



**Minutes of the Open Session of the  
Corporate Compliance/Privacy and Internal Audit Committee  
Thursday, May 18, 2017  
El Camino Hospital | Conference Room F  
2500 Grant Road, Mountain View, CA 94040**

**Members Present**

**John Zoglin**, Chair  
**Sharon Anolik Shakked**, Vice Chair  
**Dennis Chiu** (via teleconference)  
**Lica Hartman**  
**Christine Sublett** (via teleconference)

**Members Absent**

None

Agenda Item	Comments/Discussion	Approvals/Action
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session meeting of the Corporate Compliance/Privacy and Internal Audit Committee of El Camino Hospital (the "Committee") was called to order at 5:01pm by Chair Zoglin. A verbal roll call was taken. Committee Members Chiu and Hartman participated via teleconference. Ms. Lica Hartman joined the meeting at 5:05pm during Agenda Item 6: Policies for Approval. All other Committee members were present.	
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Chair Zoglin asked if any Committee members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
<b>3. PUBLIC COMMUNICATION</b>	None.	
<b>4. CONSENT CALENDAR</b>	<p>Chair Zoglin asked if any member of the Committee or the public wished to remove an item from the consent calendar. No items were removed.</p> <p><b>Motion:</b> To approve the consent calendar: Meeting Minutes of the Open Session of the Corporate Compliance/Privacy and Internal Audit Committee (March 16, 2017).</p> <p><b>Movant:</b> Anolik Shakked  <b>Second:</b> Sublett  <b>Ayes:</b> Anolik Shakked, Chiu, Sublett, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Hartman  <b>Recused:</b> None</p>	<i><b>Consent Calendar approved</b></i>
<b>5. REPORT ON BOARD ACTIONS</b>	Chair Zoglin noted that the strategic plan is still in progress with multiple workgroups working on specific initiatives. He requested that staff have the CEO candidates sign NDAs so that the Board may share some of the strategic work with them during the interview process.	
<b>6. POLICIES FOR APPROVAL</b>	<p>Diane Wigglesworth, Sr. Director, Corporate Compliance, explained that five new IT Security policies were brought to the Committee for review as part of IT's policy restructuring (separating policies from procedures). She noted that 40 additional policies will be brought in August for a total of 45 new IT Security policies to meet required regulatory and security requirements.</p> <p>Mary Rotunno, General Counsel, explained that the modifications for the Physician Financial Arrangement Policy are driven by new</p>	<i><b>Policies recommended for approval: Formatting to be edited, IT example language to be refined, and physician</b></i>


	<p>physician employment through SV Primary Medical Group, P.C., which has a Professional Services Agreement with ECH. The revisions would allow for a higher threshold for Board approval. She noted that cost of salary and benefits for employed physicians will always be higher than \$250,000 (which is the current cap for arrangements like medical directorships, etc.). Ms. Wigglesworth clarified that, for employed physicians only, a renewal or amended PSA with SVPMG can be executed without Board approval if it is below the 75<sup>th</sup> percentile of FMV data and under \$1 million annually.</p> <p>Chair Zoglin requested the physician arrangement policy be separated out rather than included on the consent calendar when it goes to the Board.</p> <p>Staff described the physician recruitment efforts and the policy changes to expedite providing timely employment offers, but not eliminate the approval process.</p> <p>Mr. Chiu requested that the numbering and formatting on pages 14, 17, and 25 of the packet be cleaned up before it is brought to the Board.</p> <p>The Committee and staff discussed whether or not to include specific examples in policies or more general language regarding adhering to good practices in line with changes in the industry.</p> <p><b>Motion:</b> To recommend that the Board approve the policies included in the packet with the proposed changes.</p> <p><b>Movant:</b> Sublett  <b>Second:</b> Anolik Shakked  <b>Ayes:</b> Anolik Shakked, Chiu, Hartman, Sublett, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><i>arrangements to be brought to the Board as a non-consent item</i></p>
<p><b>7. PROPOSED FY18 COMMITTEE GOALS</b></p>	<p>Ms. Wigglesworth noted that for the goal related to enterprise risk management (ERM), the proposed framework will be brought in Q1 and proposed implementation in Q2.</p> <p>The Committee and staff discussed the goal related to HIPAA Readiness; staff noted that there will be regular communication to Committee on HIPAA Readiness, with updates to be presented in Q2 and Q4, the target completion for HIPAA Readiness is in 2019, and the plan will address security and privacy gaps identified by the Protiviti and Coalfire audits.</p> <p>The Committee requested that there be a Q2 update ahead of the approval in Q4.</p> <p>Proposed goal: To review reports on the completion of HIPAA Readiness plan milestones for FY18. (Q2: Review update and provide feedback; Q4: review the report).</p> <p><b>Motion:</b> To recommend that the Governance Committee review and approve the FY18 Compliance Committee Goals as amended.</p> <p><b>Movant:</b> Sublett  <b>Second:</b> Anolik Shakked  <b>Ayes:</b> Anolik Shakked, Chiu, Hartman, Sublett, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None</p>	<p><i>Proposed FY18 Committee Goals recommended to the Governance Committee for review and approval</i></p>



	<b>Recused:</b> None	
<b>8. PROPOSED FY17 FINANCIAL AUDIT PLAN</b>	<p>Brian Conner from Moss Adams provided an overview of the audit team, consistent with prior years. He outlined the required communications (making sure Committee and team are on the same page before proceeding with the plan), the responsibilities under US generally accepted auditing standards, and the audit process.</p> <p>Mr. Conner explained that areas with higher risks of potential material misstatement will be emphasized in the audit, including capital asset activity, net patient accounts receivable and revenue, pension, and long-term debt.</p> <p>In response to the Committee's questions, Mr. Conner explained the evaluation of judgment involved audit areas and the review of IT infrastructure.</p> <p>He highlighted the upcoming standards, noting that retiree health benefit plan information will be on the balance sheet for next year and will affect this coming year's accounting activity.</p> <p>In response to Mr. Chiu's question, Mr. Conner explained that GASB-77 will not have a significant impact on District tax revenues.</p> <p>Mr. Conner left the meeting.</p>	
<b>9. HIMSS CONFERENCE: COMPLIANCE RISKS AND IT SECURITY HIGHLIGHTS</b>	<p>Ms. Wigglesworth provided a summary of highlights from the HIMSS and HCCA Conferences that she attended recently highlighting that:</p> <ul style="list-style-type: none"> <li>- In the eyes of the government, cybersecurity is a significantly increasing area of risk.</li> <li>- Health care information is more financially lucrative than almost any other (including credit card data), which increases in value over time unlike most data.</li> </ul> <p>The Committee members emphasized that organizations could have prevented the recent global ransomware attack with patches that were already available. Timely software updates are crucial and an important consideration in vendor selection.</p> <p>Ms. Wigglesworth outlined guidance and corrective actions to mitigate top cybersecurity compliance risks including (but not limited to) complete/accurate risk assessment, business associate agreements, and reducing insider threats.</p> <p>In response to Ms. Sublett's questions, Deb Muro, Interim CIO explained the risk assessment process for medical devices.</p> <p>Ms. Wigglesworth outlined next steps to incorporate the lessons learned from these conferences and noted that it is meaningful to educate the Committee and the Board on these emerging cybersecurity risks to health care.</p>	
<b>10. KPIs SCORECARD, AND TRENDS</b>	<p>Ms. Wigglesworth reported that due to an increase in Compliance/Privacy Activity, a new manager position in the Compliance Department is part of the FY18 budget, and will be starting in January 2018 to assist with investigations and follow ups.</p> <p>She reviewed the KPI trends and noted there was an uptick in Anti-Kickback and Stark issues related to contracts and FMV analysis; She commented that this increase is largely due to increased executive leadership awareness about the laws and physicians reaching out to Compliance.</p> <p>She reported that there were more high severity audit findings this year</p>	

	(11) compared to the previous year (6).  Ms. Anolik Shakked commended staff for the maintenance in average number of days to investigate concerns despite the significant increase in the number investigations.	
<b>11. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> To adjourn to closed session at 5:59 pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of Meeting Minutes of the Closed Session of the Corporate Compliance/Privacy and Internal Audit Committee (March 16, 2017); pursuant to <i>Gov't Code Section 54956(d)(2)</i> – conference with legal counsel – pending or threatened litigation: Compliance Activity Log, Privacy Activity Log, Internal Audit Follow Up, Internal Audit Work Plan, FY17 Pacing Plan; pursuant to <i>Gov't Code Section 54956(d)(2)</i> – conference with legal counsel – pending or threatened litigation: FY18 Internal Audit Assessment and Work Plan; pursuant to <i>Gov't Code Section 54956(d)(2)</i> – conference with legal counsel – pending or threatened litigation: Report on Internal Audit Activity; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secrets: Discussion on ERM Reporting; pursuant to <i>Gov't Code Section 54956(d)(2)</i> – conference with legal counsel – pending or threatened litigation: Discussion on IT Security Plan; pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel matters: Executive Session.</p> <p><b>Movant:</b> Anolik Shakked  <b>Second:</b> Sublett  <b>Ayes:</b> Anolik Shakked, Chiu, Hartman, Sublett, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<i>Adjourned to closed session at 5:59pm.</i>
<b>12. AGENDA ITEM 20: RECONVENE OPEN SESSION/ REPORT OUT</b>	<p>Open session was reconvened at 7:14 pm. Agenda Items 12-19 were covered in closed session.</p> <p>During the closed session, the Committee approved the Closed Session Minutes of the Corporate Compliance/Privacy and Internal Audit Committee Meeting of March 16, 2017, the FY18 Internal Audit Work Plan, and the IT Security Plan by a vote of all members present (Anolik Shakked, Chiu, Hartman, Sublett, Zoglin).</p>	
<b>13. AGENDA ITEM 21: ADJOURNMENT</b>	<p><b>Motion:</b> To adjourn at 7:17 pm.</p> <p><b>Movant:</b> Sublett  <b>Second:</b> Anolik Shakked  <b>Ayes:</b> Anolik Shakked, Chiu, Hartman, Sublett, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<i>Meeting adjourned at 7:17pm.</i>

Attest as to the approval of the foregoing minutes by the Corporate Compliance/Privacy and Internal Audit Committee of El Camino Hospital:

  
 John Zoglin  
 Chair, Corporate Compliance/  
 Privacy and Internal Audit Committee