



February 7, 2024

NOTICE

The Kaweah Delta Health Care District Board of Directors will meet in an Audit and Compliance Committee meeting at 8:00 AM on Wednesday, February 14, 2024, in the Kaweah Health Executive Office Conference Room {400 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 8:00 AM meeting on Wednesday, February 14, 2024, in the Kaweah Health Executive Office Conference Room {4000 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
David Francis, Secretary/Treasurer

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

Cindy Moccio
Board Clerk
Executive Assistant to CEO

DISTRIBUTION:
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<http://www.kawahhealth.org/about/agenda.asp>



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

Wednesday, February 14, 2024
400 West Mineral King Avenue
Executive Office Conference Room

ATTENDING: Board Members: Michael Olmos – Committee Chair, Dean Levitan, MD; 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 – 8:00AM

Call to order – *Michael Olmos, Committee Chair*

Public / Medical Staff participation – Members of the public may comment on agenda items before action is taken and after it is discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the jurisdiction of the Board are requested to identify themselves at this time. For those who are unable to attend the beginning of the Board meeting during the public participation segment but would like to address the Board, please contact the Board Clerk (Cindy Moccio 559-624-2330) or cmoccio@kaweahhealth.org to make arrangements to address the Board.

1. **Written Reports** – Committee review and discussion of written reports.

- 1.1 [Compliance Program Activity Report](#) – *Amy Valero*
- 1.2 [Audit and Compliance Program Mission and Purpose](#) – *Ben Cripps*
- 1.3 [Annual Compliance Plan 2023 and 2024](#) – *Amy Valero*

2. **Approval of Closed Meeting Agenda** – Kaweah Health Specialty Clinic Conference Room – immediately following the open meeting

- Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) (10 cases)
- *Ben Cripps and Rachele Berglund (Legal Counsel)*

Adjourn Open Meeting – *Michael Olmos, Committee Chair*

CLOSED MEETING – Immediately following the 8:00am open meeting

Call to order – Michael Olmos, Committee Chair

1. [Conference with Legal Counsel – Anticipated Litigation](#) – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) (10 cases) – *Ben Cripps and Rachele Berglund (Legal Counsel)*

Adjourn – Michael Olmos, 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 committee meeting.

Compliance Program Activity Report – Open Session

November 2023 through January 2024

Ben Cripps, Chief Compliance & Risk Officer



Education

Live Presentations

- Compliance and Patient Privacy
 - Dinuba Rural Health Clinic
 - New Leader Orientation
 - New Hire Orientation (In-Person) – Coming Soon!

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

- Compliance Matters Privacy
- Before You Act You've Been Given A FairWarning
- Compliance Education

Prevention & Detection

- **California 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

- **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.
- **Patient Privacy Walkthrough** – Observation of regulatory signage and privacy practices throughout Kaweah Health; issues identified communicated to area management for follow-up and education.
- **Centers for Medicare and Medicaid Services (CMS) Final Rule** – Review and distribution of the 2024 CMS Final Rule for Inpatient Prospective Payment System (IPPS), Outpatient Prospective Payment System (OPPS), Inpatient Psychiatric Facility (IPF), Inpatient Rehabilitation Facility (IRF), Home Health and Hospice, and Physician Fee Schedule (PFS) policy and payment updates; department responses reviewed and tracked to address the regulatory change and identify potential current/future risk.

Oversight, Research & Consultation

New

Coding Guidance Documentation for Cardiothoracic Locum – Research to determine whether coding for post operative follow up visits, which are considered to be part of the global period are necessary to be completed. It was confirmed that a claim should never be submitted with the knowledge and understanding that the code being submitted is not supported by documentation and is not compliant with coding standards. The findings were shared with HIM leadership. The Physician ultimately completed the documentation necessary and the claims were coded and billed.

Oversight, Research & Consultation

New

Dialysis Billing Concerns – Workgroups, Root Cause Analysis and Resolutions – Consultation and oversight to determine the root cause of multiple charging and billing issues for Outpatient Dialysis claims. Multiple charging and billing errors have been identified resulting in compliance log issues as a result of Clarity EMR system limitations and integration with the Soarian Financial billing system. Three multidisciplinary workgroups have been established to analyze root cause issues and implement resolutions. The system workgroups have been tasked with two focuses: (1) planned and unplanned drug changes, and (2) bulk medications.

In addition to the system workgroups, a multidisciplinary workgroup made up of leadership from the Compliance, Pharmacy, ISS, Revenue Integrity and Dialysis departments has been established to assess two primary goals: (1) system interface resolution from Clarity to Soarian Financials, ensuring that the data being entered in Clarity is interfacing appropriately in Soarian Financials, and (2) identifying a Dialysis charging expert/resource who is versed in clinical and CPT code regulations, tasked with overseeing Dialysis charging and billing. Work is underway amongst the two workgroups, and resolutions are expected in February.

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.

- *Change of Director of Nursing (DON) Skilled Nursing Akers & Court*
- *Lindsay Rural Health Clinic Revalidation*
- *Exeter Rural Health Clinic Revalidation*
- *Acute Rehabilitation Revalidation*
- *Specialty Clinic Infusion Expansion*

The pursuit of healthiness



AUDIT AND COMPLIANCE COMMITTEE

MISSION AND PURPOSE: To promote an organizational culture that encourages ethical conduct and a commitment to compliance with laws, rules, and regulations and provide oversight of the structure and operation of the Compliance and Internal Audit Programs.

To assist Kaweah Health's Board of Directors in fulfilling its responsibility for the oversight and governance of Compliance Program Administration, Kaweah Health's Audited Financial Statements, systems of internal controls over financial reporting, operations, and audit processes, both internal and external.

Kaweah Health's Board of Directors is committed to full implementation of effective Compliance and Internal Audit Programs. Creating and reinforcing compliance and a system of appropriate internal controls is a priority of the Board of Directors, Chief Executive Officer, Chief Compliance and Risk Officer, and Senior Management.

AUTHORITY: The Compliance and Audit Committee has the authority to conduct or authorize investigations into matters within The Committee's scope of responsibilities, retain independent counsel, consultants or other resources to assist in investigations and audits, seek information it requires from employees or external parties, and to meet with Kaweah Health Officers, consultants, or outside counsel as needed.

COMPOSITION: The Compliance and Audit Committee is comprised of the following Members:

- Board Members (2) – The Board President or Secretary/Treasurer and Board Member Appointee
- Senior Leadership – Chief Executive Officer and Chief Financial Officer
- Legal Counsel/Compliance Advocate – Rachele Berglund
- Chief Compliance and Risk Officer
- Internal Audit Manager
- Compliance Manager

MEETINGS: The Committee shall meet at regularly scheduled intervals, with the authority to convene additional meetings as necessary. The Committee is authorized to request attendance from members of Management or others to provide information that would be relevant to The Committee.

The Committee may meet in executive session when necessary and permissible by applicable laws.

SPECIFIC RESPONSIBILITIES:

1. Review developments of the Compliance and Internal Audit Programs to enable The Committee to make recommendations to the Board of Directors when appropriate.
2. Provide oversight as needed to ensure that the Compliance and Internal Audit Programs effectively facilitate the prevention and/or detection of violations of law, regulations, and Kaweah Health policies.
3. Ensure autonomy and review resources assigned to the Compliance and Internal Audit Programs to assess their adequacy relative to the program's effectiveness.
4. Ensure annual review of the Office of Inspector General's Work Plan and other relevant resources to identify potential risk areas and assess their impact on Kaweah Health.
5. Monitor physician contracts and payments made to physicians to ensure appropriateness and compliance with laws and regulations.
6. Convene the Executive Fair Market Value Committee, a sub-Committee of the Compliance Committee, as necessary to ensure that physician contracts are established within fair market value.
7. Review the Compliance and Internal Audit Annual Plans, activities, staffing and structure; ensure that the Chief Compliance and Risk Officer's (or designee(s)) access to information, data and systems is not restricted or limited in any way.
8. Select or dismiss independent accountants responsible for completing Kaweah Health's Financial Statement and Retirement Plan Audits (subject to approval by the Kaweah Health Board of Directors); review and approve fees paid to independent accountants; approve or disapprove consulting services provided by independent accountants to ensure independence and objectivity.
9. Meet with the independent accountants prior to, during, and after the annual audit to evaluate, understand and report to the Board on the various aspects and findings of the audit as follows:
 - a. Audit scope and procedural plans
 - b. Significant areas of risk and exposure and management's actions to minimize them
 - c. Adequacy of Kaweah Health's internal controls, including computerized information system controls and security
 - d. Significant audit findings and recommendations made by the independent accountants

- e. The annual Audited Financial Statements, related Footnotes Disclosure, and the Independent Accountant's Report thereon
 - f. The independent auditor's qualitative judgments about the appropriateness, not just the acceptability, of accounting principles and financial disclosures and how aggressive (or conservative) the accounting principles and underlying estimates are or should be
 - g. Serious difficulties or disputes with management encountered during the course of the audit
10. Reviews and evaluates management's written response to the independent accountants' management letter. Instructs the Internal Audit Leadership to confirm complete implementation of any Management action required by external auditor's Management Letter.
 11. Review legal and regulatory matters that may have a material effect on the organization's financial position, financial statements, and/or reputation.
 12. Monitor effectiveness and timeliness of responses to identified issues.
 13. Monitor education, training, and preventive activities.
 14. Review and evaluate the effectiveness of the Kaweah Health Compliance and Internal Audit Programs.
 15. Recommend, review, and approve revisions to the Compliance Program's Code of Conduct and Compliance Policies Manual.
 16. Report Committee actions and recommendations to the Kaweah Health's Board of Directors.

Presented to the Compliance and Audit Committee on February 14, 2024 for approval.

Kaweah Delta Health Care District	
Compliance Program Work Plan	
Calendar Year 2023	
Tasks and Activities	Comments
Effectiveness Tool Opportunities	
Element 1: Standards, Policies, Procedures	Analysis Completed
Element 2: Compliance Program Administration	Analysis Completed
Element 3: Screening and Evaluation of Employees, Physicians, Vendors and other Agent	Analysis Completed
Element 4: Communication, Education, and Training on Compliance Issue:	Analysis Completed
Element 5: Monitoring, Auditing, and Internal Reporting System:	Analysis Completed
Element 6: Discipline for Non-Compliance	Analysis Completed
Element 7: Investigations and Remedial Measures	Analysis Completed
Compliance Oversight and Management	
Complete comprehensive review of the Compliance Program - Program Effectiveness Tool / Risk Assessment	Complete
Develop Overpayment Policy	
Review and Update Code of Conduct	
New Service Line / Facility Orientation Program: Ensure Compliance responsibilities are understood and implemented in the new clinics/facilities; Opportunity to be proactive	Ongoing
STARK and Anti-Kickback Oversight:	
Physician Contracts Billing and Collection Audits (external)	
Physician Contract Compliance Audits (IQ Surgical, Precision Psychiatry)	
Utilization and education of Compliance 36C	
Provider recruitment agreement acknowledgment form and onboarding process improvement	
Develop contract summaries for leadership	Complete
Develop assorted contract templates for various agreement types	
Develop provision worksheet	Complete
Reviews and Audits:	
Patient Status	Complete
Diagnostic Testing in the Emergency Room	Complete
Infusion Center Medical Necessity Orders and Services Provided, Pumps, Medication:	Complete
Charge Posting Audit	Complete
Urology: New Service Line Audit	Complete
ED with Diagnostic Procedures	Complete
MSP Questionnaire: Home Health & Hospice	Complete
Sequoia Cardiology	Complete
Medicare Trauma Claims	
Home Health Value Based Purchasing	
Annual Wellness Visits within 12 months	
External Audits	
Ambulatory Surgery & Urgent Care	Complete
Urgent Care - Reaudit October	Complete
High cost OP Surgery	Complete
IP DRG various without MCC or CC	Complete
Patient Privacy:	
Business Associate Agreement: Update Template	
HIPAA/Privacy Rule Gap Analysis	
Workday Implementation: Contingent Workers/User Access	Complete
Create Privacy Manual (include policies and forms: Policy Tech; Internal Privacy Processes	
Development & implementation of focused privacy re-education and process improvement for departments with habitual privacy incidents	Ongoing
Privacy & Compliance Training Video	Not Applicable - In person orientation occurring
Education:	
Leadership Team Ted Talks	Ongoing
Physician Contract Training with Directors	
Development of Four Corners Report	
Area Specific Education: Visit Departments 1-2 Times a Year/ 1-3 hours per year	OIG requires 1-3 hours of Compliance education annually
Health Information Management (HIM)	Complete
Patient Accounting	Complete
Patient Access	Complete
Case Management	Complete
Revenue Integrity	
CDI	
Sequoia Surgery Center	Complete
Radiology	Complete
Lindsay RHC	Complete
Exeter RHC	Complete
Woodlake RHC	
Dinuba RHC	Complete
Tulare RHC	Complete
Urgent Care Clinics	Complete
Quarterly Physician Office Staff Meeting	Complete
Prevention and Monitoring:	
Covid-19 Public Health Emergency Waiver Tracking	Complete
Create Internal Data Mining Report	
Monitor COVID Regulatory changes: CARES Act Funding, Healthcare Requirements	

**Kaweah Health
Compliance Program Work Plan
Calendar Year 2024**

Tasks and Activities	Responsible Party	Comments
Compliance Oversight and Management		
Compliance Policy Review: Regulatory assessment, effectiveness, standardization		
Investigation protocol process: Standardization and Education		
Compliance Program team competency: assessments and opportunities		
Compliance policy changes: communication process		
Compliance reporting processes		
Operational Compliance Committee Charter		
Compliance Program Budget/Resources: Review for alignment with high-risk initiatives		
Compliance 360 Termination Preparation: Alternative claims management process		
Audit & Compliance Committee: Member executive reports		
Competency assessment of HIM/Coding Teams		
Employee Survey: Compliance program perception assessment		
Partnership with HR - Compliance and the HR exit interview process		
Partnership with HR - Disciplinary Action Review and Standardization		
Partnership with HR - Evaluation of effective and adequate exclusion screening process		
Partnership with HR - Evaluation of effective and adequate background screening process		
Partnership with HR: Incorporate compliance metrics in job descriptions & performance evaluations. Partnership with HR		
Compliance policy utilization review		
Metric Benchmarking Preparation: Develop benchmarks for Compliance Program		
Non-Retaliation process review		
Overpayment Policy Development		
New Service line/facility orientation program		
Code of Conduct review and revisions		
STARK and Anti-Kickback Oversight:		
Physician Contracts Billing and Collection Audits (external)		
Physician Contracts Compliance Audits (IQ Surgical, Precision Psych.)		
Physician payment process efficiencies		
Agreement Acknowledgement Form - Physician Contracts		
Attestation process for physician recruitment agreements		
Physician contract templates		
C360 Termination: Alternative Physician Contracts Process		
Reviews and Audits:		
Audit Benchmarking Process		
Random Audit Subject Matter (per Effectiveness Tool suggestion)		
Patient Status		
Center for Mental Wellness		
SNF Admission Forms & COA		
Peritoneal Dialysis		
Spinal Cord Stimulators for Chronic Pain		
<i>Undetermined</i>		
External Audits		
Urgent Care - Re-audit		
E & M Outpatient Clinics (45) IP Rehab (5)		
DRG 483 and 455 Major joing or limb reattachment procedure or upper extremity (483) combined anterior and posterior spinal fusion w/o CC/MCC (455)		
<i>Undetermined: Continue to watch PEPPER; Coder Results; Probes; RAC issues</i>		
<i>Undetermined: Review Denial Reports, Ncoder; Low Provider Usage; Decreased Providers</i>		
<i>Undetermined: Consider new service lines</i>		
Patient Privacy:		
C360 Termination: Alternative Non-Employee User Access Request Process		
HIPAA Privacy Rule Gap Analysis		
Business Associate Agreement template review		

Kaweah Health		
Compliance Program Work Plan		
Calendar Year 2024		
Tasks and Activities	Responsible Party	Comments
Education:		
Risk-based Compliance education development		
Compliance education for vendors and volunteers		
Alignment with processes and policies – education requirements		
Area Specific Education: Visit Departments 1-2 Times a Year/ 1-3 hours per year		OID requires 1-3 hours of Compliance education annually.
Health Information Management (HIM)		
Patient Accounting		
Patient Access		
Case Management		
Revenue Integrity		
CDI		
Sequoia Surgery Center		
Radiology		
Lindsay RHC		
Exeter RHC		
Woodlake RHC		
Dinuba RHC		
Tulare RHC		
Urgent Care Clinics		
Quarterly Physician Office Staff Meeting		
Prevention and Monitoring:		
Organization-Wide Risk Assessment Process		
Partnership with legal to ensure pertinent laws/regulations are being identified and educated on.		
Third-Party Review of Compliance Program		
Create Internal Data Mining Report		