

Bartlett Regional Hospital

Board Compliance & Audit Committee Agenda

Date: October 7, 2020

Time: 7:00 AM

Public may follow the meeting via the following link <https://bartletthospital.zoom.us/j/99976414276>

or call

1-253-215-8782 and enter webinar ID 999 7641 4276

Mission Statement

Bartlett Regional Hospital provides its community with quality, patient-centered care in a sustainable manner.

CALL TO ORDER

APPROVAL OF AGENDA

APPROVAL OF THE MINUTES – [July 21st BOD Compliance & Audit Committee Meeting](#) (Pg 2)

OLD BUSINESS

A. Compliance Program Evaluation – 3rd Party Review 15 minutes
[Contract update](#) Nathan Overson, CO (Pg 4)

NEW BUSINESS

A. Compliance Officer Report 20 minutes
1. [Compliance log Dashboard Review](#) Committee Discussion (Pg 45)
2. [Compliance Work Plan](#) (Pg 51)

B. [Review board compliance training draft agenda](#) 10 minutes (Pg 55)
Committee Discussion

EXECUTIVE SESSION

FUTURE AGENDA ITEMS

A. Next Committee Education and Training 5 minutes

COMMITTEE MEMBER COMMENTS

5 minutes

ADJOURN - Next scheduled meeting: January 19th 7:00 AM



Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 www.bartletthospital.org

Board Compliance & Audit Committee Meeting

Draft Minutes

July 21, 2020

Called to order at 7:00 AM., by Board Compliance Committee Chair, Marshal Kendziorek

Compliance Committee and Board Members:

Board Members: Marshal Kendziorek, Committee Chair; Deborah Johnston; Iola Young; Kenny Solomon-Gross; Rosemary Hagevig

Staff/Other: Chuck Bill, CEO; Nathan Overson, Compliance Officer; Megan Costello, CLO; Dallas Hargrave, Human Resources Director

Previous Board Compliance Meeting Minutes Approval: *Ms. Young made a MOTION to approve the December 18th 2019 and the June 16th 2020 Board Compliance and Audit Committee Meeting minutes as submitted (The 03/31/2020 meeting was canceled due to COVID-19 considerations). Hearing no objection, Mr. Kendziorek approved both sets of minutes from the two prior meetings without change.*

Education and Training:

In the meeting packet Mr. Overson provided a copy of the “Evaluation of Corporate Compliance Programs” written by the U.S. Department of Justice – (June 2020 update). This was an informational document, however Mr. Overson did comment on the significance of the document in determining how the federal government evaluates Compliance Programs in organizations, and gave a brief summary of some of the recent updates. Mr. Kendziorek emphasized the seriousness referenced in the document, of the need for a Compliance Program, and for the Board to be trained and involved in oversight of the Compliance Program of the hospital. He also encouraged everyone who may not have read it yet to do so.

Compliance Work Plan Review:

Mr. Overson talked about the different sections of the Work Plan, and spoke to a “red-lined” version highlighting the changes in the document since the last time the work plan was presented to the committee. Of note, the “completed” column was changed to “last performed” in keeping with the government’s expectation of continual vigilance to identified risk areas through monitoring and auditing, and process improvement. Ms. Johnston was interested in seeing timelines and risk ratings on the items that were more project oriented; the committee agreed. Ms. Hagevig wanted clarification on whether the auditing mentioned in the work plan included the annual financial audit. Mr. Overson stated that they were separate operational functions, however the Compliance Program would be interested in the outcome of the financial audit if there were findings that would be considered regulatory risk to the organization. Mr. Solomon-Gross was interested in seeing results from prior Compliance Program audits.

Compliance Program Evaluation – 3rd Party Review:

The committee talked through the most recent draft of the Request for Proposal (RFP) for a 3rd party evaluation of BRH’s Compliance Program. The discussion focused on section 2; Project Information. Mr. Kendziorek questioned whether it was necessary for the contractor to be on-site to perform the evaluation. Mr. Bill agreed that the on-site requirement be left open due to current travel uncertainty.

Compliance Officer Report:

In the Compliance Officer’s report Mr. Overson talked through the Compliance Log Dashboard, and some of the requests that came from the committee in the last meeting. Compliance incidents from CY 2019, YTD 2020 and a rolling 12-month view were discussed. There was some discussion regarding the numbers of incidents that seemed to be trending closely year over year; which was not necessarily expected since COVID-19 was such an interruption to normal business operations.

Update on education training for all board members:

Mr. Kendziorek lead the discussion stating that compliance education and training should be made a priority for the Board of Directors as a whole, and was interested in making sure it got done as soon as possible, but surely in this calendar year. There was some discussion about who, how and when the training should take place. The committee agreed that by Mr. Overson performing the education, the in-house approach would offer scheduling flexibility. The committee discussed that this education session should be a standalone meeting for the Board, and should also be offered via Zoom. Ms. Johnston suggested that the compliance education, and training be calendared annually along with the rest of the regularly scheduled Board meetings.

Executive session: This meeting did not go into executive session.

Meeting Adjourned 8:10 am

Next Meeting October 07, 2020 at 7:00 am

DRAFT



Finance Department, Purchasing Division
Address: 155 Municipal Way, Juneau, AK 99801
Phone: 907-586-5258, Fax: 907-586-4561

September 4, 2020

PYA, P.C.
215 Centerview Drive, Suite 330
Brentwood, TN 37027
800-270-9629
Shannon Sumner
ssumner@pyapc.com

NOTICE OF INTENT TO AWARD

Subject: RFP 21-033 Compliance Evaluation for Bartlett Regional Hospital

The City and Borough of Juneau (City) Bartlett Regional Hospital has selected your firm as the top ranked proposer for the subject RFP. Nathan Overson, BRH Compliance Office and Beth Mow, BRH Contracts Manager will be in contact with you regarding contract negotiations.

If contract negotiations are successful, BRH intends to award the contract to your firm.

Please contact Nathan Overson at 907-796-8578 or noverson@bartletthospital.org to begin contract negotiations. If you have any questions, please contact me at 907- 586-5258.

Sincerely,

Shelly Klawonn, Senior Buyer CBJ

C: Nathan Overson, BRH
Beth Mow, BRH



Finance Department, Purchasing Division
Address: 155 Municipal Way, Juneau, AK 99801
Phone: 907-586-5258, Fax: 907-586-4561

Date: September 2, 2020

Subject: **POSTING NOTICE OF SUCCESSFUL PROPOSER for
RFP # 21-033 Compliance Program Evaluation for Bartlett Regional Hospital**

To: Proposers

This memo is to give notice of the results of proposal evaluations for the subject project. Proposals were received from five (5) consultants:

The apparent successful proposer is PYA

Following is a copy of the Proposal Evaluation Summary dated September 1, 2020

[This notice begins the protest period per Purchasing Code 53.50.062. Protests will be executed in accordance with CBJ Ordinance 53.50.062 "Protests", and 53.50.080 "Administration of Protest", available online \[http://www.juneau.org/law/code/documents/53.50_Purchasing.pdf\]\(http://www.juneau.org/law/code/documents/53.50_Purchasing.pdf\), or from the CBJ Purchasing Division at \(907\) 586-5258.](http://www.juneau.org/law/code/documents/53.50_Purchasing.pdf)

Shelly Klawonn, Senior Buyer
CBJ Purchasing Division

Cc: Nathan Overson, BRH Compliance Officer
Beth Mow, BRH Contracts Manager



Date: Wednesday, September 2, 2020
 To: Renee Loree, Purchasing Officer *RL*
 From: *NCO* Nathan Overson, BRH Compliance Officer
 Subject: RFP 21-033 Professional Evaluation of BRH Compliance Program

The selection committee has completed its evaluation of the proposals submitted in response to the above Request for Proposals. The results are as follows:

Proposer	Arete		Moss Adams		Pinnacle		PYA		Xtend	
	Raw Score	Ranking	Raw Score	Ranking	Raw Score	Ranking	Raw Score	Ranking	Raw Score	Ranking
Evaluator #1	665		696		711		846		870	
Evaluator #2	215		341		854		821		680	
Evaluator #3	465		566		681		821		790	
Final Ranking (highest numerical score is best)	1345	5	1603	4	2243	3	2488	1	2340	2

The evaluation committee met on Tuesday, September 1, 2020. The committee recommends that contract negotiations begin with PYA, the #1 ranked firm.



COMPLIANCE ADVISORY SERVICES

Key Engagement Professionals
RFP No. 21-033 Compliance Program
Evaluation for Bartlett Regional Hospital

*Prepared for City and Borough of Juneau
On behalf of Bartlett Regional Hospital*

August 25, 2020



Shannon Sumner

Principal – Compliance Advisory

ssumner@pyapc.com

(800) 270-9629 | www.pyapc.com

Shannon manages PYA's Compliance Advisory Services and serves as the Firm's Compliance Officer. A CPA certified in healthcare compliance, she has more than two decades' experience in healthcare internal auditing and compliance programs. She advises large health systems and legal counsel in strengthening their compliance programs, and aids in areas of Anti-Kickback Statute and Stark Law compliance. Shannon also assists health systems regarding compliance with Corporate Integrity Agreements (CIAs) and Non-Prosecution Agreements (NPAs), conducts health system merger/acquisition/divestiture due diligence activities, and advises health system governing boards on their roles and responsibilities for effective compliance oversight.

At the direction of the Department of Justice, Shannon has served as the healthcare compliance and internal audit subject-matter expert for the largest federal compliance co-monitorship of a health system in U.S. history.

PROFESSIONAL PROFILE

- Conducts compliance gap assessments on behalf of covered entities
- Conducts compliance and internal audit risk assessments in conjunction with enterprise risk management activities and government-related settlements
- Assists legal counsel and health system management in assessing and strengthening controls over physician contracting, physician recruitment and compensation arrangements, and lease agreements
- Advises health system governing boards with regard to their roles and responsibilities for oversight of internal audit, finance, and corporate compliance activities
- Conducts merger/acquisition/divestiture due-diligence activities on behalf of health systems
- Implements the internal audit functions for large multi-hospital health systems; establishes the foundation for the internal audit function, including risk assessment, risk analysis, and management and governance education
- Performs corporate compliance program effectiveness assessments and designs action plans to facilitate compliance with federal requirements
- Conducts fraud and forensic investigations and assists legal counsel and management in discovery and enforcement activities
- Speaks nationally, regionally, and locally on compliance-related topics such as the Yates Memo, assessing compliance program effectiveness, and board oversight for compliance and internal audit
- Has served as former Senior Vice President and Chief Quality Officer for CHAN Healthcare, the largest internal audit firm in the U.S. with revenues in excess of \$60 million, serving over 800 hospitals and healthcare entities in 37 states

EDUCATION & CREDENTIALS

Bachelor of Science in Business Administration, Cum Laude
University of Tennessee

Master of Accountancy
University of Tennessee

Certified Public Accountant (CPA)

Certified in Healthcare Compliance (CHC)

CHAN Healthcare CEO Award
Winner of the CEO Award for Performance Excellence

PROFESSIONAL ORGANIZATIONS & LEADERSHIP POSITIONS

American Bar Association
Health Law Section
In-House Counsel Interest Group, Vice-Chair

American Health Law Association
Health Professional Member

American Institute of Certified Public Accountants

Health Care Compliance Association
Faculty

Nashville Health Care Council

Society of Compliance and Ethics Professionals

OTHER PROFESSIONAL ACTIVITIES

General Council on Finance and Administration of the Worldwide United Methodist Church
Former Recording Secretary of the Audit and Review Committee



Susan E. Thomas

Senior Manager – Compliance

sthomas@pyapc.com

(800) 270-9629 | www.pyapc.com

Susan has spent nearly three decades working in a variety of managerial and clinical capacities including compliance management, clinical department leadership, provider practice administration, internal audit, quality outcomes, and healthcare advocacy. A former corporate compliance officer and clinical department director, she has a demonstrated record of success in program development and expansion, as well as the ability to form mutually beneficial relationships. Susan is a hands-on manager and decisive team leader with highly developed negotiation skills and experience cultivating strategic healthcare business partnerships, recruiting physicians and other healthcare professionals, directing teams, developing performance improvement measures, and creating effective training programs.

PROFESSIONAL PROFILE

- Assists healthcare provider organizations with evaluation and implementation of Corporate Integrity Agreement (CIA) requirements, and carries out required duties mandated for Independent Review Organizations (IRO)
- Provides referral source compensation management advice to provider organizations in order to achieve and maintain compliance with stringent regulatory requirements
- Serves as a healthcare compliance subject matter expert and conducts compliance program assessments and compliance risk assessments on behalf of covered entities
- Provides ongoing virtual compliance management expertise to assist health systems, hospitals, and physician practices meet regulatory mandates
- Implements training and professional development for compliance department managers and staff, clinical service line leaders, revenue cycle departments, executives, and boards of directors
- Facilitated a series of processes to address potential compliance vulnerabilities—physician and facility billing, contract reconciliation, identity security, revenue cycle compliance, HITECH, meaningful use, Office of Inspector General workplan, recovery audit contractor (RAC), and other payer audits
- Oversaw and executed organizational internal audits—operational, financial, and systems—to evaluate existing controls and offer recommendations for improvement
- Audited organizational data systems; monitored contract compliance; monitored changes in local, state, and federal statutes
- Conducted detailed, compliance-related audits, utilizing a working knowledge of federal and state regulations, along with coding and billing experience
- Developed HIPAA and regulatory-related training materials for board members, administrators, providers, directors, and staff
- Served on multi-disciplinary teams for process improvement resulting from audits—operational excellence, ABN, cash handling, RAC, MAC probe, third-party audits, conflict of interest, physician compensation, etc.
- Launched a new patient care department for a critical access hospital, providing necessary and effective therapeutics and a new source of revenue generation
- Merged two ophthalmology practices to capitalize on economies of scale and expand services to client base
- Developed 100K Lives teams to initiate evidence-based medicine interventions to positively impact mortality
- Recognized nationally for the success of a Robert Wood Johnson asthma outreach initiative with physician offices in the greater Kansas City metro area, decreasing asthma care costs for Medicaid payer system

EDUCATION & CREDENTIALS

Bachelor of Health Science, emphasis in Respiratory Therapy Management
Wichita State University

Master of Healthcare Administration
University of Kansas

CERTIFICATION & LICENSURE

Certified Healthcare Compliance

Certified Internal Auditor

Certification in Risk Management Assurance (IIA)

Certified Professional Coder

Certified CSF Practitioner (HITRUST)

Certified Healthcare Internal Audit Professional

PROFESSIONAL ORGANIZATIONS

Heartland Community Health Clinic Board of Directors
2020-present

Douglas County Dental Clinic Board of Trustees
2011-2014, 2019-2020

Health Care Compliance Association, Midwest Region

Kansas Hospital Association Leadership Institute

Institute of Internal Auditors, Kansas City Chapter
Program Committee

Association of Healthcare Internal Auditors
National Conference Presenter and Committee Member

CPC-AAPC
Local Chapter Member, ICD-10 proficient

University of Kansas
MHSA Alumnus

Family Promise Volunteer

AWARDS

Key Contributor Award
Lawrence Memorial Hospital, 2006 and 2013

Yellow Belt
Lean Sigma



Katie Crowell

Manager – Compliance Advisory

kcrowell@pyapc.com

(800) 270-9629 | www.pyapc.com

Katie has a decade of experience building and managing client healthcare compliance programs based on OIG and CMS guidelines. She has extensive experience conducting compliance risk assessments and building and managing coding auditing programs for various healthcare organizations. Proficient in healthcare rules and regulations, Katie educates and advises PYA clients on multifaceted regulations to assist with both client preparedness and compliance with government standards.

PROFESSIONAL PROFILE

- Implemented and managed coding and documentation auditing programs for multiple organizations
- Conducted Evaluation and Management (E/M) coding rules-related audits for various specialties and educated clinicians and administrators
- Developed provider electronic documentation templates to satisfy coding and documentation requirements
- Investigated compliance and HIPAA privacy incidents and assisted in development of corrective action plans and internal controls
- Provided guidance and consultation related to false claim self-reporting
- Educated on gift giving and receiving as it relates to the Stark Law
- Managed relations with external governmental agencies during audits and investigations and worked closely with in-house and outside counsel
- Developed and reported compliance metrics and activities to the Compliance and Audit Committee of the Board
- Conducted organization-wide compliance risk assessments for development of annual compliance work plans
- Provided compliance consultation to committees associated with Telehealth Services, Certified Medical Interpreter Services, 340B Drug Pricing Program, and trauma services

EDUCATION & CREDENTIALS

Bachelor of Science in Health Information Management
Illinois State University

Master of Business Administration, Health Administration Certificate
St. Xavier University

Registered Health Information Administrator

Certified in Healthcare Compliance

Certified Coding Specialist – Physician

PROFESSIONAL ORGANIZATIONS

Health Care Compliance Association (HCCA)

American Health Information Management Association (AHIMA)



Erin M. Walker

Staff – Healthcare Consulting

ewalker@pyapc.com

(800) 270-9629 | www.pyapc.com

Erin is Certified in Healthcare Compliance, a Certified HIPAA Professional and a HITRUST Authorized CSF Assessor, specializing in HIPAA and regulatory compliance consulting matters, specifically Business Associate Agreements and HIPAA and regulatory compliance policy and procedure reviews. She assists with the development, documentation and implementation of policies and procedures, the compliance program and compliance risk assessment process, the HIPAA Security Risk Analysis process, and analyzes Business Associate Agreements to ensure that the satisfactory assurances required by the Privacy Rule are met. Erin also serves as the Firm's Risk Mitigation Compliance Coordinator, assisting with risk mitigation compliance and documentation reviews on an ongoing basis.

PROFESSIONAL PROFILE

- Develops, reviews and revises risk mitigation policies and procedures, both internally for PYA and for clients
- Performs documentation reviews related to HIPAA security risk analysis and compliance program and compliance risk assessment engagements
- Conducts on-site audits for entities relating to HIPAA Privacy and Security compliance
- Conducts on-site compliance program and compliance risk assessments
- Coordinates and provides annual internal education and training regarding risk mitigation compliance
- Assist leadership with risk mitigation compliance matters and to ensure legal compliance with the HIPAA Privacy and Security rules and regulations
- Partners with Compliance Officer and compliance staff to ensure appropriate documentation requirements are met
- Serves as liaison between clients and Firm employees with regard to HIPAA Privacy and Security documentation reviews
- Ensures compliance with the Firm's risk mitigation compliance policies and procedures

EDUCATION & CREDENTIALS

Bachelor of Science

University of Missouri – St. Louis

Certified in Healthcare Compliance (CHC)

ecfirst, HIPAA Academy

Certified CSF Practitioner (CCSFP) HITRUST

August 25, 2020

Ms. Shelly Klawonn
CBJ Senior Buyer
City and Borough of Juneau
Purchasing Division
155 South Seward Street
Juneau, AK 99801

Dear Ms. Klawonn:

PYA, P.C. (PYA) is pleased to submit this proposal to the City and Borough of Juneau (City or CBJ) in response to the *Request for Proposal (RFP) No. 21-033 Compliance Program Evaluation for Bartlett Regional Hospital (BRH)*. We appreciate the opportunity to discuss how our approach would complement BRH's current compliance initiatives, and how we can collaborate and partner to best serve your organization. The enclosed proposal includes our suggested approach, which can be further customized to appropriately address the goals and budget of BRH, as well as our relevant regulatory compliance expertise, and information about our firm. We understand that CBJ and BRH desire a risk assessment be performed in conjunction with a compliance program assessment. Additionally, as outlined in the RFP, PYA has reviewed the City's Consulting and Professional Services Agreement and the HIPAA Business Associate Agreement, which will be required to be entered into upon award.

Additionally, if directed by CBJ and BRH, all written communications, correspondence, invoices, memoranda, reports and studies would be clearly labeled "*Attorney Work Product/Privileged and Confidential*" and would follow the communication protocols as directed by Counsel.

We believe that PYA is uniquely positioned to offer CBJ and BRH the level of necessary expertise and resources in accomplishing the requested services. PYA has extensive experience in regulatory compliance, including development and assessment of compliance programs; conducting system-wide compliance risk assessments and developing corresponding work plans; as well as an operational understanding of community hospitals such as BRH. Accordingly, we believe that our experience in providing these types of services, coupled with our commitment to excellent client service, uniquely position us to assist with this endeavor. We do not foresee any challenges associated with implementing the work.

Ms. Shelly Klawonn
City and Borough of Juneau
August 25, 2020
Page 2

The following individual will be authorized to represent the company during contract negotiations and term of contract:

Shannon Sumner
Principal | PYA
215 Centerview Drive, Suite 330
Brentwood, Tennessee 37027
Phone: (800) 270-9629
Fax: (865) 673-0173
ssumner@pyapc.com

Should you have any questions regarding the scope of this engagement or wish to discuss our qualifications in detail, please contact Shannon Sumner by phone at (800) 270-9629.

Respectfully,



Shannon Sumner, CPA, CHC
Consulting Principal and Chief Compliance Officer

PYA, P.C.

Via Email: purchasing@juneau.org



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EXECUTIVE SUMMARY

SCOPE

To conduct an independent comprehensive assessment of the effectiveness of BRH’s Compliance Program and provide comprehensive feedback for the Program areas reviewed and evaluated, inclusive of a compliance risk assessment and actionable project plan for addressing and remediating any vulnerabilities uncovered in the Program evaluation.

APPROACH



ESTIMATED TIMELINE AND FEES

TIMELINE

- Discovery: 4 weeks
- Evaluation: 4 weeks
- Reporting: 3 weeks

Pending availability of requested data

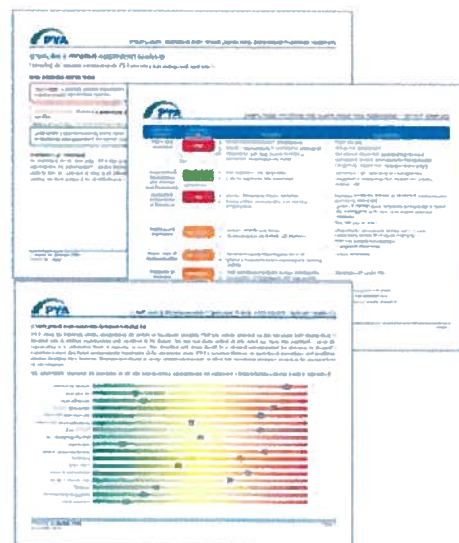
FEES

Description	Estimated Professional Fees
Combined Compliance Program and Risk Assessments <ul style="list-style-type: none"> • Document review • Program assessment and risk assessment • Remote interviews and observations (2-3 days) • Program recommendations development • Risk assessment finding prioritization ranking and recommendations development • Preliminary findings conference with BRH leadership • Detailed report development with prioritization of action plans 	\$50,000

KEY COMPLIANCE PROGRAM AND RISK ASSESSMENT FOCUS AREAS

- 1) Compliance related policies, procedures, and policy management processes
- 2) Compliance program administration and function
- 3) Compliance program communication, education, and training
- 4) Response to reports of noncompliance including investigations and remedial measures
- 5) Monitoring, auditing, and internal reporting systems
- 6) Compliance program enforcement, discipline and incentives
- 7) Response to, and identification of, compliance risks or vulnerabilities

DELIVERABLES





FEATURES AND BENEFITS OF PYA'S COMPREHENSIVE APPROACH

PYA possesses robust experience in performing compliance program and risk assessments for complex and dynamic organizations such as Bartlett Regional Hospital (BRH). "Value-added" outcomes from PYA's comprehensive approach include the following:

- ✓ Identification of opportunities for an organization's "Tone at the Top" (the values and ethical climate)
 - In PYA's experience, a strong "Tone at the Top" is the primary reason compliance programs are successful in promoting an ethical culture. A robust compliance program is also a competitive and strategic advantage. For example, credit and bond rating agencies include the strength of an organization's governance practices in their long-term risk projections.
- ✓ Identification of the auditing and monitoring activities being performed at the department or facility level to bring greater awareness to the Compliance Officer, Compliance Committee, and Board of Directors regarding these activities
 - During our interview process, PYA creates an inventory of these activities and includes the inventory in our final deliverable.
- ✓ Recommendations for compliance program structure, including resource allocation, structural management (e.g. by facility, joint ventures, significant initiatives), and core competencies of individuals responsible for compliance
- ✓ Identification of potential compliance culture "roadblocks," such as lack of engagement, buy-in, and acceptance of the organization's compliance related policies, procedures, and expectations
- ✓ Comparison to industry benchmarks and compliance program leading practices
- ✓ Recommendations for enhancements to compliance policies and procedures, including identification of gaps between policy and actual implementation
- ✓ Recommendations for enhancing auditing and monitoring activities
 - PYA's experience in serving as an Independent Review Organization (IRO) for health systems under Corporate Integrity Agreements (CIAs), and advising clients and their outside counsel in complex areas such as medical necessity, coding, and fair-market-value related to physician compensation arrangements, enables us to provide recommendations for strengthening BRH's auditing and monitoring activities.
- ✓ Identification and prioritization of high-level risk areas to enable the organization to develop a comprehensive compliance work plan, including a comprehensive examination of regulatory risk through the assessment of vulnerable areas across the organization.
- ✓ Recommendations for risk prioritization and assignment of accountability for existing or potential threats related to legal or policy non-compliance or ethical misconduct
- ✓ Recommendations for utilization of the risk rankings and action plan prioritization to develop a compliance project work plan



OUR UNDERSTANDING OF YOUR NEEDS AND PROJECT FOCUS

PYA understands that BRH is a community hospital located in Juneau, Alaska, serving a 15,000-square-mile region in the northern part of Southeast Alaska. The hospital was originally known as St. Ann's Hospital; founded in 1886; and operated by the Sisters of St. Ann. The City and Bureau took over the hospital's operations in 1965 and built a new facility at the hospital's current location. BRH is licensed for a total of 57 inpatient beds and 16 residential substance-abuse treatment facility beds in the Rainforest Recovery Center.

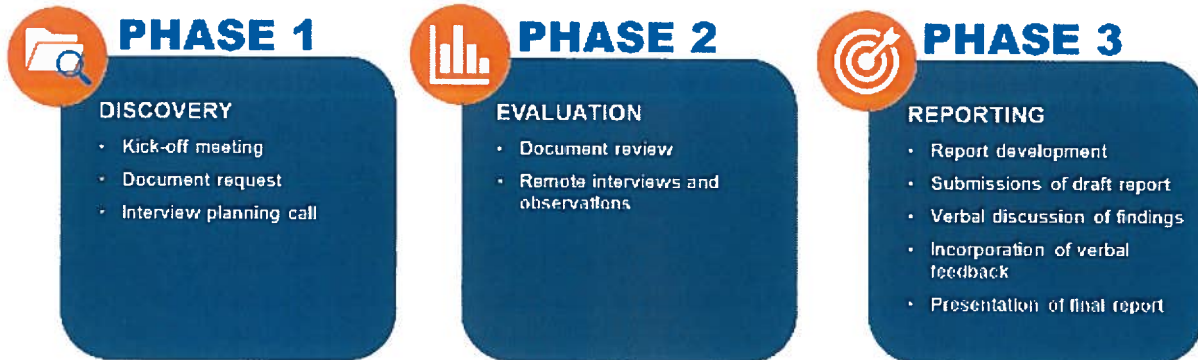
PYA understands that BRH acknowledges a strong compliance function is necessary to address increasing regulatory demands and related risks in the organization and is seeking an experienced consulting firm to assist with evaluating and implementation of, where applicable, an effective compliance program. BRH is committed to enhancing its current compliance program to appropriately balance its need for scale, speed, flexibility, efficiency, and effectiveness.

Specifically, BRH is seeking to better understand the effectiveness of its Compliance Program in relation to federal regulations and professional best practice guidelines. The awarded Consultant will provide comprehensive feedback for Compliance Program areas reviewed and evaluated, including:

- 1) Compliance related policies, procedures, and policy management processes
- 2) Compliance program administration and function
- 3) Compliance program communication, education, and training
- 4) Response to reports of noncompliance including investigations and remedial measures
- 5) Monitoring, auditing, and internal reporting systems
- 6) Compliance program enforcement, discipline, and incentives
- 7) Response to, and identification of, compliance risks or vulnerabilities

Accordingly, PYA's engagement approach utilizes a compliance team comprised of highly credible and experienced compliance professionals. The following sections of this proposal provide details regarding PYA's proposed approach, deliverables, anticipated timeline, qualifications, and professional fee structure.

PROJECT OVERVIEW, ACTIVITIES, AND TIMELINE



PYA utilizes the following industry resources (collectively referred to as Guidance) as the foundation to develop, implement, and strengthen compliance programs:

- Department of Health and Human Services’ (HHS) Office of Inspector General (OIG) Compliance Program Guidance¹
- United States Federal Sentencing Guidelines²
- OIG’s Active Work Plan Items³
- U.S. Department of Justice Evaluation of Corporate Compliance Programs⁴
- HCCA-OIG Measuring Compliance Program Effectiveness: A Resource Guide⁵
- The Indian Health Care Improvement Act Reauthorization and Extension as Enacted by the ACA⁶

Utilizing the seven elements identified in the Guidelines, PYA’s activities for the Program assessment are intended to identify “expected” controls designed to mitigate risk that exist in leading practice organizations. PYA will assess the “current state” of these expected controls and identify gaps and related action plans to address any risk exposures.

¹ *Office of the Inspector General Compliance Guidance* <<https://oig.hhs.gov/compliance/compliance-guidance/index.asp>>.

² United States Sentencing Commission, “2015 Chapter 8” <<https://www.uscc.gov/guidelines/2015-guidelines-manual/2015-chapter-8>>.

³ *Office of the Inspector General Work Plan* <<https://oig.hhs.gov/reports-and-publications/workplan/active-item-table.asp>>.

⁴ U.S. Department of Justice, “Evaluation of Corporate Compliance Programs,” <<https://www.justice.gov/criminal-fraud/page/file/937501/download>>.

⁵ “Measuring Compliance Program Effectiveness: A Resource Guide,” <<https://oig.hhs.gov/compliance/101/files/HCCA-OIG-Resource-Guide.pdf>>.

⁶ “The Indian Health Care Improvement Act Reauthorization and Extension as Enacted by the ACA: Detailed Summary and Timeline” <<http://www.ncsl.org/documents/health/IndHlthCareReauth.pdf>>



INITIAL ENGAGEMENT ACTIVITIES

PYA will host a kick-off call to review the scope of the project and welcome the opportunity for CBJ and BRH to share any additional information or areas of concern it would like addressed during the assessment. PYA will provide and review a Request for Information (RFI) and discuss methods for secure communication and transmittal of documents. Finally, we will collaboratively identify individuals to be interviewed, and review the interview scheduling template that will assist in coordinating the remote work.

Remote Interviews

PYA's approach to thoroughly assessing the effectiveness of an organization's compliance program includes the critical activity of speaking with individuals at varying levels throughout the organization, including but not limited to members of the governing board, senior leaders, management, and front-line staff. *We recommend and encourage members of the compliance department to shadow PYA during the interview process; we find this facilitates knowledge sharing/brainstorming during action plan development.* Sample interview topics and areas may include, but not be limited to:

- Ancillary Services
- Clinical Leadership (non-physician)
- Credentialing/Medical Staff
- Executive Leadership Team
- Governance
- Finance
- Human Resources
- Information Technology
- Physician Leadership
- Revenue Cycle (Admissions, HIM, Business Office)
- Supply Chain/Vendor Management
- Billing, Reimbursement
- Conflict of Interest/Open Payments
- Employee Onboarding/Termination/Separation
- External & Internal Audits
- Major Operational or Leadership Changes
- OIG Exclusions
- Research/IRB

PROGRAM ASSESSMENT OVERVIEW – SAMPLE APPROACH



High Level Oversight

- Evaluate the design of the current compliance infrastructure, including but not limited to governing body awareness of the compliance program, the support of the program by senior leadership, and resource allocation.
- Evaluate the composition, reporting structure, administration, function, and oversight of BRH's Compliance Committee.
- Provide necessary guidance to strengthen the compliance infrastructure.



Policy and Procedure Integration

- Assess the extent to which policies and procedures are developed and maintained by the organization.
- Evaluate how policies and procedures are disseminated to associates, medical staff, and volunteers, as appropriate.
- Review the content for policies and procedures regarding Standards of Conduct, Conflict of Interest, and Confidentiality.
- Review for documented mechanisms to monitor regulatory updates and communication to the associates and medical staff members impacted.
- Evaluate if exit interviews are completed for associates, and if there is at least one question regarding knowledge of potential compliance exposure and a mechanism to inform the compliance officer.



Open Communication

- Evaluate current means available to employees to communicate concerns, and the follow-up action taken by management.
- Evaluate processes to log and investigate issues that arise from audits performed by outside parties such as payers and government auditors.
- Provide recommendations for publication of the compliance program, including utilization of a compliance hotline.



Training and Education

- Evaluate policies and procedures utilized during employee on-boarding, including processes related to applicant background screening.
- Evaluate any existing compliance training curriculum and materials to include delivery mechanism, content, frequency, and audience.
- Review for inclusion of a mechanism to measure effectiveness of training provided.



Monitoring and Auditing

- Assess BRH's auditing and monitoring processes including but not limited to:
 - Timely identification and response to governmental payers
 - Internal auditing of billed claims for accuracy and compliance
- Assess employee knowledge with emphasis on areas such as submission of accurate claims, awareness of HIPAA Privacy and Security rules, and quality of care.
- Review and document BRH's process for identification and on-going monitoring of individuals or vendors who may have been excluded from participation in federally funded healthcare programs.
- Evaluate the reporting processes in place to convey monitoring and auditing findings to executive leaders, the board of directors, members of medical staff, and affected departments.



Response to Detected Errors

- Review of process used to evaluate identified issues to verify that corrective actions successfully reduced or eliminated existing deficiencies.
- Evaluate action plans that arise from audits performed by outside parties such as payers and government auditors.
- Assess the reporting process in place to share identified deficiencies with the board of directors.



Consistent Enforcement

- Review the process to screen new team members, medical staff, vendors, and committee members against the OIG's list of excluded individuals and entities.
- Evaluate documentation in place to show evidence of appropriate disciplinary action taken in response to issues of non-compliance.
- Review the process in place to assure that a formal reporting function exists between compliance and Human Resources for the conduction of necessary disciplinary action.

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RISK ASSESSMENT METHODOLOGY

PYA will assist BRH in the identification and prioritization of risks, including the development of an actionable project plan for use by the Compliance Officer in addressing and remediating any vulnerabilities uncovered in the Program evaluation. PYA’s comprehensive examination of regulatory risk includes assessment of vulnerable areas across the organization. To manage identified organizational risks, a process to prioritize and assign accountability for existing or potential threats related to legal or policy non-compliance or ethical misconduct is essential to avoid possible fines/penalties, reputational damage, and/or the inability to operate in key markets. PYA utilizes a robust methodology to assess risk of key areas identified below:





Risk Assessment Activities

To assist BRH in the assessment of program risks, PYA proposes a systematic approach to identify organizational exposure and evaluate organizational risk. PYA's detailed compliance risk assessment includes the following activities:

Kick-off Activities

- Kick-off call to review activities and scope, answer questions, outline information needs, and establish communication lines for the project (simultaneous to the Program assessment)
- Risk assessment RFI (combined with Program assessment RFI)
- Risk assessment questionnaires

Compliance Risk Assessment

Identify Risks

- Review information received from the RFI and risk assessment questionnaires
- Evaluate vulnerable risk areas specific to BRH

Control Activities

- Evaluate BRH's methodology for conducting its compliance risk assessment and resulting compliance work plan

Risk Prioritization

- Utilize a weighted risk factor system to evaluate and rank each risk category. The outcome of the risk factor designation determines the potential level of risk along the continuum of organizational exposure

Action Plan Prioritization

- Identify high-level risk areas that potentially expose an organization to a substantive level of threat or loss and develop correlated prioritized action plans

Work Plan Development

- Evaluate and prioritize identified risk items for inclusion in the compliance work plan based on institutional knowledge of the operational areas
- Utilize the risk ranking and action plan prioritization to form the compliance work plan

Risk Assessment Deliverables

- Compliance Risk Assessment report with an actionable, prioritized risk mitigation strategy



Risk Factor Designation

The following risk factor system is utilized to evaluate each risk category. The outcome of the risk factor designation determines the potential level of risk along the continuum of organizational exposure.

Governmental Regulations – Recent Industry Investigations	Previous Internal and External Audits	Alignment with Strategic Plan – Business Objectives	Complexity	Change	Management – Governance Concerns	Interviews
<i>New and updated laws and regulations, recent investigations that affect organizational processes</i>	<i>Length of time since last audit, number of significant findings, remediation steps in place to address findings</i>	<i>Impact on the organizational mission, adequacy of available resources for associated process</i>	<i>Multiple systems required, date of technology in use, equipment and expertise required</i>	<i>Systems, processes, personnel/turnover, new skills, new services</i>	<i>Level of interest by executive management and/or the governance board/committees</i>	<i>Feedback from leaders in the affected areas of the organization.</i>
20%	15%	10%	10%	5%	5%	35%

Risk Ranking Definitions

A graded system of organizational exposure is based on the following definitions. PYA uses this rating system at both the macro (risk assessment) and micro (individual audit) levels to enable trending and tracking of control enhancements over time.

Either no issue has been identified by management, or the issue noted presents an **elevated** level of risk that should be evaluated by management in the normal course of business (within 1 year).

Presents a **potentially unacceptable** level of risk that should be evaluated by management as quickly as possible (within 1-3 months).



Presents a **potentially significant** level of risk that should be evaluated by management as a priority (within 3-6 months).



DELIVERABLES

PYA works closely with our clients to develop a deliverable which provides our findings in a format that best suits your needs. Within 21 days of the completion of our evaluation, PYA will communicate our detailed findings as follows:

- 1) A comprehensive evaluation report of the current state of the Compliance Program and recommendations to the BRH Board and Executive Management as to the structure and operations of the program.
- 2) A Compliance Risk Assessment report including an actionable project plan for use by the Compliance Officer in addressing and remediating any vulnerabilities uncovered in Compliance Program evaluation.

All deliverables will go through quality assurance reviews by PYA senior leadership (specifically, Senior Manager and two Principals, each with more than 20 years managing and overseeing similar projects). We will also present those findings and recommendations via video conference or conference call with CBJ and BRH’s Leadership and/or Board and jointly determine next steps. A sample of our reports can be found in *Appendix A*. If discussions indicate that additional documentation is available that could impact our findings, PYA will reassess and issue a revised report. Upon addressing any comments CBJ and BRH may have regarding the draft report⁷, we will issue our final report.

SAMPLE TIMELINE

The timeline shown below represents PYA’s estimate based upon our experience assessing programs like BRH. The timeline may vary due to delays in receipt of requested information, access to records, and/or scheduling conflicts during our remote field work.

Engagement Activities	Week:	1	2	3	4	5	6	7	8	9	10	11	12
Discovery													
Initial engagement activities to include RFI		█											
PYA receives RFI data and completes document review			█	█									
Planning call in preparation of interviews				█									
Video or teleconference interviews					█								
Evaluation													
Analysis and follow-up						█	█						
Compilation of Program and Risk Assessment findings							█	█	█				
Reporting													
Issuance of draft report and verbal report discussion with Leadership/CCO/Board										█			
Incorporation of client feedback and report edits										█	█		
Issuance of final report												█	
<i>Exit meeting with BRH Leadership/CCO/Board (Optional)</i>													█

⁷ PYA’s work plan assumes one set of revisions to our draft report. Additional substantive revisions will be billed at our standard hourly rates.



KEY ENGAGEMENT PROFESSIONALS

PYA is fully-staffed, available to initiate this project immediately upon contract award, and is capable of completing this project within the required timeframe. Our team, led by the following professionals, consists of nationally recognized experts in various specialties and practice settings. PYA’s Client Service Executive for this engagement, **Shannon Sumner**, Managing Principal of PYA’s Nashville office and the Firm’s Compliance Officer, has over 25 years of healthcare internal audit and compliance experience, and will serve as the individual responsible for decision-making and have ultimate responsibility for the engagement and client satisfaction. **Lori Foley** serves as Managing Principal of PYA’s Compliance service line and of PYA’s Atlanta office. Lori has over 25 years of experience serving in healthcare business advisory and compliance-related roles and will be responsible for quality assurance throughout the project. **Susan Thomas** will serve as the Senior Project Manager and compliance subject matter expert for this engagement. As Senior Project Manager, Susan will be accountable for the completion of the work associated with this engagement and will be directly available to BRH. **Katie Crowell** serves as consulting manager and will serve as a compliance subject matter expert. Additional information for each team member’s area of expertise may be found under separate cover in the document titled *PYA Key Engagement Professionals for RFP 21-033*. Team members other than those noted below may be consulted upon an as-needed basis.

MANAGING PRINCIPALS



Shannon Sumner
CPA, CHC
Client Service Executive



Lori Foley
CMA, PHR, SHRM-CP
Quality Assurance Executive

COMPLIANCE PROGRAM SUBJECT MATTER EXPERTS



Susan Thomas
CHC, CIA, CRMA, CPC
Senior Project Manager Compliance



Katie Crowell
MBA, RHIA, CHC, CCS-P
Consulting Manager Compliance



Erin M. Walker, CHC,
CCSFP, CHP
Consulting Staff Compliance



COMMUNICATION

Responsiveness is what we are best known for by our clients. PYA maintains an open-door philosophy and top executives (up to and including our Firm President) are easily accessible. By assigning a client support team, PYA maintains a Firm policy that we will respond to calls and emails the same business day whenever possible.

ESTIMATED PROFESSIONAL FEES

PYA will initiate this engagement following the receipt of the requisite engagement documents (i.e., executed engagement letter, business associate agreement, and Project Initiation Fee). Our estimate below is based upon our *initial* understanding of BRH’s compliance program and complexities of the health system. We will adjust our scope and related fees as needed to address any additional feedback from CBJ and/or BRH. **Based upon the above-described services we would anticipate the following engagement professional fees for the services described herein:**

Description	Estimated Professional Fees
Combined Compliance Program and Risk Assessments <ul style="list-style-type: none"> • Document review • Program assessment and risk assessment • Remote interviews and observations (2-3 days) • Program recommendations development • Risk assessment finding prioritization ranking and recommendations development • Preliminary findings conference with BRH leadership • Detailed report development with prioritization of action plans 	\$50,000

Specific services requested by BRH over and above the scope of this arrangement will be individually agreed upon via a written, executed Addendum to this proposal. This estimate encompasses all professional service time, including remote field work comprised of two-three experienced consultants, data review and analysis, the development of draft and final deliverables, and a follow-up discussion after deliverable issuance regarding our review findings. PYA anticipates completion of the project remotely.

PYA prepares a customized work plan for each project outlining the professionals, hours, and resources necessary to meet project objectives. Occasionally, clients have a known or implied budget that they must consider when evaluating a proposal. **If PYA’s proposed fees exceed BRH’s budget constraints, PYA encourages you to share additional information about those limitations so that we can strive to align our scope of services and our estimated fees to meet your needs.**



It is understood and agreed that **BRH** will be solely responsible for the fees for any services to be rendered by PYA pursuant to this agreement. **PYA will issue a Project Initiation Fee invoice of \$5,000**, which will be applied to the first invoice for services rendered as outlined herein. It is our standard practice to submit monthly invoices for fees incurred and are due upon receipt; however, PYA and BRH will determine a mutually agreeable timeframe for submission and payment of invoices as noted in the request for proposal. PYA may stop work at any time in the event of any unpaid balance. If, for any reason, this engagement is terminated prior to its completion, then our fees shall not be less than the amount of time incurred as of that time at our normal billing rates, plus any out of pocket expenses incurred as of that date.

PYA is committed to maintaining an agreed upon schedule to the best of our ability and to providing services that exceed CBJ's and BRH's expectations. Based upon our understanding of the project requirements as described within the RFP, PYA does not anticipate an inability to provide these services within the proposed budget; however, if circumstances beyond our control delay the progress, modify the scope of this agreement, or exceed the fees proposed, we will advise CBJ and BRH immediately.

EXPERIENCE AND QUALIFICATIONS

SIMILAR WORK EXPERIENCE

PYA performs work for a variety of clients in all 50 states and has physical offices in Knoxville, Tennessee; Atlanta, Georgia; Kansas City, Kansas; Tampa, Florida; and Nashville, Tennessee. PYA is consistently ranked in the top 20 healthcare consulting firms in the United States by *Modern Healthcare*. In addition, see the following pages for a selection of professional references with whom we have partnered or worked with on similar projects who can offer their insight into our reputation, customer service, and quality standards.

In addition to the following examples, PYA is currently serving as part of a DOJ appointed compliance monitorship team.

This team is responsible for assessing the compliance activities of a health system currently under the largest non-prosecution agreement in U.S. history.

Please find below a sampling of projects over the past five years, which demonstrates our firm's complement of experience and background relative to your needs. Additional information regarding PYA as a firm can be found in *Appendix B*.

- Client A:** Compliance Program and Risk Assessment for a large hospital system in Hawaii
- Client B:** Compliance Program Assessment for large provider of cancer care services across multiple modalities in Florida, as part of a Corporate Integrity Agreement
- Client C:** Compliance Program and Risk Assessment for a large physician association in Tennessee
- Client D:** Compliance Program Assessment for a community hospital in Wisconsin
- Client E:** Compliance Risk Assessment for a designated Level I Trauma Center in Georgia

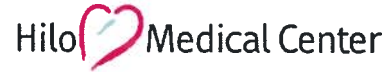


- Client F:** Compliance Program and Risk Assessment for a large health system in Michigan
- Client G:** Compliance Program and Risk Assessment for a health system in Ohio
- Client H:** Compliance Program and Risk Assessment for a comprehensive, integrated, non-profit health care organization in Michigan
- Client I:** Compliance Program Assessment for a regional hospital in Texas
- Client J:** Compliance Program Assessment for a physician wound management group
- Client K:** Compliance Program Assessment for a multi-state pediatric health system
- Client L:** Compliance Program and Risk Assessment for a regional acute-care health system in Georgia
- Client M:** Compliance Program and Risk Assessment for a nonprofit cancer treatment and research center in Florida
- Client N:** Compliance Program and Risk Assessment for a comprehensive health care system in Florida
- Client O:** Compliance Program Assessment for a network of transitional support, including transitional skilled nursing care, therapy services, home health and hospice care
- Client P:** Compliance Program Assessment for a multi-state, community-based health care organization in the midwestern United States
- Client Q:** Compliance Program and Risk Assessment for a dental support organization providing non-clinical support to dental offices across the US
- Client R:** Compliance Program Development for a large, non-profit organization of housing communities across 29 states, Washington, D.C., Puerto Rico, and the U.S. Virgin Islands
- Client S:** Compliance Program and Risk Assessment for a physician-owned cardiac hospital system in Oklahoma
- Client T:** Compliance Program Assessment and Program Development for a health care service headquartered in California
- Client U:** Compliance Program Development for a county-owned not-for-profit hospital in Missouri
- Client V:** Compliance Program Development for an integrated, non-profit health care organization in Montana



REFERENCES

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**APPENDIX A:
SAMPLE REPORTS**



COMPLIANCE PROGRAM ASSESSMENT SUMMARY (SAMPLE)

For each of the Guidance’s seven elements, PYA provides a risk ranking as defined below.

RISK RANKING DEFINITIONS

HIGH RISK: Expected controls that present a *potentially unacceptable* level of risk that should be evaluated by management as quickly as possible (within one to three months).

MODERATE RISK: Presents a *potentially significant* level of risk that should be evaluated by management as a priority (within three to six months).

LOW RISK: Expected controls where either no issue has been identified, or the issue noted presents an *elevated level* of risk that should be evaluated by management in the normal course of business (within one year).

SUMMARY OF FINDINGS

As illustrated on the next page, PYA has provided a summary risk ranking for each of the Guidance’s seven elements, as well as strengths and opportunities for each element. Detailed findings of the Compliance Program assessment may be found in *Appendix A*. The detailed findings list the controls that are expected to exist in an effective compliance program as well as PYA’s assessment of the current state of controls. A detailed risk ranking has been assigned for identified issues and recommendations provided to address the risk(s) identified.



PROPOSAL IN RESPONSE TO RFP NO. 21-033 COMPLIANCE PROGRAM EVALUATION FOR BARTLETT REGIONAL HOSPITAL

Compliance Element	Summary Risk Ranking	Strengths	Opportunities
High-Level Oversight	High	<ul style="list-style-type: none"> Senior leadership support of compliance Sense of accountability for compliance among staff Interactions with legal counsel facilitating awareness of emerging risk areas 	<ul style="list-style-type: none"> Board training Annual risk assessment Compliance Committee and reporting structure Compliance visibility and organizational awareness Compliance Department resources and structure
Integration of Compliance into Policies and Procedures	Low	<ul style="list-style-type: none"> Non-retaliation P&P awareness Gifts and gratuities P&P awareness 	<ul style="list-style-type: none"> Centralized P&P repository and management Integration of Newly Acquired Hospital and Existing Hospital P&P
Consistent Enforcement of Standards	High	<ul style="list-style-type: none"> Vendor Compliance Policy Committee Supply Chain communication and reporting infrastructure 	<ul style="list-style-type: none"> Exclusion screening process for temporary employees and prescribing physicians Conflict of Interest (COI) awareness and process to report COI auditing and evaluation of the Open Payments Database Exit interview process
Training and Education	Moderate	<ul style="list-style-type: none"> Vendor compliance training Compliance training for high-risk positions 	<ul style="list-style-type: none"> Consolidated compliance training plan to ensure consistency across the Hospital enterprise New-hire compliance education Compliance Awareness
Open Lines of Communication	Moderate	<ul style="list-style-type: none"> Business Integrity Reporting System P&P Efforts to streamline hotline reporting and reporting metrics 	<ul style="list-style-type: none"> Hotline awareness
Response to Detected Deficiencies	Moderate	<ul style="list-style-type: none"> Implementation of software to track investigations Coordination of investigations with legal counsel when appropriate 	<ul style="list-style-type: none"> Investigative Process P&P
Monitoring and Auditing	High	<ul style="list-style-type: none"> Revenue Integrity structure Claims trending 	<ul style="list-style-type: none"> Defined overpayment process Enterprise risk assessment Annual external review of claims



EXIT INTERVIEW		
Risk: High	Expected Control	Current State
Exit Interviews	<p>The organization has established a P&P for conducting exit interviews with employees leaving the organization. The exit interview process includes questions related to compliance obligations and any known violations of law, policies, or procedures.</p> <p>All executives and high-risk employees should have an exit interview, along with questions regarding the Compliance Program and any concerns, risks, violations or failures of the Compliance Program.</p>	<p>The Hospital does not have a P&P in place for conducting exit interviews. It was reported that a third party conducts exit interviews for managers and above; and that these interviews include integrity and compliance-related questions. Exit interviews are not conducted at other Hospital locations.</p>
Recommendations	<ol style="list-style-type: none"> 1. An <i>Exit Interview P&P</i> should be developed and implemented across the system. The P&P should clearly define employee populations required to receive in-person exit interviews. Education should be provided on the P&P, including communication to all employees and that any employee may request an in-person exit interview. The organization should encourage all employees to share insight prior to departure, and specifically inquire as to compliance-related concerns. 2. In-person exit interviews should occur with all senior leadership and high-risk positions. 3. The CCO should participate in all high-profile executive exit interviews. 4. Feedback from these interviews should be communicated regularly to applicable managers and leadership unless confidentiality has been requested. 5. Any compliance concerns identified should be reported to the Compliance Committee, and escalated for appropriate investigation. 	



COMPLIANCE RISK ASSESSMENT SUMMARY (SAMPLE)

“Compliance Risk” is a risk of loss resulting from failure to follow an internal policy or requirement, or the failure to follow an external legal requirement, such as a law or regulation, including contractual requirements. Effective compliance programs engage in the regular and systematic identification and assessment of key risk areas. To identify key risk areas, PYA completed a review of documents provided by Hospital, including P&P and reports received; completed on-site interviews with a cross-section of leaders in the organization; and incorporated Hospital’s responses to the PYA Risk Assessment questionnaires.

To manage identified organizational risks, it is essential to create a process that prioritizes and assigns accountability for existing or potential threats related to legal or policy non-compliance or ethical misconduct to avoid possible fines/penalties, reputational damage, and/or the inability to operate in key markets.

RISK FACTOR DESIGNATION

The following risk factor weighting system was utilized to evaluate each risk category. The outcome of the risk factor designation determines the potential level of risk along the continuum of organizational exposure.

Governmental Regulations – Recent Industry Investigations	Previous Internal and External Audits	Alignment with Strategic Plan – Business Objectives	Complexity	Change	Management – Governance Concerns	Interviews
<i>New and updated laws and regulations, recent investigations that affect organizational processes</i>	<i>Length of time since last audit, number of significant findings, remediation steps in place to address findings</i>	<i>Impact on the organizational mission, adequacy of available resources for associated process</i>	<i>Multiple systems required, date of technology in use, equipment and expertise required</i>	<i>Systems, processes, personnel/turnover, new skills, new services</i>	<i>Level of interest by executive management and/or the governance board/committees</i>	<i>Feedback from leaders in the affected areas of the organization.</i>
20%	15%	10%	10%	5%	5%	35%



RISK RANKING DEFINITIONS

A graded system of organizational exposure has been established based on the following definitions:

Either no issue has been identified by management, or the issue noted presents an *elevated* level of risk that should be evaluated by management in the normal course of business (within 1 year).

Presents a *potentially unacceptable* level of risk that should be evaluated by management as quickly as possible (within 1-3 months).



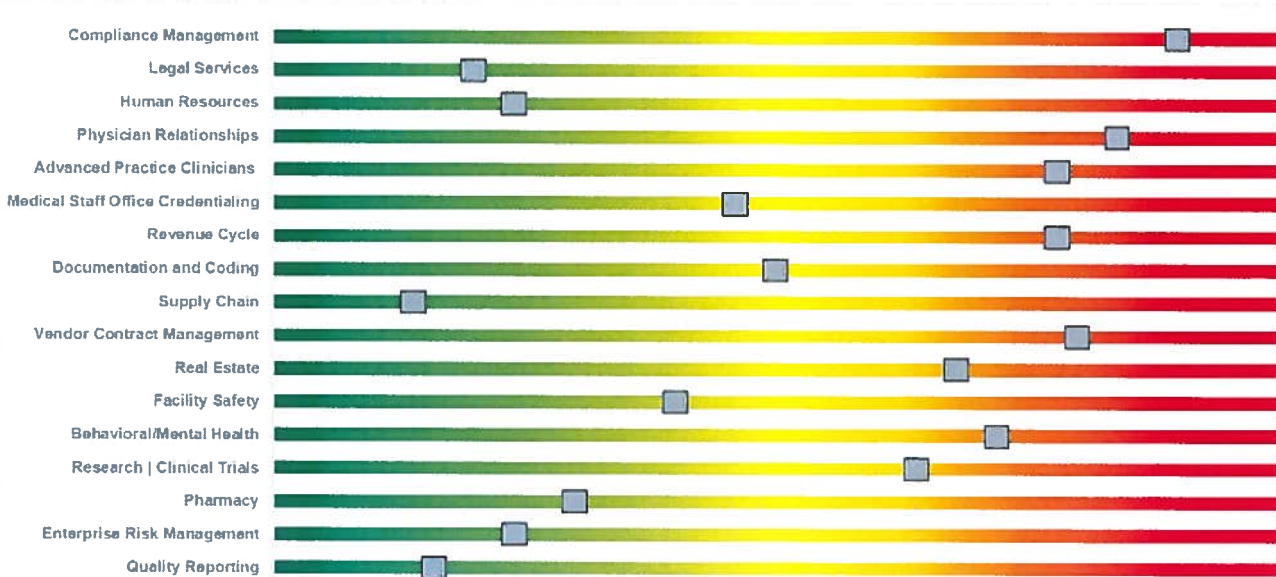
Presents a *potentially significant* level of risk that should be evaluated by management as a priority (within 3-6 months).



COMPLIANCE RISK RANKING SUMMARY RESULTS

PYA offers the following results, incorporating the review of documents including P&P and reports received; on-site interviews with management of Hospital and its affiliate organizations, and members of the Board. The key risk areas ranked in this report are those that potentially expose the organization to a substantive level of exposure or loss. The identified risk items should be evaluated and prioritized for inclusion in Hospital's compliance work plan based on institutional knowledge of the operational areas. PYA's recommendations are provided in accordance with healthcare industry best practices; however, Hospital may choose to accept certain risks in order to allow for operational strategies, as well as the accepted level of risk tolerance.

The graph below represents the total score for the risk ranking of key organizational risk categories. Detailed findings may be found in *Appendix B*.





COMPLIANCE RISK ASSESSMENT DETAILED FINDINGS

REVENUE CYCLE



REVENUE CYCLE: CLAIMS ACCURACY	
Expected Control	Current State
<p>Medicare payments for physician office visits are reviewed to determine if the location is correctly included on the claim, i.e., provider-based clinic and free-standing clinic.</p> <p>There is a monitoring mechanism to review claims for errors prior to submission, including billing for items/services not rendered, submitting claims for equipment, medical supplies or services not medically necessary, and double billing resulting in duplicate payments.</p>	<p>Interviewees reported that pre-billing re-work is significant (i.e., greater than 40% of pre-bill claims) in order to submit a clean claim for services. For example, issues such as inaccurate interpreting locations for physicians reading reports, inaccurate diagnosis code selections that are not indicative of the exam being ordered, and providers not correctly set up in the billing system are noted causes for re-work.</p> <p>Additionally, coding and billing structures frequently change and operate independently, and the various post-acute services conduct their own billing with limited oversight by Revenue Cycle and Compliance.</p>
<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Revenue Cycle should conduct a root-cause analysis and action plan for reducing the pre-bill rework to identify areas to implement improvement processes. Compliance should then in turn conduct an audit of the plan and provide support and education to all stakeholders regarding billing and accuracy of claim reported information. 2. Develop and implement oversight of billing and coding processes and a strategy to monitor, report, and mitigate issues associated with global billing, incident-to, and split share claims submission to mitigate the potential for incidents of double-billing. 3. To ensure revenue integrity, evaluate high-risk areas through data analysis and audits. Develop workflows to mitigate the compliance risk of inaccurate billing. 4. Evaluate and appropriately allocate necessary resources to execute a revenue integrity process to ensure accuracy and compliant claim submission and reimbursement to promote efficient delivery of admission services. 	



**APPENDIX B:
PYA OVERVIEW**



PYA OVERVIEW

WHY PYA?

PYA, a national professional services firm providing audit, tax, and consulting services, has helped its clients navigate and derive value amid numerous complex challenges. Many of these challenges relate to regulations and compliance, mergers and acquisitions, governance, business valuations, fair market value assessments, multi-unit business structuring, best practices, tax, audit and assurance, business analysis, and operations optimization.

Healthcare is our passion.

As you will see in the pages that follow, our Firm is healthcare focused. PYA does not want to simply serve its clients. We strive to make each organization that we work with operate more efficiently, produce results more effectively, achieve greater financial clarity, and visibly improve their operations.

PYA’s philosophy is to utilize only experienced professionals on our engagements. This specialized expertise will allow PYA to provide you with more efficient compliance services than you may be accustomed to.

PYA values long-term client relationships built on client trust.

Although PYA has benefited from steady growth since its founding in 1983, our success is perhaps best explained by the trust our existing clients show us by engaging us on continuing engagements and new projects year after year. Many of our clients who engaged PYA in 1983 still look to us for our vision and expertise. We cherish these relationships, and work to earn our clients’ trust daily.

We consider being a trusted business advisor to be an important role in each client relationship. Trust of this nature is earned through the demonstration of honesty, objectivity, and expertise with our clients. The breadth of healthcare and not-for-profit knowledge at PYA allows us to be well-versed in all aspects of your business, not just the compliance function.

PYA has been built with an unyielding commitment to integrity at all levels, objective research and reporting, creative problem solving, and an attention to client services.

YEAR FOUNDED
1983

CURRENT LOCATIONS
50 STATES

OFFICE LOCATIONS
Atlanta
Kansas City
Knoxville
Nashville
Tampa

1,691
NEW CLIENTS
added in the last
5 YEARS



PYA is one of the most successful firms in the country.

Our steadfast commitment to an unwavering client-centric culture has served the Firm’s clients well. **PYA has been ranked in INSIDE Public Accounting’s “Top 100” Largest Accounting Firms** out of over 44,000 firms nationally for **five consecutive years** and was recently recognized as a **Top 13 national advisory firm** by *Modern Healthcare*. PYA is also a **Top 15 largest auditor** of AHA’s Top U.S. Multi-Hospital Systems.



PYA is responsive.

In fact, responsiveness is what we are best known for by our clients. PYA maintains an open-door philosophy and top executives (up to and including our Firm President) are easily accessible. **PYA maintains a Firm policy that we will respond to calls and emails within 24 hours.**



PYA is insightful.

PYA will communicate frequently for two primary reasons: to stay informed regarding changes and challenges facing your business, and to make sure you and your staff are informed regarding the ever-changing healthcare environment. We keep our clients up to date on current compliance, accounting, tax, and other business matters. We provide each of our clients with the following:



- Regular e-mail alerts to highlight new and pending compliance and industry specific changes.
- An interactive website where all PYA publications, resources and other information is pooled and updated for our clients.
- A daily news aggregating news service, *The Healthcare Loop*, which provides excerpts from, and links to, daily healthcare news, customized to your specific needs.



PYA is THE firm to watch.

We are growing. We attribute our continued growth to the fact that **healthcare organizations trust our vision to guide them through the difficult and ever-changing healthcare industry.** PYA was ranked as having more than two times the percentage of female ownership compared to similarly sized firms by INSIDE Public Accounting. According to an INSIDE Public Accounting news release, “The honor is noteworthy, as the profession has long struggled with increasing the number of women in its partnership ranks, despite the fact that more than half of the accounting labor pool is made up of women.” It is important to note that this happened naturally and was not a targeted initiative for PYA.



PYA KEY DIFFERENTIATORS

Everywhere you look there are new challenges and complex changes affecting the healthcare industry. At PYA, we believe **staying up to date on the latest regulatory compliance, financial accounting and healthcare industry topics is critical** not only for our engagement team members, but also for our clients. Not having the most current knowledge of these topics on either side of the relationship will typically result in many inefficiencies. This is evidenced through PYA's commitment to sponsoring a state healthcare association for the creation of an educational endowment that benefits and improves the knowledge of the healthcare industry in that entire region. This is only one example of a **key differentiator** for PYA. Additional key differentiators are highlighted below.



REGULATORY COMPLIANCE AND CLINICAL EXPERTISE

PYA's regulatory compliance knowledge, coupled with its clinical expertise of understanding federal standards, specifically the Centers for Medicare and Medicaid Services (CMS) regulations, has benefitted numerous clients by providing compliance program and risk assessment assistance, RAC and Zone Program Integrity Contractors (ZPIC) audits and appeals assistance, self-disclosure assistance, medical necessity analyses, coding and billing reviews, and other client successes through clinical analysis, response, and rebuttal.



INDEPENDENT REVIEW ORGANIZATION

PYA has served as the IRO for health systems and physician groups which are operating under a CIA. Our IRO experience includes assisting a variety of healthcare entities, including acute hospitals, physician practices, skilled nursing facilities, a specialty pharmacy and behavioral health services. PYA has conducted more than 700 medical necessity related reviews on behalf of clients and provided expert testimony at the administrative law judge and federal levels.



FAIR MARKET VALUE AND COMMERCIAL REASONABLENESS

PYA's valuation experts provide over 1,200 FMV compensation opinions annually for a wide range of financial arrangements entered by physicians, hospitals, and other healthcare entities. Most often, reviews are used to identify whether compensation arrangements comply with the Stark Law and the Anti-Kickback Statute, including their commercial reasonableness requirements, and any other regulations governing transactions in the healthcare industry. This expertise provides PYA with a strong foundation in assessing an organization's ability to effectively identify key compliance-related risks.



COMPLIANCE TRAINING

PYA's compliance program training offers education in healthcare regulations, as well as practical application of the tools necessary for establishing an effective corporate compliance program. PYA also offers customized training for established compliance programs that have identified areas for increased education. Various training topics may include, but not be limited to: Compliance for Service Line Leaders, HIPAA, Hot Topics in Healthcare Compliance, Fair Market Value and Commercial Reasonableness and others.

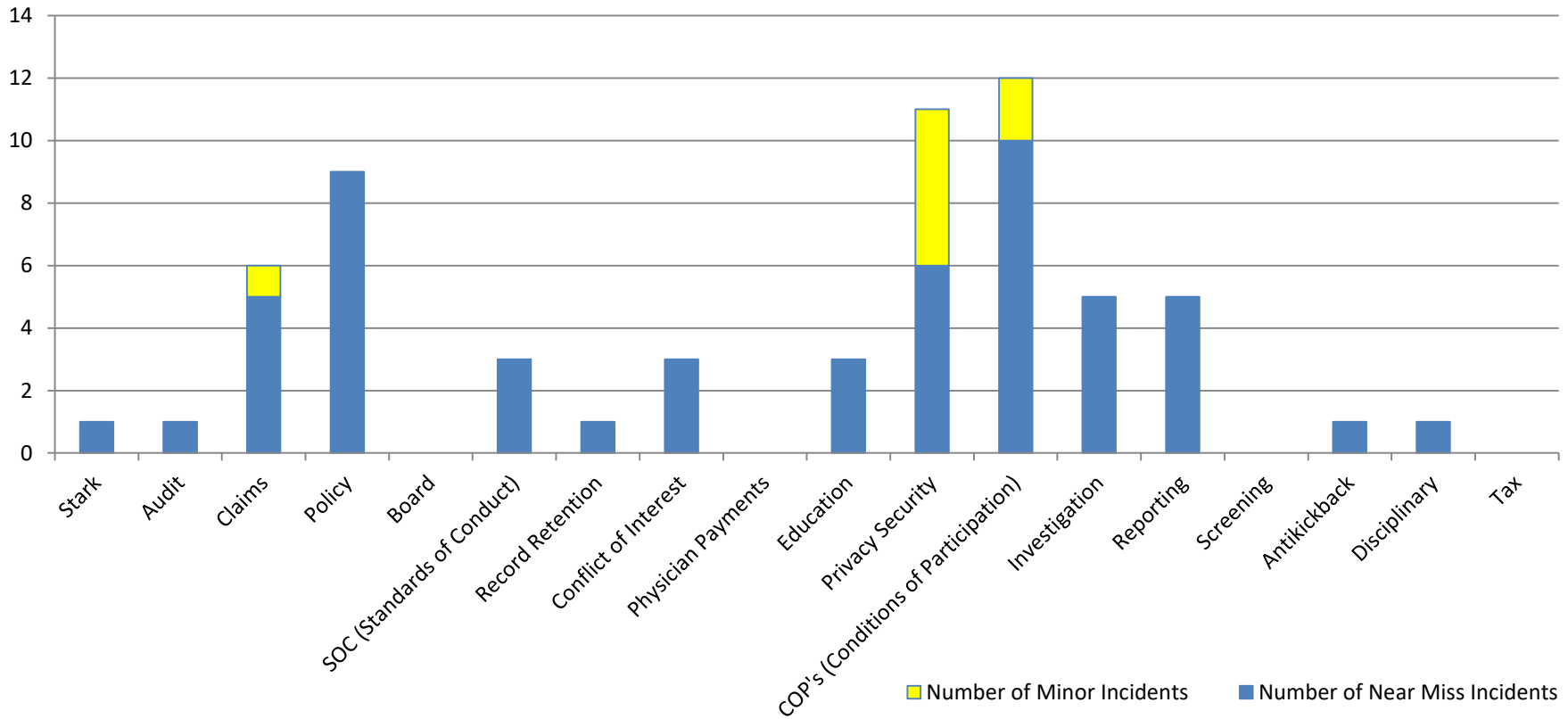


BUSINESS INTELLIGENCE CAPABILITIES

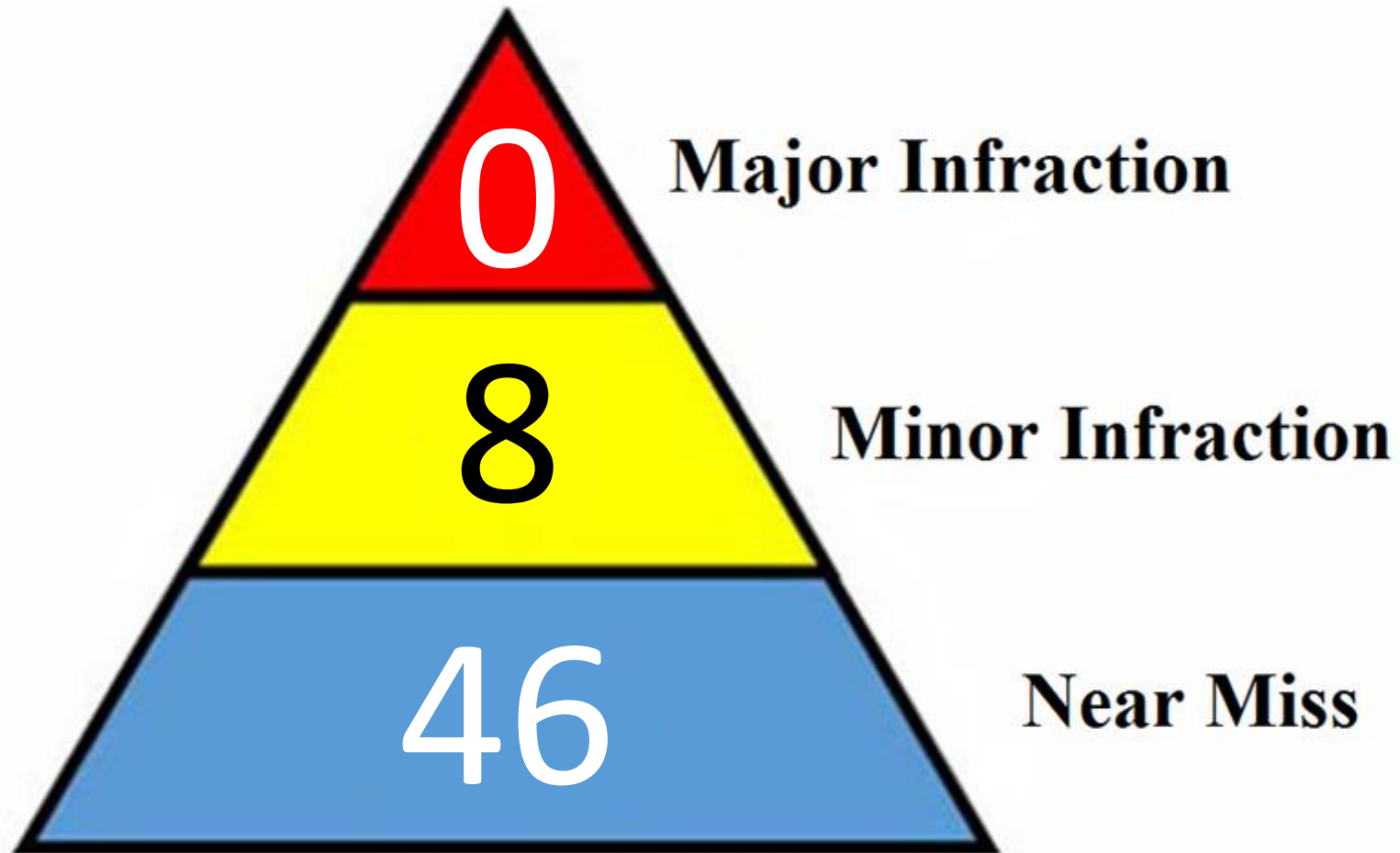
PYA's Business Intelligence (BI) professionals have extensive experience transforming healthcare organizations' disparate data sources into actionable intelligence. PYA's BI capabilities arm Accountable Care Organizations (ACOs), health systems, and physician groups with a transparent view of their data assets to align with their strategic and operating initiatives.

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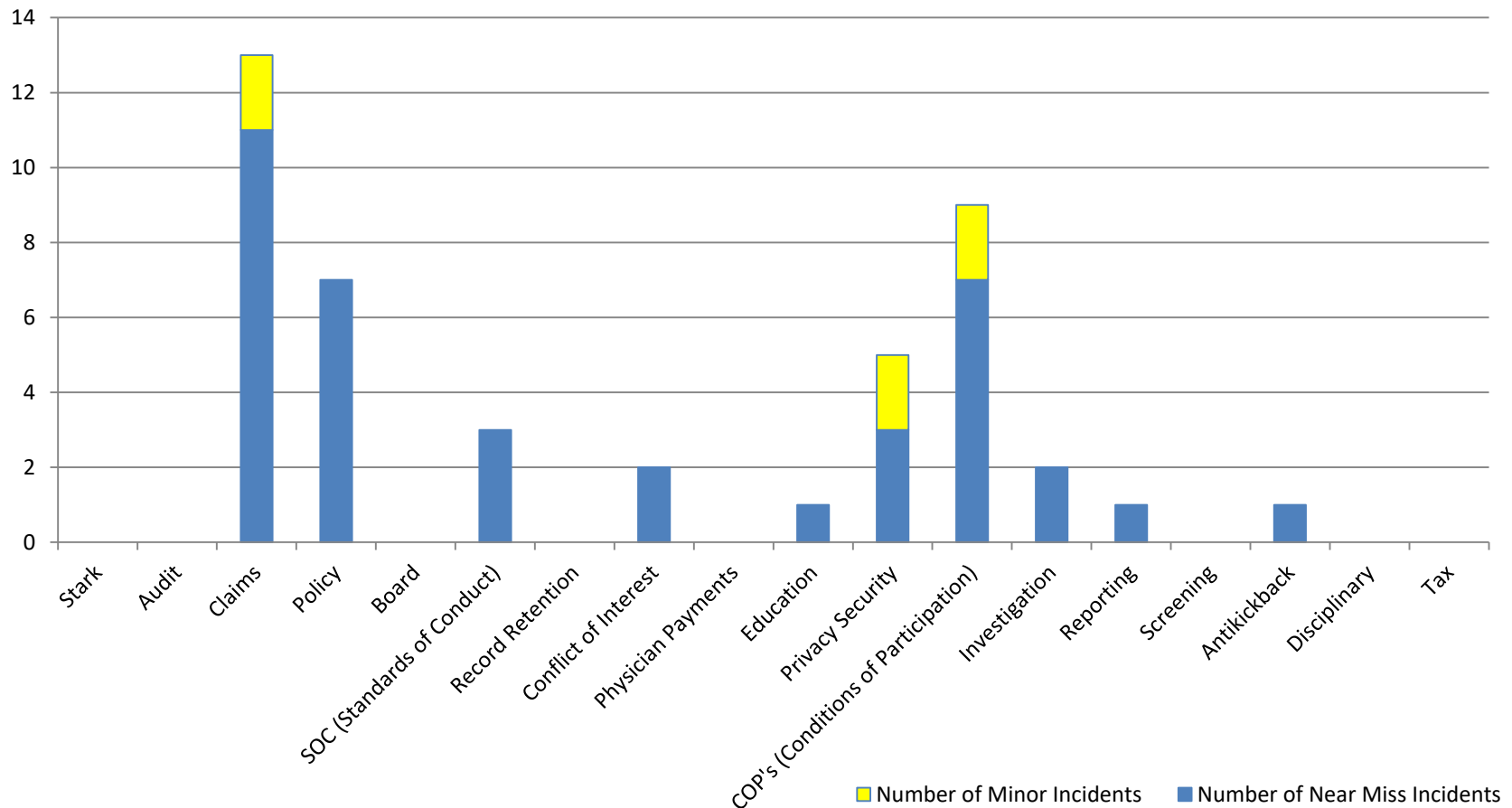
Reported Incidents CY Year 2019



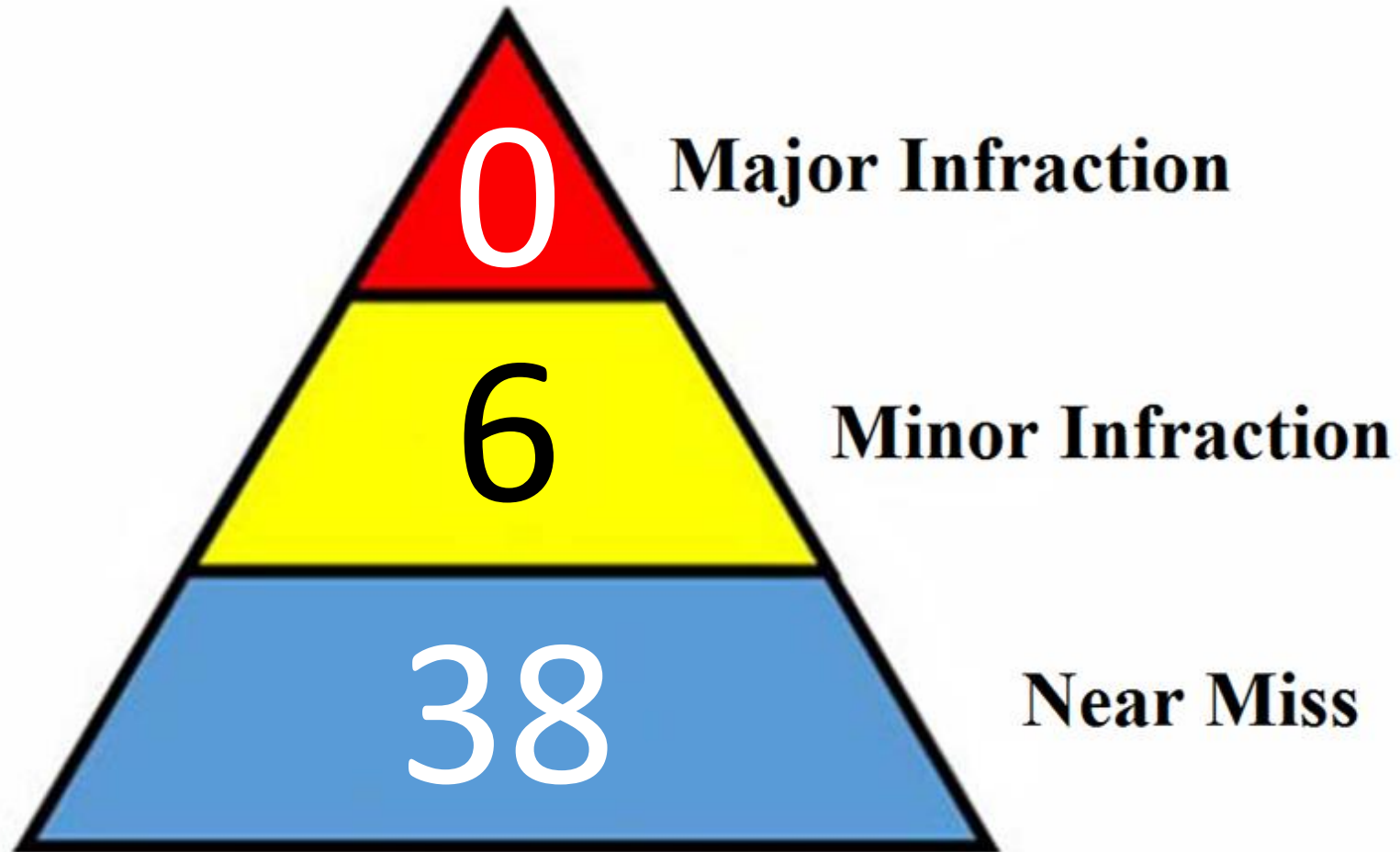
Loss Prevention Pyramid



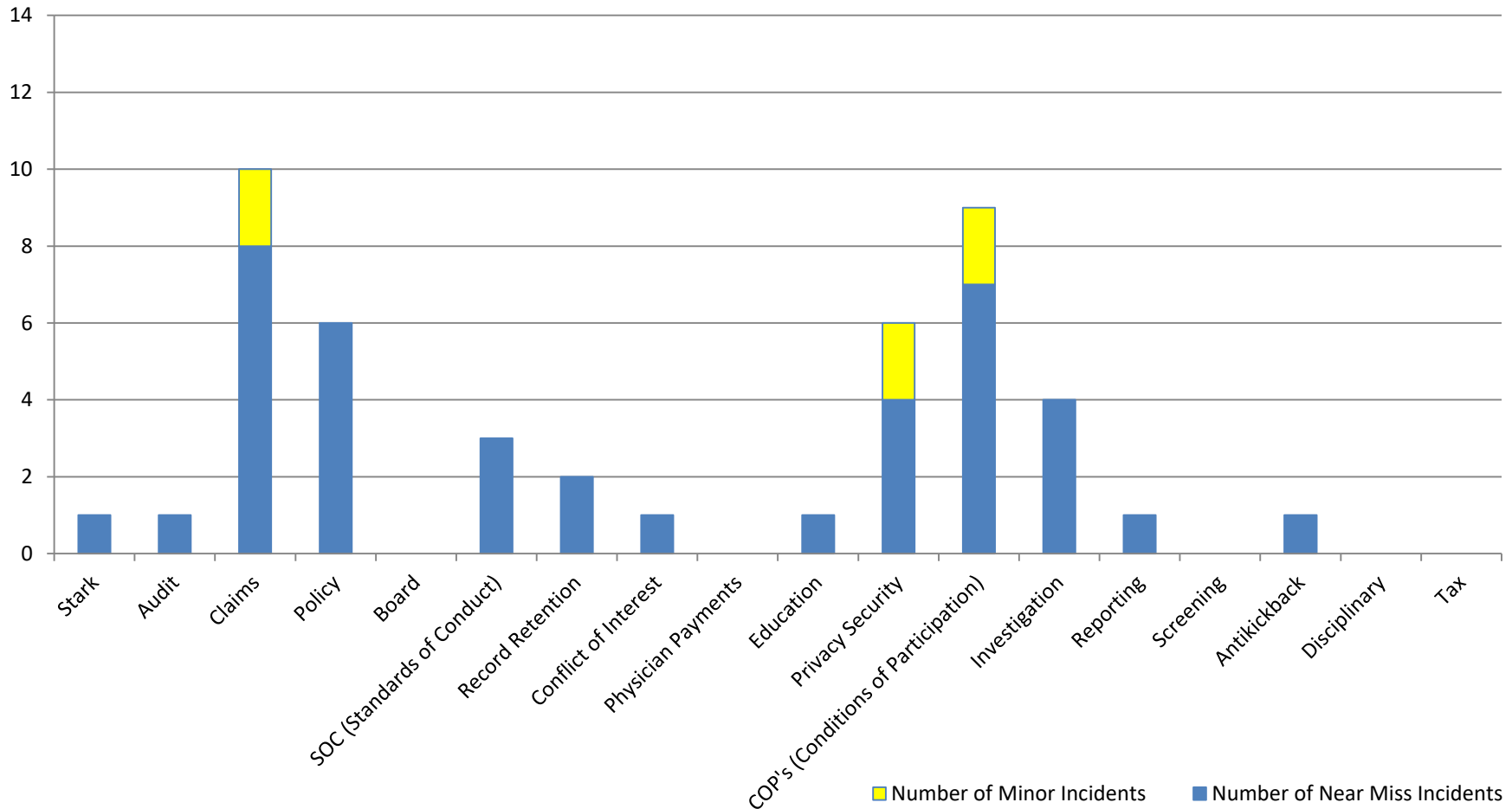
Reported Incidents CY Year-to-Date 2020



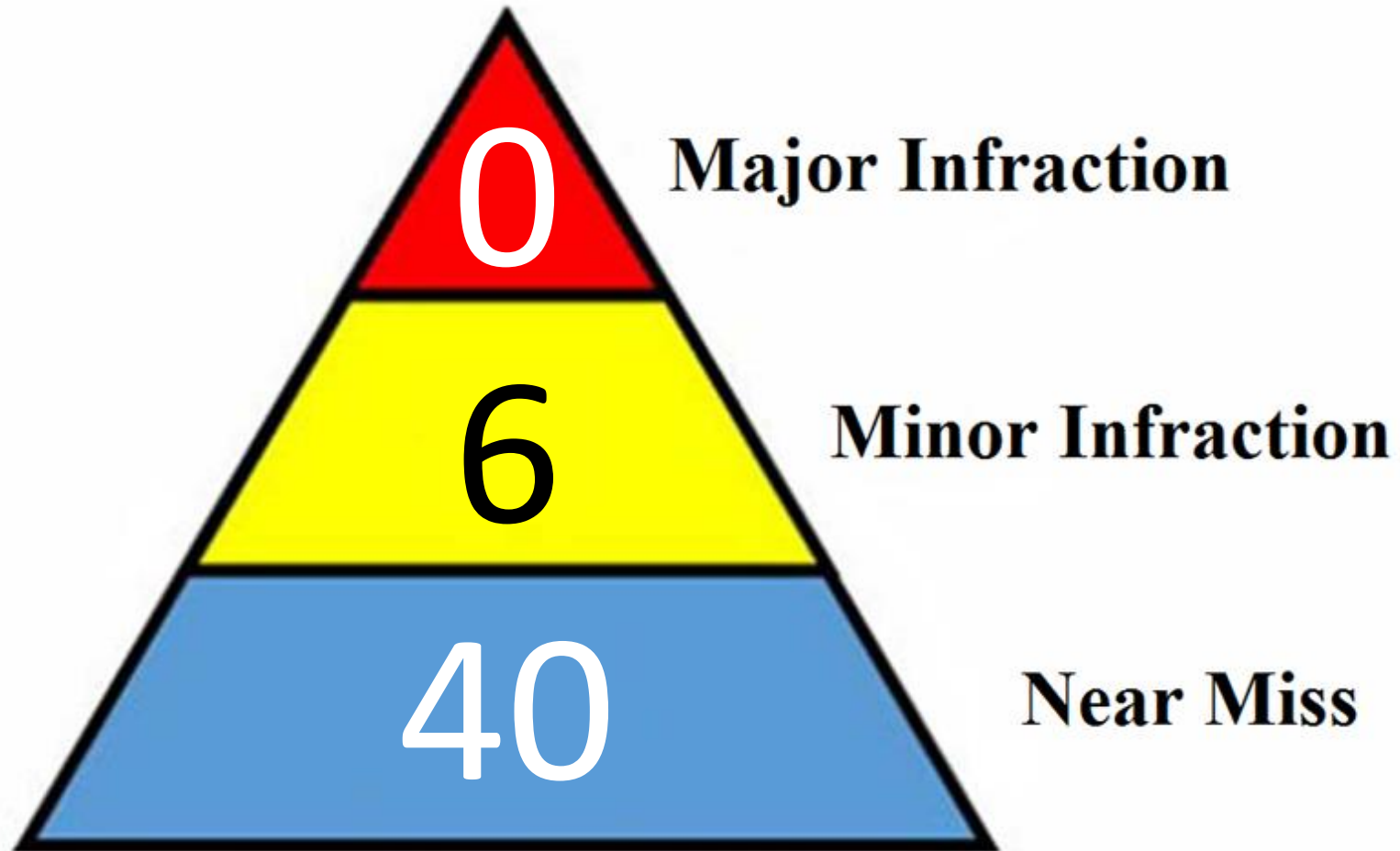
Loss Prevention Pyramid



Reported Incidents Rolling 12 Month



Loss Prevention Pyramid



COMPLIANCE RISK ASSESSMENT/WORKPLAN 2020 - Last Updated 10/02/2020

AUDIT AND MONITORING PLAN

ITEM	RISK AREA	RISK - Likelihood	RISK - Potential Impact	DETAIL	AUDIT OR MONITOR	RESPONSIBLE PARTY	Last Performed
Ongoing 340B Assessment	340B	2	1	Health Resources and Services Administration (HRSA)	Audit, Annual External Audit	Rx Director CO	Oct-2019
Data Security - HIPAA Security	HIPAA	1	1	HIPAA security risk assessment	Monitor/Audit /External Audit	IT Director CFO CO	Oct-2019
Annual Coding Audits	Coding	2	2	AHIMA guidelines	Monitor/Audit	HIM Director	Jun-2020
Non-Monetary Compensation	Stark law	2	2	Monitor new process for tracking Non-Monetary Compensation for physicians	Monitor	CO MS Director	May-2020
Sanction Audits	Contracts Payroll	3	2	Medicare Exclusion Database	Monitor/Audit	Contracts Manager	Jul-2020
MACRA	CMS Reporting	1	1	Check annually whether providers fall in to reporting requirements for prior year.	Monitor/Audit	PS Director	Jan-2020
PEPPER REPORT	CMS Reporting	1	2	Compliance, Case Management, Quality to review outliers (Program for Evaluating Payment Patterns Electronic Report)	Monitor	CM Director	Mar-2020

OIG AND STATE WORK PLANS

ITEM	RISK AREA	RISK - Likelihood	RISK - Potential Impact	DETAIL	AUDIT OR MONITOR	RESPONSIBLE PARTY	Last Performed
OIG Item#1 Report OEI-02-20-00520	Revenue Cycle	1	1	Use of Medicare Telehealth Services During the COVID-19 Pandemic	Monitor/Audit	HIM Director PFS Director/CO	New
OIG Item #2	Revenue Cycle	2	2	Incorrect Medical Assistance Days Claimed by Hospitals - DSH(make sure MA days are accurate for DSH payments)	Monitor/Audit	PFS Director/CO	Jun-2020
OIG Item #3	Revenue Cycle	2	2	Inpatient Psychiatric Facility Outlier Payments (complete documentation for outlier stays, ensure active psych treatment is documented, admit, 12 day, 30 day)	Monitor/Audit	PFS Director/CO	Jun-2020
OIG Item #4	Revenue Cycle	2	2	Outpatient Outlier Payments for Short-Stay Claims	Monitor/Audit	PFS Director/CO	Jun-2020
OIG Item #5	Revenue Cycle	2	2	Reconciliation of Outlier Payments (Medical & Psych)	Monitor/Audit	PFS Director/CO	Jun-2020
OIG Item #6	Revenue Cycle	1	2	Hospitals' Use of Outpatient and Inpatient Stays Under Medicare's Two-Midnight Rule (use of span code 72)	Monitor/Audit	PFS Director CM Director/CO	Jun-2020
OIG Item #7	Revenue Cycle	2	2	Medicare Payments for Overlapping Part A inpatient Claims and Part B Outpatient Claims	Monitor/Audit	PFS Director/CO	Jun-2020
OIG Item #8	Revenue Cycle	2	2	Selected Inpatient and Outpatient Billing Requirements - RAC (overpayment risk)	Monitor/Audit	HIM Director/CO	Dec-2020

OIG Item #9	Revenue Cycle	2	2	Review of Hospital Wage Data Used to Calculate Medicare Payments	Review	HR Director/Moss Adams	Done
OIG Item #10	Revenue Cycle	1	2	CMS Validation of Hospital-Submitted Quality Reporting Data	Monitor	Quality Director	Mar-2020
OIG Item #11	Revenue Cycle	1	2	Hospital Preparedness and Response to Emerging Infectious Diseases	Monitor	Quality Director EMS/Employee Health	Mar-2020
OIG Item #12	Revenue Cycle	1	2	Drug Waste of Single-Use Vial Drugs	Audit/Monitor, craneware audit- external	PFS Director Rx Director PS Director	Jun-2020
OIG Item #13	Revenue Cycle	2	2	Collection Status of ZPIC and PSC	Monitor	Compliance Committee	Jun-2020
OIG Item #14	Revenue Cycle	3	3	Payment Credits for Replaced Medical Devices That Were Implanted	Monitor/Audit	PFS Director/CO	Jun-2020
State Work Plan Item #1	Revenue Cycle	2	2	Alaska False Claims Act (MCD provider self-audits)	Monitor/Audit	Compliance Committee PFS Director PS Director/CO	MCD Audit in process
State Work Plan Item #2	Revenue Cycle	2	2	Duty to Return Overpayment (MCD provider self-audits)	Monitor/Audit	PFS Director PS Director/CO	MCD Audit in process
State Work Plan Item #3	Revenue Cycle	2	2	Alaska Medicaid Audit Requirements (MCD provider self-audits)	Monitor/Audit	PFS Director PS Director/CO	MCD Audit in process

EDUCATION PLAN

ITEM	DETAIL	RESPONSIBLE PARTY	Last Performed
Code of Conduct and yearly competencies	Policy Tech attestation	CO	Dec-2019
Monthly education email to Managers and Supervisors	Topics Chosen based on relevance and current events	CO	Jul-2020
New BOD Training Modality	To be updated and available for new board members	CO/BOD	Feb-2020
Yearly BOD Training	To be identified - board specific expectations	CO/BOD	Mar-2017
Just in time or Hot Topic BOD Training	Added to the BOD Compliance Committee agenda as a standing item	CO	Jun-2020
Physician Compliance Training	Onboarding new physician through Med Staff Office	MS Director	Mar-2020
General IT Security	Inside Man series, and phishing tests	IT Director	Jun-2020

Improvement Work Group

ITEM	RISK - Likelihood	RISK - Potential Impact	DETAIL	RESPONSIBLE PARTY	COMPLETE
Reuse of Visit numbers	1	1	Review and align elopement, AMA and Canceled Discharge policies	CO/Policy Committee	In process
Medicaid Provider Self-Audit	1	1	State overpayment audits (Due Dec 31)	PFS Director PS Director/CO	In process
Telehealth	1	2	Develop a hospital wide standards for tracking compliance for telehealth services	Rev Cycle/CO	In process

Fair Warning Implementation	2	2	Program Solution for real-time profile based medical record access monitoring		IT/HIM/CO	In review
Price Transparency	1	1	New price transparency rules for 2021		PFS Director HIM Director/CO	In review
Wasting of Single-Use Vial Drugs	1	2	Improve Process to Increase Accuracy of Wasting of Single-Use Vial Drugs		PFS Director Rx Director PS Director/CO	In process

Risk #1: High
Risk #2: Med
Risk #3: Low

RISK ASSESSMENT AREAS

1. Revenue Cycle

- a. OIG Annual Work Plan related initiatives
- b. Degree of complinace with corporate integrity agreement requirements
- c. Billing claims denials by department
- d. Medicare/Medicaid percentage of taotal revenue by department
- e. Coding accuracy statistics and trends
- f. Trends in government payor mix by department and specialty
- g. Utilization reports by DRG and CPT codes
- h. Physician billing
- i. Results of reviews by Fiscal Intermediary or other reviewers
- j. Government payor credit balances/trends
- k. Internal audits and compliance reports and status of corrective actions.

2. Technology

- a. HIPAA Privacy and Security regulations vulnerability

Health Care Governing Boards and The Government's Expectation of Compliance Oversight

9:00 to 9:50	10:00 to 10:50	11:00 to 11:50
<ul style="list-style-type: none"> • Introduction to Health Care Compliance • Role of Board of Directors • Government Oversight • Policies, Procedures and Infrastructure • Risk Assessments and Internal Controls 	<ul style="list-style-type: none"> • Organizational Ethics • Billing and Reimbursement • Routine Auditing and Monitoring • Conflicts, Discipline & Incentives • Education and Training 	<ul style="list-style-type: none"> • HIPAA Privacy & Security • Stark and Anti-Kickback • Internal & External Investigations • Legal Issues, Risk Factors, and Disclosure Issues • Program Effectiveness and Evaluation • Role of Board of Directors

As a member of the Governing Board of Directors for Bartlett Regional Hospital, I attest to having received the above training; either live or recorded.

Print Name _____ Signature _____ Date _____