



# **KERN HEALTH SYSTEMS**

## **GOVERNANCE AND COMPLIANCE COMMITTEE MEETING**

**Thursday, March 28, 2024  
at  
8:30 a.m.**

**Kern Health Systems  
2900 Buck Owens Blvd.  
1<sup>st</sup> Floor – Board Room  
Bakersfield, CA 93308**

**For more information, call (661) 664-5000**



## AGENDA

### GOVERNANCE AND COMPLIANCE COMMITTEE MEETING

KERN HEALTH SYSTEMS  
**2900 Buck Owens Boulevard**  
Bakersfield, California 93308

Thursday, March 28, 2024

8:30 A.M.

#### COMMITTEE TO RECONVENE

Members: Acharya, Hoffmann, Meave, Turnipseed  
ROLL CALL:

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN HEALTH SYSTEMS STAFF. THE "CA" REPRESENTS THE CONSENT AGENDA. CONSENT ITEMS WILL BE CONSIDERED FIRST AND MAY BE APPROVED BY ONE MOTION IF NO MEMBER OF THE COMMITTEE OR AUDIENCE WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE COMMITTEE CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

#### STAFF RECOMMENDATION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Also, the Committee may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**

**COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS**

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code Section 54954.2(a)(2))
  
- 3) Report on Kern Health Systems Code of Conduct (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
  
- 4) Report on Kern Health Systems Compliance Self-Study Employee Guide (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
  
- 5) Report on Kern Health Systems Compliance Awareness Survey (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
  
- 6) Report on Kern Health Systems 2023 Department of Health Care Services Draft Audit Report Response (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
  
- 7) Report on Kern Health Systems 2023 Department of Managed Health Care Preliminary Audit Report (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS
  
- 8) Report on Kern Health Systems 2024 Compliance Work Plan Q1 Update (Fiscal Impact: None) –  
RECEIVE AND FILE; REFER TO KHS BOARD OF DIRECTORS

ADJOURN TO THURSDAY, MAY 23, 2024, AT 8:30 A.M.

**AMERICANS WITH DISABILITIES ACT  
(Government Code Section 54953.2)**

The meeting facilities at Kern Health Systems are accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the KHS Finance Committee may request assistance at the Kern Health Systems office, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5000. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.



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## MEMORANDUM

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**TO:** Kern Health Systems Governance and Compliance Committee  
**FROM:** Deborah Murr, Chief Compliance and Fraud Prevention Officer  
**SUBJECT:** Compliance Code of Conduct  
**DATE:** March 28, 2024

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### **BACKGROUND**

Kern Health Systems (KHS) is required to implement an effective Compliance Program that meets the regulatory requirements set forth in both the Department of Health Care Services (DHCS) contract and the Department of Managed Health Care (DMHC) Knox-Keene license.

The Governance and Compliance Committee has the fiduciary responsibility to oversee Kern Health System's (KHS) regulatory Compliance Program and shall ensure the establishment and maintenance of an effective compliance and ethics program by assuring compliance activities are reasonably designed, implemented, and generally effective in preventing and detecting risks or compliance violations.

Kern Health System's Code of Conduct articulates the standards of behavior that is demonstrated by all KHS employees and Board Members This Committee assists the Board to improve its functioning, structure, and infrastructure. Adherence to the Code of Conduct demonstrates the organizational commitment to comply with all regulatory requirements, state, and federal laws.

As a core function of the KHS's Governance and Compliance Committee, advancing transparency of all Compliance related activities, serves to mitigate risk to the organization through a centrally comprised oversight committee.

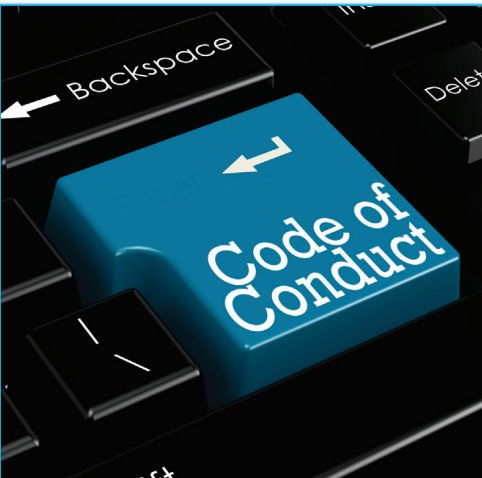
### **REQUESTED ACTION**

Receive and File; Refer to the KHS Board of Directors.



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The KHS Code of Conduct is a living document that will be reviewed on an annual basis and updated as necessary to reflect the needs of the organization. A copy can be downloaded from the KHS Intranet as well as our website - [kernfamilyhealthcare.com](http://kernfamilyhealthcare.com).

Doing the right thing while  
serving the community.

## Code of Conduct

At Kern Health Systems (KHS), compliance and ethical conduct mean doing the right thing while serving the community. The Code of Conduct is a valuable guide to help us choose wisely when faced with an ethical dilemma. All employees including members of the KHS Board of Directors are required to perform consistently with the Code.

These three fundamental values: TRUST, INTEGRITY, and RESPECT, remind us that preserving an ethical workplace is critical to our long-term success as an organization. The Code articulates the standards of behavior that each one of us is expected to observe while performing our jobs, as well as our commitment to complying with all regulatory requirements, state, and federal laws.

As employees, we are all required to ensure compliance and report any potential issues, ethical concerns, or violations of this Code of Conduct in accordance with policies and procedures. For additional information please refer to the Compliance Program Description, Compliance Guide, Employee Handbook, and Policies and Procedures located on the KHS Intranet website.

Thank you for reading and adhering to the KHS Code of Conduct.

**Emily Duran**  
Chief Executive Officer



### Our Mission:

Kern Health Systems is dedicated to improving the health status of our members through an integrated managed health care delivery system.



When you hear

# Code of Conduct

think



# 3

# 1

## TRUST

Trust is gained by treating others with integrity and respect.

# 2

## RESPECT

Treat employees and the public with dignity and respect.

# 3

## INTEGRITY

Be open, honest, and ethical in all of our dealings.

The Code of Conduct is a cornerstone of the Kern Health Systems Compliance Program and articulates the standards of behavior that each one of us is expected to observe while performing our jobs.

KHS employees are expected to comply with the Code, the KHS Compliance Program, and all governing laws, regulations, and requirements.

# 1 Trust

Gain trust by treating others with integrity & respect.

## MAKE ETHICAL DECISIONS

- Follow KHS policies.
- Talk to your peers, manager, or other KHS management.
- Use the Headline Test, see page 8.

## COOPERATE WITH INVESTIGATIONS

- Cooperate with all internal investigations and audits.
- Be truthful when responding to an investigation or audit.
- Never alter or destroy records in response to an investigation or audit.

## TAKE ACTION ON NON-COMPLIANCE OR MISCONDUCT

- Advocate KHS values without concern for retaliation.
- Report any alleged non-compliance or misconduct immediately using our OPEN DOOR POLICY. If this does not seem appropriate, go to another member of management, Compliance, Human Resources, or report through our Ethics Hotline: 1-833-607-6589.

**REMEMBER: Compliance is everyone's responsibility**

# 2 Respect

Treat employees and the public with dignity, thoughtfulness, and value.

## TREAT OTHERS WITH RESPECT

- Be open and honest with one another.
- Do not discriminate on the basis of race, color, religion, gender, sexual orientation, gender identity or expression of national origin, disability, age, covered veteran status, or any other characteristic protected by law.

## PROTECT HEALTH INFORMATION

- Secure confidential patient information.
- Only disclose PHI in accordance with state and federal regulations.

## HARASSMENT-FREE ENVIRONMENT

- Encourage a harassment-free work environment.
- Refuse to accept or tolerate sexual harassment, including unwelcome sexual advances, requests for sexual favors, or other unwelcome verbal or physical conduct of a sexual nature.

# 3 Integrity

Be open, honest, and ethical  
in all of our dealings.

## ASSETS

- Do not allow others, including friends and family, to use KHS resources.
- Do not use KHS equipment or systems to violate the law or create, store, or send offensive content.
- Avoid any usage that might lead to loss or damage, including the introduction of viruses or a breach of KHS IT security.

## CONFLICTS OF INTEREST

- Make decisions in the best interest of KHS' mission.
- Avoid situations that create or appear to create a conflict between personal interests and the interests of KHS.
- Accepting outside employment requires approval from management.

## ACCURATE BUSINESS RECORDS

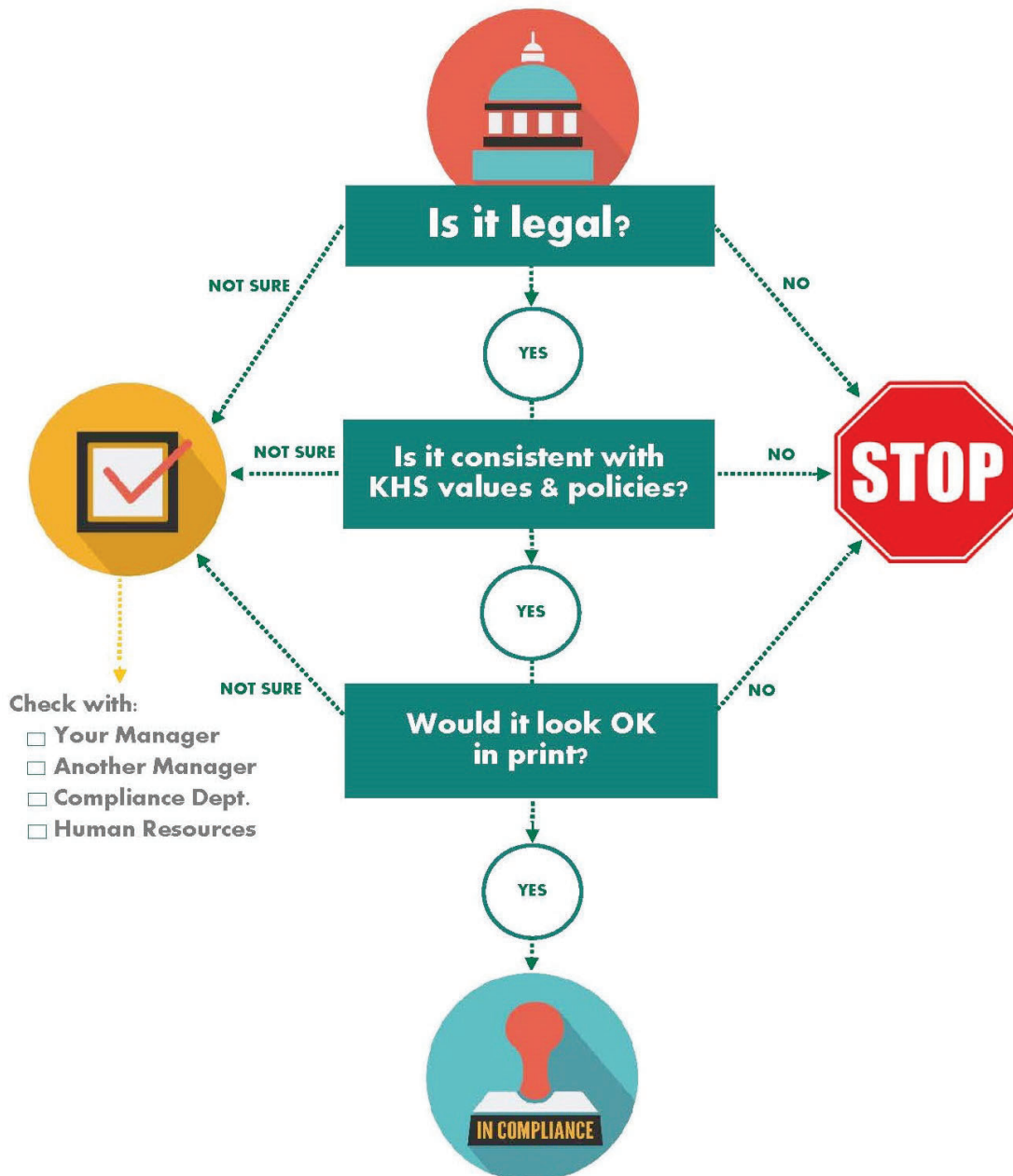
- Email and other electronic communications may be business records; avoid exaggeration, derogatory language, and other expressions that could be taken out of context.
- Retain, protect, and dispose of records according to policy.

## GIFTS

- Do not solicit gifts, favors, or entertainment.
- Report gifts from outside vendors or providers for values greater than \$150.

# The Headline Test

Use the Headline Test below when faced with an ethical dilemma.



Ask yourself if what you said, did, or didn't say or didn't do became a headline on the front page of the newspaper- would you be embarrassed or proud?



Thank you for carefully reading  
the KHS Code of Conduct and  
supporting our culture of  
compliance!



**KERN HEALTH  
SYSTEMS**



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## MEMORANDUM

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**TO:** Kern Health Systems Governance and Compliance Committee  
**FROM:** Deborah Murr, Chief Compliance and Fraud Prevention Officer  
**SUBJECT:** Compliance Guide  
**DATE:** March 28, 2024

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### **BACKGROUND**

Kern Health Systems (KHS) is required to implement an effective Compliance Program that meets the regulatory requirements set forth in both the Department of Health Care Services (DHCS) contract and the Department of Managed Health Care (DMHC) Knox-Keene license.

The Governance and Compliance Committee ensures the establishment and maintenance of an effective compliance and ethics program by assuring compliance activities are reasonably designed, implemented, and generally effective in preventing and detecting risks or compliance violations.

Kern Health System's Compliance Guide offers a self-study reference guide in support of KHS's commitment to acting ethically and responsibly in a culture of compliance, ethics, and integrity. Additional resources are available in the KHS Employee Handbook and policies and procedures.

Educational support to all staff and Board Members for managing organizational risks related to Fraud, Waste, and Abuse (FWA) and Privacy and Security issues under the Health Insurance Portability and Accountability Act (HIPAA) ensures the organization is provided the necessary tools to protect KHS members' personal health information and KHS's proprietary activities.

As a core function of the KHS's Governance and Compliance Committee, advancing transparency of all Compliance related activities, serves to mitigate risk to the organization through a centrally comprised oversight committee.

### **REQUESTED ACTION**

Receive and File; Refer to the KHS Board of Directors.



# KERN HEALTH SYSTEMS



## Self-Study Employee Guide

HIPAA   Fraud, Waste, or Abuse   Code of Conduct

2024



# KHS Self-Study Employee Guide

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HIPAA   Fraud, Waste, or Abuse   Code of Conduct

## Table of Contents

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## A message from the **Compliance Department**

At Kern Health Systems we are deeply committed to acting ethically and responsibly in a culture of compliance, ethics, and integrity. To support that commitment, we have created this Self-Study Employee Guide that will cover general information regarding HIPAA, Fraud, Waste, or Abuse, and the KHS Code of Conduct.

Additional information can be found in the Employee Handbook as well as policies and procedures located on the KHS Intranet.

Should you have questions regarding any of the topics in this guide, please contact or visit the Compliance Department on the 2nd floor.

Thank you,

KHS Compliance Team  
[Compliance@khs-net.com](mailto:Compliance@khs-net.com)

KHS employees can also report suspected ethical abuses and fraud by calling the Ethics Hotline at:

**1-833-607-6589**

Available 24/7. All calls are strictly confidential.



# HIPAA

## What does it mean to you?

At Kern Health Systems every employee is responsible for the health records of over 400,000 Members. It's important to understand the state and federal laws that regulate the privacy and protection of Member information, as necessary to carry out KHS workforce functions.

# HEALTH INSURANCE PORTABILITY ACCOUNTABILITY ACT

## WHAT DOES THE LAW SAY?

The Health Insurance Portability and Accountability Act of 1996 or (HIPAA) is a federal law designed to protect a subset of sensitive information known as protected health information or (PHI) shared with health plans, doctors, hospitals and others who provide and pay for healthcare. In 2009, HIPAA was expanded and strengthened by the HITECH Act (Health Information Technology for Economic and Clinical Health).

# What is PHI, ePHI, and PI?

The HIPAA Privacy Rule protects the privacy of individually identifiable health information, called protected health information (PHI).

PHI (Protected Health Information) is any information that can be used to identify a Member, whether living or deceased - that relates to the patient's past, present, or future physical or mental health or condition.

The HIPAA Security Rule protects information which is individually identifiable health information received, maintained or transmitted in electronic form. The Security Rule calls this information "electronic protected health information" (e-PHI).

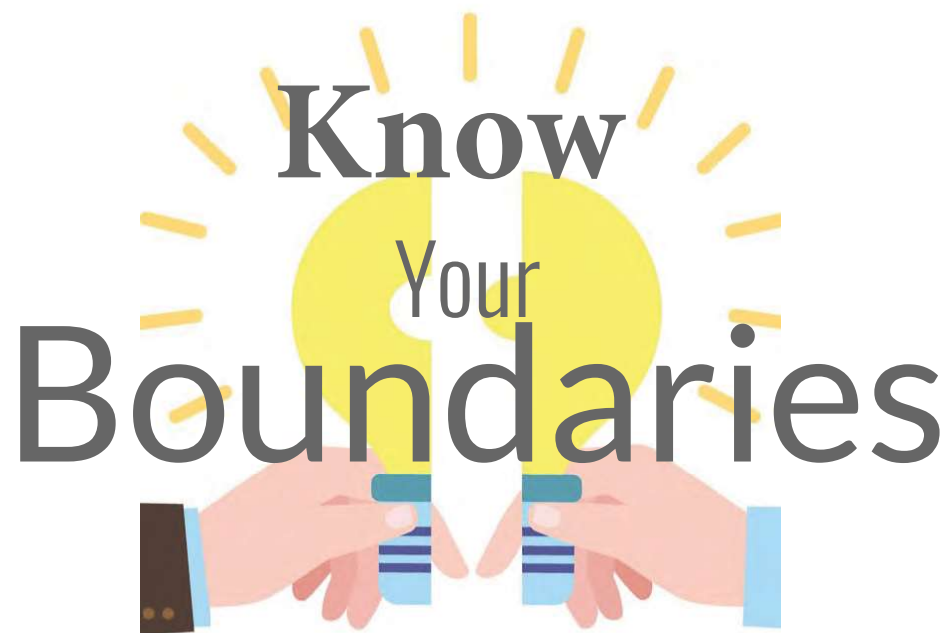
PI (Personal Information) is any information that is not public and maintained by an agency that identifies or describes an individual. This may include two or more pieces of information such as first and last name with a social security number and or date of birth.

## Examples of PI

- Name (first and last)
- Social Security Number
- Physical Description
- Home Address
- Home Telephone Number
- Education
- Financial Matters
- Medical or Employment History
- Statements made by or attributed to the individual

**Employees may access Member PHI, ePHI or PI ONLY when necessary to perform their job-related duties.**

**You must take immediate action and report all privacy breaches to your Supervisor and the KHS Compliance and Fraud Prevention Officer.**



A privacy breach is an unauthorized disclosure of PHI, ePHI, or PI in any manner (paper, electronic or verbal) that violates either Federal or State laws.

#### TYPES OF BREACHES



##### Paper Breach

Misdirected paper faxes with PHI outside of KHS, loss or theft of paper documents containing PHI, mailings with PHI to incorrect providers or members.



##### Electronic Breach

Stolen, unencrypted laptops, hard drives, PCs with ePHI, stolen unencrypted USB devices (memory sticks, thumb drive, etc.), misdirected e-fax to an unauthorized party.

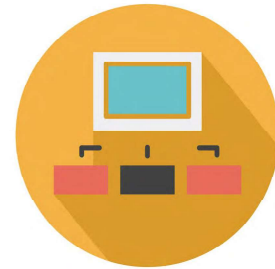


##### Verbal Breach

Sharing PHI with friends or family outside of work, over the phone to a person not authorized by law or permission.

# Privacy & Security Tips

Protect PHI and ePHI at all times – your job and reputation may depend on it.



- ✓ Cover, turn over, or lock up PHI and lock your computer screen when you're away from your workstation.
- ✓ Use encryption for emails containing ePHI.
- ✓ Do not discuss PHI outside of work under any circumstances.
- ✓ Protect PHI on computers, laptops, copy machines, or other electronic devices.
- ✓ When faxing member information, double check the recipient's number.
- ✓ Promptly pick up your copies containing PHI from copy machines.
- ✓ Report accidental or willful disclosures of PHI and security violations to your Supervisor and the KHS Privacy Officer by using the HIPAA Team email node - [HIPAAteam@khs-net.com](mailto:HIPAAteam@khs-net.com).
- ✓ Do not leave your passwords exposed.
- ✓ Use confidential shredding bins to dispose of PHI.

**Accessing or disclosing Member's PHI  
is only permitted when it pertains to  
the employee's job duties.**

# Penalties for Breaches

Breaches of the HIPAA Privacy and Security Rules have serious ramifications that may result in civil and criminal penalties.



## CIVIL

HIPAA civil financial penalties apply to covered entities and its employees which may include: \$100 - \$50,000 fines or more for single violation up to \$1.5 million for multiple violations in 1 year.

## CRIMINAL

Criminal penalties for knowingly obtaining, using or disclosing PHI in violation of HIPAA may include fines up to \$50,000 to \$250,000 and up to 10 years in prison.

Sources: 45 C.F.R. § 160.404,  
42 U.S. Code § 1320d-6



Violations of KHS policies may also result in disciplinary action, up to and including termination of employment.

# Minimum Necessary



Provide only the information that is necessary in order to minimize risk to the security of a member's PHI.

Follow minimum necessary principles for using confidential information:

- ✓ If you don't need confidential information to complete a task, don't access it.
- ✓ If specific information is requested, such as a list of specific members or a person's name, send only that.
- ✓ If you need to reply to or forward an email or text message, remove all non-essential PHI from the message before you send it.
- ✓ Leave minimal information necessary on voicemail or answering machines.

**HIPAA requirements state that when you access, use, or disclose PHI, only access, use, or disclose the minimum necessary information to accomplish the intended purpose.**

Sources: 45 C.F.R. § 164.502(b), 45 C.F.R. 164.514(d)



We are ALL responsible for reporting suspected cases of FWA.

## Fraud, Waste, or Abuse

### What is FRAUD?

The intentional deception or misrepresentation of an act knowingly made by an individual or entity where the result was of benefit to the individual or entity.

### WASTE?

Waste happens when there is no intent to deceive or misrepresent, but the outcome results in an overpayment of funds.

### or ABUSE?

Abuse may be intentional and is a practice that results in unnecessary costs such as billing for services that were not medically necessary.

## WHAT DOES THE LAW SAY?

The False Claims Act (FCA) (31 U.S.C. §3729-3733), protects the government from being overcharged or sold substandard goods or services. The FCA imposes liability on any person who submits a claim to the federal government that he or she knows is false.

# Examples of Fraud, Waste, or Abuse

## Provider FWA

- Billing for services not rendered
- Sending Members a bill after the plan has made payment
- Coding a New Patient Visit instead of an Established Patient Visit
- Soliciting or receiving kickbacks
- Questionable prescribing practices

## Member FWA

- Ambulance abuse and overuse of Emergency Rooms
- Sharing ID card, benefit sharing
- Illegal doctor shopping & drug-seeking behavior
- Deliberately providing misinformation to retrieve services
- Selling and forging prescriptions

## Report FWA

### Speak Up!

Report suspicious activities to your Supervisor and the Director of Compliance by using the Fraud Team email node. You can also make anonymous reports by calling the Ethics Hotline at 1-833-607-6589, available 24/7. All calls to the hotline are strictly confidential.

# Do the right thing

Anyone with information about possible fraud, waste, or abuse can make a confidential report.

Kern Health Systems does NOT allow or tolerate retaliation against those who, in good faith, report potential Fraud, Waste, or Abuse (FWA) to the Compliance Department.



## Report FWA concerns:

- To your Supervisor or Management Team
- Email the Fraud Team at, [FraudTeam@khs-net.com](mailto:FraudTeam@khs-net.com)
- In person to the Compliance Team, 2nd Floor
- Call the Ethics Hotline, 1-833-607-6589

**When you  
report,  
you're  
protected.**

KHS employees can report suspected ethical abuses and fraud by calling the Ethics Hotline at:

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Do the right thing while  
serving the community.



# Code of Conduct

At Kern Health Systems (KHS), compliance and ethical conduct mean doing the right thing while serving the community.

The KHS' Code of Conduct is a set of values outlining the responsibilities for you as an employee and KHS as an organization.

These three fundamental values: TRUST, INTEGRITY, and RESPECT, remind us that preserving an ethical workplace is critical to our long-term success as an organization. The Code articulates the standards of behavior that each one of us is expected to observe while performing our jobs.

KHS maintains a non-retaliation policy. As employees we are encouraged to, in good faith, report compliance issues, ethical concerns, or violations of this Code of Conduct in accordance with KHS policies.



## Our Mission:

Kern Health Systems is dedicated to improving the health status of our members through an integrated managed health care delivery system.

When you hear

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think



1

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Gain trust by treating others with integrity & respect.

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- Follow KHS policies.
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- Cooperate with all internal investigations and audits.
- Be truthful when responding to an investigation or audit.
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## TAKE ACTION ON MISCONDUCT

- Advocate KHS values without concern for retaliation.
- Report any alleged misconduct immediately using the Open Door Policy. If this does not work or seem appropriate, go to another member of management, Human Resources, or Compliance.

# 2 Respect

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- Be open and honest with one another.
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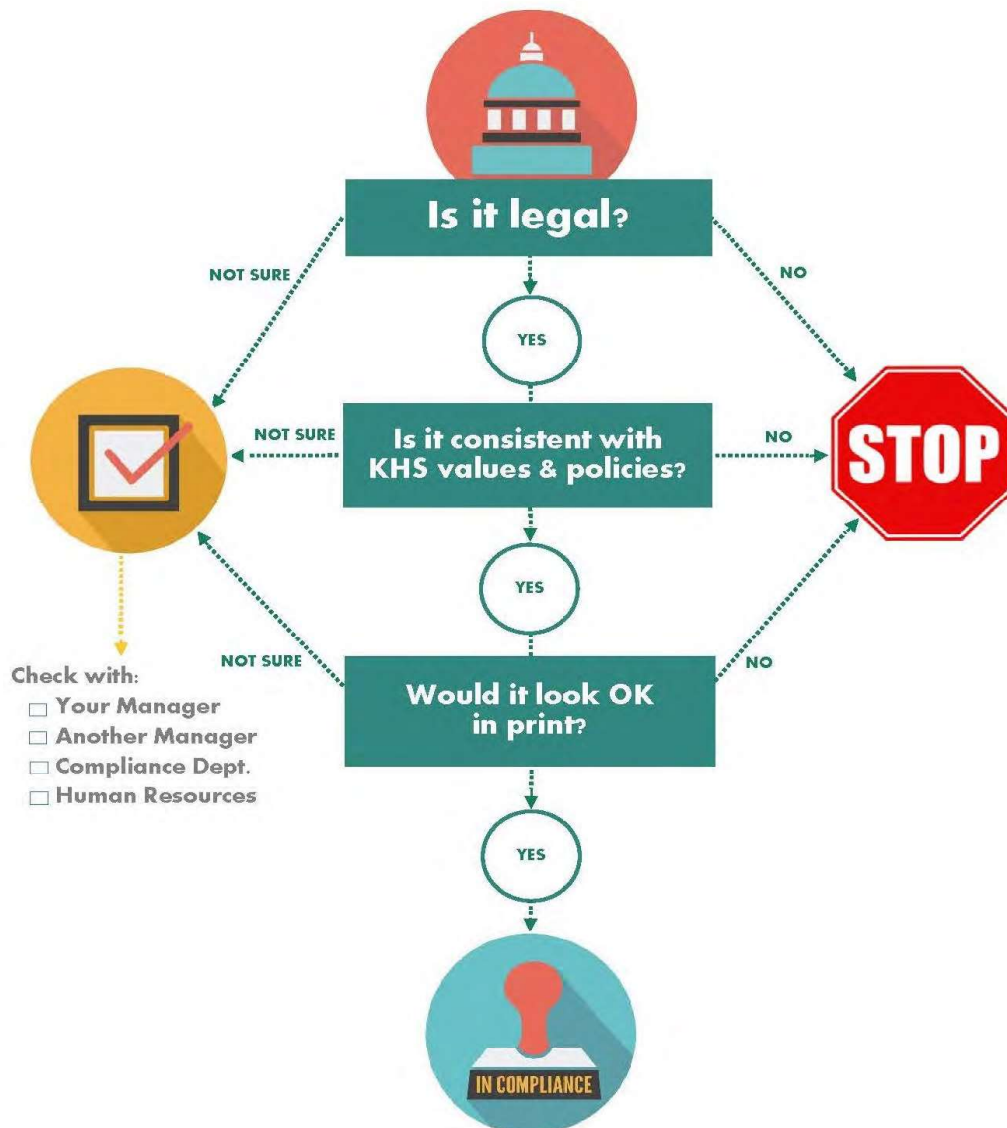




# The Headline Test

It's decision time...

Use the Headline Test below when faced with an ethical dilemma.



Ask yourself if what you said, did, or didn't say or didn't do became a headline on the front page of the newspaper- would you be embarrassed or proud?





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## MEMORANDUM

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**TO:** Kern Health Systems Governance and Compliance Committee  
**FROM:** Deborah Murr, Chief Compliance and Fraud Prevention Officer  
**SUBJECT:** Annual Compliance Survey  
**DATE:** March 28, 2024

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### **BACKGROUND**

Kern Health Systems (KHS) is required to implement an effective Compliance Program that meets the regulatory requirements set forth in both the Department of Health Care Services (DHCS) contract and the Department of Managed Health Care (DMHC) Knox-Keene license.

The Governance and Compliance Committee ensures the establishment and maintenance of an effective compliance and ethics program by assuring compliance activities are reasonably designed, implemented, and generally effective in preventing and detecting risks or compliance violations.

An important aspect of evaluating the effectiveness of KHS's Compliance Program is to establish an Annual Employee Compliance Awareness Survey. Open lines of communication encourage participants to voice compliance, quality, or other suggestions for improvement without fear of retaliation. Conducting the survey enables the Compliance department to learn about issues that are identified, generate faster responses, and addressing concerns earlier through creation of an action plan for remediation.

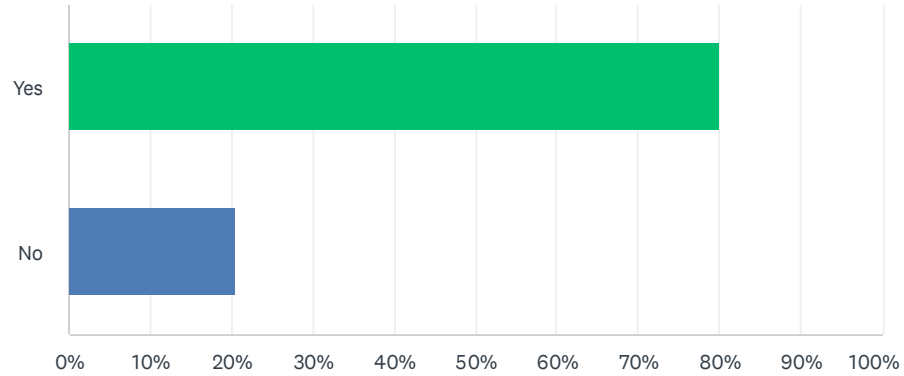
KHS strives to provide the foundation for the development and sustainment of an effective compliance program. By fostering a true cultural shift for the organization from "following" risk management to "living" risk management, KHS strengthens its enterprise-wide approach to compliance and governance.

### **REQUESTED ACTION**

Receive and File; Refer to the KHS Board of Directors.

## Q1 Do you know who the Chief Compliance and Fraud Prevention Officer is?

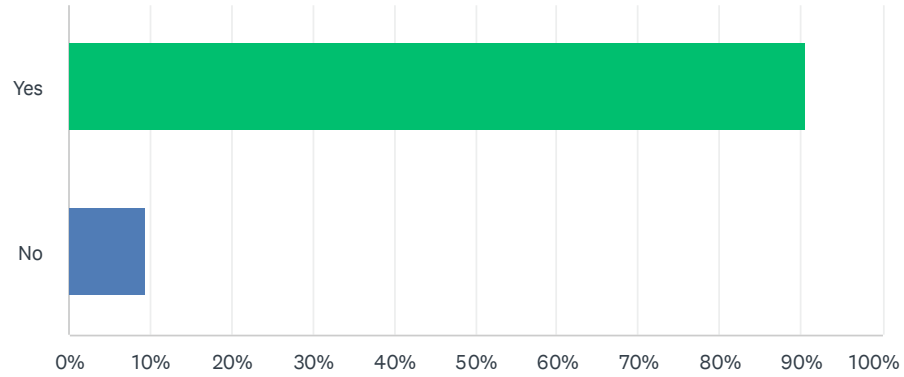
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	80.00%	204
No	20.39%	52
Total Respondents: 255		

## Q2 Do you know how to find the Code of Conduct?

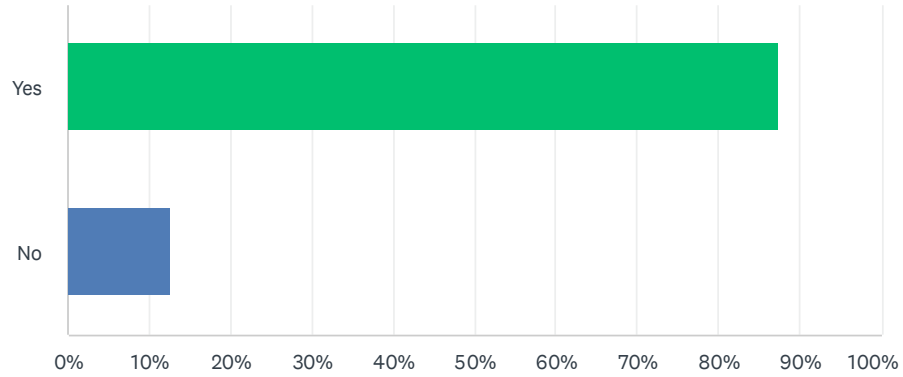
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes	90.59% 231
No	9.41% 24
Total Respondents: 255	

### Q3 Do you know how to find Policies?

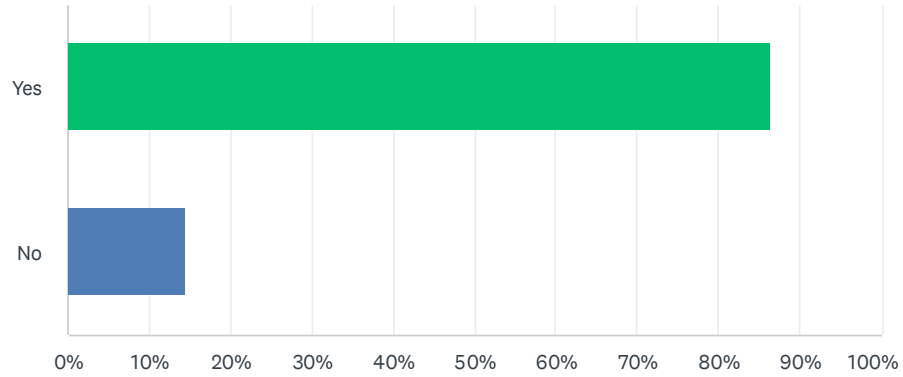
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes	87.45% 223
No	12.55% 32
Total Respondents: 255	

## Q4 Do you know how to report Compliance concerns?

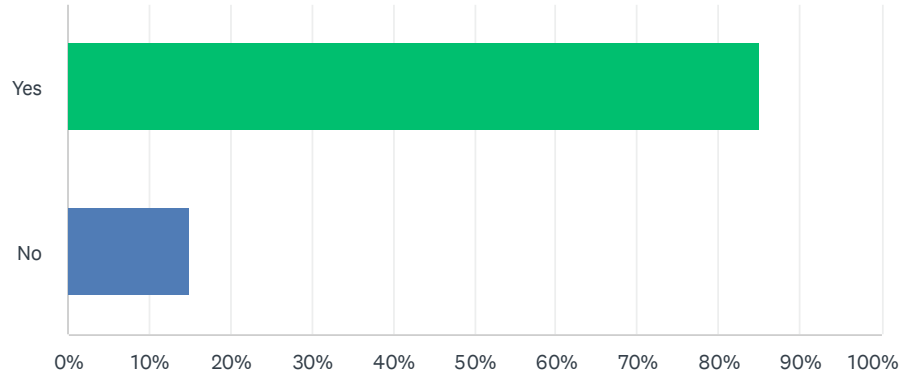
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	86.27%	220
No	14.51%	37
Total Respondents: 255		

### Q5 If you have any questions about Compliance, are you aware of who to contact and how?

Answered: 255 Skipped: 0

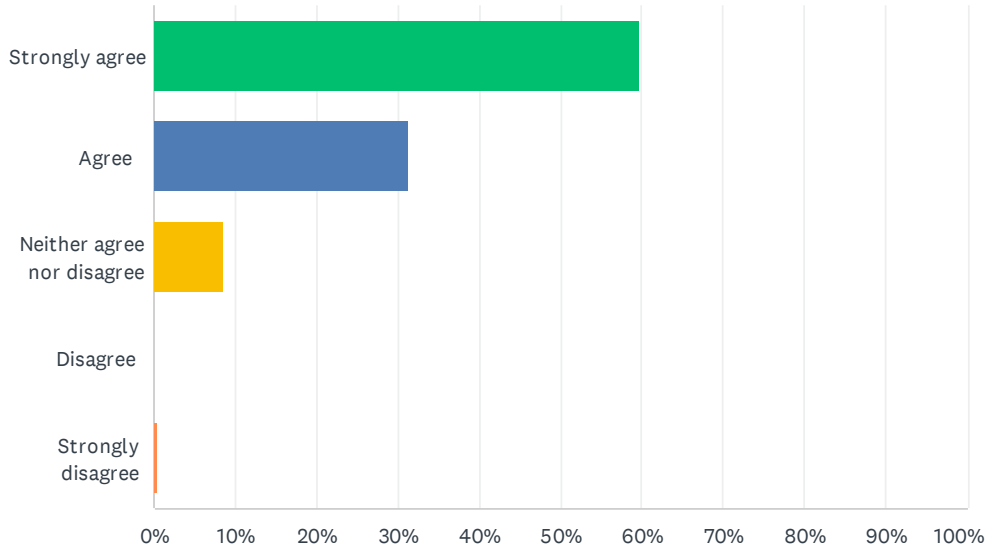


ANSWER CHOICES	RESPONSES
Yes	85.10% 217
No	14.90% 38
Total Respondents: 255	



Q6 I trust that if I report a concern to Compliance, it will be addressed.

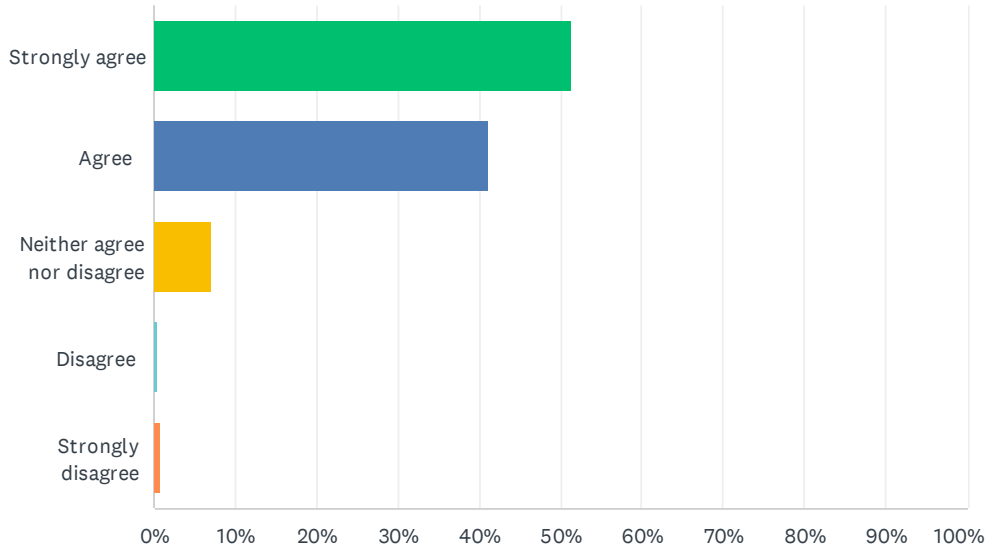
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	59.61%	152
Agree	31.37%	80
Neither agree nor disagree	8.63%	22
Disagree	0.00%	0
Strongly disagree	0.39%	1
<b>TOTAL</b>		<b>255</b>

### Q7 I am confident that my co-workers act with integrity.

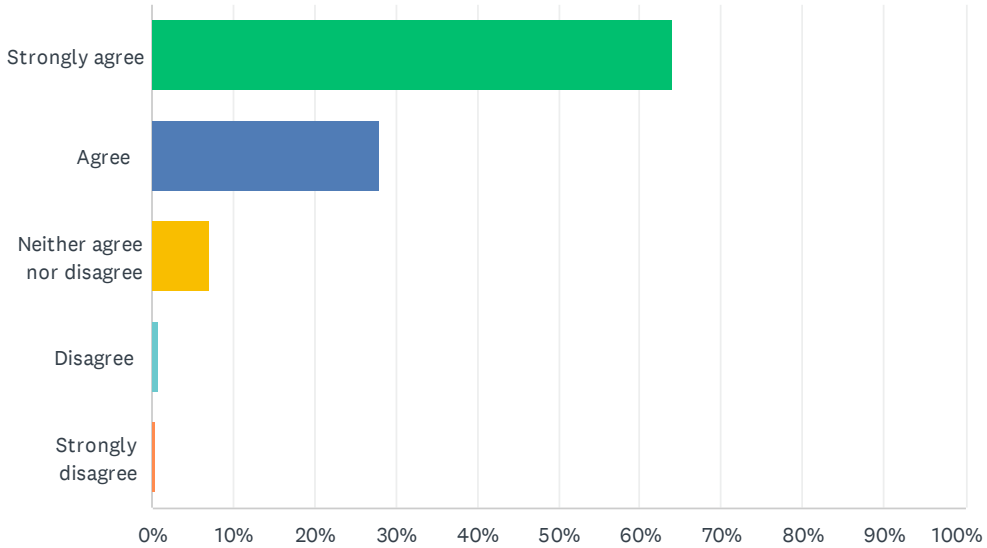
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	51.37%	131
Agree	41.18%	105
Neither agree nor disagree	7.06%	18
Disagree	0.39%	1
Strongly disagree	0.78%	2
Total Respondents: 255		

### Q8 I am confident that my direct supervisor and department managers act with integrity.

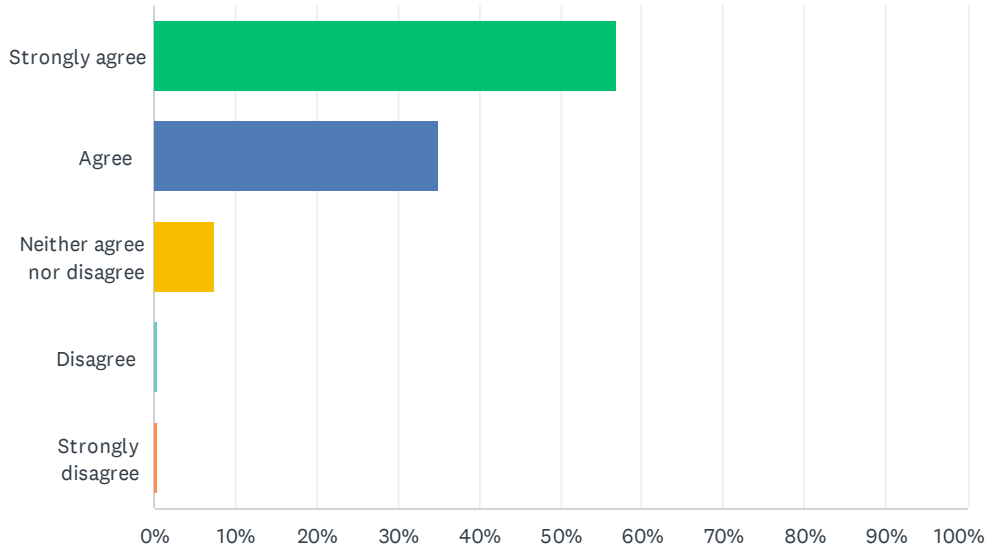
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	63.92%	163
Agree	27.84%	71
Neither agree nor disagree	7.06%	18
Disagree	0.78%	2
Strongly disagree	0.39%	1
<b>TOTAL</b>		<b>255</b>

### Q9 I am confident that the KHS organization leaders act with integrity.

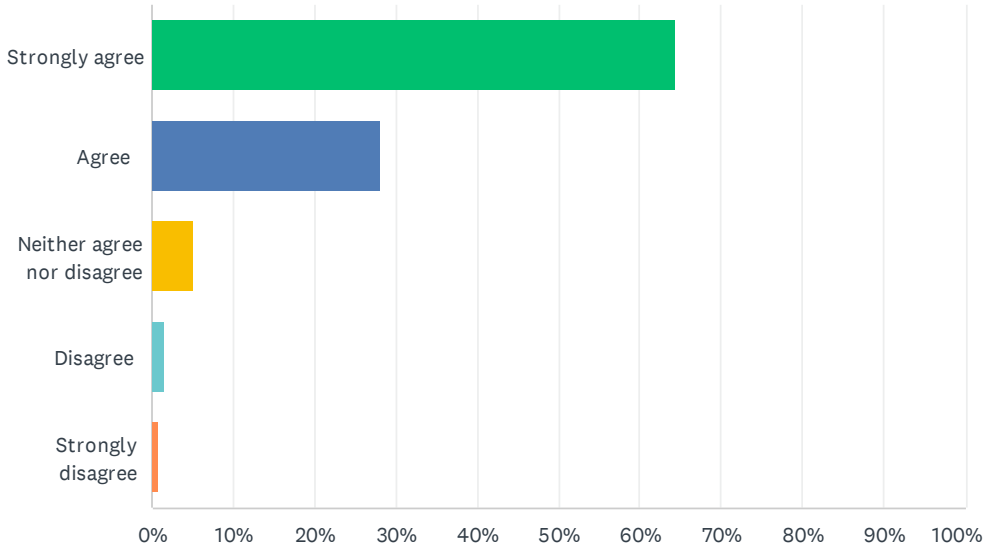
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	56.86%	145
Agree	34.90%	89
Neither agree nor disagree	7.45%	19
Disagree	0.39%	1
Strongly disagree	0.39%	1
<b>TOTAL</b>		<b>255</b>

### Q10 I am comfortable reporting a compliance concern to my department leadership (supervisor/manager)

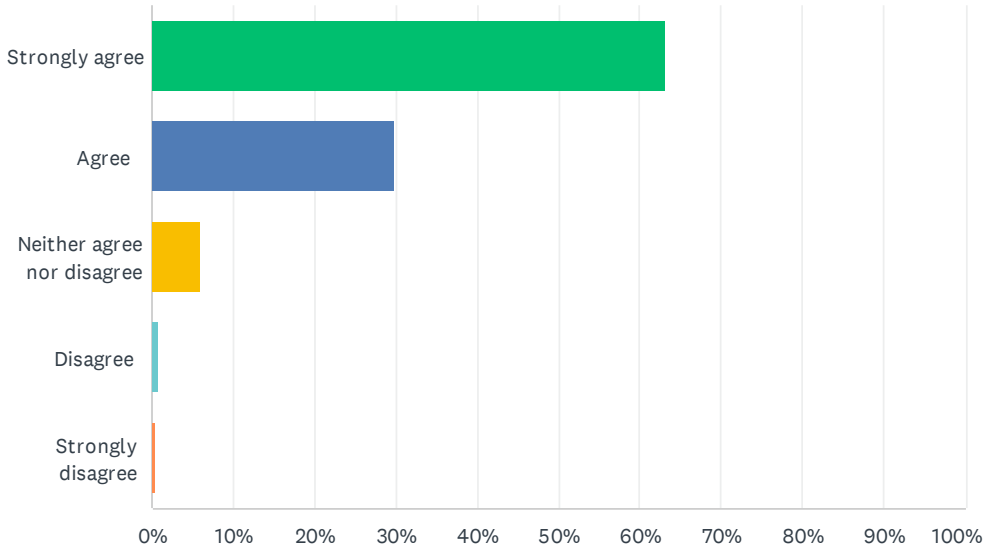
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	64.31%	164
Agree	28.24%	72
Neither agree nor disagree	5.10%	13
Disagree	1.57%	4
Strongly disagree	0.78%	2
<b>TOTAL</b>		<b>255</b>

### Q11 I am comfortable reporting a compliance concern to Compliance.

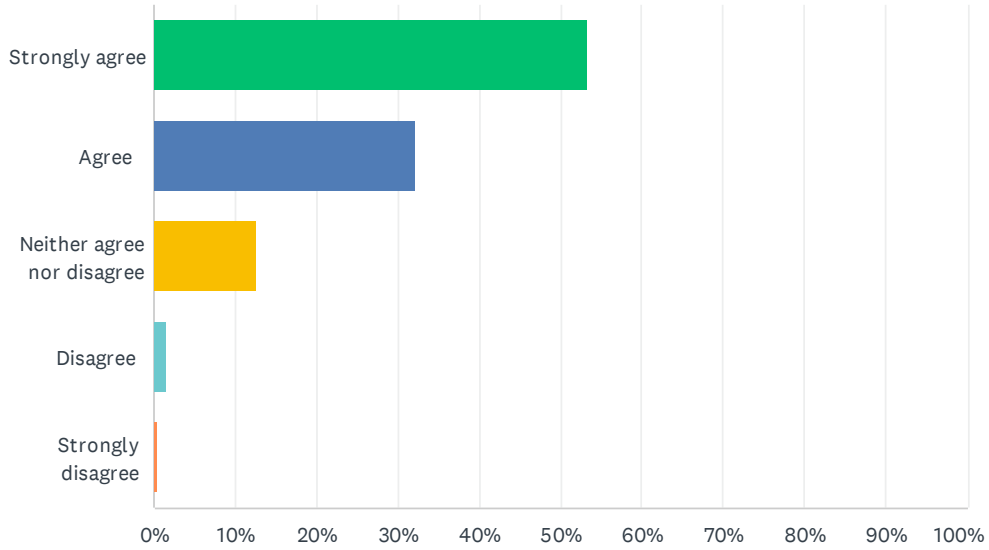
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	63.14%	161
Agree	29.80%	76
Neither agree nor disagree	5.88%	15
Disagree	0.78%	2
Strongly disagree	0.39%	1
<b>TOTAL</b>		<b>255</b>

### Q12 I am confident that if I report a compliance concern, I will not be retaliated against.

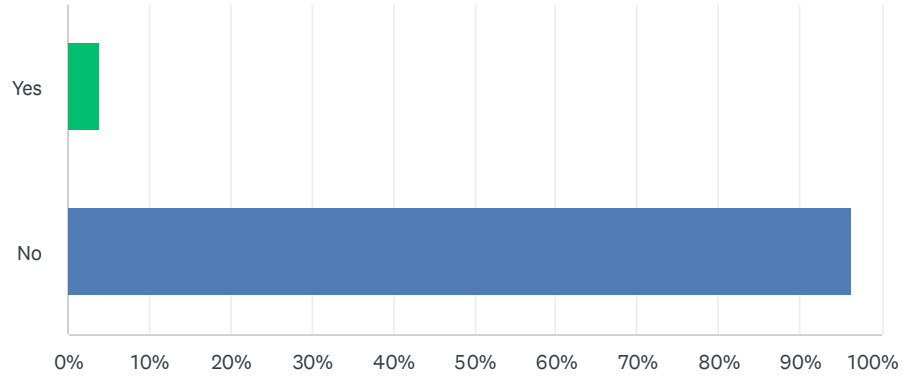
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	53.33%	136
Agree	32.16%	82
Neither agree nor disagree	12.55%	32
Disagree	1.57%	4
Strongly disagree	0.39%	1
<b>TOTAL</b>		<b>255</b>

### Q13 Have you observed any violations to our code of conduct or regulatory requirements within the past 12 months?

Answered: 255 Skipped: 0

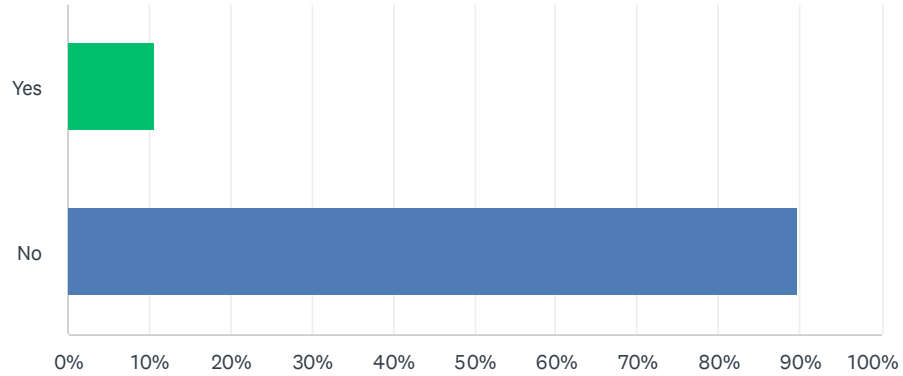


ANSWER CHOICES	RESPONSES
Yes	3.92% 10
No	96.47% 246
Total Respondents: 255	



### Q14 Are there areas relating to Compliance that you would like additional training regarding?

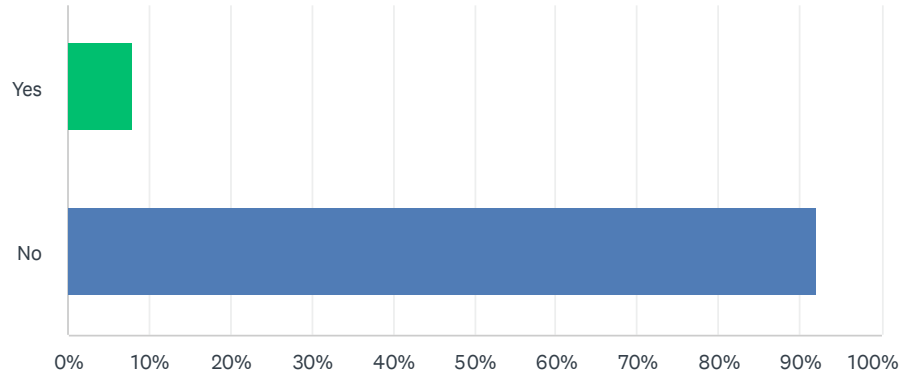
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes	10.59% 27
No	89.80% 229
Total Respondents: 255	

### Q15 Identifying and responding to compliance concerns: Can you think of a time when you saw or overheard something that didn't sit quite right with you?

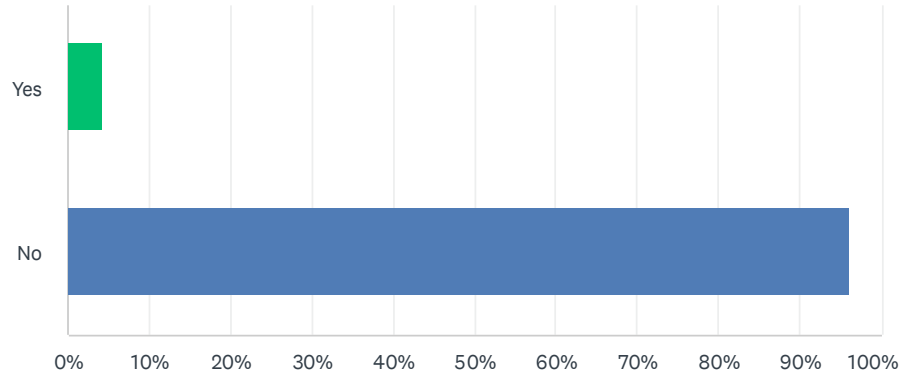
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes	7.84% 20
No	92.16% 235
Total Respondents: 255	

### Q16 Management response to concerns: Can you think of a time when you felt that your supervisor/manager didn't listen to you or act on a compliance and ethics issue that you raised?

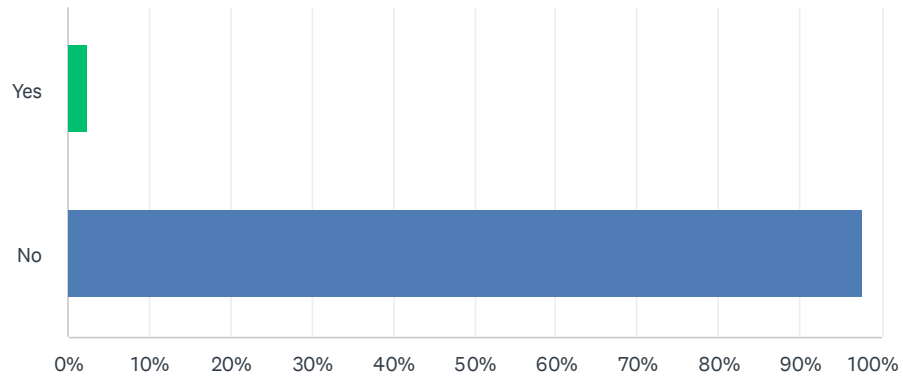
Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes	4.31% 11
No	96.08% 245
Total Respondents: 255	

### Q17 Compliance response to concerns: Can you think of a time when you felt that Compliance didn't listen to you or act on a compliance and ethics issue that you raised?

Answered: 255 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes	2.35% 6
No	97.65% 249
Total Respondents: 255	



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## MEMORANDUM

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**TO:** Kern Health Systems Governance and Compliance Committee  
**FROM:** Deborah Murr, Chief Compliance and Fraud Prevention Officer  
**SUBJECT:** 2023 Department of Health Care Services Audit  
**DATE:** March 28, 2024

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### **BACKGROUND**

Kern Health Systems (KHS) is required to implement an effective Compliance Program that meets the regulatory requirements set forth in both the Department of Health Care Services (DHCS) contract and the Department of Managed Health Care (DMHC) Knox-Keene license.

At least annually, or on a cadence prescribed by DHCS, KHS is evaluated for compliance with its contract and regulations in the areas of utilization management, case management and coordination of care, availability and accessibility, member's rights, quality management, and administrative and organizational capacity. Staff interviews are conducted with additional medical record and file review, questionnaire responses, and process demonstrations.

The audit was conducted November 27, 2023, through December 8, 2023, and reviewed the plan's compliance for audit review period of November 1, 2022, through October 31, 2023. The plan was found to be deficient in only one area involving Administrative and Organizational Capacity. KHS submitted a Corrective Action Plan that is currently under review for approval and closure with DHCS.

### **REQUESTED ACTION**

Receive and File; Refer to the KHS Board of Directors.



**Managed Care Plan: Kern Health Systems dba Kern Family Health Care**  
**Report Year: 2023**  
**Draft Audit Report Response**

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**Finding 6.2.1: The Plan and did not report potential FWA to DHCS within ten working days.**

**Recommendation:** Report potential FWA to the DHCS PIU within ten working days from the date of discovery or when it is notified of such activity.

**Plan Agreement:** Partially Agree with Finding

**Relevant information for consideration before the final audit report is issued:**

KHS partially agrees with the finding. We agree with two of the samples reviewed being untimely; however, please see attached supporting documentation for our calculation regarding the other two samples.

KHS would also like to request confirmation of how DHCS calculates the ten days so we can ensure our timeliness is being tracked appropriately. We have already adjusted our process to count the day of receipt as day one (1) to align with how it appears DHCS is counting; however, we request DHCS review and advise.

In addition, while KHS continues to strive to achieve 100% compliance, we did monitor the timeliness and take corrective actions as needed during the audit timeframe (and continue to do so). Please see our supporting documentation attached:

- 6.2.1\_KHS Response Timeliness
- 6.2.1\_Supporting Documentation\_20240312

**DHCS Comments to Plan's Response:**

Click or tap here to enter DHCS comments to the Plan's response.



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## MEMORANDUM

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**TO:** Kern Health Systems Governance and Compliance Committee  
**FROM:** Deborah Murr, Chief Compliance and Fraud Prevention Officer  
**SUBJECT:** 2023 Department of Managed Health Care Audit  
**DATE:** March 28, 2024

---

### **BACKGROUND**

Kern Health Systems (KHS) is required to implement an effective Compliance Program that meets the regulatory requirements set forth in both the Department of Health Care Services (DHCS) contract and the Department of Managed Health Care (DMHC) Knox-Keene license.

On a cadence prescribed by DMHC, KHS is evaluated for compliance with its license and regulations in the areas of utilization management, case management and coordination of care, availability and accessibility, member's rights, quality management, and administrative and organizational capacity. Staff interviews are conducted with additional medical record and file review, questionnaire responses, and process demonstrations.

The audit was conducted January 18, 2023, through January 20, 2023, and reviewed the plan's compliance for audit review period of September 1, 2020, through August 31, 2022. The plan was identified to be deficient in twenty-four (24) areas involving grievances and appeals, access and availability, utilization management, emergency services and care, and prescription drug coverage.

KHS is currently working on submitting a Corrective Action for review, approval and closure with DMHC.

### **REQUESTED ACTION**

Receive and File; Refer to the KHS Board of Directors.

Kern Health Systems  
 Routine Survey Preliminary Report  
 March 7, 2024

**EXECUTIVE SUMMARY**

On August 29, 2022, the California Department of Managed Health Care (Department) notified Kern Health Systems (Plan) that it would conduct the Plan’s scheduled Routine Survey pursuant to Health and Safety Code section 1380. The Department requested the Plan submit information regarding its health care delivery system in connection with the Routine Survey. The survey team conducted the onsite survey from January 18, 2023 through January 20, 2023.

The Department assessed Plan operations in the following areas:

- Quality Assurance**
- Grievances and Appeals**
- Access and Availability of Services**
- Utilization Management**
- Continuity of Care**
- Emergency Services and Care**
- Prescription Drug Coverage**

The Department identified **24** deficiencies during the Routine Survey, as identified in the **2023** Survey Deficiencies Table below.

**2023 SURVEY DEFICIENCIES TABLE**

#	DEFICIENCY STATEMENT
<b>GRIEVANCES AND APPEALS</b>	
1	<b>The Plan’s online grievance form fails to correctly display the statement required by Section 1368.015(c)(3).</b> Section 1368.015(a) and (c)(3).
2	<b>The Plan does not consistently identify all issues within exempt grievances and fails to consistently document adequate consideration, investigation, and resolution of exempt grievances.</b> Section 1368(a)(1); Rule 1300.68(a)(1), (4) and (e)(2).
3	<b>The Plan fails to consistently identify potential quality issues within exempt grievances.</b> Rule 1300.70(a)(1) and (3), (b)(1)(A) and (B).
4	<b>Upon receipt of an expedited grievance, the Plan does not consistently provide immediate notification to the enrollee of the right to notify the Department of the grievance.</b> Section 1368.01(b); Rule 1300.68.01(a)(1).
5	<b>The Plan’s written responses to grievances do not consistently include a clear and concise explanation of the Plan’s decision.</b> Section 1368(a)(5); Rule 1300.68(d)(3).



Kern Health Systems  
 Routine Survey Preliminary Report  
 March 7, 2024

<b>6</b>	<p><b>The Plan’s written responses to grievances involving delay, denial, or modification of health care services based on medical necessity do not consistently include a description of the criteria or guideline used and the clinical reasons for the Plan’s decision.</b></p> <p>Section 1368(a)(5); Rule 1300.68(d)(4).</p>
<b>7</b>	<p><b>The Plan’s written grievance communications fail to consistently publish or fail to correctly publish the statement required by Section 1368.02(b).</b></p> <p>Section 1368.02(b).</p>
<b>8</b>	<p><b>The Plan’s independent medical review (IMR) policy improperly states the Department’s IMR process is not available to Medi-Cal members when the Plan has denied a requested service because it is not a covered benefit.</b></p> <p>Rule 1300.68(d)(5).</p>
<b>ACCESS AND AVAILABILITY OF SERVICES</b>	
<b>9</b>	<p><b>The Plan’s advanced written notice to contracted providers affected by a corrective action did not include the telephone number of the person authorized to respond to provider concerns regarding the Plan’s corrective actions.</b></p> <p>Rule 1300.67.2.3(a)(3).</p>
<b>10</b>	<p><b>The Plan does not include a hyperlink to a form in its online provider directory to allow enrollees, potential enrollees, other providers, or the public to directly report possible inaccurate, incomplete, or misleading information to the Plan.</b></p> <p>Section 1367.27(m)(3).</p>
<b>11</b>	<p><b>The Plan’s documentation in response to receipt of a report of a potential directory inaccuracy does not comply with statutory requirements.</b></p> <p>Section 1367.27(o)(2)(B).</p>
<b>UTILIZATION MANAGEMENT</b>	
<b>12</b>	<p><b>The Plan does not consistently make denial, modification and concurrent review decisions in a timely manner and does not consistently notify the enrollee in writing of the decision in the required timeframe.</b></p> <p>Section 1367.01(h)(1)-(3).</p>
<b>13</b>	<p><b>The Plan’s utilization management decision letters do not correctly display the required paragraph as set forth at Section 1368.02(b).</b></p> <p>Section 1368.02(b).</p>

Kern Health Systems  
 Routine Survey Preliminary Report  
 March 7, 2024

<b>14</b>	<p><b>The Plan’s utilization management decision letters do not consistently include a description of the criteria or guidelines used, and the clinical reasons for the decisions regarding medical necessity.</b></p> <p>Section 1367.01(h)(4).</p>
<b>15</b>	<p><b>The Plan’s utilization management denial and modification decision letters do not include the direct telephone number or an extension of the healthcare professional responsible for the decision.</b></p> <p>Section 1367.01(h)(4).</p>
<b>16</b>	<p><b>The Plan has not established an effective quality assurance process to assess and evaluate compliance with Section 1367.01(h).</b></p> <p>Section 1367.01(j).</p>
<b>17</b>	<p><b>The Plan fails to consistently ensure its delegate complies with required utilization management notification standards.</b></p> <p>Section 1367.01(a); Section 1367.01(h)(4); Section 1368.02(b).</p>
<b>18</b>	<p><b>The Plan failed to consistently demonstrate that for concurrent review denials, care was not discontinued until the enrollee’s treating provider had been notified and agreed to an appropriate care plan.</b></p> <p>Section 1367.01(h)(3).</p>
<b>EMERGENCY SERVICES AND CARE</b>	
<b>19</b>	<p><b>The Plan inappropriately denies post-stabilization care and is operating at variance with policies filed with the Department.</b></p> <p>Section 1262.8(d)(1)(A) and (B), (d)(2), (i), and (j); Section 1363.5(a); Section 1367.01(b); Section 1371.4(a), (d), (j)(1) and (2); Section 1386(b)(1); Rule 1300.71.4(b) and (c).</p>
<b>20</b>	<p><b>The Plan improperly denied payment for emergency services and treatment.</b></p> <p>Section 1371.4(b) and (c).</p>
<b>PRESCRIPTION DRUG COVERAGE</b>	
<b>21</b>	<p><b>The Plan’s written notifications to enrollees regarding a decision to deny or modify a request for a formulary exception request on the basis of medical necessity, do not consistently include a clear and concise explanation of the reasons for the Plan’s decision, a description of the criteria or guidelines used, and the clinical reason(s) for the decision.</b></p> <p>Section 1367.01(h)(4).</p>

Kern Health Systems  
 Routine Survey Preliminary Report  
 March 7, 2024

<b>22</b>	<p><b>The informational section of the Plan’s formularies does not include all required information.</b>                  Rule 1300.67.205(d)(8), (9), (13), 18 and (19).</p>
<b>23</b>	<p><b>The Plan fails to correctly publish the statement required by Section 1368.02(b) within its written formulary exception request denial notices to enrollees.</b>                  Section 1368.02(b).</p>
<b>24</b>	<p><b>The Plan failed to demonstrate that it requires members of its pharmacy and therapeutics committee to abstain from voting on any issue for which the member may have a conflict of interest, and that at least 20% of the committee has no conflict of interest with respect to any pharmaceutical issuer or manufacturer.</b>                  Section 1367.41(c) and (d).</p>

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<sup>1</sup> The Knox-Keene Act is codified at Health and Safety Code section 1340 et seq. All references to “Section” are to the Health and Safety Code unless otherwise indicated. The regulations promulgated from the Knox-Keene Act are codified at Title 28 of the California Code of Regulations section 1000 et seq. All references to “Rule” are to Title 28 of the California Code of Regulations unless otherwise indicated.





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## MEMORANDUM

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**TO:** Kern Health Systems Governance and Compliance Committee  
**FROM:** Deborah Murr, Chief Compliance and Fraud Prevention Officer  
**SUBJECT:** 2024 Compliance Work Plan Q1 Update  
**DATE:** March 28, 2024

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### **BACKGROUND**

The Department of Health Care Services (DHCS) and Department of Managed Health Care (DMHC), requires organizations that participate as a California Med-Cal plan, to have a formal compliance program. Additionally, in response to the many laws, rules and regulations governing healthcare, e.g., federal and state false claims and whistleblower laws, KHS has established an annual work plan to help the organization achieve our commitment to adhere to the highest ethical standards of conduct in all business practices.

The U.S. Health and Human Services Office of Inspector General (OIG) outlines a structure for implementing an ongoing evaluation process which is critical to a successful compliance program. Through annual review and renewal, KHS can adjust the work plan accordingly to align with the changing healthcare landscape and regulatory requirements.

KHS prepares a Compliance workplan after reviewing the latest Department of Health Care Services (DHCS) and Department of Managed Care (DMHC) priorities, recent enforcement activities, previous internal and external audit findings and other relevant topics that necessitate additional scrutiny. Additionally, the workplan includes a list of areas that the Compliance Department will audit and monitor as a risk mitigation strategy for ongoing compliance under KHS's contract and licensure.

### **REQUESTED ACTION**

Receive and File; Refer to the KHS Board of Directors.

**KERN HEALTH SYSTEMS  
2024  
Compliance Program**

ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
<b>Compliance Plan</b>									
<b>A. Annual Review/Update of Compliance Documents and Written Policies and Procedures</b>									
1. 2024 Compliance Work Plan	Create 2024 Compliance Plan		Chief Compliance Officer Director of Compliance						
1a. Obtain Board Approval	Obtain Board Approval of Compliance Work Plan	2/15/2024	Chief Compliance Officer		Complete				
2. Review/Update and Approval of Compliance Code of Conduct	Update Code of Conduct to align with 2024 DHCS Contract and obtain Board approval		Chief Compliance Officer Director of Compliance						
2a. Obtain Board Approval of Compliance Code of Conduct	Obtain Board Approval of Compliance Code of Conduct	4/11/2024	Chief Compliance Officer		In Progress				
3. Review/Update and Approval of Compliance Guide	Update Code of Conduct and obtain Board approval		Chief Compliance Officer Director of Compliance						
3a. Obtain Compliance Committee Approval of Compliance Guide	Obtain Compliance Committee Approval of Compliance Guide	4/11/2024	Chief Compliance Officer		In Progress				
3b. Obtain Board approval of Compliance Guide	Obtain Board approval of Compliance Guide	4/11/2024	Chief Compliance Officer		In Progress				
4. Create 2024 Compliance Program	Create 2024 Compliance Program		Chief Compliance Officer Director of Compliance						
4a. Obtain Compliance Committee Approval of Compliance Program	Obtain Compliance Committee Approval of Compliance Program	3/29/2024	Chief Compliance Officer		Complete				
4b. Obtain Board approval of Compliance Program	Obtain Board approval of Compliance Program	2/15/2024	Chief Compliance Officer		Complete				
5. Coordinate Departmental Review/Update of all Policy and Procedures	Create schedule & ensure all policies		Compliance Manager Compliance Analyst Compliance Specialist						
5a. Create schedule and distribute to stakeholders	Create schedule for policy reviews and distribute	4/1/2024	Compliance Manager		In Progress				
5b. Track to completion	All policies to be reviewed by end of year	12/31/2024	Compliance Manager Compliance Analyst Compliance Specialist		In Progress				
5c. Report Policy Review Status in Compliance Committee Meetings	Provide quarterly update to Compliance Committee (number reviewed/to be reviewed by department)	Quarterly	Compliance Manager Compliance Analyst Compliance Specialist		In Progress				
6. Review/Update Compliance Policy & Procedures	Review/Update all Compliance owned policy and procedures		Director of Compliance Compliance Manager						
6a. Create Public versions of policies where needed (e.g. FWA, HIPAA)	Create public facing versions of identified policies (e.g. HIPAA; FWA; etc)	6/1/2024	Director of Compliance Compliance Analyst		In Progress				
<b>B. Compliance Committee and Oversight</b>									
1. Conduct Committee Meetings at least quarterly									
1a. Conduct Compliance Committee meetings at least quarterly	Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly	Quarterly	Director of Compliance Compliance Manager		In Progress	Held February 29, 2024			
1b. Conduct Fraud, Waste, and Abuse Committee at least quarterly	Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly	Quarterly	Director of Compliance Compliance Manager		In Progress	Held February 9, 2024			
1c. Conduct Delegation Oversight Committee at least quarterly	Create agenda, minutes and action items, related reporting and documents for review and hold meeting quarterly	Quarterly	Director of Compliance Compliance Manager		In Progress	Held February 26, 2024			
2. Review/update Committee Charters at least annually	Review/Update Charters and obtain Committee Approvals								
2a. Compliance Committee	Review/Update Charter	3/1/2024	Chief Compliance Officer		In Progress				
2a.1 Obtain Committee Approval	Obtain Committee Approval on updated Charter	Q2 2024	Chief Compliance Officer		In Progress				
2b. FWA Committee	Review/Update Charter	3/1/2024	Chief Compliance Officer		In Progress				
2a.1 Obtain Committee Approval	Obtain Committee Approval on updated Charter	Q2 2024	Chief Compliance Officer		In Progress				
2c. Delegation Oversight Committee	Review/Update Charter	3/1/2024	Chief Compliance Officer		In Progress				
2c.1 Obtain Committee Approval	Obtain Committee Approval on updated Charter	Q2 2024	Chief Compliance Officer		In Progress				
3. Provide regular Compliance Updates to the Board of Directors		Bi-Monthly BOD Meetings	Chief Compliance and Fraud Prevention Officer						
<b>C. Effective Training and Education</b>									

**KERN HEALTH SYSTEMS  
2023  
Compliance Program**

ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
1. In coordination with HR, review/update Corporate Compliance Training for calendar year 2024									
1a. Compliance Training	Review/update Compliance Training	4/1/2024	Director of Compliance		In Progress	Compliance working with Human Resources Learning and Development team to revise/refresh content and delivery of training			
1b. Fraud, Waste, and Abuse Training	Review/Update FWA Training	4/1/2024	Director of Compliance		In Progress	Compliance working with Human Resources Learning and Development team to revise/refresh content and delivery of training			
1c. HIPAA/Privacy Training	Review/Update HIPAA/Privacy Training	4/1/2024	Director of Compliance		In Progress	Compliance working with Human Resources Learning and Development team to revise/refresh content and delivery of training			
2. In coordination with HR, track/report on completion of mandatory training (Compliance, FWA, HIPAA)	Track annual training to completion		Director of Compliance (HR resource TBD)						
2a. Report training status in quarterly Compliance Committee Meetings	Report status of training completions, by department, in quarterly Compliance Committee Meetings	Quarterly	Director of Compliance (HR resource TBD)		In Progress	Reported out in Compliance Committee Meeting 02/29/2024; will also be Q2 agenda item			
3. Review/Update New Hire Orientation Overview	Review/Update Compliance New Hire Orientation Overview	1/1/2024	Chief Compliance and Fraud Prevention Officer		Complete	Updated for 2024 in HR scheduled onboarding			
4. Compliance & Ethics Week	Plan and Execute activities for annual Compliance & Ethics Week	11/15/2024	Compliance Manager Compliance Team Members		In Progress				
5. Establish Compliance Training for Subcontractors	Establish content and method for delegated entity/subcontractor Compliance training	4/1/2024	Compliance Manager Director of Compliance						
5a. Identify Delegated Entities/Subcontractors to receive training	Identify subcontractors to which Compliance Training applies	3/1/2024	Compliance Manager Director of Compliance		Complete	American Logistics Health Dialog Language Line VSP			
5b. Implement Compliance Training for Subcontractors	Implement delegated entity/identified subcontractor training	4/1/2024	Compliance Manager Director of Compliance		In Progress	Initial discussions with HR on potential use of new training platform. Currently re-reviewing DHCS contract to determine topics for delegate training.			
6. Review and provide feedback on content of Provider Manual	Review and continually expand upon content of Provider Manual for Compliance-related topics	Quarterly	Compliance Manager Director of Compliance		In Progress	Director of Compliance added HIPAA/FWA language			
7. Compliance distributes notifications to key stakeholders of any DHCS-related meeting/webinar/presentations	Receive, review, distribute regulatory updates regarding trainings, webinars, meetings to relevant stakeholders	Ongoing	Compliance Manager		In Progress	Emails, webinar invitations, etc.			
8. 2024 DHCS Contract Monitoring Activities	Compliance coordinates with project team and key stakeholders	Ongoing	Director of Compliance Compliance Analyst		In Progress	DHCS submissions/AIR completion Compliance Dashboard Health Equity Dashboard Reports for PHM, UM, WP, PNM QNXT Config Updates MOU Status Reporting & Execution			
9. Compliance key personnel attend regulatory-focused meetings:									
9a. LHPC call (weekly)	Attend calls and report relevant updates to key stakeholders	Weekly	Director of Compliance		In Progress	Attended by Director of Compliance and CCO			
9b. CAHPS meeting (weekly)		Weekly	Manager of Compliance		In Progress	Attended by Director of Compliance and CCO			
9c. DHCS Plan Call (including Payment Call) (weekly)		Weekly	Director of Compliance		In Progress	Attended by Director of Compliance and CCO			
9d. DHCS topic-specific webinars/meetings (ad hoc)		As scheduled	Director of Compliance Compliance Manager		In Progress	Attended by Director of Compliance and CCO			
9e. DMHC Roundtable Meetings (quarterly)		Quarterly	Director of Compliance		In Progress	Attended by Director of Compliance and CCO			
9f. LHPC Compliance Officer Meetings (monthly)		Monthly	Chief Compliance Officer Director of Compliance		In Progress	Attended by Director of Compliance and CCO			

KHS Governance and Compliance Committee Meeting, March 28, 2024

**KERN HEALTH SYSTEMS  
2023  
Compliance Program**

ACTIVITY	DETAIL/TASK	TARGET DATE	ACCOUNTABILITY	Risk	STATUS	Q1 COMMENTS	Q2 COMMENTS	Q3 COMMENTS	Q4 COMMENTS
<b>D. Effective Lines of Communication</b>									
1. Distribute Monthly "Compliance Capsule" email communications	Distribute monthly Compliance Capsule email communication by the 15th of each month	1/15/2024-12/15/2024	Compliance Manager Compliance Analysts		In Progress	January 29, 2024-Remote Work and Member Privacy February 26, 2024-Privacy Protections/Permissions March			
2. Conduct Compliance Awareness Survey	Compliance will implement a compliance survey to obtain feedback from employees to evaluate how well the compliance program is functioning and identify areas that can be strengthened.	3/1/2024	Compliance Manager / Director of Compliance		Complete	Conducted 3/4/2024 (255 respondents)			
3. Focus on at least one monthly Compliance Capsule email on methods for communication with Compliance		6/1/2024	Director of Compliance		In Progress	Privacy protections Q1 focus			
<b>4. Compliance Updates</b>									
4a. Compliance provide updates at monthly in Executive Officers Meeting		Monthly	Chief Compliance Officer		In Progress	January 20, 2024-Chat GPT/AI Governance			
4b. Compliance provides updates at least every-other-month in Operations Meeting		Ad hoc	Chief Compliance Officer Director of Compliance		In Progress	Regulatory Calendar Process			
4c. Compliance provide updates at BI-monthly Board meetings		Bi-monthly	Chief Compliance Officer		In Progress	BOD February 2024			
5. Compliance continues to coordinate communication and hold meetings as needed regarding regulatory updates (APLs, emails, DHCS weekly meetings, etc.)		Ongoing	Compliance Manager Director of Compliance		In Progress	DHCS APL 23-001, 002, 003, 004, 005			
6. Participate in weekly Grievance & Appeals review meetings	review materials, attend meetings, request updates, provide education in weekly meetings	weekly	Director of Compliance Compliance Auditor		In Progress	Director of Compliance attended weekly and provided feedback; transition to review of agenda by Compliance Auditor with oversight from Director of Compliance			
7. Participate in weekly Discriminations review meetings	review materials, attend meetings, request updates, provide education in weekly meetings	weekly	Director of Compliance		In Progress	Director of Compliance attended weekly meeting and responded to additional email reviews as needed.			
<b>E. Well Publicized Disciplinary Standards</b>									
1. In coordination with HR, ensure review of new hires against exclusionary databases and report out in Compliance Committee		Ongoing	Director of Compliance		In Progress	New hire onboarding includes review of exclusionary databases			
2. Incorporate further emphasis on disciplinary standards into Compliance materials, trainings, policies, and new hire orientation		Ongoing	Director of Compliance		In Progress	Updated Compliance program to outline disciplinary standards			
<b>F. Routine Monitoring and Identification of Compliance Risks</b>									
<b>1. Complete Risk Assessments and incorporate into Compliance Auditing/Monitoring Plan for 2025</b>									
1a. 2023 APLs		8/30/2024	Director of Compliance		In Progress				
1b. 2023 DHCS Medical Survey Findings		8/30/2024	Director of Compliance		In Progress				
1c. 2023 DMHC Medical Survey Findings		8/30/2024	Director of Compliance		In Progress				
1d. Prior Regulatory Audits		8/30/2024	Director of Compliance		In Progress				
3. Establish Routine monthly Operational Reporting for Monitoring/Oversight/Identification of Potential Compliance Issues (e.g. Grievance timeliness)		4/30/2024	Director of Compliance		In Progress	Currently working on development of Compliance Dashboard and identifying additional reports to be included in Q2 Compliance Committee			
4. Report on items being monitored in quarterly Compliance Committee Meeting		Quarterly	Director of Compliance		In Progress	Currently working on development of Compliance Dashboard and identifying additional reports to be included in Q2 Compliance Committee			



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5. Conduct and report out on all audits in the Compliance Committee Meeting (# TBD)		Q3 2024	Director of Compliance		In Progress				
<b>G. Procedures and Systems for Prompt Response to Compliance Issues</b>									
<b>1. Create Compliance Issues Tracking Log</b>									
			Director of Compliance						
1a. Report on status of Compliance Issues in quarterly Compliance Committee Meetings		Quarterly	Director of Compliance Manager of Compliance		In Progress	Tracking Log has been created and will be reported upon in 1st quarter 2024 Compliance Committee Meeting (April/May)			
2. Create Compliance Policy for Prompt Response to compliance Issues (include tracking mechanism, reporting, CAP process)			Director of Compliance		In Progress	Policy drafted; will be routed for signatures in published by Q2.			
2b. Report on status of CAPS in quarterly Compliance Committee Meetings		Quarterly	Director of Compliance		In Progress	VSP Cap discussed in 4th Quarter Delegation Oversight Committee meeting held 02/26/2024  FWA CAP discussed in FWA Subcommittee 02/09/2024			
<b>H. Fraud, Waste, and Abuse (FWA)</b>									
1. Attend DOJ FWA Trainings		Quarterly/ Annual	Director of Compliance Chief Compliance Officer Compliance Analyst		In Progress	Q1 meeting schedule 3/26/2024-FWA/SIU and Manager Audits and Investigations attending			
2. Review/Update Annual FWA Plan	Review, update, and submit annual FWA plan to DMHC	4/1/2024	Director of Compliance		In Progress	Began review and on track to submit to DMHC by target date			
3. Facilitate FWA Data Mining Workgroup at least every other month	Facilitate workgroup meetings and prioritize	Ongoing	Chief Compliance and Fraud Prevention Officer Director of Compliance		In Progress				
3b. Facilitate FWA Workgroup per quarter focused on complicated/high risk/Corrective Action Plans		Ongoing	Director of Compliance / Compliance Analyst FWA/CAP Workgroup		In Progress				
4. Conduct investigations regarding potential FWA and provide Updated FWA Reporting to FWA Committee		Ongoing	Director of Compliance / Compliance Analyst		In Progress	Updates reported in 02/09/2024 FWA Subcommittee Meeting			
<b>I. Delegation Oversight</b>									
<b>1. Schedule &amp; Coordinate Annual Delegation Oversight Audits</b>									
1a. VSP		4/1/2024	Compliance/PNM/UM		In Progress	Audit Entrance Letter finalized and provided to VSP; finalizing dates of audit			
1b. American Logistics (AL)		4/1/2024	Compliance/Member Services Marketing		In Progress	Unannounced portion of audit (required by 2024 DHCS Contract) scheduled for 03/21/2024. Audit letter drafted			
1c. Health Dialog		4/1/2024	UM		In Progress				
1d. Language Line		4/1/2024	Compliance/Cultural and Linguistics Health Equity		In Progress				
2. Participate in quarterly delegated subcontractor joint operating meetings (JOM)									
3a. Kaiser		Ongoing	Director of Compliance		In Progress	Kaiser JOM no longer occurring due to termination of contract effective 12/31/2023			
3b. VSP		Ongoing	Director of Compliance		In Progress	Director of Compliance attended Q1 meeting 02/01/2024			
3c. AL		Ongoing	Director of Compliance		In Progress	Director of Compliance attended Q1 meeting 02/29/2024			

KHS Governance and Compliance Committee Meeting, March 28, 2024

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3d. Health Dialog		Ongoing	Director of Compliance		In Progress	Director of Compliance attended Q1 meeting 02/22/2024			
3e. Language Line		Ongoing	Director of Compliance		In Progress				
4. Create delegation reporting and compliance plan			Director of Compliance						
4a. Delegation Function Matrix Updates		6/1/2024	Director of Compliance		In Progress				
4b. Delegation Justification and Plan		6/1/2024	Director of Compliance		In Progress				
4c. Contract Requirements Grid		6/1/2024	Director of Compliance		In Progress				
5. Track Delegated Entity Compliance with APLs through APL grid attestation at least quarterly	Distribute APL grid and follow up as needed with subcontractors to complete; report out on status in Delegation Oversight Committee quarterly	5th of the month following each quarter	Compliance Manager						
5a. Report status of Delegates APL compliance quarterly	Report status in Delegation Oversight Committee meeting quarterly	Quarterly	Compliance Manager		In Progress				
5b. Determine if/how to incorporate other subcontractors and which subcontractors and begin distribution/tracking	Distribute APL grid and track to ensure responses received	Quarterly	Compliance Manager		In Progress				

