

BOARD AUDIT & COMPLIANCE COMMITTEE

MEETING AGENDA

Thursday, May 21, 2026

1:00 p.m.

PLEASE SEE PAGE 2 FOR MEETING LOCATION OPTIONS

		Time	Target
<i>The Board may take action on any of the items listed below, including items specifically labeled "Informational Only"</i>			
Call To Order			
I.	Establishment of Quorum	1	1:00
II.	Public Comments¹	30	1:30
III.	Action Item(s) (ADD A)		
	A. Audit & Compliance Committee Minutes, January 30, 2026 (Pp 6-8)	5	1:35
	B. HIPAA 2026 Breaches in California – <i>Information Only</i> (Pp 9-10)	5	140
	C. 2026 CMS Changes – <i>Information Only</i> (Pp 11-14)	5	1:45
IV.	Adjourn to Closed Session	1	1:51
	A. 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	2:11
V.	Re-Adjourn to Open Session	1	2:12
VI.	Action Resulting from Closed Session, if any	1	2:13
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	Baroon Rai, M.D., Physician Representative
Abbi Jahaaski, MSN, BSN, RN, – 1 st Board Alternate	

Note: If you need special assistance to participate in the meeting, please call 760.740.6375, 48 hours prior to the meeting so that we may provide reasonable accommodations.

¹ 3 minutes allowed per speaker. For further details, see Request for Public Comment Process and Policy on page 3 of the agenda.

Board Audit & Compliance Committee Meeting Location Options

Linda Greer Board Room

2125 Citracado Parkway, Suite 300, Escondido, CA 92029

- Elected Board Members of the Palomar Health Board of Directors will attend at this location, unless otherwise noticed below
- Non-Board member attendees, and members of the public may also attend at this location

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

Meeting ID: 247 124 864 393 02

Pass Code: DB2EN6uH

Or

Dial in using your phone at 929.352.2216; Access Code: 529 415 8#¹

- Non-Board member attendees, and members of the public may also attend the meeting virtually utilizing the above link

- 7 Lincoln Street, Carmel-By-The-Sea, CA 93921

- An elected member of the Board of Directors will be attending the meeting virtually from these locations

¹ New to Microsoft Teams? Get the app now and be ready when your first meeting starts: [Download Teams](#)

Source:

Applies to Facilities:
All Palomar Health Facilities**Applies to Departments:**
Board of Directors

Policy : Public Comments and Attendance at Public Board Meetings

I. SUMMARY/INTENT:

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. POLICY: COMPLIANCE - KEY ELEMENTS:

- 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 Meeting

Meeting will begin at 1:00 p.m.



Request for Public Comments

If you would like to make a public comment, submit your request by doing the following:

- **In Person: Submit a Public Comment Form, or verbally submit a request, to the Board Clerk**
- **Virtual: Enter your name and “Public Comment” in the chat function**

Those who submit a request will be called on during the Public Comments section and given 3 minutes to speak.

Public Comments Process

Pursuant to the Brown Act, the Board of Directors can only take action on items listed on the posted agenda. To ensure comments from the public can be made, there is a 30 minute public comments period at the beginning of the meeting. Each speaker who has requested to make a comment is granted three (3) minutes to speak. The public comment period is an opportunity to address the Board of Directors on agenda items or items of general interest within the subject matter jurisdiction of Palomar Health.

ADDENDUM A

Board Audit and Compliance Meeting Minutes – Friday, January 30, 2026

Agenda Item

Conclusion/Action

Discussion

Notice Of Meeting

Notice of Meeting was posted at the Palomar Health Administrative Office at 2125 Citracado Parkway, Escondido, CA. 92029; also posted with agenda packet on the Palomar Health website on Wednesday, January 21, 2026 and Amended on Friday, January 23, 2026.

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 1:04 p.m. by Director Michael Pacheco

I. Establishment of Quorum

- Quorum was established via roll call vote consisting of: Directors, Linda Greer; Abbi Jahaaski; Michael Pacheco
- Excused Absences: Director Laurie Edwards-Tate (Director Abbi Jahaaski attended as the alternate)

II. Public Comments

- No public comments

III. Action Items	
<p>A. Audit & Compliance Committee Minutes, August 19, 2025.</p>	<p>MOTION by Director Greer, 2nd by Director Jahaaski to approve the Audit & Compliance Committee Minutes from August 19, 2025.</p> <p>Roll call voting was utilized.</p> <p>Director Greer – aye Director Jahaaski - aye Director Pacheco - aye</p> <p>All in favor. None opposed. None absent. None abstained.</p> <p>Motion approved.</p>
<p>Discussion:</p> <ul style="list-style-type: none"> • 	
<p>B. Annual Board Audit and Compliance Committee Calendar and Schedule</p>	<p>MOTION by Director Greer, 2nd by Director Jahaaski to approve the Board Audit and Compliance Calendar 2026 Standing Agenda Items.</p> <p>Director Greer – aye Director Jahaaski - aye Director Pacheco - aye</p> <p>All in favor. None opposed. None absent. None abstained.</p> <p>Motion approved.</p>
<p>Discussion</p> <ul style="list-style-type: none"> • Director Greer confirmed that the Board Audit and Compliance Committee meetings will be at 1:00pm. 	
<p>C. 2025 CMS Updates</p>	<p>Informational Only</p>
<p>Discussion</p> <ul style="list-style-type: none"> • Helen Waishkey, Corporate Compliance Officer, shared the 2025 CMS Updates and answered all questions. 	

D. Third and Fourth Quarter Hotline Reports 2025 – <i>Informational Only</i>	Informational Only
<p>Discussion:</p> <ul style="list-style-type: none"> Helen Waishkey, Corporate Compliance Officer, shared the Third and Fourth Quarter Hotline Reports with the Committee 	
<p>IV. Adjourn to Closed Session</p>	
<p>A. 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>V. Re-Adjourn to Open Session</p>	
<p>VI. Action Resulting from Closed Session, if any</p>	
<ul style="list-style-type: none"> No action resulting from closed session 	
<p>Final Adjournment</p>	
<p>Meeting adjourned by Committee Director Pacheco at 1:58 p.m.</p>	
<p>Signatures:</p>	
<p>Committee Chair</p>	<p>_____</p> <p>Michael Pacheco</p>
<p>Committee Assistant</p>	<p>_____</p> <p>Janet Kren</p>

The below are HIPAA breaches just in CA and are currently under investigation by the OCR. Some may or may not have settled since the creation of this table.

Since January 1, 2026 to May 11, 2026 (date of this report gathering) nationwide there has been 159 reported HIPAA breaches. The 15 have below are specific only to CA

CE Name	ONLY CA	CE Type	# Individuals	Breach Submission Date	Type of Breach	Location of Breached
Pit River Health Service Inc.	CA	Healthcare Provider	1800	1/6/2026	Hacking/IT Incident	Network Server
Personalis, Inc.	CA	Healthcare Provider	650	2/4/2026	Hacking/IT Incident	Email
Marin Cancer Care	CA	Healthcare Provider	501	2/6/2026	Hacking/IT Incident	Network Server
AltaMed Health Services Corporation	CA	Healthcare Provider	501	2/26/2026	Hacking/IT Incident	Network Server
Nephrology Associates Medical Group, Inc	CA	Healthcare Provider	4631	2/27/2026	Hacking/IT Incident	Email
Tieu Dental Corporation	CA	Healthcare Provider	8918	3/5/2026	Hacking/IT Incident	Network Server
Cardiology Medical Group	CA	Healthcare Provider	99,000	1/17/2026	Unauthorized Access/Disclosure	Network Server - Phishing attack
Amyris Incorporated Health and Welfare Plan	CA	Health Plan	2042	3/17/2026	Hacking/IT Incident	Network Server
Fenwick & West Group Health Plan	CA	Health Plan	1740	3/24/2026	Hacking/IT Incident	Network Server
Healthcare In Action	CA	Healthcare Provider	1143	3/30/2026	Hacking/IT Incident	Email, Network Server, Other
CardioFit Medical Group, Inc.	CA	Healthcare Provider	7243	4/9/2026	Unauthorized Access/Disclosure	Email
Branch Metrics, Inc.	CA	Health Plan	857	4/10/2026	Hacking/IT Incident	Network Server
City Health, a medical corporation	CA	Healthcare Provider	65000	4/14/2026	Unauthorized Access/Disclosure	Electronic Medical Record

L.A. Care Health Plan	CA	Health Plan	2885	4/17/2026	Unauthorized Access/Disclosure	Paper/Films
Ouster, Inc.	CA	Health Plan	574	4/30/2026	Unauthorized Access/Disclosure	Network Server

2026 CMS/DOJ Updates & Changes

1. **CMS plans to launch a federal provider directory** in 3 phases. 1. Launched in 2025 was the display of MA provider data, 2. MA organizations to provide CMS with current information on In-Network providers and facilities (testing dates May and August) Release date October 1. The 3rd and final phase will focus on testing and launching a National Provider Directory. Which is to serve as the connection between providers, payers, data networks and interoperability frameworks. These will all be on the CMS Medicare Plan Finder, which allows people with Medicare to see if their specific provider and facilities are in-network.

2. **In 2025 The Justice Department** has continued to expand enforcement in three major areas of healthcare fraud: managed care, prescription drugs and medically unnecessary care. Whistleblowers filed a record 1,297 qui tam lawsuits in 2025. Last year, \$1.67 billion in settlements and judgments were related to healthcare.

3. **CMS' Wasteful and Inappropriate Service Reduction (WISer)** initiative kicked off in 2026, with providers in Arizona, Washington, New Jersey, Texas, Ohio and Oklahoma piloting a new protocol. For the first time, some services under traditional Medicare face prior authorization requirements. Since this is a pilot it will run from Jan 1 2026 thru Dec. 31, 2031.

4. **CMS is reinforcing hospital patient nutrition.** CMS stated that menus, food procurement and nutrition protocols align with the 2025-2030 Dietary Guidelines for Americans that was released on Jan. 7., which emphasizes whole and minimally processed foods. There is NO NEW regulatory requirements at this time. CMS states meals should not contain more than 10grams of added sugar unless clinically indicated. CMS states that inpatient stays are an opportunity to educate patients about healthy eating. They are now creating awareness among patients to report to CMS via telephone or complaint form of any healthcare facility they are aware of that serves sugary, processed, fried foods, etc. CE's risk reimbursement being withheld if they are not following the Dietary nutrition guidelines. Meghan is aware and we meet the standards.

5. **CMS is piloting the use of hemp** for Medicare beneficiaries for those providers that participate in both the REACH Model (ACO Realizing Equity, Access & Community that focuses on coordinated high quality care to improve health outcomes) and the Enhanced Oncology Model. CMS will not cover or reimburse providers for the cost of the hemp products. Providers are required to use the federally legal hemp items containing no more than 0.3% delta-9 THC.

6. **CMS is PROPOSING** (so not Rule Yet) – On the SNF side for FY2027. A payment rate increase by 2.4%, potential updates to the patient driven payment model to address case mix upcoding, and requiring the submission of a Minimum Data Set on ALL SNF residents receiving skilled care,

regardless of the payer, so not just Medicare patients they will be collecting data on every patient. The change would align SNFs with other post-acute care settings and expand data available to the public on Care Compare.

7. **CMS has established the “Kill the Clipboard”** platform and tools which will allow patients to share their information via smart phone, access their health data through trusted applications.

8. **CMS – Finalized rule for payers to send PA decisions within 72 hours for Urgent requests and within 7 calendar days for standard requests.** All payers had to post their PA metrics by March 31, 2026. The goal is for most plans to have adopted standards by next year. I certainly hope Molina does as they deny everything. UHC & Cigna are aiming for 70% standardization, Aetna already has 88% standardized. Somewhere around 50 insurers have committed thus far. UHC launched a Rural Payment Acceleration Pilot in selected states in which the goal is to make MA payments to hospitals in less than 15 days on average compared to their 30 or fewer days currently. They are planning to expand it nationwide by fall which will then also include Medicaid and fully insured commercial plans. They are planning PA exemptions to apply to sum 1500 hospitals and CAHs,

9. The Administration launched the **Task Force to Eliminate Fraud and the National Fraud Enforcement Division** to enhance the Administration’s war on fraud, waste, and abuse in federal programs. CMS is cracking down on Medicaid fraud by requiring all states to provide an audit plan to the feds on how they plan to ensure physician licenses are real and other identification aspects like how the state plans on preventing and addressing their Medicaid program integrity. 10 states have been highlighted due to Medicaid fraud with Minnesota having over 200million in Medicaid funds frozen by the govt. in February

10. In a **survey of 3500 health professionals** they were asked, “how they responded to potentially harmful behavior as well as how those experiences affected patient care and clinical innovation”. From the survey (2025 led by the American Association of Critical-Care Nurses and published in the March American Journal of Critical Care):

1. 40% said they reported witnessing broken rules and 22% reported witnessing mistakes weekly

2. Of the 40%; 47% confronted the offender to express their concerns over broken rules and 53% over mistakes

3. Respondents said they were less likely to confront colleagues for incompetence, lack of support, disrespect, poor teamwork, bias and micromanagement

4. Organizations that encouraged speaking up, reminding, accountability and challenging assumptions had 20 times more healthcare workers who embraced new tools and technology and were 2.5 times more proactive regarding patient outcomes and care quality

5. Vicki Good, DNP, RN, the AACN's chief clinical officer, said "a failure to speak up indicates an absence of healthy norms that will inevitably impact patient safety and staff outcomes".

11. Huntington Park, CA; Feliciano Serrano, MD, of Serrano Kidney & Vascular Access Center allegedly performed unnecessary dialysis access interventions on 18 patients and unnecessary peripheral artery disease interventions on 17 patients. Dr. Serrano allegedly scheduled procedures on a routine basis without waiting for complications, overstated the degree of stenosis in medical records and told patients their legs would require amputation when there was little risk of that outcome. One patient received approximately 42 stents in a dialysis segment over seven years, while another received approximately 16 atherectomies in his legs over four years. whistleblower complaint filed by Lincoln Analytics receive approximately \$976,000 as its share of the federal recovery of more than \$6.73 million.

12. Cardiology practices seem to be targeted regarding data breaches so far in 2026, there have been 5 reported and settled with settlements upwards of \$6 million.

1. **Torrance, Calif.**-based **CardioFit Medical Group** [experienced](#) a data breach by sending protected health information via email without encryption.
2. Alabaster, Ala.-based Heart South Cardiovascular Group [provided](#) notice of a data security incident.
3. Phoenix-based Cardiovascular Consultants [agreed](#) to pay \$3.85 million to settle a class-action lawsuit related to a 2023 data breach.
4. **Stockton (Calif.) Cardiology Medical Group** [experienced](#) a data incident potentially exposing patient information and company records.
5. Birmingham-based Alabama Cardiovascular Group [agreed](#) to a \$2.23 million settlement in a data privacy class-action lawsuit.

13. Hospital executive Yorai "Benny" Benzeevi, MD, surrendered his medical license effective May 7 following his conviction in a corruption case tied to Tulare (Calif.) Regional Medical Center. surrendered his physician and surgeon certificate he lost all rights and privileges as a physician in California effective May 7 and must surrender his pocket license and wall certificate. Dr. Benzeevi previously led Healthcare Conglomerate Associates, the private company that managed Tulare Regional Medical Center and Lone Pine, Calif.-based Southern Inyo Hospital. Dr. Benzeevi pleaded no contest in 2024 to six felony counts of conflict of interest and two misdemeanor counts tied to campaign finance reporting failures and using an official position for personal gain. He was [sentenced](#) to \$2.4 million in restitution

14. **Medicaid** - Many of the coverage eligibility changes tied to HR 1 (Budget Reconciliation Act of 2025) are scheduled to begin rolling out in late 2026 and 2027, including new Medicaid work requirements, more frequent eligibility renewals (q 6 mths vs annually) for some enrollees and a narrower definition of which immigrants qualify for coverage. For those classified as “expansion adults” changes will begin in 2027. These are individuals who are able bodies, working age adults between 19-64 who qualify for Medicaid coverage under the Affordable Care Act, meaning they earn up to 133% of the FPL but do not qualify for Medicaid based on disability, age, pregnancy or other special category. In October 2028 those with income above 100% FPL may face small copays for non-exempt services. Effective October 2026 those individuals who will not qualify as a “qualified Immigrant” will be transitioned from the federal full scope Medi-Cal to the restricted scope Medi-Cal as part of the proposed Governor’s Budget. States are required to update addresses beginning in 2027. States will be required to check the Death Master File on a quarterly basis. Retroactive coverage will be shortened to 1 month vs the current 3 months beginning January 2027.

15. **Federal penalties for HIPAA violations** are adjusted annually for inflation. As of 2026, the tiers are:

- **Did not know (and couldn’t have known through reasonable diligence):** \$145 to \$73,011 per violation
- **Reasonable cause, not willful neglect:** \$1,461 to \$73,011 per violation
- **Willful neglect, corrected within 30 days:** \$14,602 to \$73,011 per violation
- **Willful neglect, not corrected within 30 days:** \$73,011 to \$2,190,294 per violation

All four tiers share the same calendar year cap of \$2,190,294 for identical violations.

A key difference between HIPAA and CA’s CMIA’s (Confidentiality of Medical Information Act) is Private Right of Action, which allows patients to sue for negligent, unauthorized disclosures, even when there was no intent to cause harm. This is a major reason why we and other California organizations stress strict access control, “need-to-know” use of records, and zero tolerance for snooping or gossip.

Lynda there has been anything else mentioned regarding the Administration push to place all those on Traditional Medicare into ACO relationships by 2030.