

Bartlett Regional Hospital

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Board Compliance & Audit Committee Meeting

Draft Minutes

November 15, 2021

Called to order at 11:59 AM., by Board Compliance Committee Chair, Iola Young

Compliance Committee and Board Members:

Board Members: *Iola Young, Committee Chair; *Hal Geiger; *Deborah Johnston, Kenny Solomon-Gross

Staff/Other: Nathan Overson, Compliance Officer; Jerel Humphrey, CEO; Karen Forrest, CBHO; Kevin Benson, CFO; Kim McDowell, CNO; Vlad Toca, COO

Previous Board Compliance Meeting Minutes Approval: *Mr. Geiger made a MOTION to approve the October 26th 2021 Board Compliance and Audit Committee Meeting minutes as submitted. Ms. Johnston seconded the motion, and hearing no objection, Ms. Young approved the meeting minutes without change.*

Committee Compliance Training:

Mr. Overson shared a 15 min training module from Apexus called “340B for the C-Suite”. Health Resources and Services Administration (HRSA), which is responsible for administering the 340B Drug Pricing Program, also oversees the 340B Prime Vendor Program (PVP), which is managed by Apexus through a contract awarded to them by HRSA. The training module focused on the (1) value and risks of the 340B Program for an organization, (2) role of senior leadership in managing the 340B Program, and (3) some common misconceptions about 340B. After the training, the compliance committee discussed some of the current characteristics of BRH’s 340B program; including the in-house pharmacy, and the contract pharmacies. Ms. Young raised the question of whether compliance had adequate resources to fulfill its responsibility to the 340B Program.

Compliance Program Evaluation:

After a brief overview of the PYA Compliance Program Review, and Risk Assessment report from the last Board Compliance & Audit Committee Meeting, Mr. Overson gave an update on the progress toward the completion of the recommendations listed for the Compliance Program, the recommendations listed from the Risk Assessment, and the recommendation list given by Eide Bailly regarding the 340B program. Mr. Overson said that the compliance focus and energy has been primarily on the assessment, and analysis of the 340B contract pharmacy. There has also been some development toward defining processes for the New Service Line Committee. Mr. Overson reported that the first meeting of the 340B Oversight Committee had been held, and would be accountable for completing the Eide Bailly 340B Program recommendations as the committee strives to position itself to effectively oversee the compliance of the 340B Program.

Ms. Young responded to the update by stating that in 2013 there was a \$1.4 million payment to the OIG, later ~\$600K in reactionary legal fees related to compliance concerns, and BRH currently evaluating the exact liability for the 340B situation. Ms. Young continued that along the way, we have had multiple professional organizations recommend that there be two or three full time equivalents (FTE's) for the compliance staff. Ms. Young also confirmed that Mr. Overson was currently filling the role of Compliance Officer, and Risk Manager. Ms. Young asked the committee if the Compliance Program had more resources whether those past occurrences could have been avoided. Mr. Overson stated that he would like the record to reflect that in October he utilized his "dotted-line" communication to the board by calling a meeting that included Ms. Young, the Compliance Committee Chair, Mr. Solomon-Gross, the President of the Board, and Ms. Callahan, the Interim CEO. In that meeting Mr. Overson stated that in his role as Compliance Officer, it is his duty to apprise BRH and the BOD of potential compliance related issues, and that he believed the Compliance Program was understaffed, based on the government's expectation for a hospital BRH's size. This imbalance, viewed by Mr. Overson, was seen as a significant compliance risk to the organization by him. It was pointed out in the "dotted-line" meeting that Mr. Overson's view is consistent with the recommendations of multiple BRH specific Compliance Program reviews and evaluations, and as such, was seeking to respectfully, and formally request additional resources for the Compliance Program.

Mr. Overson acknowledged that Mr. Humphrey, new BRH CEO, was briefed on the "dotted-line" meeting, and had agreed to add a 0.5 FTE to the Compliance Program. He also supports the creation of the 340B Oversight Committee, and the New Service Line Committee. Mr. Humphrey responded, confirming the agreement of a 0.5 FTE as a start, and added that there would also be an evaluation of the Risk Management responsibilities. Ms. Johnston asked that, at some point in the future the BOD be brought up to date on BRH's Risk Management Program. Mr. Solomon-Gross asked that a meeting with Mr. Humphrey, Ms. Young, himself, and Mr. Overson be held to review the expectations of the Compliance Program for BRH, so Mr. Solomon-Gross could have something to present to the BOD.

Compliance Officer Report:

Mr. Overson stated that much of what was going to be presented in the Compliance Officer Report had already been discussed to some extent. Mr. Solomon-Gross proposed that the committee convene again in December since there was more to discuss. The Committee agreed and decided on the time and date of the next committee meeting.

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

Meeting Adjourned: 1:25 PM

Next Meeting: December 20, 2021 at 1:00 PM