

**THE METROHEALTH SYSTEM
BOARD OF TRUSTEES
AUDIT COMMITTEE
REGULAR MEETING MINUTES**

DATE: Tuesday, June 27, 2017

TIME: 12:00 to 1:30 p.m.

PLACE: MetroHealth Medical Center
K107, Business Services Building

COMMITTEE TRUSTEES: Mr. McDonald, Mr. Schneider and Dr. Silvers

ADDITIONAL TRUSTEES: Ms. Dee

STAFF: A. Boutros, M.D., G. Himes, M. Legerski, M. Phillips, D. Reichert,
C. Richmond

GUESTS: M. Humphrey, D. Keeling, J. Mylen (KPMG), R. Plesco Jr. (KPMG via phone)

Mr. Schneider called the meeting of the Audit Committee to order at 12:04 p.m. Please note that minutes are written to conform to the printed agenda and are not necessarily in the order of discussion.

- I. The minutes of the regular Audit Committee meeting held on March 21, 2017 were approved as presented.

II. INFORMATION ITEMS

Mr. Schneider introduced Jim Mylen, Partner, KPMG Advisory Services, who serves as MetroHealth's Director of Internal Audit. In addition, Dan Keeling, Director, KPMG Advisory Services contributed to the internal audit discussion. Mr. Mylen provided an update regarding the 2017 Internal Audit Plan. Mr. Mylen provided an overview and status of the second quarter reports that have been issued. Mr. Mylen also discussed updates to the 2017 internal audits, progress in the second quarter and planning for the third quarter internal audits. In addition, Mr. Mylen discussed the management action plan tracking process, how data analytics are being used to plan and execute internal audit procedures. Lastly, Mr. Mylen shared the internal audit charter which will be reviewed and approved during the third quarter.

Craig Richmond, SVP, Chief Financial Officer introduced Michael Humphrey, KPMG Managing Director and Ronald Plesco Jr., KPMG Principal who provided an overview of cyber security risk governance. The discussion focused on emerging cyber threats and risks, the role of the board, how it can affect our organization, and shared KPMG's global cyber maturity framework domains. Mr. Humphrey concluded with highlighting some of the cyber security initiatives KPMG and MetroHealth have been exploring together.

Ms. Legerski, Chief Compliance Officer, provided a compliance update stating two reports were released in 2017 which provided guidance on measuring compliance program effectiveness. The first document was created through a joint effort by the Health Care Compliance Association and Office of Inspector General and the second came from the U.S. Department of Justice. These guides will be used to assess MetroHealth's current compliance program and determine areas of

improvement. Ms. Legerski also commented on the compliance department's current activities which consisted of regulatory audits, commercial payor audits, compliance education, and other audits based on the OIG workplan. The 2017 compliance audit plan was discussed which highlighted the audits completed in the second quarter and those audits planned for the remaining of the year. Lastly, Ms. Legerski reviewed the appeals process associated with the commercial medical necessity denials process and the successes over the past few years.

At this point in the meeting a motion was made, seconded and passed to move the Committee into Executive Session to discuss trade secrets and litigation matters. The Committee returned to regular session at 1:26 p.m.

III. NON-CONSENT /ACTION ITEMS

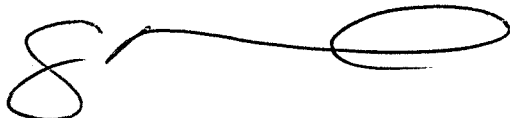
A. No items at this time

IV. CONSENT ITEMS

A. No items at this time

There being no further business to bring before the Committee, the meeting was adjourned at 1:27 p.m.

Respectfully submitted,

A handwritten signature in black ink, consisting of a stylized 'C' followed by a long horizontal line that ends in a loop.

Craig Richmond
Senior Vice President and
Chief Financial Officer