

Posted
Tuesday
June 13, 2023



**BOARD AUDIT & COMPLIANCE
COMMITTEE MEETING
AGENDA**

Tuesday, June 20, 2023
4:00 p.m.

PLEASE SEE PAGE 2 FOR MEETING LOCATION OPTIONS

| <i>The Board may take action on any of the items listed below, unless the item is specifically labeled "Informational Only"</i> | | <u>Time</u> | <u>Form A Page</u> | <u>Target</u> |
|---|--|-------------|----------------------------|---------------|
| CALL TO ORDER | | | | |
| I. | Establishment of Quorum | 1 | | 4:01 |
| II. | Public Comments¹ | 30 | | 4:31 |
| III. | Follow-up Items: | 0 | | 4:31 |
| | 1. OIG Workplan Follow-Up | 5 | | 4:36 |
| IV. | Action Item(s) | | | |
| | 1. Review/Adopt Board Audit & Compliance Committee Minutes, April 18, 2023 <i>(ADD A - Pp 5-9)</i> | 5 | 2 | 4:41 |
| | 2. Corporate Integrity Agreement (CIA) Report – <i>Informational Only (ADD B - Pp 10-14)</i> | 5 | 3 | 4:46 |
| | 3. 1557/504 Non-Discrimination – <i>Informational Only (ADD C - Pp 15-23)</i> | 15 | 4 | 5:01 |
| V. | Adjourn to Closed Session | 1 | | 5:02 |
| | 1. Pursuant to California Government Code § 54956.6 — CONFERENCE WITH LEGAL COUNSEL–ANTICIPATED LITIGATION — Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One (1) potential case | 5 | | 5:07 |
| | 2. Pursuant to California Government Code § 54956.6 — CONFERENCE WITH LEGAL COUNSEL–ANTICIPATED LITIGATION — Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One (1) potential case | 20 | | 5:27 |
| VI. | Re-Adjourn to Open Session | 1 | | 5:28 |
| VII. | Action Resulting from Closed Session | 1 | | 5:29 |
| VIII. | Committee Member Agenda Suggestions | 5 | | 5:34 |
| FINAL ADJOURNMENT | | | | |

Board Audit & Compliance Committee Members

| VOTING MEMBERS | NON-VOTING MEMBERS |
|--|---|
| Michael Pacheco, Chair | Diane Hansen, President & CEO |
| Laurie Edwards-Tate, MS, Director | Kevin DeBruin, Esq., Chief Legal Officer |
| Linda Greer, RN, Director | Helen Waishkey, Corporate Compliance Officer |
| ALTERNATE VOTING MEMBERS | Lewann Baucknecht, Compliance Program Analyst |
| Jeff Griffith, EMT-P – 1 st Board Alternate | Lachlan Macleay, MD, Committee Appointed Physician Representative |

Note: If you have a disability, please notify us by calling 760.740.6375, 72 hours prior to the event so that we may provide reasonable accommodations

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](#).

Board Audit & Compliance Committee

Location Options

The Linda Greer Conference Room

2125 Citracado Parkway, Suite 300, Escondido, CA 92029

- Elected members of the Board of Directors will attend at this location, unless otherwise noticed below – Members of the public may also attend at this location
- PLEASE TURN OFF CELL PHONES OR SET THEM TO SILENT MODE UPON ENTERING THE MEETING ROOM

<https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1>

- Meeting ID: 279 520 337 173 Passcode: jbwDYg
- or Dial in using your phone at (929) 352-2216; Access Code: 815 395 10#

- Non-Board member attendees and members of the public may attend the meeting virtually utilizing the above link.
- New to Teams? Get the app now and be ready when your first meeting starts @ <https://www.microsoft.com/en-us/microsoft-teams/download-app>

Lincoln & 7th Street, Carmel, CA. 93921

- An elected member of the Board of Directors will be attending the meeting virtually from this location

Policy : Public Comments and Attendance at Public Board Meetings

I. PURPOSE:

A. It is the intention of the Palomar Health Board of Directors to hear public comment about any topic that is under its jurisdiction. This policy is intended to provide guidelines in the interest of conducting orderly, open public meetings while ensuring that the public is afforded ample opportunity to attend and to address the board at any meetings of the whole board or board committees.

II. DEFINITIONS:

A. None defined.

III. TEXT / STANDARDS OF PRACTICE:

- A. There will be one time period allotted for public comment at the start of the public meeting. Should the chair determine that further public comment is required during a public meeting, the chair can call for such additional public comment immediately prior to the adjournment of the public meeting. Members of the public who wish to address the Board are asked to complete a [Request for Public Comment form](#) and submit to the Board Assistant prior to or during the meeting. The information requested shall be limited to name, address, phone number and subject, however, the requesting public member shall submit the requested information voluntarily. It will not be a condition of speaking.
- B. Should Board action be requested, it is encouraged that the public requestor include the request on the *Request for Public Comment* as well. Any member of the public who is speaking is encouraged to submit written copies of the presentation.
- C. The subject matter of any speaker must be germane to Palomar Health's jurisdiction.
- D. Based solely on the number of speaking requests, the Board will set the time allowed for each speaker prior to the public sections of the meeting, but usually will not exceed 3 minutes per speaker, with a cumulative total of thirty minutes.
- E. Questions or comments will be entertained during the "Public Comments" section on the agenda. All public comments will be limited to the designated times, including at all board meetings, committee meetings and board workshops.
- F. All voting and non-voting members of a Board committee will be seated at the table. Name placards will be created as placeholders for those seats for Board members, committee members, staff, and scribes. Any other attendees, staff or public, are welcome to sit at seats that do not have name placards, as well as on any other chairs in the room. For Palomar Health Board meetings, members of the public will sit in a seating area designated for the public.
- G. In the event of a disturbance that is sufficient to impede the proceedings, all persons may be excluded with the exception of newspaper personnel who were not involved in the disturbance in question.
- H. The public shall be afforded those rights listed below (Government Code Section 54953 and 54954).
1. To receive appropriate notice of meetings;
 2. To attend with no pre-conditions to attendance;
 3. To testify within reasonable limits prior to ordering consideration of the subject in question;
 4. To know the result of any ballots cast;
 5. To broadcast or record proceedings (conditional on lack of disruption to meeting);
 6. To review recordings of meetings within thirty days of recording; minutes to be Board approved before release,
 7. To publicly criticize Palomar Health or the Board; and
 8. To review without delay agendas of all public meetings and any other writings distributed at the meeting.
- I. This policy will be reviewed and updated as required or at least every three years.

**Board Audit & Compliance Committee
Minutes – April 18, 2023**

TO: Board Audit & Compliance Committee

MEETING DATE: Tuesday, June 20, 2023

FROM: Carla Albright, Committee Assistant

Background: Minutes from the Tuesday, April 18, 2023, Board Audit & Compliance Committee meeting are respectfully submitted for review and approval.

Budget Impact: N/A

Staff Recommendation: Recommend to approve minutes from the Tuesday, April 18, 2023, Board Audit & Compliance Committee meeting.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:

**Board Audit & Compliance Committee -
Corporate Integrity Agreement (CIA) Report –
Informational Only**

TO: Board Audit and Compliance Committee

MEETING DATE: Tuesday, June 20, 2023

FROM: Helen Waishkey, Corporate Compliance Officer

Background: Review of Corporate Integrity Agreement (CIA) report.

Budget Impact: N/A

Staff Recommendation: For informational purposes only.

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

**Board Audit & Compliance Committee -
Sections 1557/504 Non-Discrimination –
Informational Only**

TO: Board Audit and Compliance Committee

MEETING DATE: Tuesday, June 20, 2023

FROM: Helen Waishkey, Corporate Compliance Officer

Background: A presentation of Sections 1557/504 Non-Discrimination will be reviewed for informational purposes only.

Budget Impact: N/A

Staff Recommendation: For informational purposes only.

Committee Questions: N/A

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

ADDENDUM A

BOARD GOVERNANCE COMMITTEE ATTENDANCE ROSTER CALENDAR YEAR 2023



P = Present V = Virtual E = Excused A = Absent G = Guest

| ATTENDANCE ROSTER | | | | | | | |
|---|--|---------|--|--|--|--|--|
| VOTING MEMBERS | MEETING DATES: | | | | | | |
| | 2/21/23 | 4/18/23 | | | | | |
| DIRECTOR LINDA GREER, RN – CHAIR | P | E | | | | | |
| DIRECTOR LAURIE EDWARDS-TATE, MS | V | V | | | | | |
| DIRECTOR MICHAEL PACHECO | P | P | | | | | |
| ALTERNATE MEMBERS | | | | | | | |
| JEFF GRIFFITH, EMT-P, 1ST BOARD ALTERNATE | | P | | | | | |
| NON-VOTING MEMBERS | | | | | | | |
| DIANE HANSEN, PRESIDENT & CEO | P | E | | | | | |
| KEVIN DEBRUIN, ESQ., CHIEF LEGAL OFFICER | P | P | | | | | |
| HELEN WAISHKEY, CORPORATE COMPLIANCE OFFICER | V | P | | | | | |
| LEWANN BAUCKNECHT, COMPLIANCE PROGRAM ANALYST | V | P | | | | | |
| LACHLAN MACLEAY, MD COMMITTEE APPOINTED PHYSICIAN REPRESENTATIVE | V | V | | | | | |
| COMMITTEE SECRETARY | | | | | | | |
| CARLA ALBRIGHT | P | P | | | | | |
| INVITED GUESTS | SEE TEXT OF MINUTES FOR NAMES OF INVITED GUESTS | | | | | | |

| <i>BOARD AUDIT AND COMPLIANCE MEETING MINUTES – Thursday, April 18, 2023</i> | | | |
|---|--------------------------|------------------------------------|---------------|
| <i>AGENDA ITEM</i> | <i>CONCLUSION/ACTION</i> | <i>FOLLOW UP/RESPONSIBLE PARTY</i> | <i>FINAL?</i> |
| DISCUSSION | | | |
| NOTICE OF MEETING | | | |
| Notice of Meeting was posted at the Palomar Health Administrative Office; also posted with agenda packet on the Palomar Health website on Friday, April 14, 2023. | | | |
| CALL TO ORDER | | | |
| The meeting, which was held in the Linda Greer Board Room at 2125 Citracado Parkway, Suite 300, Escondido, CA. 92029, and virtually, was called to order at 12:00 p.m. by Director Michael Pacheco | | | |
| ESTABLISHMENT OF QUORUM | | | |
| <ul style="list-style-type: none"> • Quorum comprised of: Director Laurie Edwards-Tate, Director Michael Pacheco and Director Jeff Griffith • Excused Absences: Chair Linda Greer | | | |
| PUBLIC COMMENTS | | | |
| <ul style="list-style-type: none"> • There were no public comments. | | | |
| FOLLOW UP ITEMS | | | |
| <ul style="list-style-type: none"> • There were no follow up items. | | | |
| ACTION ITEMS | | | |

| | | | |
|--|---|--|--|
| 1. Minutes: Board Audit and Compliance Meeting, Thursday, February 21, 2023 | <p>MOTION by Director Griffith, 2nd by Director Edwards-Tate to approve the February 21, 2023, meeting minutes as written.</p> <p>Roll call voting was utilized. Director Edwards-Tate - Aye Director Griffith – Aye Director Pacheco - Aye</p> <p>All in favor. None opposed.</p> | | |
| <p>DISCUSSION:</p> <ul style="list-style-type: none"> No discussion | | | |
| 2. Review Government Agencies – Informational Only | MOTION Informational only | | |
| <p>DISCUSSION:</p> <ul style="list-style-type: none"> Helen Waishkey, Corporate Compliance Officer, shared a presentation with the committee | | | |
| 3. Review Office of Inspector General (OIG) Workplan Update – Informational Only | MOTION Informational only | | |
| <p>DISCUSSION:</p> <ul style="list-style-type: none"> Helen Waishkey, Corporate Compliance Officer, shared a presentation with the committee Director Michael Pacheco and Laurie Edwards-Tate requested a copy of the Palomar Health OIG workplan | | | |
| ADJOURN TO CLOSED SESSION | | | |
| RE-ADJOURN TO OPEN SESSION | | | |
| <p>1. Pursuant to California Government Code § 54956.6 — CONFERENCE WITH LEGAL COUNSEL–ANTICIPATED LITIGATION — Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One (1) potential case</p> | | | |
| <p>2. Pursuant to California Government Code § 54956.6 — CONFERENCE WITH LEGAL COUNSEL–ANTICIPATED LITIGATION — Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One (1) potential cases</p> | | | |
| ACTION RESULTING FROM CLOSED SESSION | | | |

Discussion:

- No action resulted from closed session

VI. Committee Member Agenda Suggestions

- Director Jeff Griffith suggested the informational agenda items be shared at a Board of Directors meeting

FINAL ADJOURNMENT

Meeting adjourned by Director Greer at 4:41 p.m.

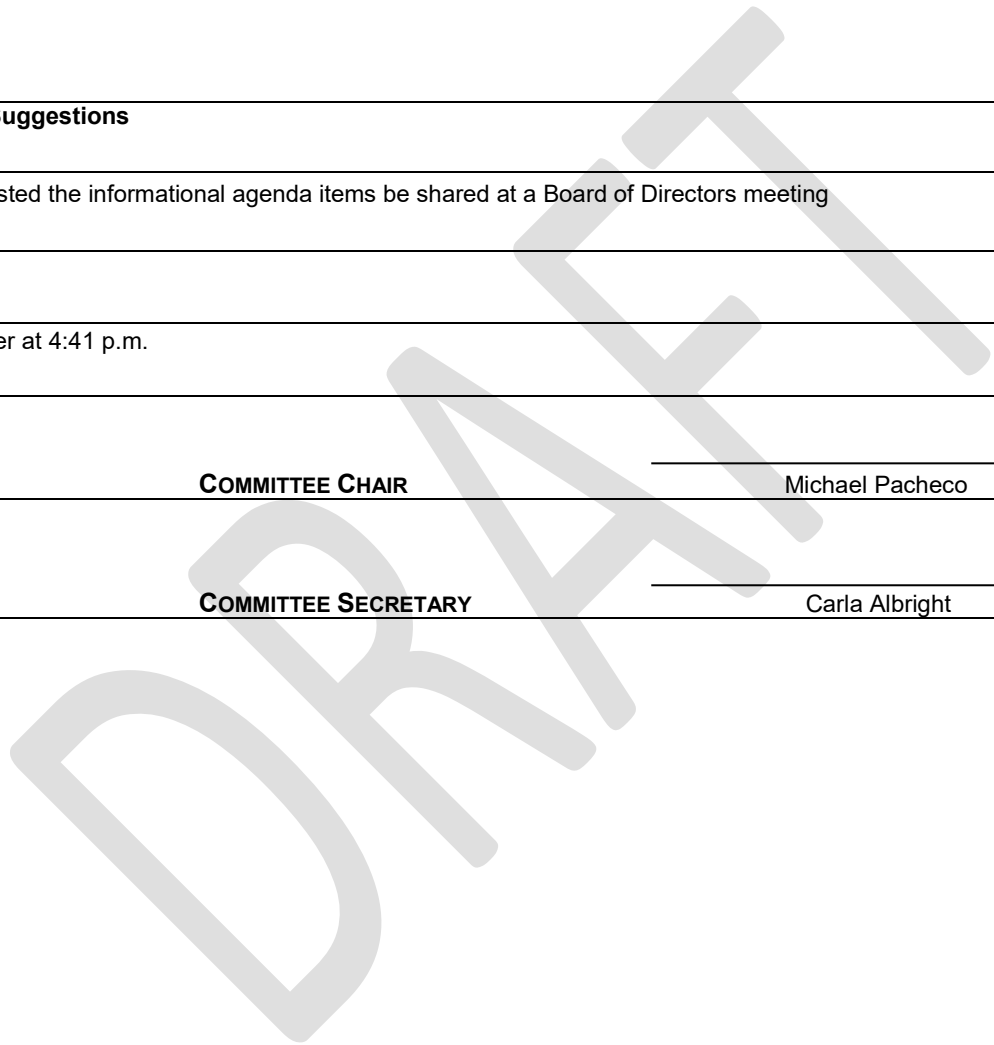
SIGNATURES:

COMMITTEE CHAIR

Michael Pacheco

COMMITTEE SECRETARY

Carla Albright



ADDENDUM B

Corporate Integrity Agreement (CIA) Report

| PROVIDER | CITY | STATE | EFFECTIVE | FINES | FINES DEFINED | CIA TERM |
|--|---------------|-------|------------|---|---|----------|
| Advanced Bionics LLC | Valencia | CA | 12/19/2022 | Advanced Bionics LLC to Pay Over \$12 Million for Alleged False Claims for Cochlear Implant Processors | Advanced Bionics LLC, a Valencia, California-based manufacturer of cochlear implant system devices, has agreed to pay more than \$12 million to resolve allegations that it misled federal health care programs regarding the radio-frequency (RF) emissions generated by some of its cochlear implant processors. | 5 YEARS |
| BioTelemetry, Inc. and CardioNet, LLC | Malvern | PA | 12/19/2022 | Cardiac Monitoring Companies to Pay More than \$44.8 Million to Resolve False Claims Act Liability Relating to Services Performed by Offshore Technicians | BioTelemetry Inc. and its subsidiary CardioNet LLC, both headquartered in Pennsylvania (collectively "BioTelemetry"), have agreed to pay \$44,875,000 to resolve allegations that they violated the False Claims Act by knowingly submitting claims to Medicare, TRICARE, the Veterans Health Administration, and the Federal Employee Health Benefits Program for heart monitoring tests that were performed, in part, outside the United States, and in many cases by technicians who were not qualified to perform such tests. | 5 YEARS |
| Biotronik, Inc. | Lake Oswego | OR | 8/26/2022 | Medical Device Manufacturer Biotronik Inc. Agrees To Pay \$12.95 Million To Settle Allegations of Improper Payments to Physicians | Biotronik Inc. (Biotronik), a medical device manufacturer based in Oregon, has agreed to pay \$12.95 million to resolve allegations that it violated the False Claims Act by causing the submission of false claims to Medicare and Medicaid by paying kickbacks to physicians to induce their use of Biotronik's implantable cardiac devices, such as pacemakers and defibrillators. | 5 YEARS |
| Cardinal Health 108, LLC | Dublin | OH | 1/21/2022 | Cardinal Health Agrees to Pay More than \$13 Million to Resolve Allegations that it Paid Kickbacks to Physicians | BOSTON – Ohio-based pharmaceutical distributor, Cardinal Health, Inc., has agreed to pay \$13,125,000 to resolve allegations that it violated the False Claims Act by paying "upfront discounts" to its physician practice customers, in violation of the Anti-Kickback Statute. | 5 YEARS |
| Citadel Consulting Group LLC D/B/A Citadel Care Centers LLC and TCPRNC, LLC D/B/A The Plaza Rehab and Nursing Center | Brooklyn | NY | 6/17/2022 | U.S. Attorney Announces \$7.85 Million Settlement With Citadel Skilled Nursing Facility In Bronx For Fraudulently Switching Residents' Healthcare Coverage To Boost Medicare Payments | Under the settlement, which was approved on June 27, 2022, PLAZA REHAB CENTER and CITADEL agreed to pay a total of \$7.85 million and made extensive factual admissions regarding their conduct. | 5 YEARS |
| CHC-FLA, LLC | Oklahoma City | OK | 9/26/2022 | Carter Healthcare Affiliates and Two Senior Managers to Pay \$7.175 Million to Resolve False Claims Act Allegations for False Florida Home Health Billings | Carter Healthcare LLC, an Oklahoma-based for-profit home health provider, its affiliates CHC Holdings and Carter-Florida (collectively Carter Healthcare), and their President Stanley Carter and Chief Operations Officer Bradley Carter have agreed to pay \$7.175 million to resolve allegations that they violated the False Claims Act by billing the Medicare program for medically unnecessary therapy provided to patients in Florida. Bradley Carter will pay \$175,000, Stanley Carter will pay \$75,000, and Carter Healthcare will pay the remaining \$6.925 million of the settlement. | 5 YEARS |
| CHC Holdings, LLC D/B/A Carter Healthcare | Oklahoma City | OK | 9/26/2022 | Carter Healthcare Affiliates and Two Senior Managers to Pay \$7.175 Million to Resolve False Claims Act Allegations for False Florida Home Health Billings | Carter Healthcare LLC, an Oklahoma-based for-profit home health provider, its affiliates CHC Holdings and Carter-Florida (collectively Carter Healthcare), and their President Stanley Carter and Chief Operations Officer Bradley Carter have agreed to pay \$7.175 million to resolve allegations that they violated the False Claims Act by billing the Medicare program for medically unnecessary therapy provided to patients in Florida. Bradley Carter will pay \$175,000, Stanley Carter will pay \$75,000, and Carter Healthcare will pay the remaining \$6.925 million of the settlement. | 5 YEARS |
| Eastern Iowa Dermatology, PLC and Manish G. Kumar, MD | Bettendorf | IA | 7/21/2022 | United States Settles \$1.66 Million Healthcare Fraud Claim Against Iowa Dermatologist | DES MOINES, IA – Eastern Iowa Dermatology, PLC, located in Bettendorf, and Dr. Manish Kumar have agreed to pay \$1.66 million to resolve allegations for violations of the False Claims Act by submitting false claims to Medicare for dermatology office visits and the destruction or removal of skin tags and lesions. The False Claims Act considers "up-coding"—the practice of exaggerating the amount or complexity of medical services rendered in order to achieve a higher level of reimbursement—a form a fraud. | 3 YEARS |
| Escandon, M.D., P.A., Jose A. D/B/A Escandon Diagnostic Clinic and Dr. Jose A. Escandon, Jr. | Mission | TX | 2/14/2022 | Physician pays over half million to settle allegations concerning ultrasound billing | McALLEN, Texas - A 41-year-old primary care doctor has paid \$504,588.40 to resolve allegations that he billed for excessive ultrasounds, announced U.S. Attorney Jennifer B. Lowery. | 3 YEARS |

| | | | | | | | |
|--|--------------|----|------------|---|--|---------|--|
| Essilor of America, Inc. and Essilor Laboratories of America, Inc. | Dallas | TX | 4/4/2022 | Essilor Agrees to Pay \$16.4 Million to Resolve Alleged False Claims Act Liability for Paying Kickbacks | Essilor International, Essilor of America Inc., Essilor Laboratories of America Inc. and Essilor Instruments USA (collectively, "Essilor"), headquartered in Dallas, have agreed to pay \$16.4 million to resolve allegations that the company violated the False Claims Act by causing claims to be submitted to Medicare and Medicaid that resulted from violations of the Anti-Kickback Statute. | 5 YEARS | |
| Gonzaga, M.D., Melvin, Gonzaga Interventional Pain Management, and Garrett Anesthesia and Pain Management, P.A. | LaVale | MD | 7/22/2022 | Western Maryland Physician and Pain Management Practice Group Agree to Pay \$980,000 to Settle Federal False Claims Act Allegations of Billing for Medically Unnecessary Urine Drug Tests | Baltimore , Maryland – Melvin Gonzaga, M.D., his son Rommel Gonzaga, and their practice group Gonzaga Interventional Pain Management ("GIPM") have agreed to pay the United States \$980,000 to resolve allegations that they violated the federal False Claims Act by submitting false claims to the United States for urine drug tests ("UDT") that were medically unnecessary. | 3 YEARS | |
| Greene, M.D., Kevin P. and Feel Well Health Center of Southington, P.C. | Bristol | CT | 11/8/2022 | Physician and Medical Office to Pay Over \$2.6 Million to Settle False Claims Act and Kickback Allegations | United States Attorney Vanessa Roberts Avery and Connecticut Attorney General William Tong today announced that FEEL WELL HEALTH CENTER OF SOUTHLINGTON, P.C. (formerly doing business as "Feel Well Health Center") and KEVIN P. GREENE, M.D. ("Greene") have entered into a civil settlement agreement with the federal and state governments and agreed to pay more than \$2.6 million to resolve allegations that they violated the federal and state False Claims Acts by improperly billing federal and state healthcare programs, and that they received illegal kickbacks. | 3 YEARS | |
| Hot Springs Heart and Vascular, P.A., and Dr. Jeffrey G. Tauth | Hot Springs | AR | 12/28/2022 | Dr. Jeffrey G. Tauth, 60, agreed to pay \$900,000 as part of the settlement and "will enter into an Integrity Agreement with the U.S. Department of Health & Human Services." | The hospital and Hot Springs Cardiology entered into a settlement in October 2020 for the alleged violations and agreed to pay \$14,669,586, which includes over \$9 million in restitution. | 3 YEARS | |
| Jasdeep Sidana, M.D., DOCS Medical Group, Inc. d/b/a DOCS Medical, DOCS Medical Inc., DOCS Urgent Care LLP, Lung Docs of CT, P.C., Epic Family Physicians, LLP, and Continuum Medical Group, LLC | East Haven | CT | 12/13/2022 | Connecticut Physician and Urgent Care Practice Pay Over \$4.2 Million to Settle False Claims Act Allegations | DOCS MEDICAL INC., DOCS URGENT CARE LLP, LUNG DOCS OF CT, P.C., EPIC FAMILY PHYSICIANS, LLP, and CONTINUUM MEDICAL GROUP, LLC (collectively, "DOCS"), have entered into a civil settlement agreement with the federal and state governments in which they will pay a total of \$4,267,950.21 to resolve allegations that they submitted false claims for payment to Medicare and the Connecticut Medicaid program for medically unnecessary allergy services, unsupervised allergy services, and services improperly billed as though provided by Sidana. | 3 YEARS | |
| Kamali, M.D., Azizulah (Aziz) and Aziz Kamali, M.D., Inc. | Stockton | CA | 8/12/2022 | Stockton Doctor and Medical Practice Agree to Pay Nearly \$2 Million to Resolve Allegations of Health Care Fraud | SACRAMENTO, Calif. — Azizulah "Aziz" Kamali and his medical corporation, Aziz Kamali, M.D. Inc., have agreed to pay \$1,963,953 to resolve allegations that they violated the False Claims Act by submitting millions of dollars of false claims to Medicare for surgically implanted neurostimulators and paying kickbacks to sales marketers, U.S. Attorney Phillip A. Talbert announced today. | 3 YEARS | |
| Mallinckrodt plc | Hazelwood | MO | 3/3/2022 | Mallinckrodt Agrees to Pay \$260 Million to Settle Lawsuits Alleging Underpayments of Medicaid Drug Rebates and Payment of Illegal Kickbacks | Pharmaceutical company Mallinckrodt ARD LLC (formerly known as Mallinckrodt ARD Inc. and previously Questcor Pharmaceuticals Inc. (Questcor)) (collectively Mallinckrodt), has agreed to pay \$260 million to resolve allegations that Mallinckrodt violated the False Claims Act by knowingly: 1. underpaying Medicaid rebates due for its drug H.P. Acthar Gel (Acthar); and 2. using a foundation as a conduit to pay illegal co-pay subsidies in violation of the Anti-Kickback Statute for Acthar. In 2019 and 2020, respectively, the government filed separate complaints detailing these allegations | 5 YEARS | |
| OGCC Behavioral Health Services, Inc. and Dionne Huffman | Atlanta | GA | 2/2/2022 | OGCC Behavioral Services and Dionne Huffman pay \$750,000.00 to settle False Claims Act allegations | ATLANTA – OGCC Behavioral Health Services, Inc. ("OGCC") and its owner and Executive Director, Dionne Huffman, have agreed to pay \$750,000 to resolve allegations that they violated the False Claims Act by, among other things, billing the government for services that they did not provide or were not provided in the way that OGCC said that they were. | 3 YEARS | |
| Opko Health, Inc. and Bioreference Health, LLC. | Elmwood Park | NJ | 7/14/2022 | BioReference Laboratories and Parent Company Agree to Pay \$9.85 Million to Resolve False Claims Act Allegations of Illegal Payments to Referring Physicians | BioReference Health LLC, formerly known as BioReference Laboratories, Inc., (BioReference), and OPKO Health, Inc. (OPKO) have agreed to pay \$9.85 million to resolve alleged violations of the False Claims Act arising from BioReference's payment of above-market rents to physician landlords for office space in order to induce referrals from those physicians to BioReference. BioReference, a subsidiary of OPKO, is headquartered in New Jersey and is one of the largest clinical laboratories in the United States. | 5 YEARS | |

| | | | | | | | |
|--|---------------|----|------------|--|---|---------|--|
| Pandya, M.D., Arati D. A/K/A Aarti D. Pandya, M.D. and Aarti Pandya, M.D., P.C. | Conyers | GA | 12/21/2022 | Conyers doctor pays \$1,850,000 to resolve allegations that she performed and billed for medically unnecessary cataract surgeries and diagnostic tests | ATLANTA –Aarti D. Pandya, M.D. and Aarti D. Pandya, M.D. P.C. ("Pandya Practice Group") have agreed to pay approximately \$1,850,000 to resolve allegations that they violated the False Claims Act by, among other things, billing the government for cataract surgeries and diagnostic tests that were not medically necessary, tests that were incomplete or of worthless value, and office visits that did not provide the level of service claimed. | 5 YEARS | |
| Philips RS North America LLC, F/K/A Respironics, Inc. | Pittsburgh | PA | 8/25/2022 | Philips Subsidiary to Pay Over \$24 Million for Alleged False Claims Caused by Respironics for Respiratory-Related Medical Equipment | Philips RS North America LLC, formerly known as Respironics Inc., a manufacturer of durable medical equipment (DME) based in Pittsburgh, Pennsylvania, has agreed to pay over \$24 million to resolve False Claims Act allegations that it misled federal health care programs by paying kickbacks to DME suppliers. The affected programs were Medicare, Medicaid and TRICARE, which is the health care program for active military and their families. | 5 YEARS | |
| Physician Partners of America, LLC; Florida Pain Relief Group, PLLC; Texas Pain Relief Group, PLLC, Physician Partners of America CRNA Holdings, LLC; Medical Tox Labs, LLC; Medical DNA Labs, LLC; and Rodolfo Gari, M.D. | Tampa | FL | 3/24/2022 | Physician Partners of America to Pay \$24.5 Million to Settle Allegations of Unnecessary Testing, Improper Remuneration to Physicians and a False Statement in Connection with COVID-19 Relief Funds | Physician Partners of America LLC (PPOA), headquartered in Tampa, Florida, its founder, Rodolfo Gari, and its former chief medical officer, Dr. Abraham Rivera, have agreed to pay \$24.5 million to resolve allegations that they violated the False Claims Act by billing federal healthcare programs for unnecessary medical testing and services, paying unlawful remuneration to its physician employees and making a false statement in connection with a loan obtained through the Small Business Administration's (SBA) Paycheck Protection Program (PPP). Certain PPOA affiliated entities are jointly and severally liable for the settlement amount, including the Florida Pain Relief Group, the Texas Pain Relief Group, Physician Partners of America CRNA Holdings LLC, Medical Tox Labs LLC and Medical DNA Labs LLC. | 5 YEARS | |
| Providence Health & Services-Washington | Renton | WA | 3/17/2022 | Providence Health & Services Agrees to Pay \$22.7 Million to Resolve Liability From Medically Unnecessary Neurosurgery Procedures at Providence St. Mary's Medical Center | Walla Walla, WA – Providence Health & Services Washington (Providence) has agreed to pay \$22,690,458 to resolve allegations that it fraudulently billed Medicare, Medicaid, and other federal health care programs for medically unnecessary neurosurgery procedures, announced Vanessa R. Waldref, the United States Attorney for the Eastern District of Washington and Bob Ferguson, the Washington State Attorney General. Today's joint settlement between Providence, the United States, and the State of Washington, which administers Washington's Medicaid program using a combination of state and federal funding, is the largest-ever health care fraud settlement in the Eastern District of Washington. | 5 years | |
| Radaes LLC | Wake Forest | NC | 3/30/2022 | Radaes LLC Agrees to Pay \$11.6 Million to Resolve Allegations of Fraudulent Billing | BOSTON – A North Carolina-based clinical laboratory, Radaes LLC, has agreed to pay \$11.6 million to resolve allegations that it submitted false claims for payment to Medicare for medically unnecessary urine drug testing (UDT). | 5 years | |
| Sierra Vista Regional Medical Center and Twin Cities Community Hospital | Templeton | CA | 12/5/2022 | Three Health Care Providers Agree to Pay \$22.5 Million for Alleged False Claims to California's Medicaid Program | Dignity Health (Dignity), a not-for-profit health system that owns and operates three hospitals and one clinic in Santa Barbara County and San Luis Obispo County, California, and Twin Cities Community Hospital (Twin Cities) and Sierra Vista Regional Medical Center (Sierra Vista), two acute healthcare facility subsidiaries of Tenet Healthcare Corporation operating in San Luis Obispo County, California, have agreed to pay a total of \$22.5 million pursuant to two separate settlements to resolve allegations that they violated the federal False Claims Act and the California False Claims Act by causing the submission of false claims to Medi-Cal related to Medicaid Adult Expansion under the Patient Protection and Affordable Care Act (ACA). | 5 years | |
| Solera Specialty Pharmacy, LLC and Nicholas Saraniti | Pompano Beach | FL | 7/8/2022 | Solera Specialty Pharmacy Agrees to Enter into Deferred Prosecution Agreement; Company and CEO to Pay \$1.31 Million for Submitting False Claims for Anti-Overdose Drug | Florida-based Solera Specialty Pharmacy has entered into a deferred prosecution agreement and agreed to pay a \$1.31 million civil settlement to resolve allegations that it submitted fraudulent claims to Medicare for Evzio, a high-priced drug used in rapid reversal of opioid overdoses. | 3 years | |

| | | | | | | | |
|--|---------------|----|-----------|---|--|---------|--|
| Steward Good Samaritan Medical Center | Westwood | MA | 4/8/2022 | Steward Health Care System Agrees to Pay \$4.7 Million to Resolve Allegations of False Claims Act Violations | BOSTON – Steward Health Care System LLC (Steward) and several related corporate entities have agreed to pay approximately \$4.735 million to resolve allegations that its relationships with several physicians and physician practice groups violated federal law, including the False Claims Act. Despite its public denials, in the signed settlement agreement, Steward “admits, acknowledges, and accepts responsibility” for the facts underlying the government’s allegations. | 5 YEARS | |
| SNAP Diagnostics, LLC and Gil Raviv | Wheeling | IL | 6/1/2022 | Suburban Chicago Home Sleep Testing Company To Pay \$3.5 Million To Settle Federal Health Care Fraud Suit | CHICAGO — A suburban Chicago diagnostics company that provides home sleep testing will pay \$3.5 million to the United States to settle a civil lawsuit accusing the company of defrauding Medicare and four other federal health care programs through kickbacks and unnecessary home sleep testing. | 5 YEARS | |
| Vision Quest Industries, Incorporated, and General Orthocare, Inc. | Irvine | CA | 8/26/2022 | Vision Quest Industries to Pay \$2,250,000 to Resolve False Claims Act Allegations | MINNEAPOLIS – Vision Quest Industries, Incorporated (“VQ”) has agreed to pay the United States \$2,250,000 to resolve False Claims Act allegations that VQ caused Osteo Relief Institutes (“ORIs”) to bill Medicare for knee braces that were tainted by illegal kickbacks, the Department of Justice announced today. VQ also entered into a five-year Corporate Integrity Agreement. | 5 YEARS | |
| Ventura County Medi-Cal Managed Care Commission | Ontario | CA | 8/11/2022 | Ventura Cty(dba: Gold Coast), Dignity Health and Clinicas del Camino Real, Inc. agree to pay a total of \$70.7M for allegations they submitted or caused to be submitted false claims to Medi-Cal. Gold Coast will pay \$17.2 million to the United States; Ventura County will pay \$29 million to the United States; Dignity will pay \$10.8 million to the United States and \$1.2 million to the State of California; and Clinicas will pay \$11.25 million to the United States and \$1.25 million to the State of California. | Ventura County shall pay the United States the sum of \$29 million (\$29,000,000) and Gold Coast shall pay the United States the sum of \$15 million (\$15,000,000) (collectively, the “Settlement Amount”), plus interest at a rate of 0.875% per annum from January 19, 2021. Settlement allegations: knowingly submitted or caused the submission of false claims to Medi-Cal for “Additional Services” provided to Adult Expansion Medi-Cal members between January 1, 2014, and May 31, 2015. the payments were not “allowed medical expenses” under Gold Coast’s contract with DHCS, were pre-determined amounts that did not reflect the fair market value of any Additional Services provided, and/or the Additional Services were duplicative of services already required to be rendered. The United States and California further alleged that the payments were unlawful gifts of public funds in violation of Article IV, Section 17 of the Constitution of California. | 5 YEARS | |
| Ventura County | Ventura | CA | 8/11/2022 | Ventura Cty(dba: Gold Coast), Dignity Health and Clinicas del Camino Real, Inc. agree to pay a total of \$70.7M for allegations they submitted or caused to be submitted false claims to Medi-Cal. Gold Coast will pay \$17.2 million to the United States; Ventura County will pay \$29 million to the United States; Dignity will pay \$10.8 million to the United States and \$1.2 million to the State of California; and Clinicas will pay \$11.25 million to the United States and \$1.25 million to the State of California. | Ventura County shall pay \$14.5 million (\$14,500,000) plus interest at a rate of 0.875% per annum from January 19, 2021 and Gold Coast shall pay \$15 million (\$15,000,000) plus interest at a rate of 0.875% per annum from January 19, 2021. See above | 5 YEARS | |
| VirtuOx, Inc. | Coral Springs | FL | 5/11/2022 | Miami-Based VirtuOx, Inc. Agrees to Pay \$3.15 Million to Resolve Allegations that it Fraudulently Billed Medicare | Miami, Florida – VirtuOx, Inc. (“VirtuOx”), based in Coral Springs, Florida and operating Medicare approved Independent Diagnostic Testing Facilities (“IDTF”), has agreed to pay \$3,150,000.00 to resolve allegations that it submitted or caused to be submitted false claims to Medicare for reimbursement. | 5 YEARS | |

ADDENDUM C

What are Sections 1557 & 504?

By Helen Waishkey

Corporate Compliance Officer

May 2023

Objectives

- Explain Section 1557
- Explain Section 504
- What is the OCR (Office of Civil Rights) doing to ensure compliance?
- Explain How they affect Palomar Health
- What we are doing to ensure compliance with the regulations

What is Section 1557?

- Section 1557 is part of the Patient Protection & Affordable Care Act (ACA) and is enforced by the Office of Civil Rights (OCR).
- ***What does it say?*** It prohibits the discrimination on the basis of race, color, national origin, sex, age or disability in certain health care programs. Individuals with disabilities cannot be excluded from participation in, denied the benefits of, or be subjected to discrimination under any health program or activity that is receiving federal financial assistance from Health & Human Services (HHS).
- ***On July 25, 2022*** this section was updated to protect and include added classes of individuals from being discriminated against, to include: sexual orientation, gender identity and promote gender and health equity for communities of color, women, LGBTQI+ individuals, people with disabilities, persons with Limited English Proficiency (LEP), and older people.
- ***Entities are required to:***
 - give staff training on the provision of language assistance services for individuals with Limited English Proficiency (LEP), effective communication and reasonable modifications to policies and procedures for people with disabilities.
 - provide a Notice of Nondiscrimination along with a Tagline Notice of the availability of language assistance services and auxiliary aids and services. The nondiscrimination requirements are applicable to health programs and activities, include those services offered via telehealth, which must be accessible to LEP individuals and individuals with disabilities
 - Designate an individual to be the Section 1557 & 504 Coordinator

Notice of Nondiscrimination & Taglines

The Notice of Nondiscrimination

- Is required to be posted in facilities and on website
- Informs individuals that auxiliary aids and services, including interpreters, alternate formats, translated documents are available free of charge
- These must be provided in a timely manner
- Informs how they can obtain these aids and services
- Informs availability of the grievance procedure and how to file one
- Informs how to file a discrimination complaint with the HHS OCR

The Tagline Notice

- Is required to be posted in facilities and on the website
- Must be included in significant publications and significant communications which target beneficiaries, enrollees, applicants and members of the public , except in postcards or tri-fold brochures
- The sentence (Tagline) has to be translated into the top 15 languages of your state

What is Section 504?

- Section 504 is part of the Rehabilitation Act and is enforced by the Office of Civil Rights (OCR).
- ***What does it say?*** It prohibits discrimination on the basis of disability in any program or activity receiving financial assistance from HHS. Individuals with disabilities are defined as persons with a physical or mental impairment which substantially limits one or more major life activities. Including the provision of information to employees and members of the public. Agencies must provide appropriate auxiliary aids where necessary to ensure an equal opportunity. Types of auxiliary aids may include braille or large print versions of materials, electronic diskettes, audiotapes, qualified interpreters or readers, telecommunications devices for deaf persons (TDDs), captioning of video, and other methods of making information available and accessible to persons with disabilities.
- In considering what type of auxiliary aid to provide, entities must give primary consideration to the request of the individual with a disability and shall honor that request, unless it can demonstrate that another effective means of communication exists.

What is the OCR Doing to Ensure Compliance?

- OCR is:
 - Investigating complaints
 - Conducting compliance reviews to determine if recipients of HHS funding operate their programs and activities in compliance with Section 504 and Section 1557.
 - Does the entity have a policy and procedure regarding Sections 1557 & 504?
 - Has an individual been designated as the Coordinator of these sections?
 - Are appropriate auxiliary aids and services in place to ensure that communications with Patients, Companions, and members of the public who are deaf or hard of hearing are as effective as communications with others.
 - They are authorized where appropriate, to negotiate and secure voluntary compliance agreements. If noncompliance cannot be corrected by informal means, they may take any action authorized by law.

How Do These Effect Palomar Health?

- Creates an additional burden on staff. Staff have to be aware and if there is any indication from the initial encounter, inquiry, request or a staff member observes that a patient or companion is deaf or hard of hearing and auxiliary aids and services are necessary the burden falls on the staff to consult/inquire with the patient or companion to determine what aids and services are necessary to communicate effectively
- Costs for translations
- Documentation within the patients chart of any auxiliary aids or services provided to the patient.
- Burden of undo financial or administrative expense belongs to the facility
- Cannot rely on the patient's companion or a minor who is accompanying the patient to provide the interpretative services

What We Are Doing to Ensure Compliance?

- Had Notice of Nondiscrimination created and translated
- Had Tagline Notice created and provided the translations
- Worked with departments and InnoVision to get both notices posted to the website
- Assigned a Coordinator of Sections 1557 & 504
- Our interpreter services line is 888-575-1906
- Created this training to be distributed to staff
- Created a Section 1557 and Section 504 policy – In Process