

# Bartlett Regional Hospital

## Board Compliance & Audit Committee Agenda

Date: February 17, 2021

Time: 7:00 AM

Public may follow the meeting via the following link <https://bartletthospital.zoom.us/j/92658659626>  
or call  
1-253-215-8782 and enter webinar ID 926 5865 9626

---

### 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 – October 7<sup>th</sup> BOD Compliance & Audit Committee Meeting

### TRAINING

Why a 3<sup>rd</sup> party review is important to the organization and the BOD 10 minutes  
Nathan Overson, CO

### OLD BUSINESS

A. Compliance Program Evaluation – 3<sup>rd</sup> Party Review 20 minutes  
Contract update Committee Discussion

### NEW BUSINESS

A. Compliance Officer Report 15 minutes  
1. Compliance log Dashboard Review Committee Discussion  
2. Compliance Work Plan

### EXECUTIVE SESSION

### FUTURE AGENDA ITEMS

A. Next Committee Education and Training 5 minutes

### COMMITTEE MEMBER COMMENTS

5 minutes

**ADJOURN - Next scheduled meeting: April 21<sup>st</sup>?**



*Bartlett Regional Hospital — A City and Borough of Juneau Enterprise Fund*

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 [www.bartlethospital.org](http://www.bartlethospital.org)

## Board Compliance & Audit Committee Meeting

### Draft Minutes

October 07, 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

**Staff/Other:** Nathan Overson, Compliance Officer; Megan Costello, CLO; Kevin Benson, CFO; Rose Lawhorne, CNO

**Previous Board Compliance Meeting Minutes Approval:** *Ms. Young made a MOTION to approve the July 21<sup>st</sup> 2020 Board Compliance and Audit Committee Meeting minutes as submitted. Ms. Johnston seconded the motion, and hearing no objection, Mr. Kendziorek approved the meeting minutes without change.*

#### **Compliance Program Evaluation Contract Review:**

In the meeting packet Mr. Overson provided a copy of the CBJ's "Notice of Intent to Award" regarding "RFP 21-033 Compliance Evaluation for Bartlett Regional Hospital" along with the top ranked submitted proposal from PYA, PC. Mr. Overson gave an update regarding an estimated expected timeline for the work to begin; and that it is currently being reviewed by legal. We will hopefully have a contract ready for them to review in the next few days. Mr. Overson noted that he was pleased with the quality and size of the pool of proposals. Mr. Kendziorek commented that he had reviewed the proposal, and that it appeared to meet the program review requirement.

#### **Compliance Officer Report:**

In the Compliance Officer's report Mr. Overson talked through the Compliance Log Dashboard. 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 continue to be trending closely year over year; even with COVID-19. Mr. Overson suggested that the categories of the dashboard were from a professional organization (HCCA) and he would like to explore the idea of modifying the category list to possibly be easier to understand and better represent BRH's organizational compliance related risks. After some discussion about continuity of data for tracking purposes the committee decided that keeping the categories and tracking process the same, until the new categories and definitions were vetted, was a good idea. The hospital's Compliance Work Plan was also discussed. Mr. Overson gave an overview of the current work being performed or scheduled in each of the work plan sections; Audit and Monitoring, OIG and State, Education and Process Improvement. The Committee took time to discuss the perceived Compliance culture at BRH.

#### **Update on education training for all board members:**

Mr. Kendziorek was encouraged that 8 out of the 9 members of the board have confirmed that they will be in attendance. Mr. Kendziorek also stated that this training is not optional and that those who would not be in attendance would be expected to watch the recording, and that all board members will also sign an attestation stating that they have received the training. It was also discussed that the recorded training will also be the supplemental training for any new board members that join the board between this training on Oct. 17<sup>th</sup> and the next scheduled annual compliance training.

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

**Meeting Adjourned:** 7:56 am

**Next Meeting:** Tentatively scheduled for January 19, 2021 at 7:00 am



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](mailto:purchasing@juneau.org)



TABLE OF CONTENTS

Executive Summary .....2
Features and Benefits of PYA’s Comprehensive Approach.....3
Our Understanding of Your Needs and Project Focus.....4
Project Overview, Activities, and Timeline.....5
Initial Engagement Activities .....6
Remote Interviews..... 6
Program Assessment Overview – Sample Approach .....7
Risk Assessment Methodology.....10
Risk Assessment Activities ..... 11
Risk Factor Designation ..... 12
Risk Ranking Definitions ..... 12
Deliverables .....13
Sample Timeline .....13
Key Engagement Professionals.....14
Communication.....15
Estimated Professional Fees .....15
Experience and Qualifications .....16
Similar Work Experience.....16
References.....18
Appendix A: Sample Reports ..... A-1
Appendix B: PYA Overview .....B-1



## 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*

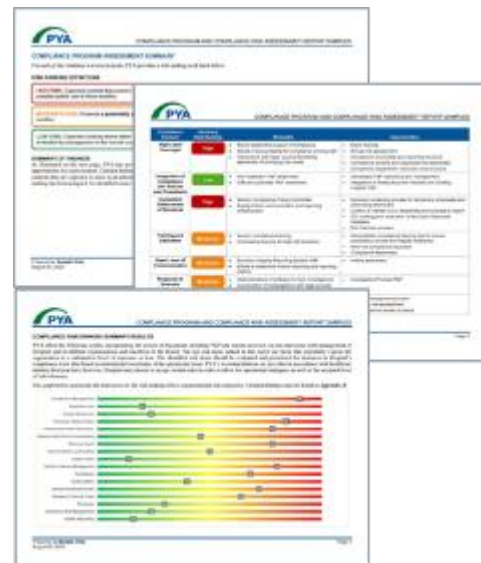
### FEES

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

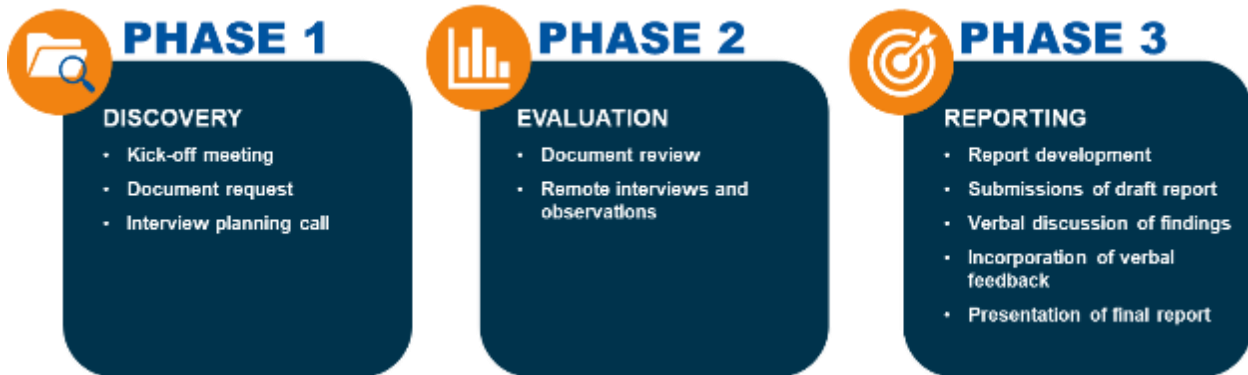
Specifically, BRH is seeking to better understand the effectiveness of its Compliance Program in relation to federal regulations and professional best practice guidelines. The awarded Consultant will provide comprehensive feedback for Compliance Program areas reviewed and evaluated, including:

- 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 Guidance<sup>1</sup>
- United States Federal Sentencing Guidelines<sup>2</sup>
- OIG’s Active Work Plan Items<sup>3</sup>
- U.S. Department of Justice Evaluation of Corporate Compliance Programs<sup>4</sup>
- HCCA-OIG Measuring Compliance Program Effectiveness: A Resource Guide<sup>5</sup>
- The Indian Health Care Improvement Act Reauthorization and Extension as Enacted by the ACA<sup>6</sup>

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.

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

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

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

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

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

<sup>6</sup> “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.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**





## **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



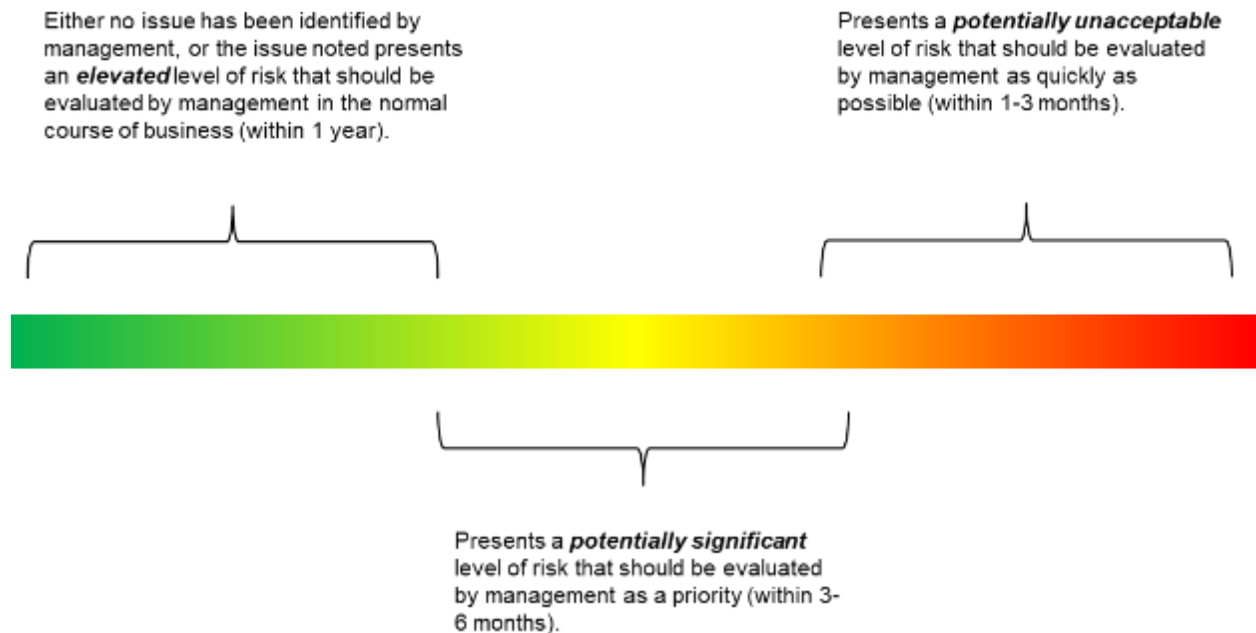
**Risk Factor Designation**

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.







## 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 report<sup>7</sup>, 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
<b>Discovery</b>													
Initial engagement activities to include RFI		█											
PYA receives RFI data and completes document review			█	█									
Planning call in preparation of interviews				█									
Video or teleconference interviews					█								
<b>Evaluation</b>													
Analysis and follow-up						█	█						
Compilation of Program and Risk Assessment findings							█	█	█				
<b>Reporting</b>													
Issuance of draft report and verbal report discussion with Leadership/CCO/Board										█			
Incorporation of client feedback and report edits										█	█		
Issuance of final report												█	
Exit meeting with BRH Leadership/CCO/Board (Optional)													█

<sup>7</sup> 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 Croswell** 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 Croswell**  
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
<b>Combined Compliance Program and Risk Assessments</b> <ul style="list-style-type: none"> <li>• Document review</li> <li>• Program assessment and risk assessment</li> <li>• Remote interviews and observations (2-3 days)</li> <li>• Program recommendations development</li> <li>• Risk assessment finding prioritization ranking and recommendations development</li> <li>• Preliminary findings conference with BRH leadership</li> <li>• Detailed report development with prioritization of action plans</li> </ul>	\$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

Carol Dunigan  
Regional Compliance and Risk Management Officer

**HILO MEDICAL CENTER**

www.hilomedicalcenter.org  
Hilo, Hawaii  
(808) 932-3188  
cdunigan@hhsc.org



Margaret Benson  
Chief Compliance Officer  
**SHANNON MEDICAL CENTER**  
www.shannonhealth.com  
San Angelo, Texas  
(325) 657-5195  
PrivacyOfficer@shannonhealth.org



Tom Clark  
General Counsel  
**STONERISE HEALTHCARE LLC**  
www.stonerisehealthcare.com  
Charleston, West Virginia  
(617) 342-4079  
tclark@stonerisehealthcare.com



[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

**COMPLIANCE RISK ASSESSMENT/WORKPLAN 2020 - Last Updated 01/19/2021**

**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	Dec-2021
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	Oct-2020
Just in time or Hot Topic BOD Training	Added to the BOD Compliance Committee agenda as a standing item	CO	Oct-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 March 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