

November 11, 2022

TO: Legal Counsel

News Media

Salinas Californian
El Sol
Monterey County Herald
Monterey County Weekly
KION-TV
KSBW-TV/ABC Central Coast
KSMS/Entravision-TV

The next regular meeting of the **CORPORATE COMPLIANCE AND AUDIT COMMITTEE - COMMITTEE OF THE WHOLE** of the Salinas Valley Memorial Healthcare System will be held **WEDNESDAY, NOVEMBER 16, at 5:00 P.M.**, in the **DOWNING RESOURCE CENTER, CONFERENCE ROOMS A, B, & C** at **SALINAS VALLEY MEMORIAL HOSPITAL, 450 E. ROMIE LANE, SALINAS, CALIFORNIA, or VIA TELECONFERENCE** (Visit svmh.com/virtualboardmeeting for Access Information).

Pursuant to SVMHS Board Resolution No. 2022-16, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.



Pete Delgado
President/Chief Executive Officer

Committee Members: Juan Cabrera, Chair; Joel Hernandez Laguna, Vice Chair; Pete Delgado, President/CEO; Augustine Lopez, CFO; Mike Nolan, Community Member; and Sanjeev Tandon, Community Member

**CORPORATE COMPLIANCE AND AUDIT COMMITTEE
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**WEDNESDAY, NOVEMBER 16, 2022, 5:00 P.M.
DOWNING RESOURCE CENTER, CONFERENCE ROOMS A, B, & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA
or via TELECONFERENCE
(Visit svmh.com/virtualboardmeeting for Access Information)**

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AGENDA

1. Call to Order / Roll Call
2. Compliance Program Update (LOPEZ/LORRIE OELKERS/JAENICKE)
3. Approval of Minutes from the Corporate Compliance and Audit Committee Meeting of September 20, 2022 (DELGADO)
 - Motion/Second
 - Action by Committee
4. Consider Recommendation for Board of Directors Approval of the Years Ended June 30, 2022 and 2021 Audited Financial Statements for Salinas Valley Memorial Healthcare System. Consider Recommendation for Board of Directors Approval of the Years Ended June 30, 2021 and 2020 Single Audit Report for Salinas Valley Memorial Healthcare System.
(LOPEZ/CLEVELAND/CHRIS PRITCHARD & JOELLE PULVER of MOSS ADAMS)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
5. Consider Recommendation for Board of Directors Approval of the Years Ended December 31, 2021 and 2020 Audited Financial Statements for the Salinas Valley Memorial Healthcare District Employee's Pension Plan. (LOPEZ/CLEVELAND/ CHRIS PRITCHARD of MOSS ADAMS)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote

6. Public Input

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board, which are not otherwise covered under an item on this agenda.

7. Closed Session

8. Reconvene Open Session/Report on Closed Session

9. Adjournment

The Corporate Compliance and Audit Committee meets quarterly. The next meeting is scheduled for **Tuesday, March 21, 2023 at 5:00 p.m.**

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

The Committee packet is available at the Committee Meeting, at www.svmh.com, and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Committee.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Clerk during regular business hours at 831-755-0741. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

**CORPORATE COMPLIANCE AND AUDIT COMMITTEE
MEETING OF THE BOARD OF DIRECTORS – COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

AGENDA FOR CLOSED SESSION

Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.

CLOSED SESSION AGENDA ITEMS

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

(Government Code §54956.9)

Significant exposure to litigation pursuant to Section 54956.9(d)(2) or (3) (Number of potential cases): _____

Additional information required pursuant to Section 54956.9(e): _____

1. Initiation of litigation pursuant to Section 54956.9(d)(4) (Number of potential cases): 1

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Government Code §54957)

Title: (Specify position title of employee being reviewed): _____

Executive Management and Accounting Management

ADJOURN TO OPEN SESSION

CALL TO ORDER
ROLL CALL

(Chair to call the meeting to order)

Compliance Program Update

Corporate Compliance and Audit
Committee Meeting
November 16, 2022





Introduction of New Internal Audit and Compliance Director:

Lorrie Oelkers, MBA, CPA, CISA

More than 30 years experience in healthcare internal audit, finance, and compliance:

- Fairview Health Services (academic partner of the University of Minnesota)
- Texas Children's Hospital
- Public Accounting-KPMG

Renee Jaenicke has been retained on a temporary basis primarily focused on FEMA and providing transition support and historical perspective to the program.



Responsibilities during Transition:

The following are focus areas for the Director of Internal Audit and Compliance, with the assistance and support of the previous director.

- Compliance Programmatic Elements
 - Policies & Procedures
 - Chief Compliance Officer/Compliance Committee
 - Education & Training
 - Reporting
 - Monitoring & Auditing
 - Enforcement
 - Responding To Issues
- Compliance with California District Law
 - Agency Report of Ceremonial Role (form 802)
 - Oversight of Sanction Screening Process and Reporting
 - Economic Interests Reporting (form 700)



Auditing and Monitoring in Progress:

Physician Contracts Compliance Audit

Analysis of payments made to physicians for agreement with contract terms.

- *Work is underway and results will be reported at the next Corporate Compliance and Audit Committee Meeting. This audit is performed annually, no exceptions noted last four years.*

Cares Act: Balance Billing

Ensure patients with out-of-network insurance are not billed more than they would be with in-network insurance.

- *Business Office is monitoring for compliance. Internal Audit is reviewing process and ensuring refunds are made to patients as required.*



Questions/Comments?

**SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
CORPORATE COMPLIANCE AND AUDIT COMMITTEE
COMMITTEE OF THE WHOLE
MEETING MINUTES
SEPTEMBER 20, 2022**

Pursuant to SVMHS Board Resolution No. 2022-12, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

The Corporate Compliance and Audit Committee convened at 5:01 p.m in the Downing Resource Center CEO Conference Room 117.

Committee Members Present:

Augustine Lopez, Mike Nolan, and Sanjeev Tandon.

Via teleconference: Pete Delgado Chair Juan Cabrera.

Committee Members Absent:

Joel Hernandez Laguna

Other Board Members Present, Constituting Committee of the Whole:

None

A quorum was present and the meeting was called to order at 5:01 p.m. by Juan Cabrera.

APPROVE THE MINUTES OF JULY 2022

Pete Delgado, President/Chief Executive Officer, recommended the Corporate Compliance and Audit Committee approve the minutes of July 21, 2022. This information was included in the Committee packet.

No public input received.

MOTION:

Upon motion by Committee member Delgado, and second by Committee member Noland, the July 21, 2022 minutes of Corporate Compliance and Audit Committee were approved.

Ayes: Delgado, Lopez, Nolan, Tandon, and Chair Cabrera; Noes: None; Abstentions: None;

Absent: Committee member Hernandez Laguna and; Motion Carried.

COMPLIANCE OFFICER REPORT

Director of Internal Audit and Compliance Renée Jaenicke and Contract Administrator Natalie James provided a comprehensive Compliance Officer Report. This information was included in the Committee packet. The following topics were reviewed and discussed:

- Education on Types of Conflict of Interest
- Compliance Efforts regarding Sanctions/Exclusions Checking
 - Federal and State law enforces penalties against an organization that “arranges” or contracts with individuals or entity known or should know are excluded from participation in a Federal health care program.
 - Officer of Inspector General updates the LEIE (list of Excluded Individual or Entities) monthly to minimize potential overpayment and CMP (Civil Monetary Penalty) Liability.
- Compliance and Audit Dashboard
 - Completed action plans
 - 340B; Pharmacy; Purchasing; Privacy; Fixed Assets
 - Press Ganey Survey Ethics Scores
 - SVMHS is at 4.16 for 2022
 - Statements of Economic Interest/Form 700
 - 100% compliant for 2021
 - AB 1234 Ethics Training Completed
 - 100% compliant since 2017
 - Compliance hotline median days to close issue
 - 10 in 2021 compared to 42 in Navex
 - Completion of staff education by due date
 - 96% of staff completed their education modules by the June 30 deadline.

Discussion: The Press Ganey survey results indicate the success of the organization.

PUBLIC INPUT

No public input received.

CLOSED SESSION

Juan Cabrera, Chair, announced the items to be discussed in Closed Session are *Trade Secret: Trade secrets, strategic planning/proposed new services and programs* and *Hearings/Reports*. The meeting was recessed into Closed Session under the Closed Session protocol at 5:20 p.m.

RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Committee reconvened Open Session at 5:59 p.m. Juan Cabrera reported that in Closed Session, the Committee discussed: *Trade Secret: Trade secrets, strategic planning/proposed new services and programs*, and *Hearings/Reports*. No action was taken in Closed Session.

ADJOURNMENT

There being no other business, the meeting was adjourned at 5:59 p.m. The December 2022 Corporate Compliance and Audit Committee Meeting is scheduled for **Tuesday, December 13, 2022, at 5:00 p.m.**

ATTEST:

Juan Cabrera, Chair
Corporate Compliance & Audit Committee

/es

*Consider Recommendation for Board of
Directors Approval of the Years Ended June
30, 2022 and 2021 Audited Financial
Statements for Salinas Valley Memorial
Healthcare System*

*(LOPEZ/CLEVELAND/CHRIS
PRITCHARD & JOELLE PULVER of
MOSS ADAMS)*

*Consider Recommendation for Board of
Directors Approval of the Years Ended
December 31, 2021 and 2020 Audited
Financial Statements for the Salinas Valley
Memorial Healthcare District Employee's
Pension Plan.*

*(LOPEZ/CLEVELAND/CHRIS
PRITCHARD of MOSS ADAMS)*

PUBLIC INPUT

CLOSED SESSION

*(Report on Items to be
Discussed in Closed Session)*

*RECONVENE OPEN SESSION/
REPORT ON CLOSED SESSION*

ADJOURNMENT

*The Corporate Compliance and Audit
Committee meets quarterly.*

*The next meeting is scheduled for Tuesday,
March 21, 2023 at 5:00 p.m.*