

MINUTES

North Broward Hospital District Board Of Commissioners
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, 33309

AUDIT COMMITTEE MEETING 1:30 p.m., February 26, 2020

1. **NOTICE**

Official notice and agenda of this meeting is attached to the Minutes, as EXHIBIT I and EXHIBIT II, as presented for consideration of the Committee.

2. **CALL TO ORDER** 1:39 p.m.

3. **COMMITTEE MEMBERS**

Present: Commissioner Christopher T. Ure, Chair
Commissioner Nancy W. Gregoire, Vice Chair
James Petkas, External Audit Consultant
Scott Porter, External Audit Consultant

Absent: Commissioner Marie C. Waugh

Senior Leadership

Additionally Present: Ray T. Berry/Commissioner, Stacy L. Angier/Commissioner, Gino Santorio/Chief Executive Officer/President, Alan Goldsmith/Chief Administrative Officer, Alex Fernandez/Chief Financial Officer, Linda Epstein/Corporate General Counsel, Jerry Del Amo/Deputy, General Counsel

4. **PUBLIC COMMENTS** None.

5. **APPROVAL OF MINUTES DATED JANUARY 15, 2020**

MOTION It was *moved* by Mr. Porter *seconded* by Mr. Petkas, to:

Approve the Audit Committee meeting minutes, dated January 15, 2020.

Motion *carried* unanimously.

6. **TOPIC OF DISCUSSION**

6.1. Review Completed Audits

Interim Chief Internal Auditor, Anthony Almeda, gave a follow up report on findings that were made on two completed audits, as seen below.

340B Pharmacy Discount Audit

- Ineligible clinics listed on HRSA's Office of Pharmacy Affairs website were removed.

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- Identified that there was no 340B oversight committee established to ensure effective policy and governance.
- Over 11,000 340B medications were improperly dispensed to ineligible patients, leading to a possible million-dollar refund.
- 128 effective manufacturers were identified.

HRSA Health Care for the Homeless Grant Audit

- 11 recommendations implemented, followed up and effectively remediated.

Mr. Almeda gave a report on the findings for several new audits.

Procurement of Services and Medical Supplies (purchasing audit and procurement audit)

- Audit on vendor purchase orders above \$50k
 - Emergency purchase orders audited
 - Electronic purchase orders audited
 - Manual purchase orders audited
 - RFP purchase orders audited

Patient Access, Operations and Admissions,

- Determine if internal controls were in place for patient registration and patient financial illegibility for pre-scheduled and walk-in encounters.
 - Collection of patient demographic
 - Verification of illegibility
 - Physician order management timeliness of medical necessity authorization
 - Patient liability
 - Calculations.

Discussion ensued on how the audit department conducted reports, who was involved, and what occurred once the findings were shared with management.

It was confirmed that a third-party Revenue Cycle firm was being sourced to assist with pending reports. Commissioner Ure requested that the scope of service related to what vendors were being asked to bid on, be presented at the next Audit Committee meeting.

Discussion ensued on the degree of the Audit Committee independence in engaging professional services. Ms. Epstein noted that the Audit Committee's recommendations must have final Board approval. She believed it was referenced under the Charter and Bylaws but would confirm and report back.

Mr. Porter suggested that Mr. Almeda present internal audit department's policy at the next meeting, prior to presenting the rest of his report. The remaining items were tabled.

MOTION It was *moved* by Mr. Porter, *seconded* by Mr. Petkas, that:

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The report be tabled and brought back at the next Audit Committee Meeting after being fully vetted through the management review process.

Motion *carried* unanimously.

6.2. Discussion of Update on status of FY2020 Audit Plan

6.2.1. Update on Audits in Progress

Commissioner Ure suggested that the audit plan be tabled to the next meeting due to time constraints.

6.3. Discussion of follow up Quality Assurance Review and Fee by AMP

Mr. Almeda shared that he contacted Ms. Angela Poole, with AMP, to familiarize himself with her report. Discussion ensued on whether her contract included a follow up and if there would be an additional fee incurred, of up to \$20k. Mr. Almeda confirmed he felt comfortable enough to do the follow up himself regarding recommendations to improve the audit charter.

Mr. Santorio clarified that part of the original scope of phase one, which was delivered on, was to provide a formal report that addressed recommendations for improvements to the District's Audit Committee including the audit committee charter. Phase two would comprise of a follow-up to see if the recommendations were being complied.

The committee concluded that a follow up presentation was not necessary.

7. **ADJOURNMENT** 3:03 p.m.

MOTION It was *moved* by Commissioner Gregoire, *seconded* by Mr. Petkas, to:

Adjourn the Audit Committee Meeting.

Motion *carried* unanimously.

Respectfully submitted,
Commissioner Stacy L. Angier, Secretary/Treasurer