

Posted
Thursday
August 10, 2023



**BOARD AUDIT & COMPLIANCE
COMMITTEE MEETING
AGENDA**

Tuesday, August 15, 2023
4:00 p.m.

PLEASE SEE PAGE 2 FOR MEETING LOCATION OPTIONS

		<u>Time</u>	<u>Form A Page</u>	<u>Target</u>
<i>The Board may take action on any of the items listed below, unless the item is specifically labeled "Informational Only"</i>				
CALL TO ORDER				
I.	Establishment of Quorum	1		4:01
II.	Public Comments¹	30		4:31
III.	Adjourn to Closed Session	1		4:32
	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		4:37
IV.	Re-Adjourn to Open Session	1		4:38
V.	Action Resulting from Closed Session	1		4:39
VI.	Action Item(s)			
	1. Review/Adopt Board Audit & Compliance Committee Minutes, June 20, 2023 (ADD A - Pp 6-10)	5	2	4:44
	2. Status Update of Employee Conflict of Interest (COI) – Informational Only	5		4:49
	3. Review Self-Referral Disclosure Protocol (SRDP) (ADD B - Pp 11-12)	5	3	4:54
	4. Review Department of Justice Quarter 2 FCA Penalties and Organizations (ADD C - Pp 13-14)	5	4	4:59
	5. Moss Adams 2023 Annual Audit Planning for Palomar Health (ADD D - Pp 15-40)	15	5	5:14
VIII.	Committee Member Agenda Suggestions	5		5:19
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: 279 816 564 856 Passcode: BA3vJB
- or Dial in using your phone at (929) 352-2216; Access Code: 695 301 673#

- 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>

1522 Brighton Glen, San Marcos, CA. 92078

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

DocID: 21790
 Revision: 9
 Status: Official

Source:
 Administrative
 Board of Directors

Applies to Facilities:
 All Palomar Health Facilities

Applies to Departments:
 Board of Directors

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.

IV. ADDENDUM:

Original Document Date: 2/94
 Reviewed: 8/95; 1/99; 9/05
 Revision Number: 1 Dated: 9/20/05

Source Administrator Hernandez, Lisa

Document Owner DeBruin, Kevin

Collaborators: Carla Albright, Deanna Peterson, Deborah Hollick, Douglas Moir, Jami Piearson, Jeffrey Griffith, Julie H Avila, Kelly Wells, Laurie Edwards-Tate, Megan Strole, Nancy Calabria, Nanette Irwin, Richard Engel, Sally Valle, Tanya L Howell, Thomas Kumura

Reviewers

Approvals

- Committees: (10/12/2022) Policies & Procedures

- Signers: Kevin DeBruin

Original Effective Date Kevin DeBruin, Chief Legal Officer (10/25/2022 09:21AM PST)

Revised Reviewed [09/20/2005 Rev. 1], [03/13/2009 Rev. 2], [04/14/2012 Rev. 3], [05/01/2014 Rev. 4], [02/03/2017 Rev. 5], [04/22/2019 Rev. 6], [07/10/2019 Rev. 7], [12/02/2021 Rev. 8], [10/25/2022 Rev. 9]

Next Review Date 10/24/2025

Attachments:

(REFERENCED BY [Public Comment Form](#)

Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in Lucidoc at

**Board Audit & Compliance Committee
Minutes – June 20, 2023**

TO: Board Audit & Compliance Committee

MEETING DATE: Tuesday, August 15, 2023

FROM: Carla Albright, Committee Assistant

Background: Minutes from the Tuesday, June 20, 2023, Board Audit and Compliance Committee meeting are respectfully submitted for review and approval

Budget Impact: N/A

Staff Recommendation: Approval of minutes as written

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:

**Board Audit & Compliance Committee –
Self-Referral Disclosure Protocol (SRDP) –
Informational Only**

TO: Board Audit and Compliance Committee

MEETING DATE: Tuesday, August 15, 2023

FROM: Helen Waishkey, Corporate Compliance Officer

Background: Review Self-Referral Disclosure Protocol (SRDP)

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 –
Department of Justice Quarter 2 FCA Penalties
and Organizations – Informational Only**

TO: Board Audit and Compliance Committee

MEETING DATE: Tuesday, August 15, 2023

FROM: Helen Waishkey, Corporate Compliance Officer

Background: Review Department of Justice Quarter 2 FCA Penalties and Organizations 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 -
Moss Adams 2023 Annual Audit Planning for
Palomar Health**

TO: Board Audit & Compliance Committee

MEETING DATE: Tuesday, August 15, 2023

FROM: Helen Waishkey, Corporate Compliance Officer

Background: Presentation of Moss Adams annual audit plan for Palomar Health will be presented to the Board Audit & Compliance Committee for their review and information.

Budget Impact: N/A

Staff Recommendation: Review and Information

Committee Questions:

COMMITTEE RECOMMENDATION: N/A

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	6/20/23				
DIRECTOR LINDA GREER, RN – CHAIR	P	E	V				
DIRECTOR LAURIE EDWARDS-TATE, MS	V	V	V				
DIRECTOR MICHAEL PACHECO	P	P	P				
ALTERNATE MEMBERS							
JEFF GRIFFITH, EMT-P, 1ST BOARD ALTERNATE		P					
NON-VOTING MEMBERS							
DIANE HANSEN, PRESIDENT & CEO	P	E	E				
KEVIN DEBRUIN, ESQ., CHIEF LEGAL OFFICER	P	P	V				
HELEN WAISHKEY, CORPORATE COMPLIANCE OFFICER	V	P	V				
LEWANN BAUCKNECHT, COMPLIANCE PROGRAM ANALYST	V	P	V				
LACHLAN MACLEAY, MD COMMITTEE APPOINTED PHYSICIAN REPRESENTATIVE	V	V	V				
COMMITTEE SECRETARY							
CARLA ALBRIGHT	P	P	P				
INVITED GUESTS	SEE TEXT OF MINUTES FOR NAMES OF INVITED GUESTS						

<i>BOARD AUDIT AND COMPLIANCE MEETING MINUTES – Tuesday, June 20, 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 Tuesday, June 13, 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 4:01 p.m. by Chair Michael Pacheco			
Approval by vote from Chair Michael Pacheco and Director Laurie Edwards-Tate to allow Director Linda Greer to attend the meeting virtually. Kevin DeBruin, Chief Legal Officer, confirmed inquired if there were other attendees at the unnoticed location. Director Greer noted no other attendees are attending at her virtual location. Meeting then proceeded.			
ESTABLISHMENT OF QUORUM			
<ul style="list-style-type: none"> • Quorum comprised of: Chair Michael Pacheco, Director Laurie Edwards-Tate, and Director Linda Greer • Excused Absences: 			
PUBLIC COMMENTS			
<ul style="list-style-type: none"> • There were no public comments. 			
FOLLOW UP ITEMS			
<ul style="list-style-type: none"> • Helen Waishkey, Corporate Compliance Officer, presented a follow up report of the OIG Workplan 			

ACTION ITEMS			
1. Minutes: Board Audit and Compliance Meeting, Tuesday, April 18, 2023	MOTION by Director Greer, 2 nd by Director Edwards-Tate to approve the April 18, 2023, meeting minutes as written. Roll call voting was utilized. Director Edwards-Tate - Aye Director Greer – Aye Director Pacheco - Aye All in favor. None opposed.		
DISCUSSION:			
<ul style="list-style-type: none"> No discussion 			
2. Corporate Integrity Agreement (CIA) Report – Informational Only	MOTION Informational only		
DISCUSSION:			
<ul style="list-style-type: none"> Helen Waishkey, Corporate Compliance Officer, shared a presentation with the committee 			
3. 1557/504 Non-Discrimination – Informational Only	MOTION Informational only		
DISCUSSION:			
<ul style="list-style-type: none"> Helen Waishkey, Corporate Compliance Officer, shared a presentation with the committee 			
ADJOURN TO CLOSED SESSION			
RE-ADJOURN TO OPEN SESSION			
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			
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			
ACTION RESULTING FROM CLOSED SESSION			

Discussion:

- No action resulted from closed session

VI. Committee Member Agenda Suggestions

- None

FINAL ADJOURNMENT

Meeting adjourned by Director Pacheco at 4:44 p.m.

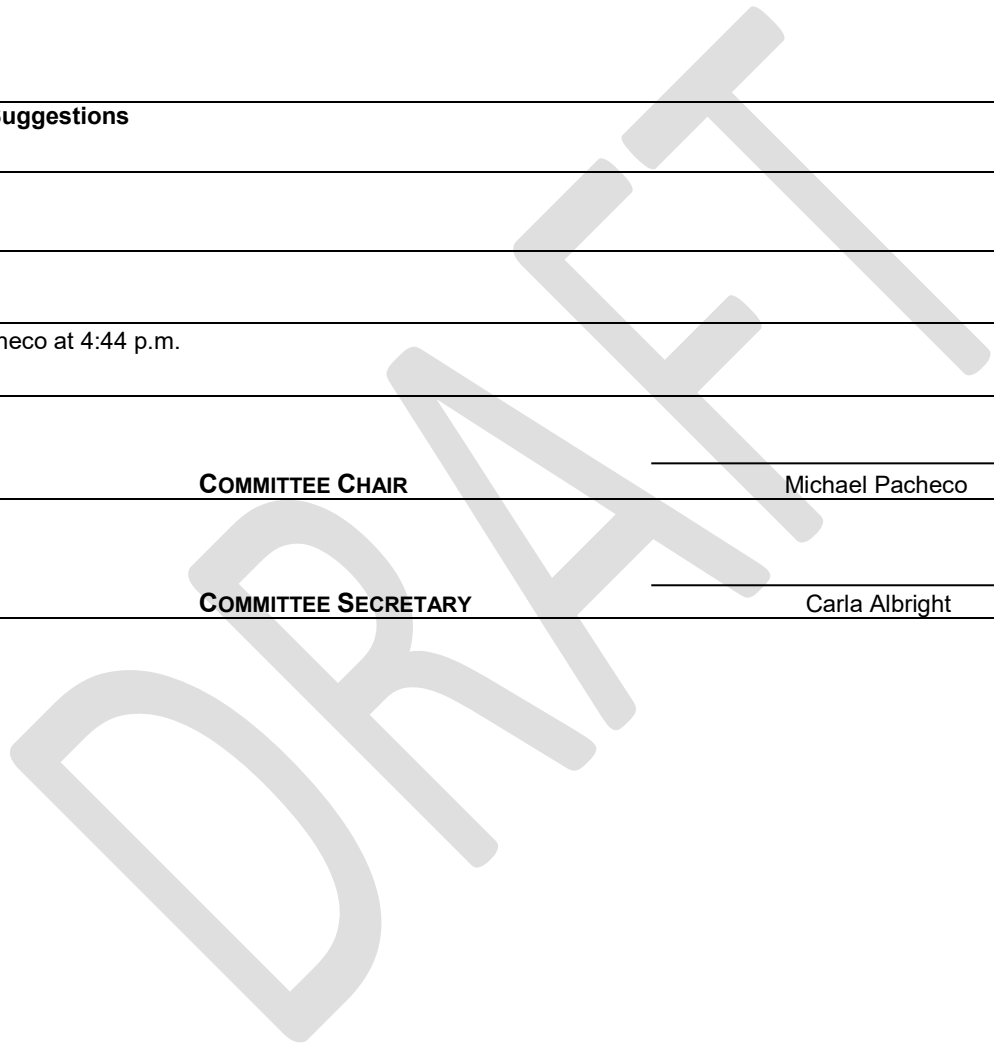
SIGNATURES:

COMMITTEE CHAIR

Michael Pacheco

COMMITTEE SECRETARY

Carla Albright



ADDENDUM B

CMS Publishes New Data on Self-Referral Disclosure Protocol Settlements

July 18, 2023

The Self-Referral Disclosure Protocol (SRDP) is the process that enables providers and suppliers to self-disclose actual or potential violations of the federal Stark Law or Physician Self-Referral law.

The chart below provides the total numbers for CY 2021 & 2022:

CMS Total Number of Settlements with Aggregate Amount Paid			
Year	Total # of Settlements	Settlement Range	Annual Aggregate
2021	27	\$631 - 1,110,148.	\$1,988,451
2022	104	\$299 - \$1,171,174.	\$9,287,866

ADDENDUM C

False Claims Act Violations and Penalties from Q2 2023

State	Providers	Paid Penalty Amount	Other Items	Description
TX		7.96 Million		A physician and his wife who owned a pharmacy submitted false claims to Worker's Comp Program in which they sent federal employees unwanted, unnecessary and costly medications through the mail. The physician also received kickbacks for his referrals to the pharmacy.
Beverly Hills, CA	Dr. Joel Aronowitz; Daniel Aronowitz; Joel A. Aronowitz, M.D., a medical corporation; Tower Multi-Specialty Medical Group; Tower Wound Care Center of Santa Monica, Inc.; Tower Outpatient Surgery Center, Inc.; and Tower Medical Billing Solutions	23.9 Million	Surgeon and 1 of his medical practices will be excluded from Federal Healthcare Programs for 15 years, the surgeon's son will be excluded for 3 years.	They falsified the place of service for skin grafts to maximize reimbursements and billed multiple times for single-use products (instead of disposing of unused product physician would use on another patient)
MI	Vascular Surgeon - Vasso Godiali	43.419 Million	80 months in prison	The provider falsely billed for (1) the placement of multiple vascular stents in the same blood vessel and (2) arterial thrombectomies based on occlusions that were not actually present. He allegedly prepared inaccurate medical records to justify the billing and billed for "unbundled" services that should have been billed together.
DC	Sibley Hospital and John Hopkins Health System	5 Million		Sibley violated the Stark Law by billing Medicare for services referred by ten cardiologists to whom Sibley was paying compensation that exceeded the fair market value of the services provided. These allegations arose out of conduct that Sibley and Johns Hopkins self-disclosed to the United States.
IL	St. Elizabeth's Hospital of the Hospital Sisters Health System	12.5 Million		it erroneously submitted claims for urgent care services but at a higher rate of service.
MI	The Detroit Medical Center Inc. (DMC), Vanguard Health Systems Inc. (Vanguard), and Tenet Healthcare Corporation (Tenet)	29.7 Million		A group hospital system. Over a 3 year period, they provided the services of mid-level practitioners to 13 physicians at no cost or below fair market value, in violation of the AKS. The government alleged the physicians were chosen due to their large number of patient referrals.
SC	Non Profit hospital St. Francis Physician Services, Inc., St. Francis Hospital, and Bon Secours St. Francis Health System, Inc.,	36.5 Million		It violated the FCA, the Stark Law and the AKS by making payments to orthopedic surgeons tied to the value or volume of the surgeons' referrals. They submitted false claims to Medicare and Tricare as a result of an unlawful contractual payments structure between St. Francis and Piedmont Orthopedic Associates.
Total Collected:		\$158.979 Million		

ADDENDUM D

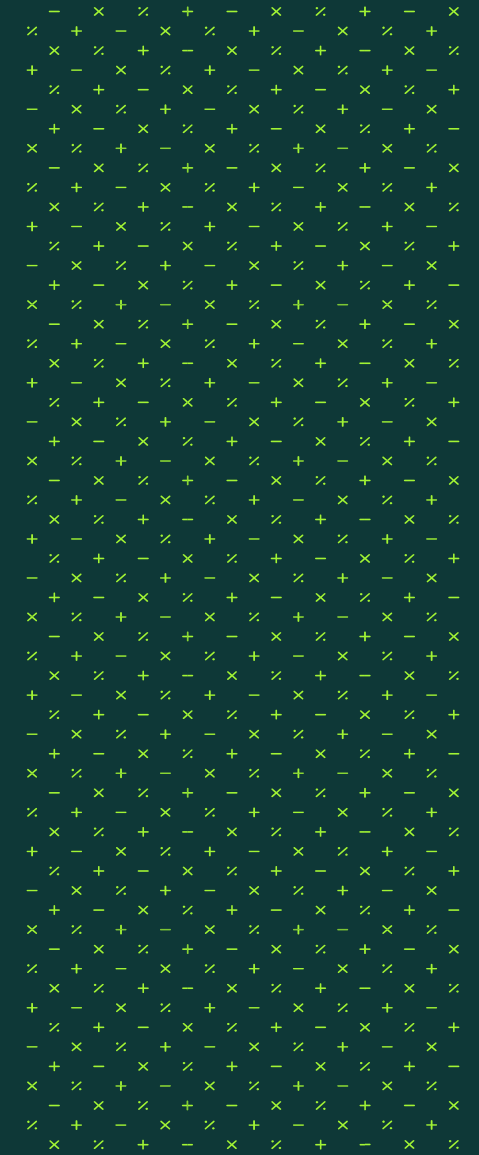


MOSSADAMS

Palomar Health

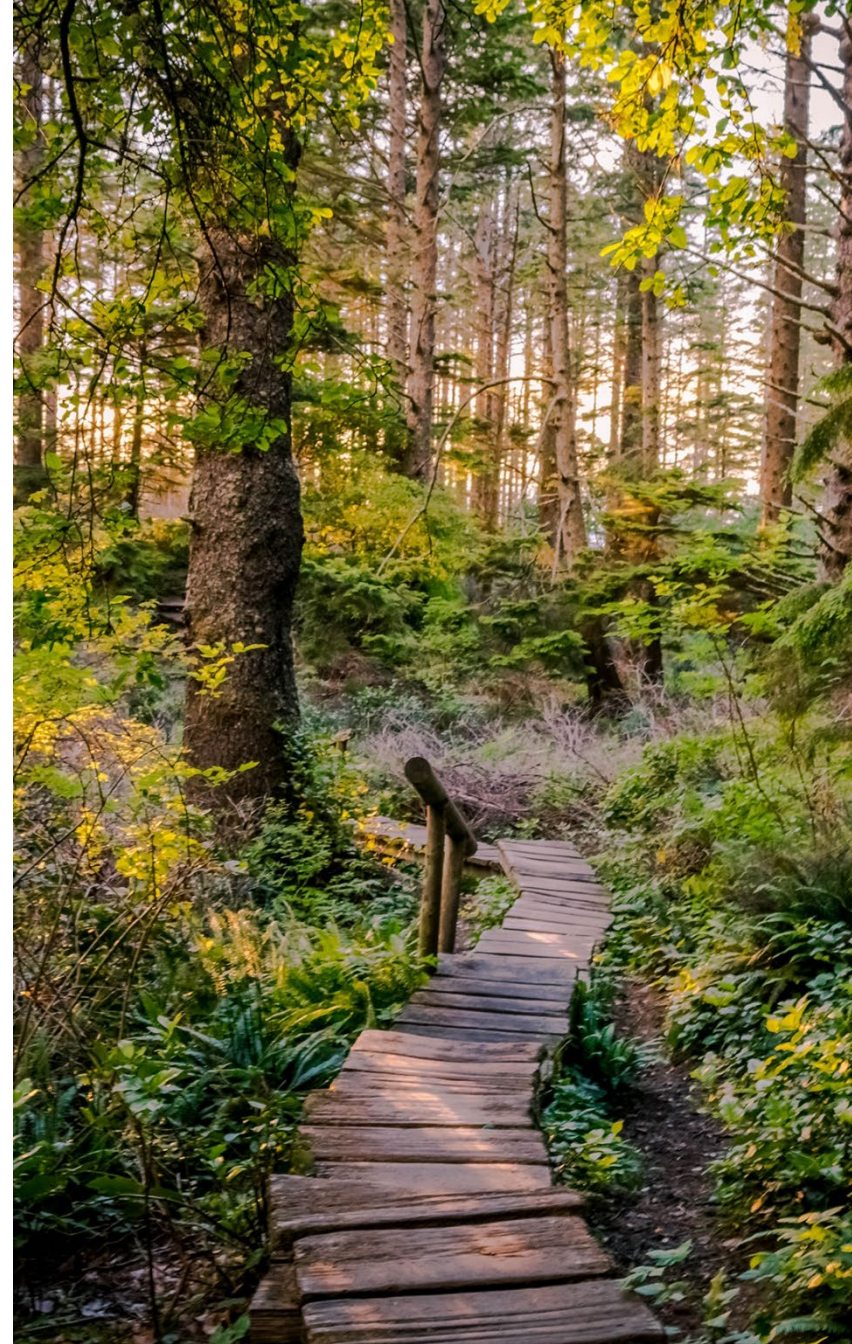
2023 AUDIT PLANNING

Discussion with Management
and the Audit Committee



Agenda

1. Your Service Team
2. Scope of Services
3. Auditor's Responsibilities in a Financial Statement Audit
4. Group Audit Discussion
5. Significant Risks Identified
6. Risks Discussion
7. Consideration of Fraud in a Financial Statement Audit
8. Audit Timeline
9. Audit Deliverables
10. Expectations
11. Documents Containing Audited Financial Statements and Independent Auditor's Report
12. Recent Accounting Developments
13. Executive Session



Your Service Team



Stacy Stelzriede
Audit Engagement Partner

Stacy.Stelzriede@mossadams.com
(949) 474-2684



Brian Conner
Concurring Reviewer

Brian.Conner@mossadams.com
(209) 955-6144



Aparna Venkateswaran
Single Audit Engagement Partner

Aparna.Venkateswaran@mossadams.com
(949) 517-9473



Jessa May Sidebotham
Audit Senior Manager

JessaMay.Sidebotham@mossadams.com
(949) 517-9488



Irmin Yunus
Audit Manager

Irmin.Yunus@mossadams.com
(858) 627-1477



Scope of Services

Relationships between Moss Adams and Palomar Health:

Audit Services



- Annual financial statement audit for the year ended June 30, 2023
- Single audit of federal awards for the year ended June 30, 2023, in accordance with Uniform Guidance

Non-Attest Services



- Assist management with drafting the financial statements (excluding Management's Discussion and Analysis) for the year ended June 30, 2023
- Assist management with the implementation of Governmental Accounting Standards Board (GASB) 96, Subscription-Based Information Technology Arrangements (SBITAs)
- Assist management with drafting the Data Collection Form as of and for the year ended June 30, 2023
- FEMA application support for COVID-19 disaster and Provider Relief Fund reporting guidance
- Medicare reimbursement services
- Assessment of qualification for Employee Retention Tax Credit for Palomar Health Medical Group



Auditor's Responsibilities in a Financial Statement Audit

- Auditor is responsible for:
 - forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in conformity with U.S. generally accepted accounting principles;
 - performing an audit in accordance with generally accepted auditing standards issued by the American Institute of Certified Public Accountants and government auditing standards;
 - communicating significant matters, as defined by professional standards, arising during the audit that are relevant to you; and
 - when applicable, communicating particular matters required by law or regulation, by agreement with you, or by other requirements applicable to the engagement.
- The audit of the financial statements does not relieve management or you of your responsibilities.
- The auditor is not responsible for designing procedures for the purpose of identifying other matters to communicate to you.



Group Audit Discussion

Topics	
The components we have identified include:	<ul style="list-style-type: none">• Palomar Health• Palomar Health Medical Group
The work we will perform on the financial information of each component includes:	<ul style="list-style-type: none">• Moss Adams to audit both components

**Palomar Health and Palomar Health Medical Group are collectively referred to as Palomar Health.*



Significant Risks Identified

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

Significant Risks	Procedures
Patient revenue and receivables	Net patient revenue and receivables have been historically significant. We will document our understanding of management's analysis in determining the contractual and bad debt allowances and perform walk-throughs of the controls related to these by testing revenue charges, accounts receivable, cash receipts, and zero balance accounts. We will also develop our own independent estimate of the valuation of patient accounts receivable based on historical collection rates by payor and compare to the amount recorded.
Compliance with terms and conditions of federal grant awards	We will obtain a schedule of expenditures of federal awards and test for completeness and accuracy. Based on our risk assessment, we will test Palomar Health's compliance with the grant award provisions. We will also assess whether grant revenue was recognized in the proper period.



Significant Risks Identified

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

Significant Risks	Procedures
Cost report settlements and supplemental funding	We will obtain substantive supporting documents to evaluate if the receivables or payables are valid as of June 30, 2023, and properly supported.
Liabilities, contingent liabilities, and long-term debt (including covenant compliance)	Palomar Health is subject to financial covenants related to their tax-exempt bonds. We will obtain management's covenant calculations, compare calculations to related debt agreements, and trace amounts to accounting records.



Significant Risks Identified

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

Significant Risks	Procedures
Transactions with affiliated entities	Palomar Health provides financial assistance to Palomar Health Medical Group and Palomar Health Foundation by means of contributions and economic support. We will perform substantive procedures with respect to the consolidation to assess whether material eliminations and adjustments are properly reflected in the financial statements. We will further evaluate the appropriateness of the disclosures in the footnotes to the financial statements and review board minutes and other supporting documentation to gain an understanding of the approval process for significant transactions.



Significant Risks Identified

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

Significant Risks	Procedures
Adoption of GASB 96, SBITAs, for Palomar Health	Palomar Health is required to implement GASB 96, <i>SBITAs</i> , during the year ended June 30, 2023. We were engaged to assist in implementation; however, such assistance is limited to reviewing and summarizing agreements and providing guidance, not calculating amounts to be recorded or making management decisions. We will obtain management's analysis, trace key inputs to the related lease agreements, test key assumptions, and ensure required disclosures in the financial statements are complete and accurate.





Risks Discussion

1. What are your views regarding:

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

2. Do you have any areas of concern?



Consideration of Fraud in a Financial Statement Audit

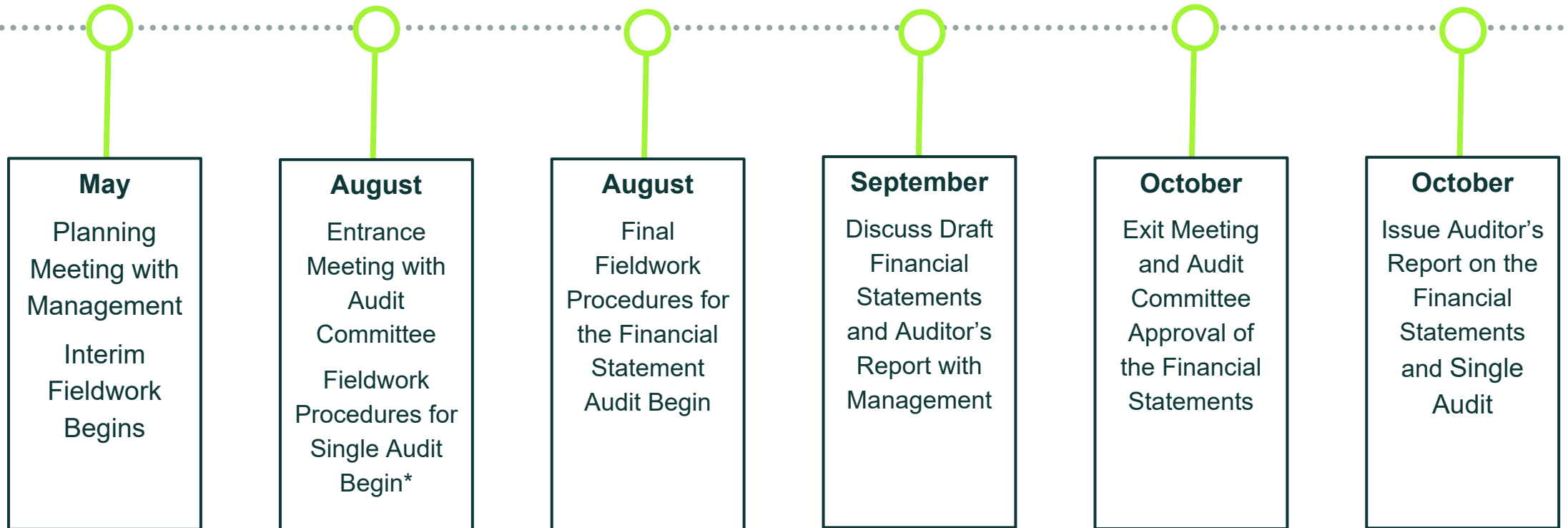
Auditor's responsibility: Obtain reasonable assurance that the financial statements as a whole are free from material misstatement – whether caused by fraud or error

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



Audit Timeline

2023



*Note: The June 30, 2023 Single Audit is due to the Federal Clearinghouse on or before March 31, 2024.



Audit Deliverables



Report of Independent Auditors
on financial statements for the year ended
June 30, 2023



Report to Management
communicating internal control related
matters identified in an audit



**Report to Those Charged
With Governance**
communicating required matters and
other matters of interest



Audit Deliverables



Single Audit Report

for the year ending June 30, 2023, to be issued no later than March 31, 2024

- Auditors' Reports on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
- Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.



Expectations

Client will:



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

Moss Adams will:



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



Documents Containing Audited Financial Statements and Independent Auditor's Report



Our responsibility under generally accepted auditing standards



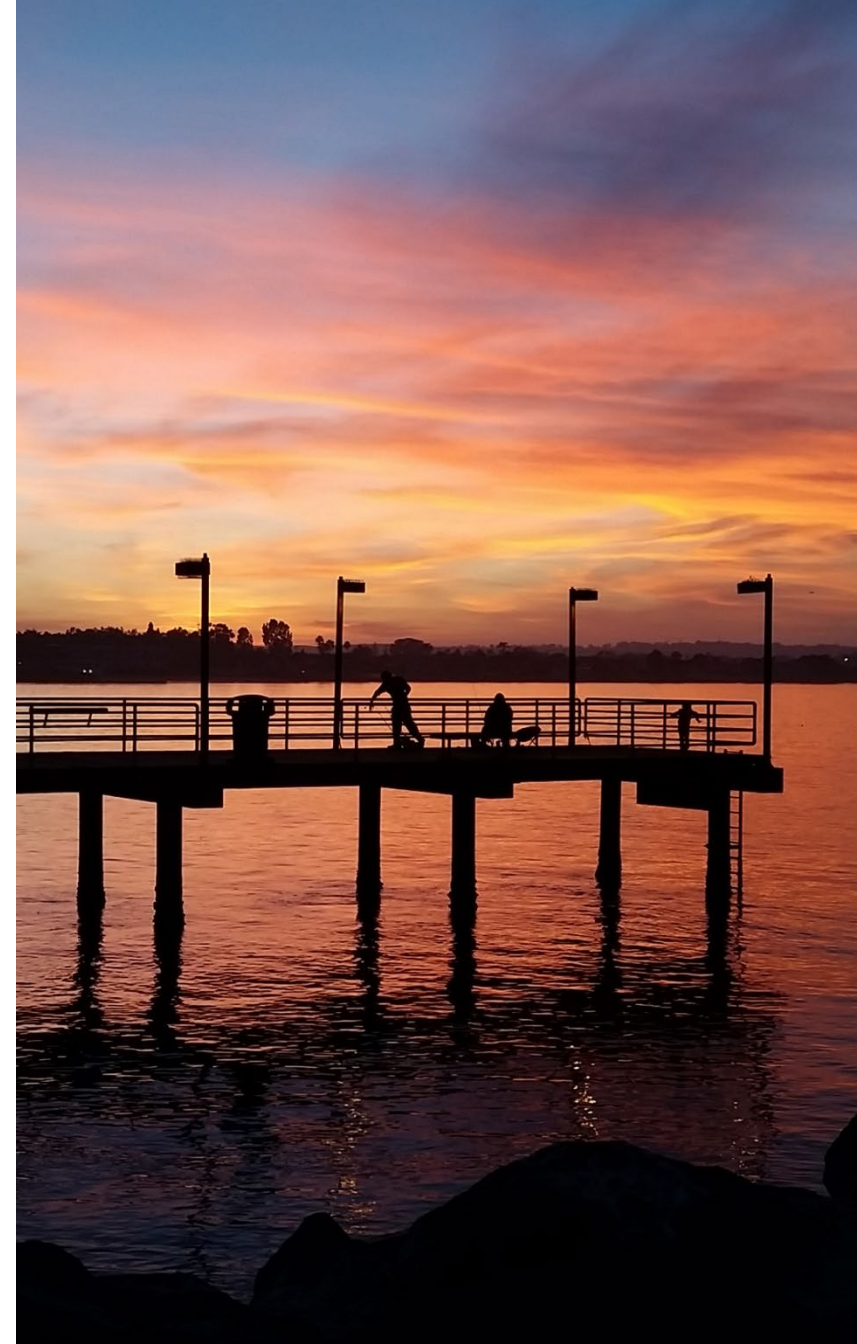
Request for advance notification when you intend to include audited financial statements and the independent auditor's report in a document



Arrangements to obtain the other information prior to report issuance



Recent Accounting Developments



Recent Accounting Developments

GASB 94

EFFECTIVE THIS YEAR

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

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



Recent Accounting Developments

GASB 96

EFFECTIVE THIS YEAR

Subscription-Based Information Technology Arrangements

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



SAVE THE DATE

2023 Executive Health Care Conference

Nov. 1-3, 2023 | JW Marriott Resort & Spa | Las Vegas

The conference will kick off with our second annual Women's Health Care Leadership Forum Nov. 1, 2023, followed by our main event on Nov. 2-3, 2023

Keynote Speakers



Donna Brazile



Karl Rove



Daniel Kraft, MD



Bradford Koles, Jr.



[Preview the conference with this year's promo video.](#)



Scan this QR code with your camera app on iOS and most Android devices.

Visit mossadams.com/HCC2023



Why attend the 2023 Executive Health Care Conference? Check out highlights from 2022

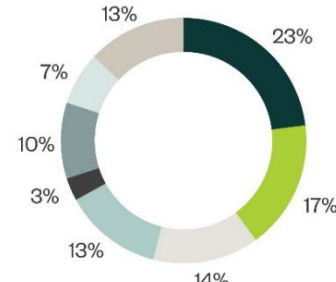
- Topics affecting the health care continuum
- Networking opportunities among executives
- [See sessions from 2022](#)

MOSS ADAMS 2022
 ANNUAL HEALTH CARE EXECUTIVE CONFERENCE

November 2-4 2022	230 <small>Attendees</small>	Executive Women's Leadership Retreat	75% <small>of attendees held executive leadership positions</small>
Red Rock Casino Resort & Spa <small>Las Vegas, Nevada</small>	39 <small>industry presenters</small>	13.5 <small>CPE Credits</small>	84% of those who responded to our survey indicated they were "very satisfied" with the conference


Attendee Profiles


- Ancillary Health Care Services
- Hospitals and Health Systems
- Health plans and insurance
- Medical groups and physicians
- Long-term care
- Financial services organizations
- Tribal health
- Other





Category	Percentage
Ancillary Health Care Services	23%
Hospitals and Health Systems	17%
Health plans and insurance	14%
Medical groups and physicians	13%
Long-term care	10%
Financial services organizations	7%
Tribal health	3%
Other	13%


Sponsors



 SHEPPARDMULLIN



 GALLAGHER
Insurance | Risk Management | Consulting


 CASCADIA
 CAPITAL LLC


 WHITE OAK
 HEALTHCARE PARTNERS, LLC


 FOLEY
 & LARDNER LLP


 UnionBank
A member of MUFG, a global financial group

37


Connect With Us



LinkedIn: www.linkedin.com/company/moss-adams-llp



Twitter: [@Moss_Adams](https://twitter.com/Moss_Adams)



Subscribe to our emails: www.mossadams.com/subscribe



RSS feeds: www.mossadams.com/RSS



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



Executive Session





**THANK
YOU**

