As discussed at an earlier Board of Directors meeting, we provide the Board with a quarterly report of XYZ Hospital compliance matters to satisfy regulatory requirements. Below is a summary of key compliance matters.

**Internal Coding, Billing and Other Reviews**

As part of XYZ Hospital’s compliance program, XYZ Compliance Department conducts billing, coding and other compliance reviews throughout the year to detect potential areas at risk in accordance with its annual risk assessment and audit work plan.

Among other audits, XYZ Compliance Department recently completed a review of its hospital and 8 physician locations to ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA) requirements and internal policies. Overall, the vast majority of locations were in compliance.

A review was also conducted on the inpatient and outpatient mental health service line reimbursement claims and a number of coding and billing issues were identified. XYZ Hospital funded $5,300 back to Medicare and $700 back to Medicaid. XYZ Hospital instituted education to correct the issues. Attached is copy of last quarter’s audit status report.

**Federal and State Government Inquiries**

**Federal Audits**

The OIG is conducting a routine audit of XYZ Hospital’s charges over $200,000. XYZ Hospital submitted the requested information to the OIG.

The OIG is also evaluating XYZ’s Hospital’s credit balances as part of a routine review. XYZ Hospital is evaluating its internal processes and a request was submitted through XYZ’s Legal Department for an opinion from outside counsel to further ensure XYZ Hospital is complying with the appropriate billing and documentation requirements.

XYZ Hospital also was notified of two billing reviews by the Medicare contractor for chest pain related to one day stays. These reviews were resolved successfully.

There have been no RAC reviews to date.
State Audits

The State notified XYZ Hospital of an audit related to Medicaid ambulatory care payments. The primary issue related to payments reimbursed by non-ancillary healthcare providers that should have been provided by an XYZ provider pursuant to the applicable Medicaid rule. The overpayment was refunded to Medicaid within the required time frame and appropriate corrective action such as training has been implemented to mitigate future occurrences.

Federal Aviation Administration (FAA)

FAA is conducting an investigation related to maintaining appropriate documentation of hazardous materials and training applicable employees. XYZ Hospital is implementing appropriate corrective action to mitigate any future occurrence and is hopeful FAA will not impose any applicable fines.

2011 – 4TH QUARTER COMPLIANCE INQUIRIES

XYZ Hospital utilizes an electronic case-tracking system to document calls into the department. There were 10 calls that were received by XYZ in the 3rd Quarter 2011. Two calls were related to billing/coding, six were human resources related calls, one was HIPAA related calls and one was a patient care complaint. At this time, none of these reported issues are of a material concern.

Question: Is there anything wrong with this report?
Case Study 2: The Minutia of Minutes

Minutes of the Audit and Corporate Compliance Committee of XYX Hospital

Thursday October 29, 2011

Present: Mr. A, Ms. B, Mr. C, Ms. D, Ms. E, Mr. F

Via Telephone/ Teleconference: Ms. G

Also: Mr. H, Ms. I, Ms. L, Ms. M

Invited Guests: Ms. N, Ms. O

Representing: Audit Firm X

The meeting was called to order at 5:00 p.m. by Mr. A, Chairman, and the following was discussed.

Mr. A presented the minutes of the July 11, 2011, Audit and Corporate Compliance Committee meeting for approval. The Committee approved the minutes.

Audit Firm X highlighted significant audit areas and key risk areas identified for the 2011 year-end audit. Audit Firm X’s approach to testing internal controls for the XYZ Hospital as part of the year-end financial statement audit and reviewed some of the systems that will be tested as part of the audit process.

Audit Firm X also discussed the status of new accounting pronouncements and their potential impact on the XYZ financial statements, specifically audit issues ABC were discussed. Discussion ensued.

Mr. H, Chief Compliance Officer, presented the Committee with an update as to the status of the new requirements associated with HIPAA. Mr. H also provided the Committee with an update regarding the conflicts of interest process and status for trustees and employees. Discussion ensued. He also provided a handout that went over the ongoing compliance training. In addition, Mr. H discussed the annual audit work plan, material investigations, and other key ongoing compliance matters and key external developments.

Ms. I, General Counsel, presented the Committee with an update as to the status of pending litigation. Discussion ensued.

There being no further business, the open session of the meeting was adjourned at 6:30 pm.

Respectfully submitted,

Mr. A

Chairman, Audit and Corporate Compliance Committee

Question: Are these Board minutes sufficient?
Case Study 1: Possible Questions

1. Does the report have to be a dashboard (e.g., more graphics) instead of a written report?

2. Do you have to describe every audit? For example, should the OIG’s $200,000 (outlier payment) audit have been further explained?

3. Should the HIPAA description further explain the deficiencies?

4. Should you reference issues that went through Legal counsel such as the credit balance issue?

5. If so, how much should you describe regarding the attorney’s advice?

6. If so, do you have to waive attorney-client privilege?

7. Do you have to describe in more detail audits that were favorable?

8. Is it necessary to attach the full audit status report to this report?

9. Do you have to spell out and describe healthcare acronyms like RAC, OIG?

10. Should you specify the overpayments were paid back within 60 days?

11. Do you have to list the amount of the overpayment for each audit (i.e., State audit)?

12. Is it necessary to describe other federal agencies such as the FAA in the compliance report?

13. Should other items be discussed in this report (e.g., new policies, other compliance initiatives, training statistics, conflicts of interest disclosure statistics, industry news)?

14. Do you have to describe the HelpLine calls in more detail? Is it enough to say there were no material concerns?

15. Should it discuss future compliance initiatives in more detail?
Case Study 2: Possible Questions

1. Should the minutes be more prescriptive?

2. Is it necessary to capture everything that was reported?

3. Should all handouts be attached to the minutes?

4. Is it acceptable for Legal to provide a separate report? Is what they provide attorney-client privilege?

5. Do all minutes need to follow the same format and length?