



The MetroHealth System

Board of Trustees

Wednesday, July 31, 2024

11:00am - 1:00pm

MetroHealth Brooklyn Heights Campus or via Zoom

Audit & Compliance Committee

Regular Meeting

The MetroHealth System Board of Trustees

AUDIT & COMPLIANCE COMMITTEE

DATE: Wednesday, July 31, 2024

TIME: 11:00am - 1:00pm

PLACE: MetroHealth Brooklyn Heights Campus, Building B, Room B-102 or Zoom
<https://us02web.zoom.us/j/89011110090>

AGENDA

I. Approval of Minutes

Approval of Committee Meeting Minutes from March 27, 2024

II. Information Items

- A. Ethics & Compliance Update – C. Briddell/S. Partington
- B. External Auditor Selection Process Update – C. Morales

III. Executive Session

Return to Open Meeting

IV. Recommendation/ Resolution Approvals

- A. Recommendation to Authorize a Third Party for Forensic Review

The MetroHealth System Board of Trustees

AUDIT AND COMPLIANCE COMMITTEE

Wednesday, March 27, 2024

11:30 am – 2:00 pm

Virtual via Zoom

Meeting Minutes

Committee Maureen Dee-R, John Moss-R, Vanessa Whiting-R

Members Present:

Other Trustees Present: Inajo Davis Chappell-R, John Corlett-R, Robert Hurwitz-R

Staff Present: Airica Steed, Ed.D.-R, Christine Alexander, M.D.-R, Robin Barre-R, Nabil Chehade, M.D.-R, Kim Cunningham-R, David Fiser-R, Derrick Hollings-R, Olusegun Ishmael, M.D.-R, Laura McBride-R, Chistina Morales-R, Sarah Partington-R, Tamiyka Rose-R, Deborah Southerington-R, Nic Sukalac-R, Dalph Watson-R

Guests: Jasmine Boutros-R, Suzanne Aral-Boutros, Tess Alanna Boutros-R, Sophie Campbell-Smith-R, Veronica Despoth (KPMG)-R, Jerrod Holloway (KPMG)-R

Ms. Dee called the meeting to order at 11:31 am.

(The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.)

I. Approval of Minutes

The minutes of the February 28, 2024 Committee Special Meeting were approved as submitted.

II. Information Items

A. Presentation of Annual Audit of System Financial Statements – L. Kalic (RSM)

Ms. Dee introduced Lori Kalic with RSM who provided a presentation of the annual audit system financial statements. Ms. Kalic provided a summary of the audit results to the committee and key findings of the system's financial statements for fiscal year 2023. The implementation of the accounting policy, GASB Statement No. 96 subscription-based information technology arrangements, had a significant impact on the financial statements and related disclosures. The audit of the financial statements included reviews



The MetroHealth System Board of Trustees

of estimates related to self-insurance liability, pension retirement benefits, amortization and depreciation of capital assets, fair value of investments, leased assets and liabilities, and subscription-based information technology assets and liabilities. There were no significant issues found nor difficulties in running the audit. Ms. Dee thanked the external auditor for their years of service. Ms. Dee asked for a motion to recommend for the Acceptance of the MetroHealth System Annual Audit which was given, seconded, and unanimously approved to be presented to the Board for approval.

B. Ethics & Compliance Update – S. Partington

Sarah Partington, Senior Compliance Officer and Director of Compliance Operations was introduced to the committee and provided ethics and compliance program updates. Ms. Partington provided an update from the U.S Department of Health and Human Services' final rule modifying confidentiality of substance use disorder in patient records on February 8, 2024. The compliance team is reviewing and implementing necessary changes, with the compliance date being February 16, 2026.

C. Internal Audit Update – J. Holloway, V. Despoth (KPMG)

Jared Holloway and Veronica Despoth with KPMG were introduced to the committee and provided an overview on the internal audit report for 2023. Mr. Holloway highlighted that 100% of the 42 project audits have been completed for the past fiscal year. Mr. Holloway expressed gratitude for senior management's cooperation in providing access to the reports. The internal audit conducts an annual review of financial reporting business process key controls and related applications. The review involves testing the design and effectiveness of controls over financial reporting. Additionally, Internal Audit coordinates with the external audit team for IT general controls testing and business process narratives.

III. Executive Session

Ms. Dee asked for a motion to move into executive session to discuss hospital trade secrets as defined in ORC 1333.61 and to discuss the employment and compensation of public employees. Ms. Chappell made the motion and Mr. Moss seconded. The Board held a roll call vote with all Trustees voting to approve the motion to go into executive session for the purposes stated by Ms. Dee.

Members of the public were excused. The Board went into executive session to discuss the identified matters at 11:46am.



The MetroHealth System Board of Trustees

Following the executive session, the meeting reconvened in open session at approximately 12:49 pm and welcomed back the public via Zoom.

IV. Information Items

A. Update on External Partner for Internal Audit & Future Internal Audit Structure

Ms. Dee introduced Sophie Campbell-Smith to the committee, who is the lead partner of engagement with Ernst & Young's healthcare practice, as Ernst & Young will become MetroHealth's new Internal Auditor on April 1st, 2024 for a three year initial term agreement. Ms. Campbell-Smith has more than 20 years of expertise in professional services, mostly with healthcare institutions. Ms. Campbell-Smith is excited to lead the partnership with the MetroHealth internal audit program, and she emphasizes that services will be provided in accordance with the Institute of Internal Auditors (IIA) and the American Institute of Certified Public Accountants (AICPA) standards for quality independence and objectivity.

Ms. Dee asked for a motion to recommend for the approval of Ernst & Young LLP as the System's Internal Audit Partner, which was given, seconded and the resolution passed to be presented to the Board of Trustees for approval.

There being no other business to bring before the Committee, the meeting was adjourned at approximately 12:58pm.

THE METROHEALTH SYSTEM

Maureen Dee, Chairperson





MetroHealth
Devoted to Hope, Health, and Humanity

Ethics and Compliance Program Activities

Audit and Compliance Committee of the Board of Trustees

July 31, 2024

Ethics and Compliance – By The Numbers

<div><div>KEY UPDATES</div><div><div>✓</div><div>OCR updates to FAQs related to Change Healthcare ransomware attack</div></div><div><div>✓</div><div>HIPAA Privacy Rule to Support Reproductive Health Care Privacy</div></div><div><div>✓</div><div>Completed Medicare Ground Ambulance Data Collection Submission</div></div></div>	<div><div>WORK PLAN*</div><div>94% YTD</div></div>	<div><div>METROHEALTH ETHICS LINE (MEL)</div><div><div>Cases opened204</div><div>Cases closed186</div><div>Inquiries62</div><div>Allegations124</div></div></div>
	<div><div>POLICIES</div><div>87% YTD</div></div>	<div><div>TRAININGS</div><div><div>Targeted New Hire57 (34)</div><div>Specialized102 (34)</div></div></div>










* See Appendix for additional information

By The Numbers - Legend

Workplan	
Data	% completion based on targets set for end of quarter (through Q2)
MetroHealth Ethics Line (MEL)	
All data	YTD Q1
Inquiries	MEL submission that does not allege wrongdoing; seeks guidance
Allegations	MEL report that involves an accusation of wrongdoing by an MHS workforce member (employee, vendor, etc.)
Policies	
Data	% of Ethics and Compliance policies updated during the calendar year (through Q2)
Training	
All data	YTD (Q#) (through Q2)
Targeted New Hire	Trainings by Ethics and Compliance team beyond general orientation
Specialized	Trainings on specific topics (new regulations, billing and coding issues, etc.)

Appendix

The first three months of the 2024 Ethics and Compliance Work Plan consists of 34 total focus areas and is 94% complete.

340B 	5 focus areas / 15% of Work Plan	<div><div></div></div> 100%
Culture of Ethics 	3 focus areas / 9% of Work Plan	<div><div></div></div> 85%
Documentation & Coding 	2 focus areas / 6% of Work Plan	<div><div></div></div> 80%
MetroHealth Initiatives 	0 focus area / 0% of Work Plan	<div><div></div></div> 0%
New/Changed Regulatory Schemes 	3 focus areas / 9% of Work Plan	<div><div></div></div> 100%
Privacy 	0 focus areas / 0% of Work Plan	<div><div></div></div> 0%
Vendor Risk Management 	2 focus areas / 6% of Work Plan	<div><div></div></div> 100%
Virtual Operations 	0 focus areas / 0% of Work Plan	<div><div></div></div> 0%
Required Compliance Activities 	19 focus areas / 55% of Work Plan	<div><div></div></div> 95%



MetroHealth

Financial Statement Audit Update

July 31, 2024

- Per Section 117.11 of Ohio Administrative Code, the Auditor of State (AOS) shall audit each public office
- The AOS may contract audits to an Independent Public Accountant (IPA) firm
 - 5 Year contract term
 - One possible renewal, Maximum 10-year total term
- The MetroHealth Pool, comprised of The MetroHealth System & MetroHealth Foundation, just finished the final year in the contract term with RSM
 - 2009-2013 – Initial Contract Term
 - 2014-2018 – 2nd Term
 - 2019-2023 – Special Approved Extension



- The AOS has determined that an IPA will be engaged to perform the MetroHealth pool audit for 2024-2028
- Firms are selected through a competitive bidding process: Request for Proposal (RFP)
 - RFP process, IPA Firm Selection & Contract with selected firm, is managed directly by the Auditor of State
 - AOS ranks each client into a Tier - 1, 2 or 3, which indicates the size, complexity, profile, and level of specialization.
 - MetroHealth is considered **Tier 1** (highest tier)
 - Tier determines which firms are eligible to bid on the RFP
 - Tier determined how many total eligible firms may participate in RFP
- Each bidding firm submits a separate technical & cost proposal
- Bids are scored by the AOS, with a total of 100 points possible
 - MetroHealth may assign preference points, up to **6 points** in total

RFP

AOS sends
questionnaire to
MetroHealth

AOS drafts RFP

MetroHealth
provides input
into deliverables,
timelines, etc.

RFP Finalized &
Published

IPA Bidding

Firms register
with AOS

Firms express
interest via IPA
Open Bid List on
AOS website

Firms receive bid
& participate in
Pre-proposal
conference

Firms submit
proposal

IPA Selection

Proposals
reviewed &
scored by AOS

Oral
Presentations by
IPA Firms
(optional)

MetroHealth
awards
preference points
(optional)

AOS awards IPA
Firm Contract





ABOUT METROHEALTH

Founded in 1837, MetroHealth operates four hospitals, four emergency departments, and more than 20 health centers and 40 additional sites throughout Cuyahoga County. The system serves more than 300,000 patients, annually—two-thirds of whom are uninsured or covered by Medicare or Medicaid. As Cuyahoga County's safety-net health system, MetroHealth plays an essential role in the region, caring for anyone and everyone, regardless of an ability to pay. The system's more than 8,000 employees go to work each day with a mission of service—to their patients and to the community. At MetroHealth, we are leading the way to a healthier you and a healthier community through service, teaching, discovery, and teamwork.

For more information, visit metrohealth.org



RECOMMENDATION TO AUTHORIZE A THIRD PARTY FOR FORENSIC REVIEW

Recommendation

The President and Chief Executive Officer recommends that the Board of Trustees of The MetroHealth System authorize the engagement of a third party to perform a forensic review, under direction of external counsel, on behalf of the Board and the System.

Background

On April 1, 2024, Ernst & Young (EY) commenced services as the System's sole Internal Audit function. The engagement was established over a three-year period with renewal options. Consistent with the statement of work, EY assessed MetroHealth business risks with the hope of developing an internal audit plan. After reviewing the risk assessment results, EY provided communication to the Audit and Compliance Committee Chair and the MetroHealth Senior Vice President, Chief Ethics, Risk and Compliance Officer that it would be unable to perform any work that is considered an internal audit "3rd line" function.

Given this development, the MetroHealth Board of Trustees requested that EY present its position during the Board meeting on June 26, 2024. EY provided an update and reiterated that it would be unable to perform any work that could reasonably be assumed to provide internal audit-type "assurance". To resume internal audit services, EY recommended some preliminary next steps.

It is recommended that the Board of Trustees authorize the engagement of a third party to perform a forensic review, under the direction of external counsel.

RECOMMENDATION TO AUTHORIZE A THIRD PARTY FOR FORENSIC REVIEW

RESOLUTION XXXXXX

WHEREAS, the Board of Trustees of The MetroHealth System has been presented a recommendation to authorize the engagement of a third party to conduct a forensic review under external counsel; and

WHEREAS, the Board's Audit & Compliance Committee has reviewed this recommendation and now recommends its approval.

NOW, THEREFORE, BE IT RESOLVED, the Board of Trustees of The MetroHealth System hereby approves of the System's engagement of a third party to conduct a forensic review under external counsel.

BE IT FURTHER RESOLVED, the Board of Trustees and/or the President and Chief Executive Officer is hereby authorized to negotiate and execute agreements and other documents consistent with this resolution.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE: