I. Attendance/Call to Order

Chairman Velasquez called the meeting to order.

Present: Chairman Carmen Velasquez and Director Ada Mary Gugenheim (2)

Absent: Director Emilie N. Junge (1)

Additional attendees and/or presenters were:

- Cathy Bodnar – Chief Corporate Compliance and Privacy Officer
- Douglas Elwell – Deputy CEO of Finance and Strategy
- Pat Kitchen - RSM
- Jeff McCutchan – Interim General Counsel
- Deborah Santana – Secretary to the Board
- Tom Schroeder – Director of Internal Audit

II. Public Speakers

Chairman Velasquez asked the Secretary to call upon the registered public speakers.

The Secretary responded that there were none present.

III. Report from Chief Corporate Compliance and Privacy Officer (Attachment #1)

Cathy Bodnar, Chief Corporate Compliance and Privacy Officer, provided an overview of the information contained in the report. The Committee discussed the information.

The report included information on the following subjects:

- Fiscal Year to Date 2016 Corporate Compliance Provider Metrics
  - Reactive Corporate Compliance Volumes
  - Reactive Issue Breakdown by Category
  - Status Report of Issues
- Infusion Clinic Review
  - Recovery Audit Contractors
  - Corporate Compliance Process
  - Infusion Clinic Review Results

During the discussion of the information on the Infusion Clinic Review, Chairman Velasquez inquired regarding other audits planned for the future by Corporate Compliance. Ms. Bodnar responded that the Department plans to look at some evaluation and management of outpatient activity; this involves evaluation and management codes and outpatient procedures. A probe review will be done; she has proposed looking at 25 providers and 25 claims. She has just started to discuss the plans for the review, and will be speaking with Debra Carey, Chief Operating Officer, Ambulatory Services, and Dr. Claudia Fegan, Executive Medical Director/Medical Director-Stroger, to see if perhaps there are certain areas that they would like Corporate Compliance to look at. Chairman Velasquez stated that, in addition, she would like an audit done on ICD-10; she is aware that the organization has embraced ICD-10, but the Committee needs to know how it is being implemented. Ms. Bodnar responded affirmatively; she will work with the Finance Department to plan and complete the review.
IV. **Action Items**

A. **Minutes of the Audit and Compliance Committee Meeting, May 19, 2016**

Director Gugenheim, seconded by Chairman Velasquez, moved to accept the minutes of the Audit and Compliance Committee Meeting of May 19, 2016. **THE MOTION CARRIED UNANIMOUSLY.**

B. **Any items listed under Sections IV and V**

V. **Closed Meeting Items**

A. **Report from Director of Internal Audit**

B. **Discussion of draft CCHHS Audited Financial Statements, for the year ended November 30, 2015, with external auditors**

C. **Discussion of Personnel Matters**

Director Gugenheim, seconded by Chairman Velasquez, moved to recess the open meeting and convene into a closed meeting, pursuant to the following exceptions to the Illinois Open Meetings Act: 5 ILCS 120/2(c)(1), regarding “the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity,” and 5 ILCS 120/2(c)(29), regarding “meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America.” **THE MOTION CARRIED UNANIMOUSLY.**

Chairman Velasquez declared that the closed meeting was adjourned. The Committee reconvened into the open meeting.

VI. **Adjourn**

As the agenda was exhausted, Chairman Velasquez declared that the meeting was **ADJOURNED.**

Respectfully submitted,
Audit and Compliance Committee of the Board of Directors of the Cook County Health and Hospitals System

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Carmen Velasquez, Chairman

Attest:

XXXXXXXXXXXXXXXXXXXXXXXXXX
Deborah Santana, Secretary
AUDIT & COMPLIANCE COMMITTEE OF THE CCHHS BOARD OF DIRECTORS

Corporate Compliance Report
June 16, 2016
Meeting Objectives

To Receive and File:

- Fiscal Year to Date (F-YTD) 2016 Corporate Compliance Provider Metrics
  - 1st & 2nd Quarter 2016 (December 1, 2015 – May 31, 2016)

To provide:

- Results of Infusion Clinic Probe Review
Reactive Corporate Compliance Volumes
Comparison of First 6-Months F-YTD to F-YTD
December 1, 2015 – May 31, 2016

The addition of CountyCare reactive issues ↑ the count to 346
Reactive Issue Breakdown by Category

273\(^1\) Reactive Corporate Compliance Issues raised in the first 6-months of FY 2016

**Category Count\(^1\)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privacy (HIPAA)</td>
<td>104</td>
</tr>
<tr>
<td>Human Resources</td>
<td>55</td>
</tr>
<tr>
<td>Regulatory/Policy</td>
<td>27</td>
</tr>
<tr>
<td>False Claims</td>
<td>3</td>
</tr>
<tr>
<td>Accurate Books</td>
<td>17</td>
</tr>
<tr>
<td>Theft</td>
<td>3</td>
</tr>
<tr>
<td>Research</td>
<td>1</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>20</td>
</tr>
<tr>
<td>HC Fraud</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>33</td>
</tr>
</tbody>
</table>

\(^1\) This is a total count of new issues raised to Corporate Compliance. Not all issues are validated/substantiated.
Status Report of Issues

Of the total number of reactive issues addressed in the first 6-months of FY 2016, 93% or 253 issues were resolved.

The majority of the resolved issues, 86%, were either managed solely by Corporate Compliance or Corporate Compliance partnered with another area to address the concern raised.
Questions?
Infusion Clinic Review

Claims accuracy analysis

- **What?** Chemotherapy medication (Herceptin) for breast cancer that has spread to other parts of the body.

- **Why?**
  - Medicare only pays for the exact amount administered. The medication is dispensed in multiuse vials.
  - Prompting increased government scrutiny.
  - Recovery Audit Contractor (RAC) activity at CCHHS.
Recovery Audit Contractors

- **Who?**
  - Four (4) private companies that run Medicare’s Recovery Audit Program.

- **What do RACs do?**
  - Review claims on a post-payment basis.
  - Identify improper payments from Medicare Part A and B claims.
  - Request and analyze provider claim documentation to ensure services provided were reasonable and necessary.
Corporate Compliance Process

- Identify Focus Area/Develop Plan
- Select Sample
- Obtain Complete Records
- Perform Review
- Analyze Data & Generate Reports
- Report Findings
Infusion Clinic Review Results

- **Sample:**
  20 claims based on a statistically valid random test sample.

- **Results:**
  Financial Error Rate 0%
Questions?