

November 8, 2024

NOTICE

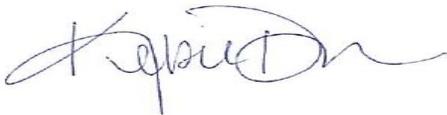
The Board of Directors of the Kaweah Delta Health Care District will meet in an open Audit and Compliance Committee meeting at 2:30PM on Thursday, November 14, 2024, in the Kaweah Health Medical Center Executive Office Conference Room, 305 W. Acequia Avenue, Visalia, CA 93291.

The Board of Directors of the Kaweah Delta Health Care District will meet in a Closed Audit and Compliance Committee meeting immediately following the 2:30PM Audit and Compliance Committee meeting on Thursday, November 14, 2024, in the Kaweah Health Medical Center Executive Office Conference Room, 305 W. Acequia Avenue, Visalia, CA 93291, pursuant to Government Code Section 54956.8.

All Kaweah Delta Health Care District regular board meeting and committee meeting notices and agendas are posted 72 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.kaweahhealth.org>.

KAWEAH DELTA HEALTH CARE DISTRICT
David Francis, Secretary/Treasurer



Kelsie Davis
Board Clerk, Executive Assistant to CEO

DISTRIBUTION:
Governing Board, Legal Counsel, Executive Team, Chief of Staff
<http://www.kaweahhealth.org>



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

Thursday, November 14, 2024
400 West Mineral King Avenue
Executive Office Conference Room

ATTENDING: Board Members: Michael Olmos – Committee Chair, Dean Levitan, M.D.; Gary Herbst, Chief Executive Officer; Malinda Tupper, Chief Financial Officer; Rachele Berglund, Legal Counsel; Ben Cripps, Chief Compliance & Risk Officer; Amy Valero, Compliance Manager; and Michelle Adams, Executive Assistant, Recording

OPEN MEETING – 2:30PM

Call to order – *Michael Olmos, Committee Chair*

1. **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 (Kelsie Davis 559-624-2330) or kedavis@kaweahhealth.org to make arrangements to address the Board.
2. **Approval of the Quarterly August Audit & Compliance Committee Open Minutes** – *Michael Olmos, Committee Chair*
3. **Approval of the November Audit & Compliance Committee Open Minutes** – *Michael Olmos, Committee Chair*
4. **Written Reports** – Committee review and discussion of written reports.
 - 4.1 [Compliance Program Activity Report](#) – *Amy Valero, Compliance Manager*
5. **Verbal Reports**
 - 5.1 Compliance Program – Provide an update on the status of Compliance Program activity – *Ben Cripps*
6. **Approval of Closed Meeting Agenda** – Kaweah Health Executive Office Conference Room – immediately following the open meeting
 - 6.1 **Approval of August Audit & Compliance Committee Closed Minutes** – *Mike Olmos, Committee Chair*

- 6.2 **Conference with Legal Counsel – Anticipated Litigation** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) (9 cases) – *Ben Cripps, Chief Compliance & Risk Officer and Rachele Berglund, Legal Counsel*

Adjourn Open Meeting – *Michael Olmos, Committee Chair*

CLOSED MEETING – {Immediately following the 2:30pm Open Meeting}

1. **Call to order** – *Michael Olmos, Committee Chair*
2. **Approval of the Quarterly August Audit & Compliance Committee Closed Minutes** – *Mike Olmos, Committee Chair*
3. **[Conference with Legal Counsel – Anticipated Litigation](#)** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) (9 cases) – *Ben Cripps, Chief Compliance and Risk Officer and Rachele Berglund, Legal Counsel*
4. **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 Meeting
Ben Cripps, Chief Compliance and Risk Officer
August 2024 through October 2024

EDUCATION

Live Presentations

- Compliance and Patient Privacy – New Hire Orientation
- Compliance and Patient Privacy – Management Orientation
- Compliance and Patient Privacy – New Resident Orientation
- Compliance and Patient Privacy – Sequoia Surgery Center Annual Competency Fair

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

- Minor Consent Laws
- Think Before You Act – Fairwarning
- Importance of the Notice of Privacy Practices

PREVENTION AND 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
 - Five (5) AFL’s distributed and tracked between August – October 2024
- **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/future risk
 - Five hundred and forty-three (543) bulletins distributed as assignments to department leaders and tracked between August – October 2024
 - Ninety percent (90%) compliance rate with assignment responses submitted within 15 days per policy
- **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
 - Twelve (12) OIG audit plan issues distributed and tracked between August – October 2024
- **California State Senate and Assembly Bill Updates** – Review and distribute legislative updates to areas potentially affected by new or changed bills; department responses reviewed and tracked to address regulatory change and identify potential current or future risk
 - Twenty-eight (28) newly approved Assembly Bills distributed and tracked between August – October 2024
 - Eighteen (18) newly approved Senate Bills distributed and tracked between August – October 2024

- **Patient Privacy Walkthrough** – Quarterly observations of privacy practices and privacy-related regulatory requirements including signage throughout Kaweah Health’s inpatient and outpatient facilities; issues identified communicated to area Management for follow-up and education
 - Findings of the quarterly privacy walkthroughs performed between August – October 2024 noted:
 - Missing Interpreter Services signage in many of the departments, including Labor & Delivery, Ambulatory Surgery, Cardiac Rehab, Woodlake and Exeter RHC’s, Kaweah Health Medical Office – Plaza, and Outpatient Dialysis clinic. Signage has since been added
 - Registrar lack of knowledge regarding the electronic printing and distribution of the Notice of Privacy Practices (NOPP). Registrars were educated on the spot regarding the electronic location of the NOPP for patients who wish to receive a printed paper copy

- **Electronic Medical Record (EMR) User Access Privacy Audits** – Daily monitoring of EMR user access through the use of FairWarning electronic monitoring technology which analyzes user and patient data to detect potential privacy violations
 - Average of eighty-five (85) daily alerts reviewed and investigated between August – October 2024
 - Enhancements decreased false positives resulting in the reduction of daily alerts by approximately 10%

- **Office of Inspector General (OIG) Exclusion Attestations** – Quarterly monitoring of OIG Exclusion List review and attestations. Monthly screening and review of OIG Exclusion List for non-credentialed providers who have ordered ancillary services for patients presenting at the medical center
 - Two (2) non-credentialed providers identified on the Medicare Opt-Out list between August – October 2024, findings tracked and logged in the system. No additional action required as the patients for whom services were ordered did not have Medicare coverage

OVERSIGHT

- **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

- **Medicare Recovery Audit Contractor (RAC) and Medicare Probe Audit Activity** – Records preparation, tracking, appeal timelines, and reporting
 - The following RAC Audit Activity took place between August – October 2024:
 - Forty-two (42) new RAC audit requests received, tracked and processed
 - Thirteen (13) RAC audit request appeals approved
 - Nineteen (19) RAC audit request appeals denied
 - Seventeen (17) RAC audit request responses pending in review status

- **Licensing Applications and Medi-Cal/Medicare Facility Enrollment** – Forms preparation and submission of licensing applications to the California Department of Public Health (CDPH); ongoing communication and follow-up regarding status of pending applications. The

following applications for licensure and/or enrollment were completed between August – October 2024:

- Annual Kaweah Health Acute Care Licensing Renewal
 - Annual Kaweah Health Hospice Licensing Renewal
 - Annual Kaweah Health Home Health Licensing Renewal
 - Update Director of Patient Care Services and Designee for Hospice Services
- **KD Hub Non–Employee User Access** – Oversight and administration of non-employee user onboarding, privacy education, and user profile tracking; evaluate, document, and respond to requests for additional system access; on-going management of non-employee KD Hub users
 - One hundred and thirty (130) system access applications were received and processed
 - Annual system access renewal process initiated in August, in which over one thousand (1,000) user accounts were renewed, and over five hundred (500) user accounts were deactivated for failure to complete required education

RESEARCH, CONSULTATION AND OVERSIGHT

- **Section 1557 Nondiscrimination Final Rule** – Research, Consultation and Oversight; The U.S. Department of Health and Human Services (HHS) Office for Civil Rights (OCR) and the Centers for Medicare & Medicaid Services (CMS) issued a final rule under Section 1557 of the Affordable Care Act (ACA) advancing protections against discrimination in health care. The Compliance Department provided research, consultation and oversight to support implementation of the new requirements set forth for covered entities, including the designation of an internal Civil Rights Coordinator, the issuance of a Nondiscrimination Notice to all patients, and updated Nondiscrimination Notice signage in all facilities by the deadline of November 2, 2024, which was achieved. Additional elements outlined in the Final Rule required to be in place by July 1, 2025 include updated policies and procedures outlining the new Nondiscrimination protections and employee training. Work is currently underway to ensure compliance with the next deadline.
- **Conditions of Admission (COA) and Overall Registration Policy Process** – Consultation and oversight; Compliance was engaged to evaluate the Conditions of Admission (COA) process, specifically to establish a standardized protocols outlining the required frequency for the completion of COA’s. Currently, COA’s are completed at each visit for individual patient encounters, and once every ninety (90) days for treatment series encounters (currently recognized as recurring patient visits for the ongoing treatment of a specific diagnosis). Workgroups reviewed regulations, policies, processes and current workflows, which identified gaps surrounding consistent application and formal definition of ‘treatment series’ encounters. Work is currently underway to define ‘treatment series’ encounters in accordance with regulations, update COA policies and workflows, and develop a comprehensive policy which outlines the frequency and workflow process for all required patient documentation within the patient registration process. The outcome of these efforts is pending.
- **AB-40 Ambulance Patient Offload Time (APOT)** – Research and Consultation; Compliance provided research and consultation to Emergency Department (ED) and EMS/Trauma Leadership regarding Assembly Bill 40 (AB-40), Ambulance Patient Offload Time (APOT) requirements. AB-40 requires a covered entity to establish policies and

procedures regarding the establishment of an electronic signature for use between the ED at a receiving facility and transport EMS to document patient arrival off load time. The bill requires a statewide standard patient offload time of twenty (20) minutes, ninety percent (90%) of the time. The Compliance Department worked closely with ED, EMS/Trauma and Executive Leadership to consult on the requirements of the bill and ensure processes, workflows and protocols were in place by the required due date of September 1, 2024. Successful compliance of this bill was achieved.

AUDITING AND MONITORING

- **Outpatient Cardiac Catheterization Lab Coding Audit** – Kaweah Health’s Cardiac Catheterization Lab (Cath Lab) specializes in the diagnosis and treatment of cardiac conditions through diagnostic and therapeutic procedures performed on an outpatient basis. Services provided in the Cath Lab are billed through the use of Ambulatory Payment Classifications (APCs), which is the method used by Medicare and other payers in which procedures are classified into groups and a single payment is remitted for each service or group of related services provided to a patient during an outpatient encounter. Through a risk assessment process, the Cath Lab was determined to be a valuable audit due to the high-cost procedures performed and the extended period of time since the last review in 2021. An external audit agency was engaged to conduct a review of fifty (50) Outpatient Cath Lab encounters for the month of August 2024 to evaluate the accuracy of the ICD-10 (International Classification of Diseases) diagnosis codes and Current Procedural Terminology (CPT) procedure codes to ensure that procedures were properly documented, coded, and billed in accordance with Medicare billing guidelines. The review noted a ninety-seven percent (97%) CPT accuracy, a ninety-six percent (96%) ICD-10 diagnoses accuracy, and resulted in a \$0 net financial error rate. The findings of the review have been communicated with the coding leadership team, and education has been provided. Corrections were made to each encounter. The Compliance Department will continue to reassess the risks associated with billing and coding Cath Lab services and will determine if a reaudit will be required in the future.

Agenda item intentionally omitted