ➤ Compliance Program Maturation ➤ Marketing of Program ➤ Training and Education of Staff ➤ Training and Education of Leadership ➤ Evaluate Program Regularly 	Information only.	
7. Comments from Committee Members	There were no comments from Committee Members.		
8. Committee Openings	Chairman Schallock reported there is one opening on the Committee which has been posted.	Information only.	Ms. Donnellan
9. Date of Next Meeting	Chairman Schallock stated the committee's next meeting will be held on April 16, 2019.	The committee's next meeting is scheduled for April 16, 2019.	
11. Adjournment	Chairman Schallock adjourned the meeting at 9:49 a.m.		