



July 24, 2023

**NOTICE**

The Kaweah Delta Health Care District Board of Directors will meet in an Audit and Compliance Committee meeting at 10:00 AM on Monday, July 31, 2023 in the Kaweah Health Support Services Building - Granite Conference Room {520 W. Mineral King Ave., Visalia}.

The Board of Directors of the Kaweah Delta Health Care District will meet in a Closed Audit and Compliance Committee meeting immediately following the 10:00 AM meeting on Monday, July 31, 2023 in the Kaweah Health Support Services Building – Granite Conference Room {520 W. Mineral King Ave., Visalia} pursuant to Government Code 54956.9(d)(2).

All Kaweah Delta Health Care District regular board and committee meeting notices and agendas are posted 72 hours prior to meetings (special meetings are posted 24 hours prior to meetings) in the Kaweah Health Medical Center, Mineral King Wing entry corridor between the Mineral King lobby and the Emergency Department waiting room.

The disclosable public records related to agendas are available for public inspection at Kaweah Health Medical Center – Acequia Wing, Executive Offices (Administration Department) {1st floor}, 400 West Mineral King Avenue, Visalia, CA and on the Kaweah Delta Health Care District web page <https://www.kawahhealth.org>.

KAWEAH DELTA HEALTH CARE DISTRICT  
Michael Olmos, Secretary/Treasurer

A handwritten signature in black ink that reads 'Cindy Moccio'.

Cindy Moccio  
Board Clerk  
Executive Assistant to CEO

DISTRIBUTION:  
Governing Board  
Legal Counsel  
Executive Team  
Chief of Staff  
<http://www.kawahhealth.org/about/agenda.asp>

# KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS AUDIT AND COMPLIANCE COMMITTEE

Monday, July 31, 2023

Kaweah Health Support Services Building, Granite Conference Room  
520 West Mineral King Ave, Visalia, CA 93291

ATTENDING: Directors; Mike Olmos (Chair) & Garth Gipson; Gary Herbst, Chief Executive Officer; Malinda Tupper, Chief Financial Officer; Rachele Berglund, Legal Counsel; Ben Cripps, Chief Compliance & Risk Officer; Amy Valero, Compliance Manager; Michelle Adams, Executive Assistant

## OPEN MEETING – 10:00AM

*Call to order – Mike Olmos, Audit and Compliance Committee Chair*

**Public / Medical Staff participation** – Members of the public wishing to address the Committee concerning items not on the agenda and within the subject matter jurisdiction of the Committee may step forward and are requested to identify themselves at this time. Members of the public or the medical staff may comment on agenda items after the item has been discussed by the Committee but before a Committee recommendation is decided. In either case, each speaker will be allowed five minutes.

1. **Annual Audited Financial Statement** – Report to Audit and Compliance Committee from Moss Adams relative to the annual audited financial statements for fiscal year 2023 – *Brian Conner and John Feneis, Moss Adams*
2. **Written Reports** – Committee review and discussion of written reports
  - 2.1 Compliance Program Activity Report – *Amy Valero*
  - 2.2 Compliance Program Effectiveness Review – *Amy Valero*
3. **Approval of Closed Meeting Agenda** – Kaweah Health Support Services Building, Copper Conference Room – immediately following the open meeting
  - o Conference with Legal Counsel – Anticipated Litigation
    - Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) (4 cases) – *Ben Cripps and Rachele Berglund (Legal Counsel)*

*Adjourn Open Meeting – Mike Olmos, Audit and Compliance Committee Chair*

**CLOSED MEETING – Immediately following the 10:00AM open meeting**

*July 31, 2023 - Audit and Compliance Committee*

*Page 1 of 2*

*Mike Olmos – Zone I  
Secretary/Treasurer*

*Lynn Havard Mirviss – Zone II  
Vice President*

*Garth Gipson – Zone III  
Board Member*

*David Francis – Zone IV  
President*

*Ambar Rodriguez – Zone V  
Board Member*

**MISSION: Health is our Passion. Excellence is our Focus. Compassion is our Promise.**

**Call to order** – *Mike Olmos, Audit and Compliance Committee Chair*

1. **Conference with Legal Counsel - Anticipated Litigation** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) (4 cases) – *Ben Cripps and Rachele Berglund (Legal Counsel)*

**Adjourn** – *Mike Olmos, Audit and Compliance Committee Chair*

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate at this meeting, please contact the Board Clerk (559) 624-2330. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Kaweah Delta Health Care District Board of Directors meeting.*



# Audit Entrance – Kaweah Delta Health Care District

Prepared by the Moss Adams Health Care Group

July 31, 2023

# Audit Committee

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**Kaweah Delta Health Care District**



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Thank you for your continued engagement of Moss Adams LLP, the provider of choice for health care organizations. We are pleased to present our audit plan for Kaweah Delta Health Care District for the year ended June 30, 2023. We would also like to discuss current-year developments and auditing standard changes that will affect our audit.

We welcome any questions or input you may have regarding our audit plan and we look forward to working with you.

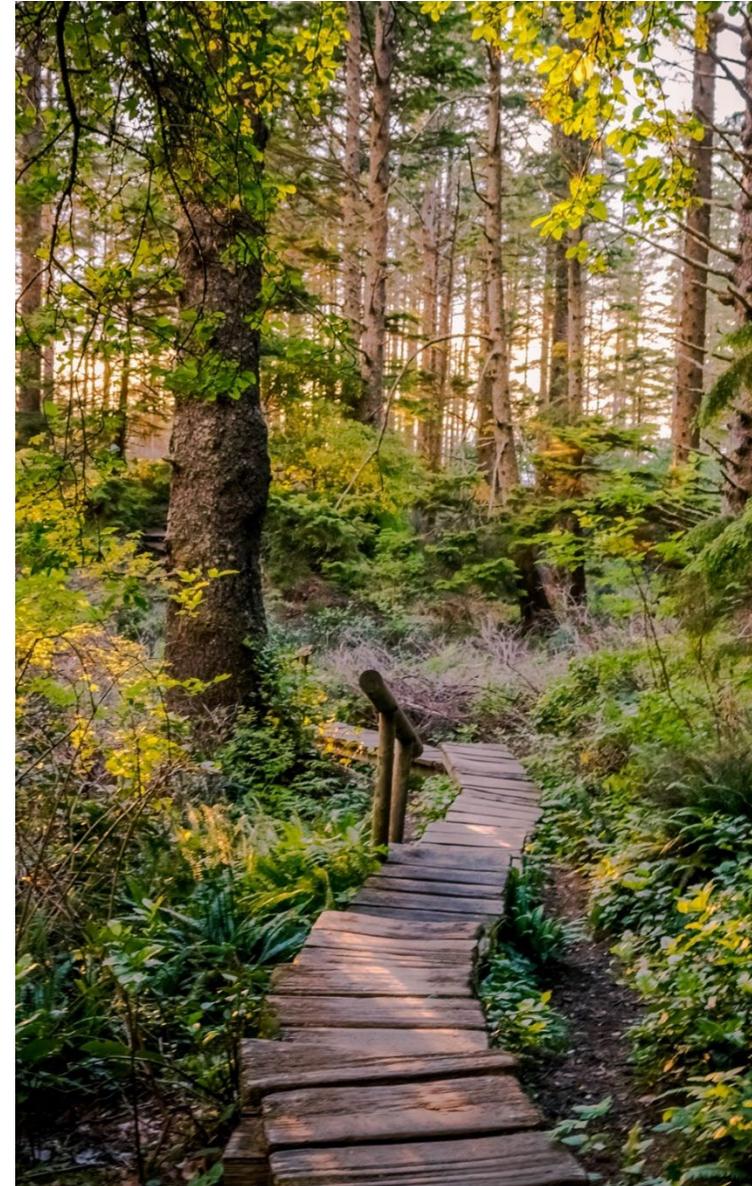
# Agenda

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1. Your Service Team
2. Scope of Services
3. Auditor's Responsibility in a Financial Statement Audit
4. Significant Risks Identified
5. Single Audit Requirement – CARES Act Grant Funding
6. Risks Discussion
7. Consideration of Fraud in a Financial Statement Audit
8. Audit Timeline
9. Audit Deliverables
10. Expectations
11. Recent Accounting and Auditing Developments
12. Executive Session (if requested)
13. About Moss Adams



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# Your Service Team

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**Brian Conner**  
Engagement Partner



**John Feneis**  
Engagement  
Senior Manager



**Kate Jackson**  
Concurring Partner



**Glenn Bunting**  
Managing Director,  
Reimbursement



# Scope of Services

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Relationships between Moss Adams and Kaweah Delta Health Care District:

## Annual Audit



Annual consolidated financial statement audit and single audit as of and for the year ending June 30, 2023

## Nonattest Services



- Assist management with drafting the consolidated financial statements as of and for the year ending June 30, 2023
- Assist management with drafting the auditee section of the OMB data collection form
- Assist management with Medicare cost report appeals



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# Auditor's Responsibilities in a Financial Statement Audit

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## -Auditor is responsible for:

- Forming and expressing an opinion on whether the consolidated financial statements are prepared, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles.
- Performing an audit in accordance with generally accepted auditing standards issued by the AICPA, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the California Code of Regulations, Title 2, Section 1131.2, State Controller's Minimum Audit Requirements for California Special Districts.
- Communicating significant matters, as defined by professional standards, arising during the audit that are relevant to you.
- When applicable, communicating particular matters required by law or regulation, by agreement with you, or by other requirements applicable to the engagement.



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-The audit of the consolidated financial statements doesn't relieve management or you of your responsibilities.

-The auditor is not responsible for designing procedures for the purpose of identifying other matters to communicate to you.

# Significant Risks Identified

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During the planning of the audit, we have identified the following significant risks:

Significant Risks	Procedures
<b>Valuation of Patient Accounts Receivable and Patient Service Revenue</b>	We will perform a lookback analysis to determine if management's estimate was materially correct at June 30, 2022 based upon cash collections. We will also analyze subsequent cash collections on June 30, 2023 accounts receivable as well as perform analytical procedures on June 30, 2023 accounts receivable and net patient service revenue. Finally, we will perform test procedures on management's patient accounts receivable allowance model.
<b>Management Override of Controls</b>	We will perform inquiries of accounting and operational personnel, perform risk assessment procedures, and test risk-based manual journal entry selections.



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# Significant Risks Identified *(continued)*

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During the planning of the audit, we have identified the following significant risks:

Significant Risks	Procedures
 8 <b>Internal Controls over Compliance with Federal Laws, Regulations, and Major Programs</b>	Inquiry and inspection of documents and other information to provide assurance to the federal government that a nonfederal entity has adequate internal controls in place and is generally in compliance with program requirements.



# Risks Discussion

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## 1. What are your views regarding:

- Kaweah Delta Health Care District's objectives, strategies, and business risks that may result in material misstatements.
- Significant communications between the entity and regulators.
- Attitudes, awareness, and actions concerning:
  - Kaweah Delta Health Care District's internal control and importance.
  - How those charged with governance oversee the effectiveness of internal control.
  - Detection or the possibility of fraud.
  - Other matters relevant to the audit.

## 2. Do you have any areas of concern?

# Consideration of Fraud in a Financial Statement Audit

Auditor's responsibility: Obtain reasonable assurance the consolidated financial statements as a whole are free from material misstatement – whether caused by fraud or error



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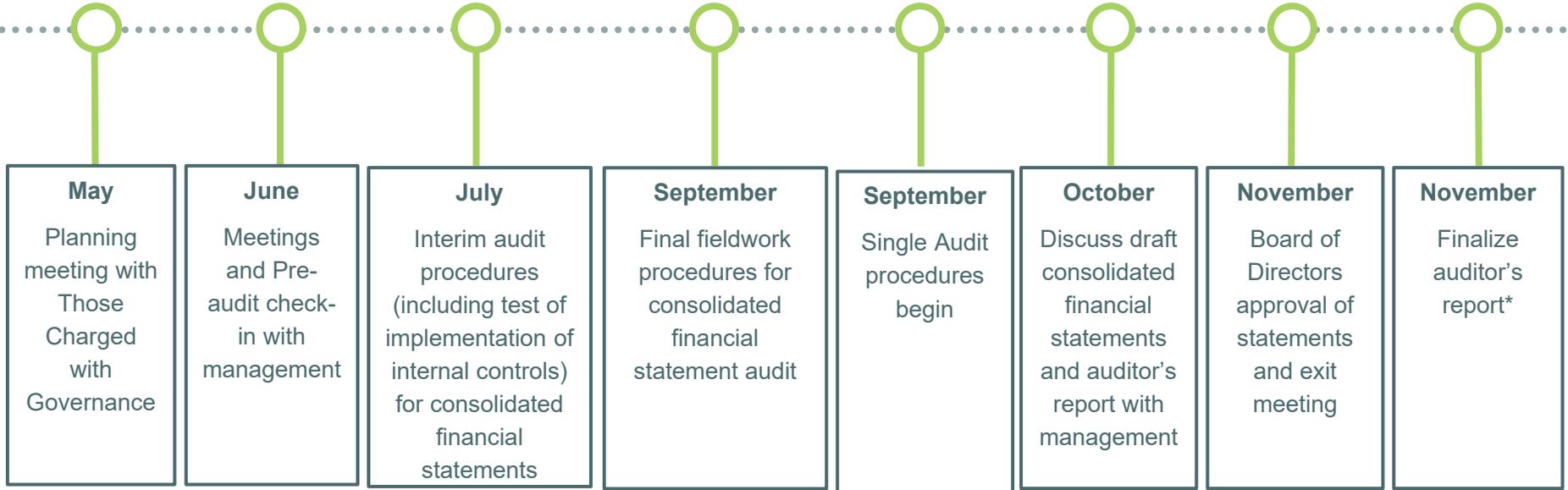
	<b>Procedures to address the risk of fraud.</b>	<ul style="list-style-type: none"><li>• Engagement team discussion</li></ul>
	<b>Identify the risks of material misstatement due to fraud.</b>	<ul style="list-style-type: none"><li>• Perform procedures to address identified risks</li><li>• Inherent limitation of an audit</li></ul>
	<b>Unavoidable risk exists that some material misstatements may not be detected.</b>	

# Audit Timeline

2023



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\* Complete and finalize FY 2023 Single Audit by reporting deadline of March 31, 2024.

# Audit Deliverables

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## Report of Independent Auditors

on consolidated financial statements and single audit as of and for the year ended June 30, 2023



## Report to Management

(communicating internal control related matters identified in an audit)



## Report to Those Charged With Governance

(communicating required matters and other matters of interest)



## Report of Independent Auditors

on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Audit Standards



## Report of Independent Auditors

on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

# Expectations

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## Kaweah Delta Health Care District will:



- Have no adjusting journal entries after beginning of field work.
- Close books and records before beginning of field work.
- Provide auditor requested information in CAP schedule one week prior to the beginning of fieldwork.

## Moss Adams will:

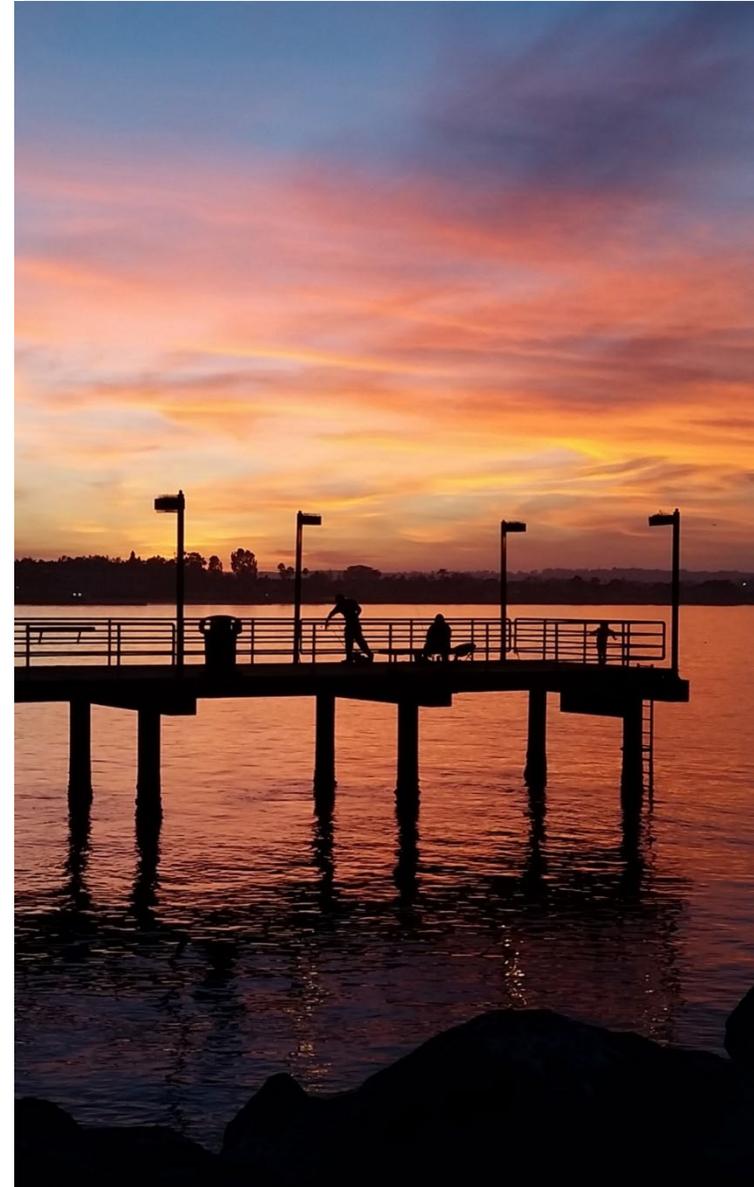


- Communicate proposed adjustments with management when identified.
- Communicate control deficiencies with management when identified.
- Discuss any additional fees over estimate in engagement letter with management.



# Recent Accounting and Auditing Developments

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# New Standards

## GASB 94

### Public-Private and Public-Public Partnerships and Availability Payment Arrangements

- Provides guidance to improve accounting and financial reporting for public-private and public-public partnership arrangements (commonly referred to as P3s) and availability payment arrangements (APAs).
  - GASB 94 carries forward the financial reporting requirements for service concession arrangements (SCAs) that were included in Statement 60, with modifications to apply the more extensive requirements related to recognition and measurement of leases to SCAs.
  - P3s that meet the definition of a lease should apply the guidance in Statement 87, if existing assets of the transferor that are not required to be improved by the operator as part of the P3 arrangement are the only underlying P3 assets and the P3s do not meet the definition of an SCA.
  - GASB 94 defines an APA as an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying infrastructure or other nonfinancial asset for a period of time in an exchange or exchange-like transaction.
  - GASB 94 requires governments to account for APAs related to those activities and in which ownership of the asset transfers by the end of the contract as a financed purchase of the underlying infrastructure or other nonfinancial asset.
- Effective for annual periods beginning after June 15, 2022.



# New Standards

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## **GASB 96**

### Subscription-Based Information Technology Arrangements

- Provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.
  - Defines a SBITA as a contract that conveys control of the right-to-use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction
  - Establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability
  - Provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA
  - Requires note disclosures regarding a SBITA
- Based on the standards established in Statement No. 87, *Leases*.
- Effective for fiscal years beginning after June 15, 2022.





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# Executive Session



**Brian Conner, Engagement  
Partner and Engagement  
Reviewer**

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**John Feneis, Senior Manager**

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(415) 677-8341



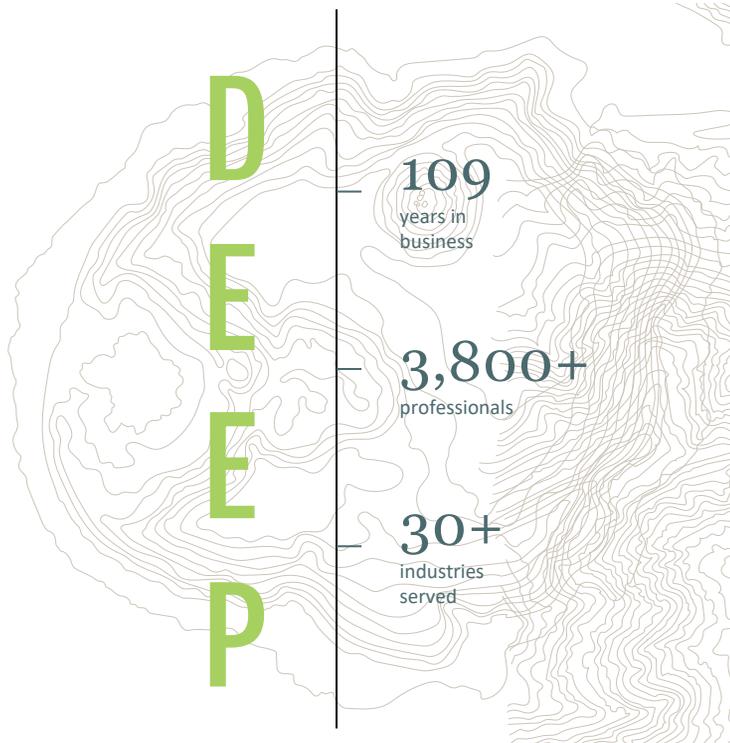
THANK  
YOU

# About Moss Adams

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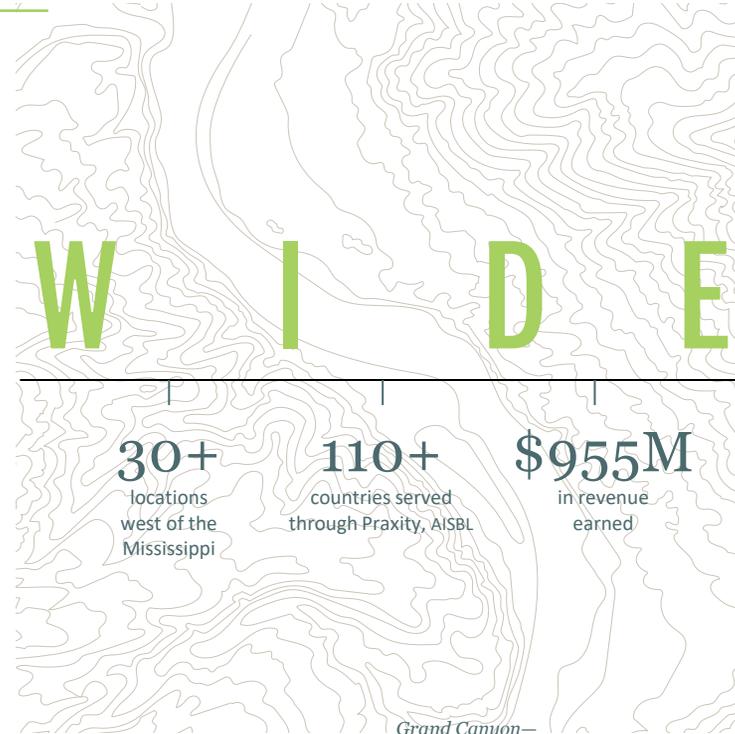


# Our Expertise



Crater Lake—  
A monument to perseverance, North America's  
deepest lake filled to 1,949 feet over 720 years.

# Our Reach



Grand Canyon—  
At 277 miles long and up to 18 miles  
wide, this icon serves as a testament  
to determination and time.

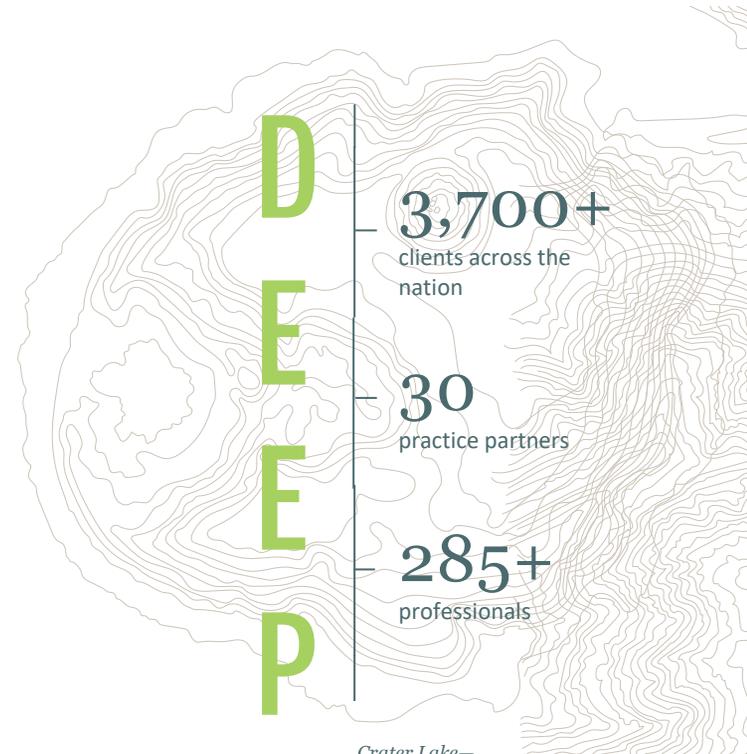


# Health Care Industry Experience

Our health care professionals dedicate their careers to serving the industry.

We cover the full spectrum of health care including:

- Hospitals and health systems
- Independent practice associations
- Medical groups
- Community health centers
- Behavioral health organizations
- Long-term care
- Surgery centers
- Knox Keene licensed health plans
- Health care ancillary services



*Crater Lake—  
A monument to perseverance, North  
America's deepest lake filled to 1,949 feet  
over 720 years.*



# Additional Services

Audit and tax are vital, but you have complex needs that go beyond these core functions. Our dedicated health care consulting team provides a range of services to address all your emerging needs — both now and in the future.



Health Care Consulting		
<b>COST REIMBURSEMENT</b>	<b>GOVERNMENT COMPLIANCE</b>	<b>OPERATIONAL IMPROVEMENT</b>
Medicare & Medicaid	Regulatory Compliance	Revenue Cycle Enhancement
Provider-Based Licensure & Certification	Coding Validation	Claims Recovery
Medical Education	Coding Department Redesign	Litigation Support
Uncompensated Care	EHR Internal Controls	Employer Health Benefits
Wage Index Reviews	Corporate Compliance	Lean Consulting
Contract Compliance	<b>INFORMATION TECHNOLOGY</b>	Operational Assessments & Process Improvement
<b>STRATEGY &amp; INTEGRATION</b>	HIPAA Security & Privacy	Valuations
Provider Risk Analysis, Contracting, & Operational Design	Network Security & Penetration Testing	
M&A Support	Disaster Recovery Planning	
Feasibility Studies	PCI DSS Audits	
Market Intelligence & Benchmarking	SOC Pre-Audit Gap Analysis & Readiness	
Strategic Planning & Implementation	SOC Audits	
Managed Care Assessment & Negotiation		
Service Line Enhancement & Analyses		

# Insights and Resources

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and is presented in the format that fits your life.

We'll keep you informed to help you stay abreast of critical industry issues.

Moss Adams closely monitors regulatory agencies, participates in industry and technical forums, and writes about a wide range of relevant accounting, tax, and business issues to keep you informed.

We also offer CPE webinars and events which are archived and available on demand, allowing you to watch them on your schedule.



# Connect With Us

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YouTube: <http://www.youtube.com/mossadamslp>



# Compliance Program Activity Report – Open Session

May 2023 through July 2023

Ben Cripps, Chief Compliance & Risk Officer



[kaweahhealth.org](http://kaweahhealth.org)



# Education

## Live Presentations

- Compliance and Patient Privacy
  - Management Orientation
  - Health Information Management (HIM)
  - Case Management
  - Sequoia Surgery Center
  - Patient Accounting
  - GME New Resident Orientation

## Written Communications – Bulletin Board / Area Compliance Experts (ACE) / All Staff

- Anti-Kickback and Stark
- You've Been Given A "FairWarning"

# Prevention & Detection

- **Californian Department of Public Health (CDPH) All Facility Letters (AFL)** – Review and distribute AFLs to areas potentially affected by regulatory changes; department responses reviewed and tracked to address the regulatory change and identify potential current/future risk.
- **Medicare and Medi-Cal Monthly Bulletins** – Review and distribute bulletins to areas potentially affected by the regulatory change; department responses reviewed and tracked to address the regulatory change and identify potential/current risk.
- **Office of Inspector General (OIG) Monthly Audit Plan Updates** – Review and distribute OIG Audit Plan issues to areas potentially affected by audit issue; department responses reviewed and tracked to identify potential current/future risk.
- **California State Senate and Assembly Bill Updates** – Review and distribute legislative updates to areas potentially affected by new or changed bill; department responses reviewed and tracked to address regulatory change and identify potential current/future risk.

# Prevention & Detection

- **Patient Privacy Walkthrough** – Observation of regulatory signage and privacy practices throughout Kaweah Health; issues identified communicated to area management for follow-up and education.
- **User Access Privacy Audits** – Fairwarning daily monitoring of user access to identify potential privacy violations.
  - Kaweah Health Employees
  - Non-employee users
- **Office of Inspector General (OIG) Exclusion Attestations** – Quarterly monitoring of department OIG exclusion list review and attestations.
- **Medicare PEPPER Report Analysis** – Quarterly review of Medicare Inpatient PEPPER statistical reports to identify outlier and/or areas of risk; evaluate with Kaweah Health leadership quarterly at PEPPER Review meeting; Distribution of Rehabilitation, Hospice, Home Health, and Mental Health PEPPER Reports to leadership for evaluation.

# Oversight, Research & Consultation

## New

Guidance for Physician Query No Longer with Kaweah – Research to determine whether a Clinical Documentation Improvement physician advisor or a department chair can respond to a query on behalf of a physician who is no longer practicing at Kaweah. It was determined that it would be acceptable for any member of the treating team to respond to the query. Findings were shared with appropriate leadership.

PECOS Denials Non-Attending Physicians - Research to determine why several denials for Medicare claims were received. It was determined that claims were submitted under providers in training who were not enrolled in the PECOS system. It was determined the claims were submitted listing the training provider as the attending physician rather than the supervising physician being indicated on the claim. Edits were put into place and findings were shared with appropriate leadership.

# Oversight, Research & Consultation

## New

Consult on a Hospital Acquired Condition (HAC) Patient Fall Billing Medicare or Write Off – Research to determine if Kaweah Health has an obligation to bill Medicare for a patient fall resulting in a fracture and requiring surgery during an inpatient stay. It was determined that Medicare no longer receives additional payment for cases in which an identified HAC occurred but was not present on admission but will be paid as though the HAC was not present. HACs should be coded as a secondary diagnosis at which point, CMS will determine if it is payable or should be manually written off. Findings were shared with appropriate leadership.

Obligation of Notification for Megan’s Law – Research to determine if Kaweah Health has an obligation to notify the Skilled Nursing Facility that a patient is on the Megan’s Law registry when seeking placement. It was determined that before a registered sex offender is released into a long-term facility, the official in charge of the current place of confinement shall notify the facility in writing. Findings were shared with appropriate leadership.

# Oversight, Research & Consultation

## Ongoing

Fair Market Value (FMV) Oversight – Ongoing oversight and administration of physician payment rate setting and contracting activities including Physician Recruitment, Medical Directors, Call Contracts, and Exclusive and Non-Exclusive Provider Contracts.

# Licensing & Enrollment

## New

Licensing Applications – Forms preparation and submission of licensing application to the California Department of Public Health (CDPH); ongoing communication and follow-up regarding status of pending applications.

- *Additional CT Machine CDPH Site Survey*

Enrollment – Forms preparation and submission of licensing application to CDPH, as well as Medicare and Medi-Cal Facility Payor Enrollment; ongoing communication and follow-up regarding status of pending applications.

- *Kaweah Health Medical Clinic – Willow*
- *Kaweah Health Medical Clinic – Plaza*
- *Crisis Stabilization Unit (CSU)*

# Auditing & Monitoring

## New

### Emergency Department (ED) with Diagnostic Testing Procedures

**Situation:** CMS is required by the Social Security Act to ensure payments for all radiology services provided in the ED are medically necessary, have documentation to support the claims, and are ordered by physicians. A post-payment review was conducted by Compliance based on evaluation of documentation of medical necessity and physician orders for radiology testing; the radiology testing was completed while the patient was in the ED, the Radiology Interpretation reports met American College of Radiology (ACR) communication of Diagnostic Imaging guidelines, the diagnosis met the requirements for the LCD and confirmation that the diagnostic test was billed appropriately on the UB-04 claim form and was paid.

**Assessment:** An internal review of thirty (30) randomly selected Medicare encounters for dates of service from October 2022 – December 2022 was conducted. The review noted a 94% compliance rate for appropriate documentation of medical necessity diagnosis as outlined by the LCD. The review noted a 100% compliance rate for Radiology testing, interpretations were completed during the ED visit, electronic reports were retained within the electronic medical record and met the American College of Radiology reporting standards and billed appropriately.

**Recommendation:** Based on the findings, no further assessment is required at this time.

# Auditing & Monitoring

## New

### Infusion Center Drugs

**Situation:** CMS requires hospitals and other providers to care for and administer medications to patients in such a way that they are used most efficiently, in a clinically appropriate manner. Infusion Center drug administration has been the focus of Recovery Audit Contractor (RAC) reviews. A post-payment review was conducted by Compliance to determine whether Kaweah Health is submitting claims in compliance with Medicare documentation and billing guidelines for Infusion Center drug administration services for beneficiaries of Medicare, Medicare Advantage and Commercial plans.

**Assessment:** An internal review of fifty-seven (57) encounters, with dates of service from July 2022 – January 2023 was conducted. The review noted a 100% compliance rate for dose amount infused per the physician order as well as start and stop time documentation resulting in appropriate infusing duration. The review noted an 86% compliance rate for billing documentation. Seven (7) encounters where the drugs were donated were noted as non-compliant, as they did not contain the correct units of medication. One (1) encounter did not contain the IV administrative charge.

**Recommendation:** The Compliance Department will continue to reassess the risk associated with Infusion Center drugs and will conduct periodic audits in the future.

# Auditing & Monitoring

## New

### Inpatient DRG without a Major Complication or Comorbidity (MCC)

**Situation:** Due to results from a recent PEPPER report indicating the possibility of under-coding claims, as well as internal audit results reflecting an increase in inpatient coder errors, a review of coding services was performed for Kaweah Health focusing on Inpatient Diagnosis Related Group (DRG) without Multiple Chronic Conditions and Complication or Comorbidity (MCC/CC). The purpose of the audit was to review documentation to determine if the diagnosis coding selected most accurately reflected the patient's condition resulting in assignment of the appropriate DRG.

**Assessment:** An external audit of fifty (50) randomly selected inpatient accounts with dates of service from January 20, 2022 – February 22, 2023 was completed. The audit noted a 96% compliance rate. The results of the review have been shared with leadership.

**Recommendation:** Based on the findings, no further assessment is required at this time.

# Projects

## Update

### Business Associate Agreement Validation

**Situation:** Review, validation and collection of Business Associate Agreements (BAA) within the Compliance 360 Contract Database System. A BAA is defined as a legal document between a healthcare provider and a third party vendor who creates, receives, maintains, or transmits Protected Health Information (PHI) of our patients on our behalf. BAAs are crucial in protecting the privacy of our patients and protecting the organization against liability in the event of a breach of PHI committed by a Business Associate.

**Assessment:** Phase I will consist of a validation process to ensure accurate storage of BAAs within the system and removal of expired or invalid agreements. Phase II will consist of a thorough review, update and modernization of the BAA template language and provisions.

**Outcome:** Leadership has been re-educated to ensure BAAs are acquired, when appropriate, when executing new agreements. The result of the extensive review is intended to identify and execute (when necessary) agreements for all required vendors and ensure an organized process through the contracts management system for ease of access. [Phase II is expected to begin in August 2023.](#)

# Projects

## Update

### Workday/FairWarning

**Situation:** On July 1, 2023, Kaweah Health launched the new Human Resources Information System (HRIS), Workday. Workday required the transition of current HR and IT system databases, which impacted the process of onboarding remote system access users (contingent workers). The transition to Workday also required a new integration with current EMR privacy monitoring tool, FairWarning.

**Assessment:** The Compliance Department initiated and oversaw the transition of over 1,600 contingent workers into the Workday platform. The transition included individual data entry, education assignment, system access request, and data validation for these users. In addition, the Compliance Department monitored the integration of Workday and FairWarning to ensure a successful transition.

**Outcome:** The Workday contingent worker transition and FairWarning integration were successful.

# The pursuit of healthiness



# Compliance Program Effectiveness Review

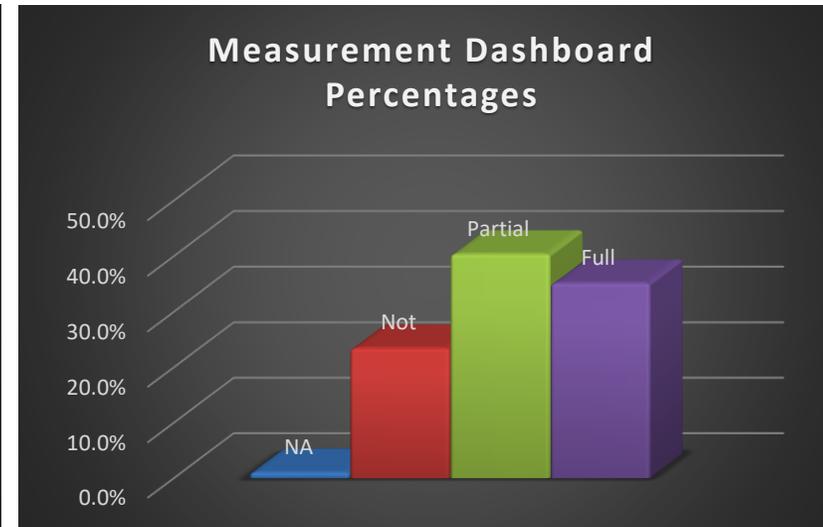
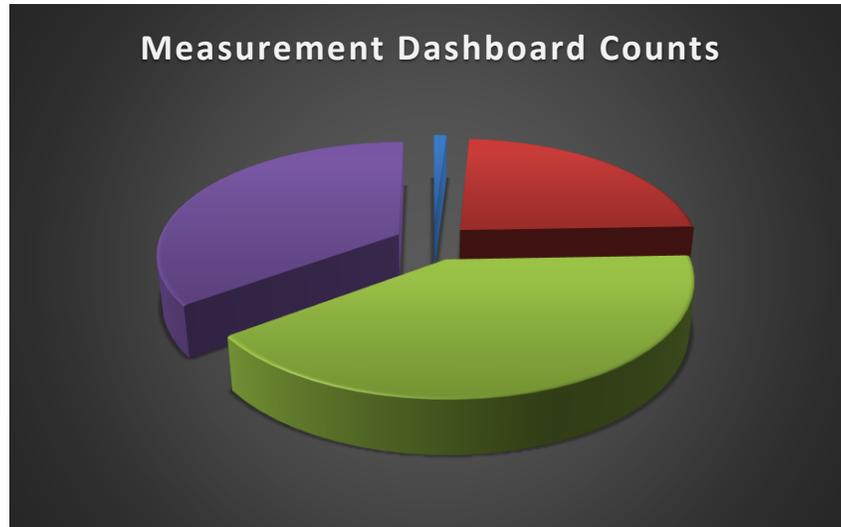
2023



[kaweahhealth.org](https://kaweahhealth.org)



# 2023 Compliance Program Effectiveness Review: Overview



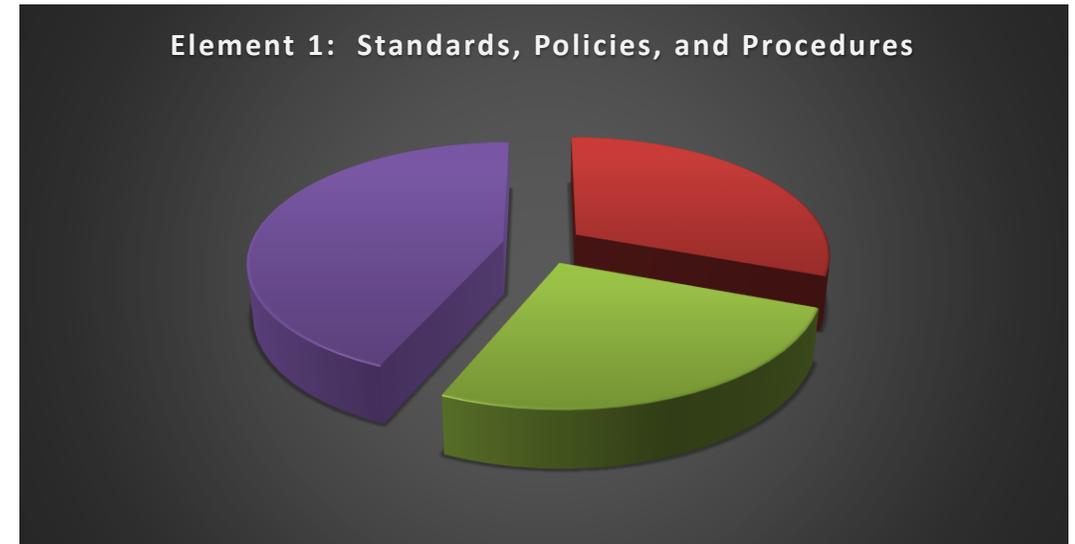
Element	Element Description	NA at this time	Not Implemented	Partially Implemented	Fully Implemented	Total
1	Standards, Policies, and Procedures	0	19	16	27	62
2	Compliance Program Administration	1	19	18	30	68
3	Screening and Evaluation of Employees, Physicians, Vendors and other Agents	0	7	22	11	40
4	Communication, Education, and Training on Compliance Issues	0	17	24	8	49
5	Monitoring, Auditing, and Internal Reporting Systems	0	18	27	32	77
6	Discipline for Non-Compliance	1	5	21	7	34
7	Investigations and Remedial Measures	2	9	34	26	71
	<b>Totals</b>	<b>4</b>	<b>94</b>	<b>162</b>	<b>141</b>	<b>401</b>
	Percentages	1.0%	23.4%	40.4%	35.2%	100.0%

# Summary: Overall Compliance Program Opportunities

- **Internal Auditing of Policies:** Auditing policies to ensure consistent and adequate compliance.
- **Employee Surveys:** Gauging the organization's perception of the culture of the Compliance Program. Measuring the awareness of employees' knowledge about identifying non-compliance, reporting, competence and trust in the Compliance Program.
- **Enhancement of Proactive Regulatory/Legislative Oversight and Education to Leadership:** Further refine legislative/regulatory oversight process to ensure knowledge and dissemination of pertinent updates to leadership. Ensure appropriate resources are available to Compliance Program to identify pertinent updates.
- **Metric Benchmarking:** Establish benchmarks for compliance metrics based on federal and state regulatory guidance and other industry compliance programs.
- **Organization-Wide Risk Assessment Process:** Develop risk-assessment process to analyze risk factors across various levels of the organization. Consider the following criteria:
  - Include members from various levels and departments of the organization to ensure different perspectives and risk concerns
  - Policies
  - Trending compliance, risk management, HR and legal matters
  - State and Federal law

# Element 1 - Standards, Policies, and Procedures: Overview

Category	Count	NA	Not	Partial	Full
Access	7	0	3	4	0
Accountability	3	0	0	1	2
Review/Approval Process	8	0	1	0	7
Quality	7	0	4	1	2
Assessment	15	0	4	3	8
Code of Conduct	7	0	0	6	1
Updates	3	0	3	0	0
Understanding	6	0	4	1	1
Compliance Plan	2	0	0	0	2
Confidentiality Statements	1	0	0	0	1
Enforcement	3	0	0	0	3
<b>Totals</b>	<b>62</b>	<b>0</b>	<b>19</b>	<b>16</b>	<b>27</b>

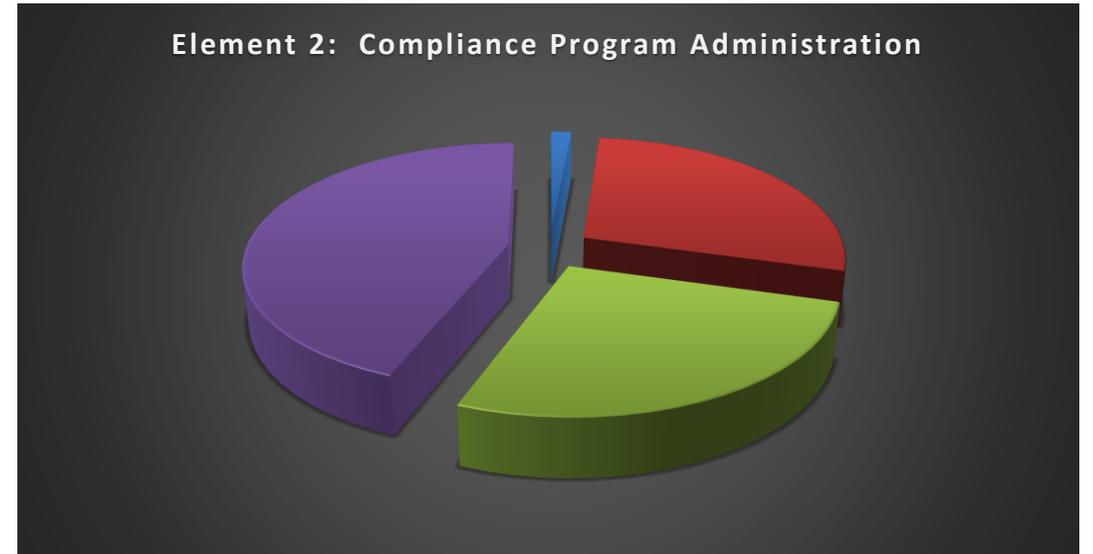


# Element 1 - Standards, Policies, and Procedures: Opportunities

- **Alignment of Policies and Regulatory Guidance:** Ensure policies capture regulatory guidance and processes are reflected with updated requirements of state and federal laws. Consider annual review and revision for certain policies.
- **Policy Communication:** Implement communication strategy to notify employees when substantial updates are made to district-wide policies.
- **Policy Utilization:** Track frequency of policy access within the policy database by employees.
- **Policy Comprehension and Effectiveness:** Assess the effectiveness of policies; consider analysis of compliance hotline calls, HR matters, necessary changes to processes. Partner with HR and Legal to conduct review.
- **High-level Global Review of Policies:** Review of all policies to ensure there is no overlap or contradiction.
- **Code of Conduct Review:** High-level review of Code of Conduct to ensure alignment of Code of Conduct and relevant policies.

## Element 2 - Compliance Program Administration: Overview

Category	Count	NA	Not	Partial	Full
Board of Directors	5	0	0	2	3
Compliance Budget	3	0	1	1	1
Compliance Committees	10	0	1	3	6
Accountability	2	0	0	1	1
Compliance Officer	12	0	2	2	8
Staffing	3	0	1	0	2
Compliance Plan	5	0	1	1	3
Culture	7	0	7	0	0
Incentives	3	1	1	1	0
Performance Evaluations	5	0	2	2	1
Risk Assessments	8	0	2	5	1
Compliance Work Plan	2	0	0	0	2
Legal Counsel's Role	2	0	0	0	2
Other	1	0	1	0	0
<b>Totals</b>	<b>68</b>	<b>1</b>	<b>19</b>	<b>18</b>	<b>30</b>

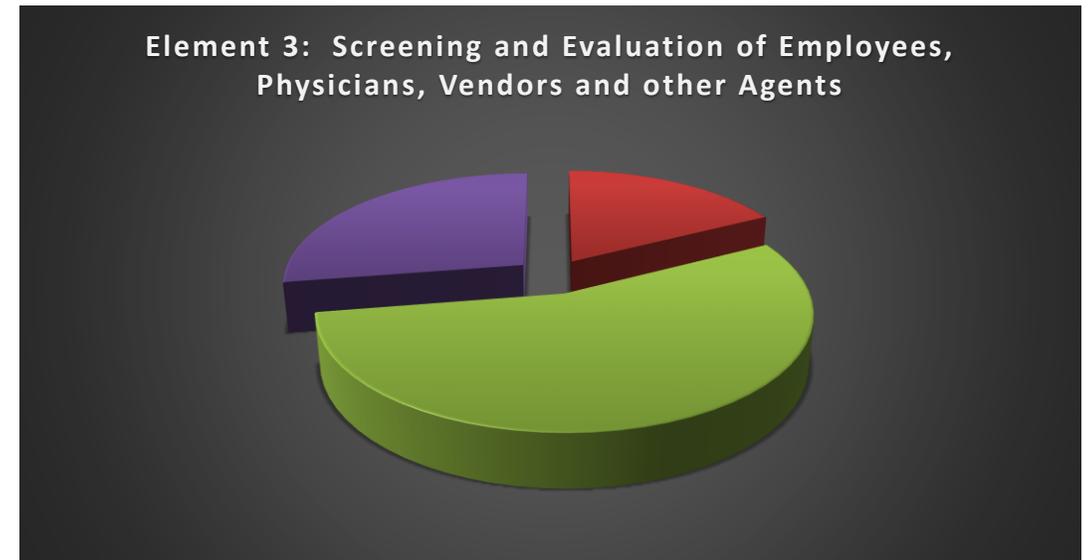


## Element 2 - Compliance Program Administration: Opportunities

- **Compliance Program Benchmarking:** Review of well-known Compliance Programs to compare/contrast successes. Establish internal benchmarking for Compliance Program elements.
- **Regulatory/Legislative Process:** Enhance review and dissemination process of regulatory and legislative matters to key leaders. Ensure appropriate resources to are available to Compliance Program to identify pertinent updates.
- **Investigation Process:** Further refine and standardize investigation process. Ensure alignment with investigation policy and consider outlining specific investigation steps.
- **Compliance Program Budget/Resources:** Ensure appropriate budget allocation in alignment with Compliance Program gaps and organization risks. Allocate resources to drive remediation efforts, including staffing where necessary.
- **Third-Party Review of Compliance Program:** Consider third-party audit/review of Compliance Program.
- **Compliance Culture Employee Feedback:** Survey employees to gauge perception of the Compliance Program.
- **Compliance Elements as a Job Requirement:** Include compliance metrics on job descriptions and performance evaluations.
- **Competency and Skills of Compliance Program Team:** Continue advancing the competency and skills of the Compliance Program team members, consider assessment to identify potential gaps and opportunities for education.

# Element 3 - Screening and Evaluation of Employees, Physicians, Vendors and Other Agents: Overview

Category	Count	NA	Not	Partial	Full
Accountability for Screening	1	0	1	0	0
Conflict of Interest	2	0	0	2	0
Employee Accountability	4	0	2	2	0
Employee Disclosure	1	0	0	1	0
Employee Screening	13	0	2	7	4
Exit Interviews	4	0	1	3	0
High Risk Screening	1	0	1	0	0
Licensure	2	0	0	2	0
Response to Exclusion	1	0	0	0	1
Response to Screening	3	0	0	1	2
Vendor	5	0	0	1	4
Vendor Screening	3	0	0	3	0
<b>Totals</b>	<b>40</b>	<b>0</b>	<b>7</b>	<b>22</b>	<b>11</b>

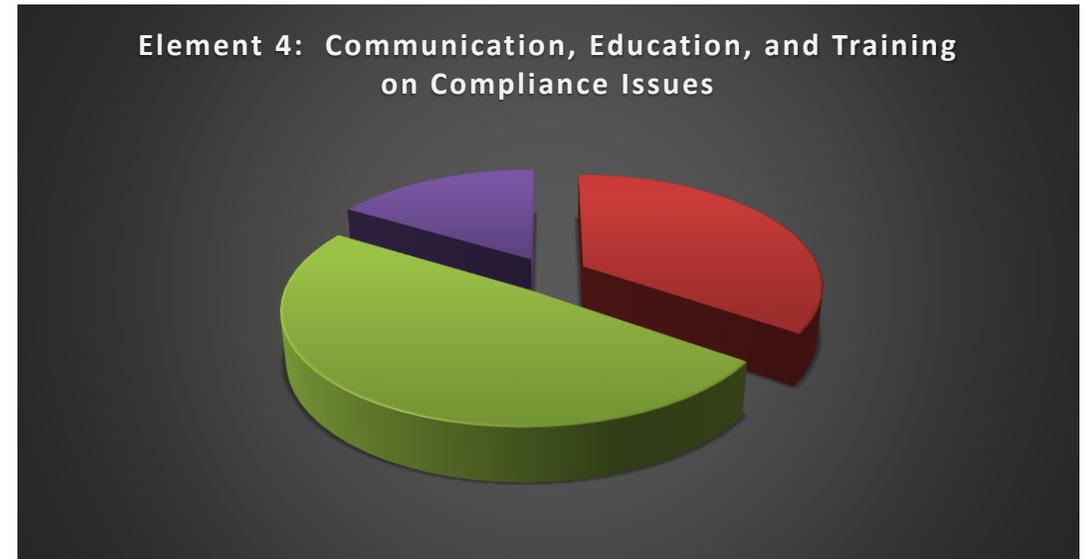


# Element 3 - Screening and Evaluation of Employees, Physicians, Vendors and Other Agents: Opportunities

- **Evaluation of Effective and Adequate Exclusion Screening Process:** Ensure competency of individuals responsible for exclusion process of Employees, Vendors and other agents. Ensure process is in alignment with state and federal law.
- **Alignment of Policies and Processes – Exclusion Screening and Background Checks:** Conduct internal audit of exclusion screening and background check processes to ensure alignment with policies. Consider specific review to ensure:
  - Background checks are in compliance with state and federal law
  - Exclusion screening process is in compliance with all state and federal law
  - Controls are in place to prevent hiring or contracting with excluded individuals
  - Conflict of Interest process is being followed according to policy
  - Current employees transitioning into licensed roles within the organization are screened appropriately for licensure and certifications / sanctions per policy
- **Criteria and Process of Background Screening:** Define specific criteria and process of background checks and reflect in policy.
- **Criteria and Process of Exclusion Screening:** Define specific criteria, process, and frequency of exclusion screening and reflect in policy.
- **Compliance During the Off-Boarding Process:** Include compliance-related questions during exit interview of employees, vendors and other agents; identify potential compliance concerns.
- **Remedial Actions Related to Excluded Individuals:** Define process for outlining the refund of any services rendered and billed for by excluded individuals and reflect in policy.

# Element 4 - Communication, Education, and Training on Compliance Issues: Overview

Category	Count	NA	Not	Partial	Full
Training	24	0	10	13	1
Accountability	5	0	1	2	2
Awareness	2	0	0	2	0
Board	4	0	2	2	0
Communication	6	0	2	2	2
Competency	4	0	0	2	2
Culture	1	0	0	1	0
Incentives	1	0	1	0	0
Vendors and Volunteers	2	0	1	0	1
<b>Totals</b>	<b>49</b>	<b>0</b>	<b>17</b>	<b>24</b>	<b>8</b>

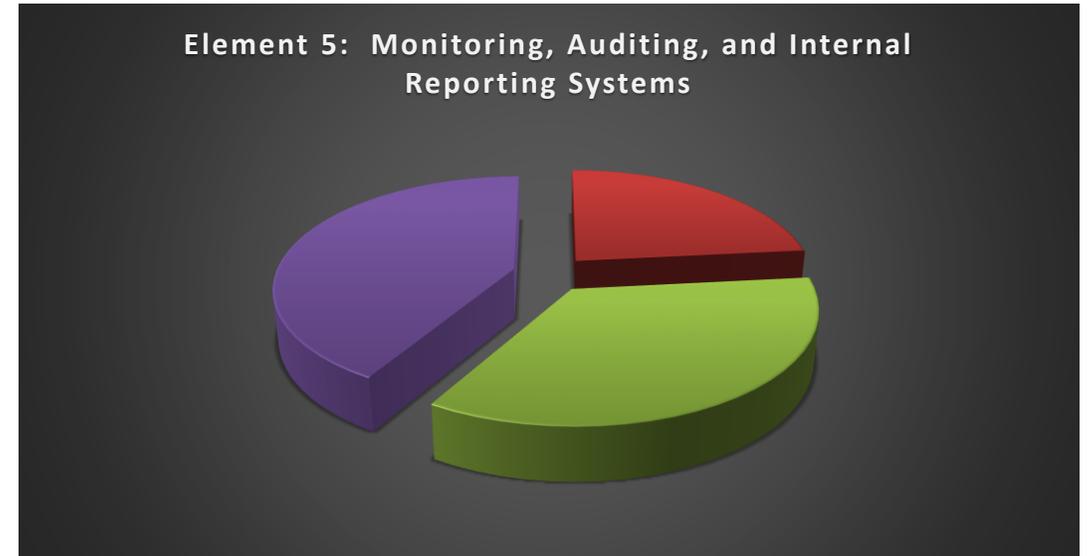


# Element 4 - Communication, Education, and Training on Compliance Issues: Opportunities

- **Risk-Based Compliance Education:** Further refine compliance education to focus on high-risk topics identified through hotline calls, HR matters, audits, and MAT question analysis. Identify gaps and implement focused education.
- **Alignment with Processes and Policies – Education Requirements:** Conduct internal audit of compliance education and orientation processes to ensure alignment with policies. Consider specific review to ensure:
  - Compliance education requirements are being fulfilled by each department highlighted in policy CP.06
  - New hire employees complete all trainings, orientation and education required by HR
- **Compliance Requirements of Specified Job Titles/Departments:** Consider the addition of compliance-related requirements for specified high-risk departments and key roles and include in job descriptions.
- **Measure Impact of Corrective Actions:** Develop formal process to reassess known compliance matters to ensure corrective measures were adequate and effective.
- **Compliance Education Effectiveness:** Survey employees regarding Compliance Program education. Consider measuring:
  - Adequate education regarding compliance awareness and responsibilities of the individual
  - Comprehension: survey employees six-months after hire to gauge impact
- **Compliance Education for Vendors and Volunteers:** Implement compliance education process for vendors and volunteers.

# Element 5 - Monitoring, Auditing, and Internal Reporting Systems: Overview

Category	Count	NA	Not	Partial	Full
Reporting System	26	0	6	13	7
Risk Assessments	10	0	9	0	1
Monitoring and Auditing Work Plan	12	0	0	2	10
Audit Process	12	0	0	3	9
Corrective Action Plans	8	0	0	5	3
Auditors	6	0	3	2	1
Non-Retaliation	2	0	0	2	0
Vendor Oversight	1	0	0	0	1
<b>Totals</b>	<b>77</b>	<b>0</b>	<b>18</b>	<b>27</b>	<b>32</b>

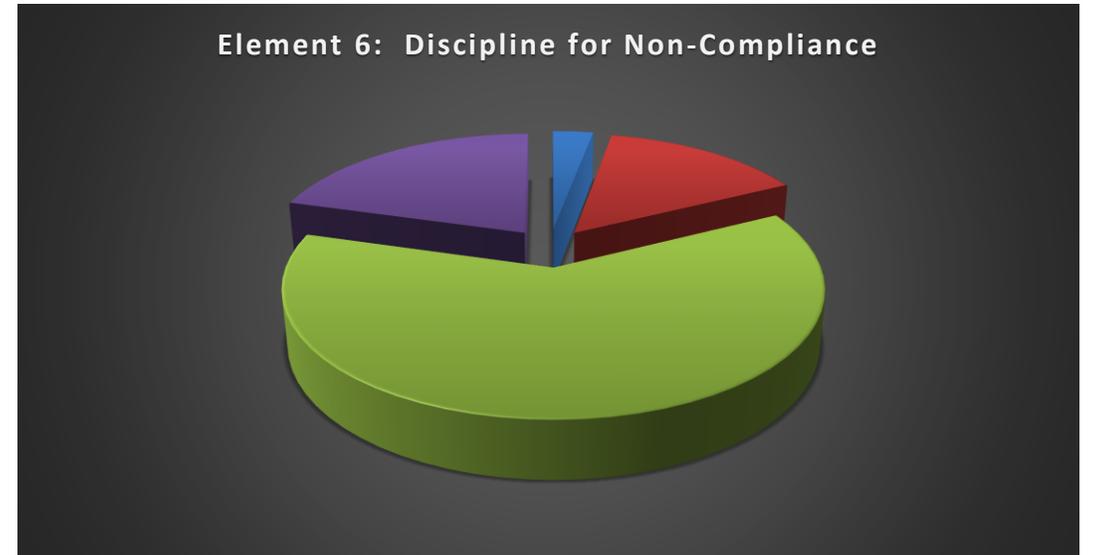


# Element 5 - Monitoring, Auditing, and Internal Reporting Systems: Opportunities

- **Adequate Internal Reporting Systems:** Trend frequency and method of compliance-related matters being reported to assess adequate system. Consider incorporating survey to capture how individuals were made aware of where to report concerns.
- **Reporting for Non-Employees and Vendors:** Develop communication strategy to ensure non-employees, vendors and affiliates of organization are aware of internal reporting venues for compliance-related concerns.
- **Organization-Wide Risk Assessment Process:** Develop risk-assessment process to analyze risk factors across various levels of the organization. Consider the following criteria:
  - Include members from various levels and departments of the organization to ensure different perspectives and risk concerns
  - Policies
  - Trending compliance, risk management, HR and legal matters
  - State and Federal law
- **Audit Known Risk Areas and Random Generation:** Audit areas of known risk as well as random generation of topics to identify potentially undiscovered non-compliance
- **Benchmarking Audit Results:** Formalize audit result benchmarking based on industry trends and benchmarks.
- **Competency and Skills of HIM/Coding Team:** Assess skills and expertise of HIM coders and auditors; develop skills assessment; ensure consistency in performance.

# Element 6 - Discipline for Non-Compliance: Overview

Category	Count	NA	Not	Partial	Full
Consistency	6	0	1	4	1
Awareness	14	0	3	8	3
Documentation	11	1	1	7	2
Promotion Criteria	3	0	0	2	1
Totals	34	1	5	21	7

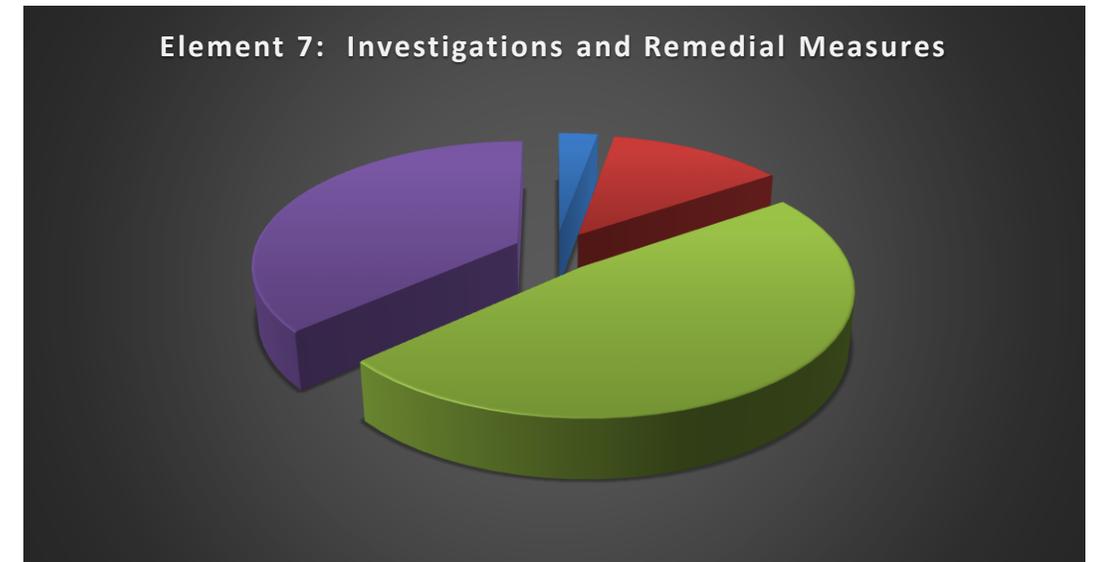


## Element 6 - Discipline for Non-Compliance: Opportunities

- **Consistency of Discipline for Non-Compliance:** Conduct audit of investigations resulting in discipline. Assess disciplinary actions to ensure consistent application and alignment with policy.
- **Disciplinary Action Timeline:** Define timeline for discipline to be carried out in partnership with HR and ensure consistency with policy.

# Element 7 - Investigations and Remedial Measures: Overview

Category	Count	NA	Not	Partial	Full
Guidelines for Conducting an Investigation	4	0	2	1	1
Content of Investigation Files	3	0	0	1	2
Quality and Consistency of Investigations	5	0	0	5	0
Tracking and Trending Investigations	4	0	0	1	3
Escalation of Investigations	3	0	0	1	2
Communication of Investigation Outcomes	4	0	2	1	1
Training of Investigators	4	0	0	0	4
Professionalism and Competency of investigators	4	0	0	0	4
Independence of investigator	4	1	0	3	0
Involvement of Legal Counsel	2	0	0	2	0
Timeliness of Response	5	0	0	2	3
Corrective Action Plans / Remedial Measures	9	0	0	7	2
Root Cause Analysis	3	1	0	0	2
Adherence to non-retaliation policy	6	0	3	3	0
Government Inquiries/Investigations	3	0	1	1	1
Monitoring Results	4	0	0	4	0
Awareness of Investigation Process	2	0	1	1	0
Contract Provisions Regarding Investigations	2	0	0	1	1
<b>Totals</b>	<b>71</b>	<b>2</b>	<b>9</b>	<b>34</b>	<b>26</b>



## Element 7 - Investigations and Remedial Measures: Opportunities

- **Standardize Investigation Process:** Develop written protocol for investigations to be conducted to ensure consistency and in accordance to policy. Define required elements of investigation process, outline baseline timelines. Formalize investigation templates to include documentation requirements and standardization.
- **Measuring Remedial Efforts:** Assess the long term effects of remedial efforts and the impact on similar matters.
- **Investigation Risk Process:** Develop risk assessment on investigation process that includes analysis of down-stream effect, systemic issues, resolutions, and outcomes.
- **Investigation Process Education:** Develop education regarding the organization's investigation process. Include elements such as auditing, monitoring, non-compliance and corrective actions.
- **Perception of the Compliance Program:** Assess the perception of the Compliance Program across the organization. Consider interviews with risk-partners (leadership, HR, risk management, legal counsel) to assess satisfaction with relationship; survey employees to gauge perception of Compliance Program competence, investigations, outcomes, communication, and trust.