

September 23, 2021

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 **TUESDAY, SEPTEMBER 28, 2021, AT 5:00 P.M.**, in the **DOWNING RESOURCE CENTER, ROOMS A, B & C AT SALINAS VALLEY MEMORIAL HOSPITAL, 450 E. ROMIE LANE, SALINAS, CALIFORNIA, OR BY PHONE OR VIDEO (Visit svmh.com/virtualboardmeeting for Access Information).**

Please note: Pursuant to Executive Order N-25-20 issued by the Governor of the State of California 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/Chief Executive Officer; Augustine Lopez – Chief Financial Officer; Mike Nolan – Community Member; and Sanjeev Tandon – Community Member

**CORPORATE COMPLIANCE AND AUDIT COMMITTEE MEETING
SEPTEMBER 2021 - COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**TUESDAY, SEPTEMBER 28, 2021
5:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA
OR BY PHONE OR VIDEO
(Visit svmh.com/virtualboardmeeting for Access Information)**

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AGENDA

1. Approval of Minutes from the Corporate Compliance and Audit Committee Meeting of June 29, 2021 (DELGADO)
 - Motion/Second
 - Action by Committee
2. Compliance Officer Report (LOPEZ/JAENICKE)
3. 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.
4. Closed Session
5. Reconvene Open Session/Report on Closed Session
6. Adjournment – The Corporate Compliance and Audit Committee meets quarterly. The next meeting is scheduled for **Tuesday, December 14, 2021, at 5:00 p.m.**

Notes: 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.

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 Executive Assistant during regular business hours at 831-755-0741. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

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. Staff and Committee recommendations are subject to change by the Board.

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

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

[] **LICENSE/PERMIT DETERMINATION**
(Government Code §54956.7)

Applicant(s): (Specify number of applicants) _____

[] **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
(Government Code §54956.8)

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation): _____

Agency negotiator: (Specify names of negotiators attending the closed session): _____

Negotiating parties: (Specify name of party (not agent): _____

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both): _____

[] **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**
(Government Code §54956.9(d)(1))

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers): _____, or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations): _____

[] **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): _____

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

[] **LIABILITY CLAIMS**
(Government Code §54956.95)

Claimant: (Specify name unless unspecified pursuant to Section 54961): _____

Agency claimed against: (Specify name): _____

[] **THREAT TO PUBLIC SERVICES OR FACILITIES**
(Government Code §54957)

Consultation with: (Specify name of law enforcement agency and title of officer): _____

[] **PUBLIC EMPLOYEE APPOINTMENT**
(Government Code §54957)

Title: (Specify description of position to be filled): _____

[] **PUBLIC EMPLOYMENT**
(Government Code §54957)

Title: (Specify description of position to be filled): _____

[] **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
(Government Code §54957)

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

[] **PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE**
(Government Code §54957)

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

[] **CONFERENCE WITH LABOR NEGOTIATOR**
(Government Code §54957.6)

Agency designated representative: (Specify name of designated representatives attending the closed session): _____

Employee organization: (Specify name of organization representing employee or employees in question): _____, or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations): _____

[] **CASE REVIEW/PLANNING**
(Government Code §54957.8)

(No additional information is required to consider case review or planning.)

[] **REPORT INVOLVING TRADE SECRET**
(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility):

Estimated date of public disclosure: (Specify month and year): _____

[X] **HEARINGS/REPORTS**
(Government Code §37624.3 & Health and Safety Code §§1461, 32155)

Subject matter: (Specify reports concerning medical staff privileges, medical audit report, hospital internal audit report, or quality/safety/assurance report):

1. Fixed Assets Review Results
2. Provider Relief Funds Update
3. FEMA Update

[] **CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW** (Government Code §54956.86)

(No additional information is required to discuss a charge or complaint pursuant to Section 54956.86.)

ADJOURN TO OPEN SESSION

**MINUTES OF THE JUNE 2021 CORPORATE COMPLIANCE
AND AUDIT COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

TUESDAY, JUNE 29, 2021

**5:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA
OR BY PHONE OR VIDEO**

(Visit svmh.com/virtualboardmeeting for Access Information)

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Committee Members Present: Juan Cabrera, Chair; Joel Hernandez Laguna, Vice Chair; by teleconference; Pete Delgado, Augustine Lopez, and Mike Nolan in person.

Committee Members Absent: Sanjeev Tandon.

Other Board Members Present, Constituting Committee of the Whole: Victor Rey, Jr., constituting Committee of the Whole.

Also Present: Clement Miller, Lisa Paulo, Renée Jaenicke, Lindsey Parnell, Judi Melton, Derek Ames, and Karen Schroeder in person; Audrey Parks, Marti Arvin, and Gary Ray, Esq., District Legal Counsel, by teleconference.

A quorum was present and the meeting was called to order at 5:05 p.m. by Juan Cabrera, Committee Chair.

**APPROVAL OF MINUTES FROM THE CORPORATE COMPLIANCE AND AUDIT
COMMITTEE MEETING OF MARCH 23, 2021**

Pete Delgado, President/Chief Executive Officer, recommended the Corporate Compliance and Audit Committee approve the minutes of the Corporate Compliance and Audit Committee Meeting of March 23, 2021. This information was included in the Committee packet.

No Public Input.

MOTION: The Corporate Compliance and Audit Committee approves the minutes of the Corporate Compliance and Audit Committee Meeting of March 23, 2021, as presented. Moved/Seconded/Motion Carried. Ayes: Cabrera, Hernandez Laguna, Delgado, Lopez, Nolan; Noes: None; Abstentions: None; Absent: Tandon; Motion Carried.

COMPLIANCE OFFICER REPORT

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

- Education Regarding Ethical Dilemmas and Types of Assurance
- Update on Compliance Efforts
 - Supply Inventory Self-Assessment
 - Self-Assessment Underway: Fixed Assets
 - Follow-up Status (cash, 340b, pharmacy, purchasing, and privacy)
- Update on FEMA and Stimulus Funds/Audits Required
- Impact of COVID-19 on Compliance/Audit Work

Judi Melton, Director of Materials Management, also reported on the areas reviewed in the supply inventory self-assessment and recommendations to strengthen controls.

There was brief discussion among the Committee and Hospital Leadership regarding the fixed assets self-assessment audit in process, 340b program, the FEMA claim reimbursement requests, and impact of the pandemic on compliance and audit work.

Ms. Jaenicke asked the Committee if there were any questions or areas that needed to be addressed. The Committee commended Ms. Jaenicke for her outstanding work and presentations to the Committee. No other reporting recommendations were made. The Committee noted the importance of the self-assessment underway for fixed assets and continued compliance with FEMA stimulus funds.

PUBLIC INPUT

None.

CLOSED SESSION

Juan Cabrera, Committee Chair, reported that the items to be discussed in Closed Session are: (1) Conference with Legal Counsel – Existing Litigation; and (2) Hearings/Reports – Privacy Audit Results, and Systems Security Awareness. The meeting was adjourned into Closed Session under the Closed Session protocol at 5:40 p.m.

RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Committee reconvened Open Session at 6:30 p.m. Mr. Cabrera announced that in Closed Session, the Committee discussed the following items: (1) Conference with Legal Counsel – Existing Litigation; and (2) Hearings/Reports – Privacy Audit Results, and Systems Security Awareness. No action was taken in the Closed Session.

ADJOURNMENT

There being no other business, the meeting was adjourned at 6:31p.m. The Corporate Compliance and Audit Committee meets quarterly. The next meeting is scheduled for Tuesday, September 21, 2021, at 5:00 p.m.

Juan Cabrera, Chair
Corporate Compliance and Audit Committee

/ks



Corporate Compliance and Audit Committee
September 28, 2021



Topics

- Education
- Update on Compliance Efforts
 - Employee and Physician Vendor Matching
 - Follow-Up Status
- Questions/Comments

Compliance and Ethics Education

Tipping Point

- *“Each employee or representative of SVMHS shall conduct SVMHS’ business transactions with honesty, accuracy, fairness and respect for others. No unethical practices can be resorted to on the grounds that it is ‘customary’ or that it serves other worthy goals. The expediency should never compromise integrity.”* – Standards of Ethical Business Practices
- In 2011, Scientists at Rensselaer Polytechnic Institute found that when 10% of the population holds an unshakable belief, that belief will be adopted by the majority.
- In some cases, then, it may be important for us to step back and consider whether what is customary is also ethical and compliant.
- If you have a question and don’t require anonymity, call the Director of Internal Audit and Compliance at 831-759-1958.

Still have questions?
Anonymous reporting and questions answered at:
<http://www.ethicspoint.com>

888-274-8231 – Ethics Point

Employee and Physician Vendor Matching



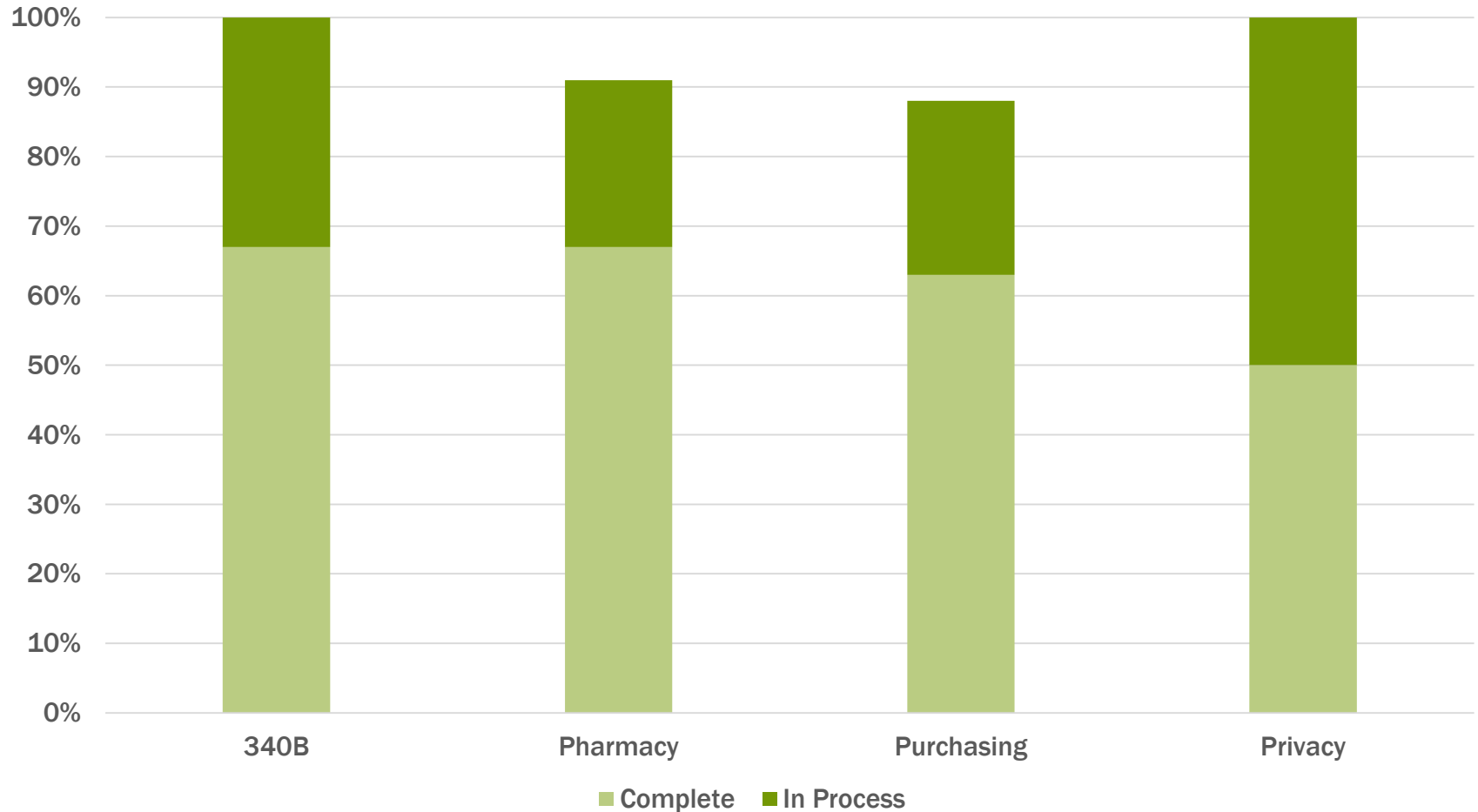
- Performed annually.
- Report issued August 23, 2021.
- Do we have employees listed as vendors who have not declared a conflict of interest or gone through a competitive bidding process if necessary?
 - Matched tax ID for active employees to that of active vendors as of August 19, 2021
 - If matched, reviewed payments.
 - No issues noted.
- Does SVMH make payments to physicians who don't have current contracts?
 - Matched names of active vendors to all physician contracts as of August 19, 2021
 - If not matched (i.e., we paid vendor but no contract), reviewed payments.
 - No issues noted.

Upcoming Audit/Review Areas

- **Clinical Lab Charging**
- **340B (Attorney-Client Privileged)**



Action Plans Complete by Original Due Date





Questions/Comments

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, DECEMBER 14, 2021,
AT 5:00 P.M.*