Board Audit & Compliance Committee Members

VOTING MEMBERS
Linda Greer, Chair
Laurie Edwards-Tate, M.S., Director
Michael Pacheco, Director

NON-VOTING MEMBERS
Diane Hansen, President & CEO
Kevin DeBruin, Esq., Chief Legal Officer
Helen Waishkey, Corporate Compliance Officer

ALTERNATE VOTING MEMBERS
Gregory King, Compliance Program Manager
Jeff Griffith, E.M.T.-P., 1st Board Alternate
Lachlan Macleay, MD, Committee Appointed Physician Representative
Nanette Irwin, Committee Secretary

* Asterisks indicate anticipated action. Action is not limited to those designated items.

1 3 minutes allowed per speaker with a cumulative total of 9 minutes per group. For further details & policy, see Request for Public Comment notices available at Public Comments and Attendance at Public Board Meetings.

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United States (Toll Free): 1 866 899 4679
Access Code: 698-923-773
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https://global.gotomeeting.com/install/698923773
TO: Board Audit & Compliance Committee

MEETING DATE: April 19, 2022

FROM: Nanette Irwin, Committee Secretary

Background: The Board Audit & Compliance Committee meeting minutes from February 15, 2022 are respectfully provided for review and approval

Budget Impact: N/A

Staff Recommendation: Review and approval

Committee Questions:

COMMITTEE RECOMMENDATION: N/A

Motion: X

Individual Action:

Information:

Required Time:
Board Audit & Compliance Committee Meeting
2022 Compliance Audit Schedule

TO: Board Audit & Compliance Committee

MEETING DATE: April 19, 2022

FROM: Helen Waishkey, Corporate Compliance Officer

Background: The 2022 Compliance Audit Schedule is respectfully provided for review and approval

Budget Impact: N/A

Staff Recommendation: Review and approval

Committee Questions:

COMMITTEE RECOMMENDATION: N/A

Motion: X

Individual Action:

Information:

Required Time:
Board Audit & Compliance Committee Meeting
Compliance Program Effectiveness, Request for Proposals (CPE, RFPs)

TO: Board Audit & Compliance Committee

MEETING DATE: April 19, 2022

FROM: Helen Waishkey, Corporate Compliance Officer

Background: The Compliance Program Effectiveness, Request for Proposals (CPE, RFPs) is respectfully provided for your information

Budget Impact: N/A

Staff Recommendation: Informational

Committee Questions:

COMMITTEE RECOMMENDATION: N/A

Motion:

Individual Action:

Information: X

Required Time:
TO: Board Audit & Compliance Committee

MEETING DATE: April 19, 2022

FROM: Helen Waishkey, Corporate Compliance Officer

Background: The 2022 April Compliance and Ethics Training is respectfully provided for your information

Budget Impact: N/A

Staff Recommendation: Informational

Committee Questions:

COMMITTEE RECOMMENDATION: N/A

Motion:

Individual Action:

Information: X

Required Time:
ADDENDUM A
### Board Audit & Compliance Committee Meeting Minutes – Tuesday, February 15, 2022

#### Agenda Item

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Conclusion / Action</th>
<th>Follow Up / Responsible Party</th>
<th>Final?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discussion</strong></td>
<td></td>
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<tr>
<td><strong>Notice of Meeting</strong></td>
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<tr>
<td>Notice of meeting schedule was posted Thursday, February 10, 2022. The agenda packet was posted on the Palomar Health website on Thursday, February 10, 2022.</td>
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<tr>
<td><strong>Call to Order</strong></td>
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<tr>
<td>The meeting was held virtually pursuant to Board Resolution No. 01.10.22(03)-03 via GoToMeeting and called to order at 5:00 p.m. by Committee Chair Linda Greer.</td>
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<tr>
<td><strong>I. Establishment of Quorum</strong></td>
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<tr>
<td>• Quorum comprised of Chair Linda Greer, and Directors Laurie Edwards-Tate and Michael Pacheco</td>
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<tr>
<td>• Absent: None</td>
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<tr>
<td><strong>II. Public Comments</strong></td>
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<tr>
<td>There were no public comments.</td>
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<tr>
<td><strong>III. Follow Up Items</strong></td>
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<tr>
<td>There were no follow up items</td>
<td></td>
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<tr>
<td><strong>IV. Agenda Item(s) for Review</strong></td>
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</tr>
<tr>
<td>1. Approve 2022 Board Audit and Compliance Committee Standing Agenda Items</td>
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</tr>
</tbody>
</table>
## Board Audit & Compliance Committee Meeting Minutes – Tuesday, February 15, 2022

### Agenda Item

<table>
<thead>
<tr>
<th>Discussion</th>
<th>Conclusion / Action</th>
<th>Follow Up / Responsible Party</th>
<th>Final?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MOTION</strong> by Director Edwards-Tate, 2nd by Director Greer to approve the 2022 Board Audit and Compliance Committee Standing Agenda Items. Roll call voting was utilized. Director Edwards-Tate - Aye Director Pacheco - Aye Director Greer - Aye</td>
<td>All in favor. None opposed.</td>
<td>N/A</td>
<td>Y</td>
</tr>
</tbody>
</table>

Discussion: Chair Greer stated that additional items may be added to the Standing Agenda Items list as necessary and will be presented at Board Audit & Compliance Committee Meetings.

2. Approve Committee Meeting Schedule for Remainder of Calendar Year 2022 and February 2023

<table>
<thead>
<tr>
<th>Discussion</th>
<th>Conclusion / Action</th>
<th>Follow Up / Responsible Party</th>
<th>Final?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MOTION</strong> by Director Edwards-Tate, 2nd by Director Pacheco to approve the Committee Meeting Schedule for the remainder of calendar year 2022 and February 2023. Roll call voting was utilized. Director Edwards-Tate - Aye Director Pacheco - Aye Director Greer - Aye</td>
<td>All in favor. None opposed.</td>
<td>Committee Secretary to revise meeting schedule.</td>
<td>Y</td>
</tr>
</tbody>
</table>

Discussion: Chair Greer suggested changing the meeting start time to 4:00 pm from 5:00 pm to make it more convenient for the administrative personnel and the committee agreed.
**AGENDA ITEM**

<table>
<thead>
<tr>
<th>DISCUSSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Approve 2022 Palomar Health Audit and Compliance Plan</td>
</tr>
</tbody>
</table>

**MOTION** by Director Edwards-Tate, 2nd by Director Pacheco to table approval of the 2022 Palomar Health Audit Compliance Plan. Roll call voting was utilized. Director Edwards-Tate - Aye Director Pacheco - Aye Director Greer - Aye All in favor. None opposed.

<table>
<thead>
<tr>
<th>CONCLUSION / ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Compliance Officer to develop a list of audits to complete in 2022 and present at the next meeting.</td>
</tr>
</tbody>
</table>

Discussion: Corporate Compliance Officer, Helen Waishkey stated that:
- Compliance is working on obtaining the ViClarity platform, which will allow for real-time auditing. If the platform is obtained, Compliance would begin with pharmacy and hopefully be able to add Behavioral Health and Home Health,
- The HRSA 340B Drug Program audit was recently completed and results should be available in April 2022,
- Compliance is working on obtaining RFPs to complete the Compliance Program Effectiveness review,
- Ms. Waishkey volunteered to develop a listing of audits Compliance will complete this year, and
- Chair Greer suggested tabling the topic until Ms. Waishkey develops the list of audits and the committee agreed.

Ms. Waishkey presented two educational topics: Office of Inspector General (OIG) and Compliance.

**OIG:**
- The OIG requires compliance audits every three years and recommends healthcare companies switch auditors every three years,
- Companies will be held responsible for ensuring individuals are held accountable, and companies are actively reviewing their compliance programs,
- Palomar Health obtains proposals from three to four different entities when selecting auditors, and
- Companies facing investigations will have their entire criminal, civil, and regulatory records reviewed, and all individuals involved in the misconduct(s) will be investigated.

**COMPLIANCE**
- Both the OIG and DOJ recommend a Compliance Program Effectiveness Evaluation be performed every three years by an external reviewer,
- It is recommended that an independent compliance knowledge survey and/or culture survey of employees be conducted routinely, and
- DOJ Justice Prosecutors focus on three questions:
  - Is the corporation’s compliance program well designed?
## BOARD AUDIT & COMPLIANCE COMMITTEE MEETING MINUTES – TUESDAY, FEBRUARY 15, 2022

### AGENDA ITEM

<table>
<thead>
<tr>
<th>DISCUSSION</th>
</tr>
</thead>
</table>
| o Is the program being applied earnestly and in good faith?  
o Does the corporation’s compliance program work in practice? |

Ms. Waishkey stated that all compliance surveys and educational events are recorded to satisfy any OIG or DOJ requests. Chair Greer requested a copy of the upcoming compliance survey, that is being reviewed by Mr. Kevin DeBruin, Esq., before it is sent to employees and Ms. Waishkey agreed.

Ms. Waishkey presented projects the Compliance team will be working on in 2022:
- Survey employees routinely,
- Conduct both internal and external audits,
- Audit the Effectiveness Compliance Program,
- Ensure there are no conflicts of interest by Board members or employees,
- Ensure provider contractors are at fair market value,
- Ensure all contracts go through the correct process,
- Ensure sanction checks are completed and reviewed,
- Review and update compliance policies, procedures, and practices,
- Review and update the Risk Assessment,
- Ensure any investigations are properly scoped, independent, objective, appropriately conducted, and documented,
- Ensure reporting of investigations are brought to senior leaders (CEO and Board), and
- Ensure a root cause analysis is completed to address and remediate any misconduct.

<table>
<thead>
<tr>
<th>4. Board of Directors Education Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MOTION:</strong> none required</td>
</tr>
</tbody>
</table>

Discussion: Chair Greer stated this subject was previously discussed and the committee did not need to approve.

<table>
<thead>
<tr>
<th>5. Review of Internal Audit Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MOTION:</strong> none required</td>
</tr>
</tbody>
</table>

Discussion: Director Greer stated this subject was previously covered in the presentation by Ms. Waishkey.
## BOARD AUDIT & COMPLIANCE COMMITTEE MEETING MINUTES – TUESDAY, FEBRUARY 15, 2022

### AGENDA ITEM

<table>
<thead>
<tr>
<th>DISCUSSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>V. FINAL ADJOURNMENT</td>
</tr>
</tbody>
</table>

**MOTION** by Director Pacheco, 2nd by Director Edwards-Tate to adjourn the meeting.

All in favor. None opposed.

Discussion: There being no further business, Committee Chair Greer adjourned the meeting at 5:30 p.m.

### SIGNATURES:

<table>
<thead>
<tr>
<th>COMMITTEE CHAIR</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Linda Greer</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMMITTEE SECRETARY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nanette Irwin</td>
<td></td>
</tr>
</tbody>
</table>
## 2022 Compliance Audit Schedule

<table>
<thead>
<tr>
<th>Area of Audit</th>
<th>Quarter</th>
<th>Vendor Required</th>
<th>RFP Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>State and Federal Signage</td>
<td>2nd</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Compliance Program Effectiveness</td>
<td>3rd</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>340B Drug Program</td>
<td>4th - look back period is always April - September</td>
<td>Yes</td>
<td>No. We will utilize the vendor already vetted through the RFP process but placed on hold due to HRSA audit</td>
</tr>
<tr>
<td>Home Health</td>
<td>4th</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

If we can get the new audit platform up by then
ADDENDUM C
## Compliance Program Effectiveness RFPs

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Years of Experience</th>
<th>Scope of Work</th>
<th>Timeframe</th>
<th>Cost</th>
<th>Virtual</th>
</tr>
</thead>
</table>
| Moss Adams         | 41 combined         | 1. P&P review  
2. Compliance Interviews with selected staff  
3. Review of hotline and issue tracking system  
4. Document review  
5. Final report | Not provided | $34,000 | Yes     |
| BH & Associates    | 40 single           | 1. P&P review  
2. Compliance Interviews with selected staff  
3. Review to OIG designated compliance elements and standards and per HCCA  
4. Assess gaps/risks  
5. Follow the process for tracking complaints and resolution  
6. Make recommendations in Final Report  
7. Three months of free consultation services and template documents as needed | 5 weeks   | $20,000 | Yes     |
| SunHawk Consulting | 48 combined         | 1. OIG Compliance elements  
2. Compliance interviews with selected staff  
3. Document review  
4. Final Report | 3 weeks   | $19,500 | Yes     |
| Taiga              | Not included in proposal | 1. P&P review  
2. Compliance Interviews with selected staff  
3. Review to OIG designated compliance elements and standards and per HCCA  
4. Assess gaps/risks  
5. Follow the process for tracking complaints and resolution  
6. Make recommendations in Final Report  
7. Three months of free consultation services and template documents as needed | Not provided | $29,000 | Yes     |

All four companies will audit to the basic CPE OIG elements

Anything added outside of the basic CPE will be additional cost
ADDENDUM D
Compliance and Ethics Overview

Helen Waishkey,
Corporate Compliance Officer
April 19, 2022
We will cover........

- What is healthcare compliance and culture?
- Why is it important?
- The nuts and bolts of it?
- What is Ethics?
- What is the difference between the two?
- Why is Ethics important?
- How do we create a Compliant and Ethical environment?
What is Healthcare Compliance and Culture?

• Per the Office of Inspector General (OIG):
  • Healthcare compliance is the continual procedure of fulfilling or exceeding the ethical, legal and performance standards relevant to a particular healthcare facility or practice.
  • Healthcare culture encourages the prevention, detection and correction of violations of government laws, public and private payer program regulations and ethical and business policies.

• Simply put: Compliance is following the rules
Why is compliance important?

• It helps entities to avoid and reduce liabilities, such as fines, sanctions and the risk of civil lawsuits.
• It promotes adherence to regulation, standards, ethical conduct and the prevention, detection and correction of any non-compliance.
• It protects the patient, the employee and the organization.
The nuts and bolts of compliance

• Compliance protects everyone!
• Patient: It ensures quality of care, safe medical care, privacy via Health Insurance Portability and Accountability Act (HIPAA) and from being overcharged.
• Employee: It protects them from retaliation and fosters a proactive approach.
• Organization: Through auditing and monitoring, risk evaluation, continued education and training the organization stays proactive and healthy.
What is Ethics?

It’s an individual’s moral compass and professional conduct.

Principles of Ethics:

- Respect for autonomy – ability to make sound decisions
- Beneficence – the moral obligation to act in the best interests of others
- Non-maleficence – commitment not to harm others in any way
- Justice – calls on us to distribute benefits, risks, costs and resources fairly

*Simply put: It’s CHOOSING to do the right thing*
What is the difference between the two?

- **Compliance** is the framework for ensuring staff follow the laws and regs to minimize the risk of noncompliance. It is an independent function yet a fundamental pillar to corporate operations and culture. It is based on transparency, impartiality, integrity, professionalism, responsibility and ethics.

- **Ethics** goes beyond the law, it is the opportunity to influence, contribute and lead by example of doing the right thing. And it varies because everyone’s personal code of conduct or compass is different.

- The two compliment each other.
Why is Ethics important?

• Health care ethics help to minimize and eliminate errors, and fosters trust, accountability and respect between all professionals and patients.

• Establishing a corporate culture based on ethics creates an environment of no fear, it establishes and encourages that doing the right thing is important and welcomed.

• If we all hold ourselves to higher standards (ethics) then compliance will follow naturally.
How do we create a compliant and ethical environment?

• We educate everyone.
• We teach and lead by example.
• We hold ourselves and others to higher standards.
• We support each other at all levels.
Questions?

Thank you for your time