

BOARD OF TRUSTEES

Compliance and Audit Committee

Thursday, September 14, 2023
10:00 A.M.

BOARD ROOM
4800 Fournace Place, Bellaire, Texas 77401

The meeting may be viewed online at: <http://harrishealthtx.swagit.com/live>

Notice: Some Board Members may participate by videoconference.

Mission

Harris Health is a community-focused academic healthcare system dedicated to improving the health of those most in need in Harris County through quality care delivery, coordination of care, and education.

AGENDA

- | | | |
|--|------------------------------|-----------------|
| I. Call to Order and Record of Attendance | Ms. Jennifer Tijerina | 2 min |
| II. Approval of the Minutes of Previous Meeting | | 1 min |
| • Compliance and Audit Committee Meeting – May 11, 2023 | | |
| III. Presentation Regarding the Harris Health System Internal Audit Update | | 10 min |
| – Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director | | |
| IV. Executive Session | Ms. Jennifer Tijerina | 50 min |
| A. Presentation Regarding Harris County Auditor’s Report on High-priority Management Action Plans (MAPs) Related to the Telemedicine Audit. The Audit and any Related Information is Proprietary, Privileged, Confidential or Otherwise Legally Exempt from Disclosure, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §151.002, and Tex. Gov’t Code Ann. §418.183 – Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director | | <i>(10 min)</i> |
| B. Presentation Regarding Harris County Auditor’s Report on UT Provider Invoicing Audit Performed. The Report and Related Information are Not Subject to Disclosure, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §151.002, Tex. Gov’t Code Ann. §418.183, and Tex. Gov’t Code Ann. §551.071 – Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director | | <i>(20 min)</i> |

C. Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Health Care Program Requirements, Including Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, and Possible Action Regarding this Matter Upon Return to Open Session – **Ms. Carolynn Jones**

(20 min)

V. Reconvene

Ms. Jennifer Tijerina 1 min

VI. Adjournment

Ms. Jennifer Tijerina 1 min

HARRIS HEALTH SYSTEM
MINUTES OF THE BOARD OF TRUSTEES
COMPLIANCE & AUDIT COMMITTEE MEETING
Thursday, May 11, 2023
10:00 AM

| AGENDA ITEM | DISCUSSION | ACTION/RECOMMENDATIONS |
|--|---|---|
| I. Call to Order and Record of Attendance | Ms. Barbie Robinson, Presiding Chair, called the meeting to order at 10:02 a.m. It was noted there was a quorum present and the attendance was recorded. Ms. Robinson stated that only participants scheduled to speak have been provided dial in information for the meeting. All others who wish to view the meeting may access the meeting online through the Harris Health website: http://harrishealthtx.swagit.com/live . | |
| II. Approval of the Minutes of Previous Meeting | <ul style="list-style-type: none"> • Compliance and Audit Committee Meeting – February 9, 2023 | Moved by Mr. Lawrence Finder, seconded by Ms. Carol Paret and unanimously approved the minutes of the previous meetings. |
| III. Presentation Regarding 2023 Culture of Compliance Survey Results | Ms.Carolynn Jones, Executive Vice President & Chief Compliance and Risk Officer, delivered a presentation regarding the 2023 Culture of Compliance Survey Results. She highlighted several successes in staff’s understanding of and comfort with utilizing the Compliance Program, and identified opportunities to further enhance the Compliance Program, which the Compliance staff will act upon. A copy of the presentation is available in the permanent record. | As Presented. |
| IV. Presentation Regarding the Harris Health System Internal Audit Update | Ms. Errika Perkins, Chief Assistant County Auditor, Harris County Auditor’s Office, delivered a presentation regarding Harris Health System Internal Audit. She presented on completed audits, in-progress audits, and upcoming audits as well as knowledge sharing related to digital preference cards for surgeons. A copy of the presentation is available in the permanent record. | As Presented. |
| V. Information Only | | |

| AGENDA ITEM | DISCUSSION | ACTION/RECOMMENDATIONS |
|---|--|------------------------|
| <p>A. Independent Auditor's Pre-audit Communication for the Harris County Hospital District 401(k) Plan Year Ended December 31, 2022</p> | <p>Ms. Robinson stated that items V.A. and V.B. are reports only, and were presented in your packet for informational purposes. Copies of the reports are available in the permanent record.</p> | |
| <p>B. Independent Auditor's Pre-audit Communication for the Harris County Hospital District Pension Plan Year Ended December 31, 2022</p> | | |
| <p>VI. Executive Session</p> | <p>At 10:17 a.m., Dr. Arthur Bracey stated that the Compliance & Audit Committee would go into Executive Session for Items "A through D" as permitted by law under Tex. Health & Safety Code Ann. §161.031 - §161.033, Tex. Occ. Code Ann. §151.002 and §160.002 - §160.015, Tex. Gov't Code §418.183, Tex. Gov't Code Ann. §551.071 and Tex. Gov't Code §551.089.</p> | |

| AGENDA ITEM | DISCUSSION | ACTION/RECOMMENDATIONS |
|--|------------|--------------------------------|
| <p>A. Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Health Care Program Requirements, Including Status of Fraud and Abuse Investigations, Pursuant to Texas Health & Safety Code §161.032, and Possible Action Regarding this Matter Upon Return to Open Session</p> | | <p>No Action Taken.</p> |
| <p>B. Report by the Senior Vice President, Chief Cyber & Information Security Officer, Regarding Harris Health System’s Cybersecurity Review, Pursuant to Tex. Gov’t Code §418.183, Tex. Gov’t Code §551.089, and Tex. Health & Safety Code §161.032</p> | | <p>No Action Taken.</p> |

| AGENDA ITEM | DISCUSSION | ACTION/RECOMMENDATIONS |
|---|--|--------------------------------|
| <p>C. Discussion Regarding Harris County Auditor’s Reports on the Procurement Audit and the Vendor Payment Timeliness Audit. These Audits and Any and All Information are Proprietary, Privileged, Confidential or Otherwise Legally Exempt from Disclosure, Pursuant to Tex. Health & Safety Code §161.031 - §161.033 and Tex. Occ. Code §151.002 and §160.002 - §160.015</p> | | <p>No Action Taken.</p> |
| <p>D. Consultation with Attorney Regarding Qui Tam Litigation Matter, Pursuant to Tex. Gov’t Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session</p> | | <p>No Action Taken.</p> |
| <p>VII. Reconvene</p> | <p>At 11:36 a.m., Ms. Barbie Robinson reconvened the meeting in open session; she noted that a quorum was present and that no action was taken in Executive Session.</p> | |
| <p>VIII. Adjournment</p> | <p>Moved by Mr. Lawrence Finder, seconded by Dr. Arthur W. Bracey, and unanimously approved to adjourn the meeting. There being no further business, the meeting adjourned at 11:37 a.m.</p> | |

I certify that the foregoing are the Minutes of the Meeting of the Compliance and Audit Committee of the Board of Trustees of the Harris Health System held on May 11, 2023.

Respectfully submitted,

Ms. Barbie Robinson, Presiding Chair

Recorded by Cherry A. Pierson

Thursday May 11, 2023

Harris Health System Board of Trustees Board Meeting – Compliance and Audit Committee Attendance

Note: For Zoom meeting attendance, if you joined as a group and would like to be counted as present, please submit an email to: BoardofTrustees@harrishealth.org before close of business the day of the meeting.

| COMPLIANCE & AUDIT COMMITTEE MEMBERS PRESENT | COMPLIANCE & AUDIT COMMITTEE MEMBERS PRESENT | ADDITIONAL BOARD MEMBERS PRESENT |
|--|---|----------------------------------|
| Ms. Barbie Robinson (<i>Chair</i>) | | |
| Dr. Arthur W. Bracey (<i>Ex-Officio</i>) | | |
| Mr. Lawrence Finder | | |
| Ms. Jennifer Tijerina | | |
| Ms. Carol Paret | | |
| HARRIS HEALTH EXECUTIVE LEADERSHIP, STAFF & SPECIAL INVITED GUESTS | | |
| Alison Perez | Jeffrey Vinson | |
| Amy Smith | Jennifer Zarate | |
| Anthony Williams | Jerry Summers | |
| Arlen Alanis | Jessey Thomas | |
| Carolynn Jones | John Matcek | |
| Catherine Walther | Kari McMichael | |
| Cherry Pierson | Louis Smith | |
| Daniel Smith | Maria Cowles | |
| Derek Curtis | Matthew Schlueter | |
| Dr. Glorimar Medina | Michael Hill | |
| Dr. Jackie Brock | Nicholas J. Bell | |
| Dr. Jennifer Small | Olga Rodriguez | |
| Dr. Matasha Russell | Omar Reid | |
| Dr. Mohammad Zare | Randy Manarang | |
| Dr. Sandeep Markan | Sam Karim | |
| Dr. Steven Brass | Sara Thomas (<i>Harris County Attorney's Office</i>) | |
| Dr. Tien Ko | Sharon Brantley – Smith (<i>Harris County Auditor's Office</i>) | |
| Ebon Swofford (<i>Harris County Attorney's Office</i>) | Shawn DeCosta | |
| Elizabeth Winn (<i>Harris County Attorney's Office</i>) | Shelly Stevens | |
| Errika Perkins (<i>Harris County Auditor's Office</i>) | Tai Nguyen | |
| Dr. Esmaeil Porsa (<i>Harris Health President & CEO</i>) | Veronica Kasdorf | |
| Dr. Esperanza “Hope” Galvan | Victoria Nikitin | |
| Jack Adger (<i>Harris County Purchasing Office</i>) | | |

Thursday, September 14, 2023

Presentation Regarding the Harris Health System Internal Audit Update

Harris County Auditor's Office presentation to the Compliance and Audit Committee of the Internal Audit Update.



Internal Audit Update

September 14, 2023



Our Mission

Provide independent, objective assurance and consulting services, utilizing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Our Goal

Serve as a trusted assurance partner by completing at least 75% of the annual Audit Plan by fiscal year-end and providing deliverables that add value and support Harris Health's achievement of its Strategic Plan.

FY 2023 Audit Plan Status



Completed Audits

- UT Provider Invoicing Audit
- Follow-up: Guidehouse Grant Process Assessment
- Physician Preference Cards Consulting Engagement

In-Progress Audits

- Baylor Provider Invoicing
- Follow-up: Correctional Health Pharmacy, Nursing, and Infection Prevention
- PeopleSoft Change Management
- Cybersecurity Training Compliance
- Medical Device Security Audit
- Non-Formulary Drug Process Review

Upcoming Audits

- MWBE Program and Policy Audit
- HIPAA Privacy Controls Audit





Project Name: *Follow-up on 2019 Guidehouse Grant Accounting Process Assessment*

As of late August 2023, Internal Audit was working with management to finalize the report and obtain management's action plan. The full report will be issued in September and presented to the Compliance and Audit Committee in November.

Objective

Verify implementation of key recommendations from the 2019 Guidehouse Grant Accounting Process Assessment

Scope

Validation procedures involved surveys and interviews with a sample of Grant Project Managers, and Grant Accounting personnel with People Soft Grant Module access; interviews with additional parties in the Finance Office and Corporate Compliance; and a review of Harris Health's current grant processes and related data for the period January 2021 through June 2023. This engagement did not focus on specific grant compliance.

Overall Conclusion

Harris Health System (Harris Health) has implemented some of the selected recommendations from the 2019 Guidehouse Grant Accounting Process Assessment. Recommendations have not been fully implemented related to:

- Grant policy development
- Finalization of a roles and responsibility matrix for grant processes
- Basic training for grant stakeholders
- Ensuring access to the Grant Module and awareness of available functionalities
- Utilization of Grant Module alerts for non-financial due dates
- The inclusion of small grants in the periodic communication process

The absence of a centralized grant management function within Harris Health could be a contributing factor to the opportunities identified. Harris Health leadership should evaluate the cost-benefit of developing a system-level grant management function to ensure accountability and consistency across the organization.



Project Name: *Physician Preference Cards Consulting Engagement*

As of late August 2023, Internal Audit was working with management to finalize the report. The full report will be issued in September and presented to the Compliance and Audit Committee in November.

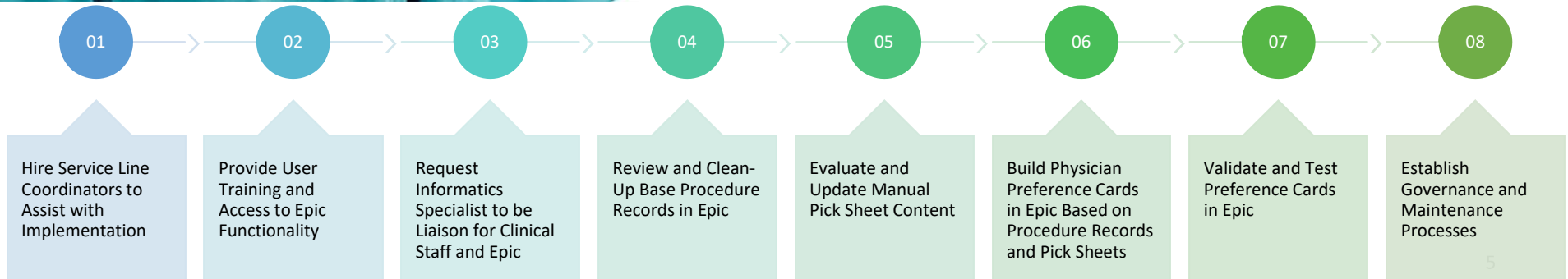
Objective

Understand the current state of physician preference cards at Lyndon B. Johnson Hospital (LBJ), Ben Taub Hospital (Ben Taub), and the Ambulatory Surgery Center (ASC) and assist management with documenting a plan and timeline for automating the preference cards in Epic.

Overall Conclusion

The pavilions have been using manual pick sheets stored on shared network drives to record physicians' preferred tools, instruments, and supplies for medical procedures. Pick sheets are not always current, supplies listed on the pick sheets are not always found in Epic, and there are sometimes discrepancies in supply terminology between the pick sheets and in Epic. When the manual pick sheets are built out as preference cards in Epic, they will be centrally located along with all other patient care records and can be monitored for completeness and accuracy through a Preference Card Maintenance Dashboard. Additionally, there will be built-in access controls and permissions to prevent unauthorized modifications.

The plan and timeline developed during this engagement will serve as a guide for Ben Taub, LBJ, and ASC to complete the preference card automation process by March 2024. A summary of the plan is as follows:



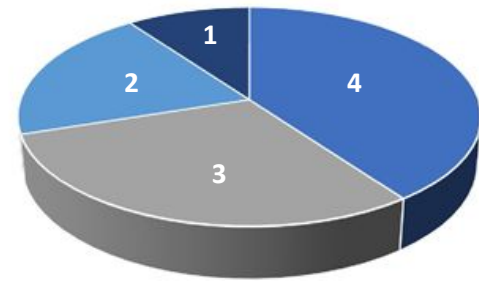
Follow-up on Management Action Plans

At the end of each audit engagement, Internal Audit requests action plans and implementation dates from management to remediate the risks identified during the audit.

Internal Audit follows up to confirm implementation of the management action plans (MAPs) and provides details on any past-due MAPs with a HIGH priority.

| Project Name | Total Outstanding MAPs | High Priority Past Due MAPs |
|---|------------------------|-----------------------------|
| Procurement Audit | 4 | 0 |
| Vendor Payment Timeliness | 3 | 0 |
| Telemedicine Audit | 2 | 2 |
| Business Continuity and Disaster Recovery | 1 | 0 |
| Total | 10 | 2 |

Oustanding MAPs



- Procurement Audit
- Vendor Payment Timeliness Audit
- Telemedicine Audit
- Business Continuity and Disaster Recovery

KNOWLEDGE SHARING

Annual Risk Assessment



During July through September of each year, Internal Audit conducts surveys and interviews with Harris Health leaders to identify, assess, and prioritize key risks that may impact individual business units and their ability to achieve objectives. We collaborate with Corporate Compliance on the interviews and risk assessment process to ensure adequate coverage of key risks and avoid duplication of effort.

Based on the assessment, we develop the Annual Audit Plan, consisting of several assurance and consulting engagements to complete in the coming year. We consult with Harris Health's Chief Executive Officer and the Compliance and Audit Committee (CAC) to ensure the proposed engagements are appropriate and value-added. In November of each year, we bring the Annual Audit Plan to the CAC for approval.

Risk assessment surveys were sent in July 2023. As of August 28, 2023, 29 (57%) of the 51 survey recipients responded.

Interviews began August 14, 2022 and are going well. We appreciate leadership's participation in the annual risk assessment process!

KNOWLEDGE SHARING

Emphasizing the Importance of Cybersecurity in Healthcare

Source: Healthcare & Public Health Sector Coordinating Council, *Health Industry Cybersecurity Practices: Managing Threats and Protecting Patients* (2023 Edition)



Harris Health launched the state-mandated Annual Cybersecurity Training on August 1, 2023. Internal Audit began the annual compliance assessment after the training closed on August 31. Results will be reported to the Compliance and Audit Committee in November.

“

Cyber-attacks are an increasing threat across all critical infrastructure sectors. For the health sector, cyber-attacks are especially concerning as they can directly threaten not just the security of our systems and information, but also the health and safety of the American public.

“

Healthcare records continue to be one of the most lucrative items on the underground market, ranging from \$250 to \$1,000 compared to other items like credit cards only selling for an average \$100. This demonstrates the value of PHI to cyber-attackers. Therefore, protecting PHI is paramount at every level of an organization, from practitioners to executives.

“

Healthcare professionals must wash their hands before caring for patients, and healthcare organizations must practice good cyber hygiene in today's digital world, including it as a part of daily universal precautions.

“

Cybersecurity has expanded the scope of patient wellness to include protecting the technology, networks, and databases that enable uninterrupted and accurate patient care. This includes securing computer systems, protecting patients' information, including PHI, and training personnel to be cybervigilant.

“

Recent highly publicized ransomware attacks on hospitals necessitated diverting patients to other hospitals. This led to an inability to access patient records to continue care delivery. Such cyber-attacks can delay critical care, expose sensitive patient information, and lead to substantial financial costs to regain control of hospital systems and patient data.

Thank You



Errika Perkins, MBA, CPA, CIA, CFE
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The Harris Health System logo consists of the words "HARRIS", "HEALTH", and "SYSTEM" stacked vertically in a bold, blue, sans-serif font. The logo is enclosed in a thin white rectangular border.

**HARRIS
HEALTH
SYSTEM**

Thursday, September 14, 2023

Executive Session

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Thursday, September 14, 2023

Executive Session

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This information is being presented for informational purposes only.

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