

**AUDIT/COMPLIANCE COMMITTEE  
FOR THE BOARD**

**TUESDAY, DECEMBER 15, 2009**

**8:00 - 10:00 A.M.**

**GRAND 1<sup>ST</sup> FLOOR CONFERENCE ROOM**

# Palomar Pomerado Health

Internal Audit and Compliance

Board Committee

## PPH Grand Office Bldg

Tuesday – December 15, 2009

8:00 – 10:00 A.M.

456 E. Grand, Escondido

Conference Room - 1<sup>st</sup> floor

## A G E N D A

### Call To Order

- Public Comments
- \*Approval of Minutes – October 20, 2009

	<u>Item</u>	<u>Presenter</u>	<u>Mins</u>
1.	Internal Satisfaction Survey Results – Audit and Compliance	C. Frederick	30
2.	Business Travel Reimbursement Procedure	T. Boyle and S. Gold	30
3.	PPH Credit Cards Policy	M. Knutson	5
4.	Compliance Hotline Report	M. Knutson	30
5.	R&S Audit – Progress Report	T. Boyle	15
6.	* Date/Time/Location of Next Meeting	L. Greer	5

### ADJOURNMENT

Linda Greer, Chairman

Jerry Kaufman, M.A.P.T.

Michael Covert, CEO

Marty Knutson, Corporate Compliance Officer

Steve Gold, District Administrator, Skilled Nursing

Janine Sarti, General Counsel

Bob Hemker, CFO

Tom Boyle, District Audit Officer

Anna Ha, Administrative Fellow

Carrie Frederick, Director, Performance Excellence

John Lilley, M.D.

Lachlan Macleay, M.D.

Bruce Krider, M.A., Alt

Donna Goh, IA Assistant

**NOTE: Asterisks indicate anticipated action; action is not limited to those designated items.**

“In observance of the ADA, Americans with Disabilities Act, please notify us at (858) 675-5230, forty-eight hours prior to meeting so that we may provide reasonable accommodations”.

**D R A F T**

**Palomar Pomerado Health  
INTERNAL AUDIT & COMPLIANCE  
BOARD SUB-COMMITTEE MEETING**

PPH Corporate Building  
456 E. Grand Ave.  
1<sup>st</sup> Floor Conference Room  
October 20, 2009

AGENDA ITEM/ PRESENTER/ORIGINATING DATE	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/ RESPONSIBLE PARTY/FINALIZED
<b>CALL TO ORDER</b>	8:00 A.M. by Dir Greer. Quorum comprised of Directors Greer, Kaufman, and Bassett.  <b>Also attending:</b> Janine Sarti, Bob Hemker, Tom Boyle, Marty Knutson, and Donna Goh. <b>Guests included:</b> Mark Kawauchi, Lisa Biggs, Stephanie Love, and Ofer Barlov.		
<b>NOTICE OF MEETING</b>	Notice of Meeting was posted consistent with legal requirements.		
<b>PUBLIC COMMENTS</b>	None		
<b>APPROVAL OF MINUTES</b> •	The minutes of September 15, 2009 were reviewed and approved.	<b>MOTION:</b> by Dir Kaufmann, 2 <sup>nd</sup> by Dir Bassett and carried to approve the September 15, 2009 minutes as submitted.  All in favor — none opposed.	
• <b>Approval of FY 2009 Audit Report</b>	Mark Kawauchi and Lisa Biggs from Deloitte & Touche were present at the meeting to review the highlights of the draft Audited Financial Statements. These included:  <ul style="list-style-type: none"> <li>• Less post-closing adjustments</li> <li>• No comments for management letter</li> <li>• Overall scope and planning well described with no additional risks or changes</li> <li>• Without any standard guidelines for RAC, Mr. Hemker, CFO, chooses to maintain</li> </ul>		

# D R A F T

AGENDA ITEM/ PRESENTER/ORIGINATING DATE	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/ RESPONSIBLE PARTY/FINALIZED
	<p>conservative recorded reserves for the following fiscal year.</p> <p>Staff requested motion to approve the Audited Financial Statements. This is the first year that the Audit-Compliance Committee for the Board is requested to approve the Statements. Thereafter, standard follow-up will be reported at the Finance Committee for the Board. Upon approval of the Audited Financial Statements, PPH will be able to proceed directly to bond issuance in support of finances for PMC West.</p>	<p><b>MOTION:</b> by Dir Bassett, 2<sup>nd</sup> by Dir Kaufmann and carried to approve the draft Audited Financial Statements for the Years Ended June 30, 2009 and 2008, and the Independent Auditors' Report as submitted.</p> <p>All in favor — none opposed.</p>	
<p>• <b>The Legal-Compliance-Internal Audit Triad</b></p>	<p>Ms. Sarti presented the inter-relationships of the Legal, Compliance, and Internal Audit functions for PPH. The analogy of a 3-legged stool was used as comparison for the united support from the three areas supporting the organization of PPH. The basis developed for such support include:</p> <ul style="list-style-type: none"> <li>• Monthly meetings</li> <li>• Constant communication</li> <li>• Full cooperation and coordination</li> </ul> <p>Members of the Board were pleased with the visual presentation and would like the presentation to be shared with the Full Board Committee.</p> <p>The floor was open to specific queries from the Board. They included:</p> <ul style="list-style-type: none"> <li>• Checks and Balances of Physician Contracts – Such contracts are the primary responsibility of the requestor of the physician services. The requestor, also known as “owner”, oversees that the requirements within the contracts are fully met and satisfied. Mr. Boyle added that Internal Audit Services conducts sampling audits of these contracts. Dir Greer would</li> </ul>	<p>The Legal-Compliance-Internal Audit Triad presentation can be located on the Leadership Drive.</p> <p>The presentation will be forwarded to the secretary for the Board for inclusion at the next Board Committee.</p>	<p><b>Ms. Goh</b></p>

# D R A F T

AGENDA ITEM/ PRESENTER/ORIGINATING DATE	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/ RESPONSIBLE PARTY/FINALIZED
	<p>like further discussion regarding physician contract at the next Finance Committee for the Board.</p> <p>Dir Greer requested information regarding the number of PPH physicians who accept CMS and MediCal patients.</p> <p>Dir Bassett acknowledged the importance for PPH to have H1N1 readiness in light of the increasing numbers of affected individuals. Dir Bassett supports the idea of a H1N1 hotline for both community and staff at PPH.</p>	<p>This agenda item will be forwarded to secretary of the Finance Committee for the Board for the inclusion at the next Finance Committee for the Board.</p> <p>Mr. Hemker will follow up with appropriate personnel to acquire the relevant information Dir Greer is seeking.</p>	<p><b>Ms. Goh</b></p> <p><b>Mr. Hemker</b></p>
<ul style="list-style-type: none"> <li>• <b>Committee Work-Plan</b></li> </ul>	<p>Considering the various tasks that the Board is expected to complete annually and/or periodically, a calendar of tasks was created and reviewed by Dir Greer to assist in streamlining the process and expectations of the Board. This work-plan clearly identifies the time-line of tasks.</p> <p>Dir Greer would like to share this calendar of tasks with the Full Board as a possible self-assessment tool.</p> <p>For Audit and Compliance, a report on customer satisfaction for these two functions will be shared with the Board bi-annually.</p>	<p>The proposed calendar and work-plan will be forwarded to the secretary of the Board for inclusion at the next Board Committee.</p>	<p><b>Ms. Goh</b></p>
<ul style="list-style-type: none"> <li>• <b>Internal Audit Update</b></li> </ul>	<p>Mr. Boyle provided an update on current issues that are being addressed by his staff:</p> <ul style="list-style-type: none"> <li>• Cardiac Rehab has been reviewed and audited by the Senior Compliance Auditor.</li> </ul>		

# D R A F T

AGENDA ITEM/ PRESENTER/ORIGINATING DATE	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/ RESPONSIBLE PARTY/FINALIZED
	<ul style="list-style-type: none"> <li>• Surgery implant issues are being reviewed with the Director of Surgery. Topics include validating practice and the process for Kaiser patients requiring implants.</li> </ul> <p>Dir Greer requested an update on an additional issue regarding the pain-pump implantable.</p> <ul style="list-style-type: none"> <li>• Auditing physician contracts in Compliance 360.</li> <li>• Testing CPT for RAC exposures.</li> <li>• Continued use of ACL for continuous monitoring. With the introduction of a new version of ACL, the Audit Exchange, ACL Incorporated gave PPH a web-based link to the program for being a pilot user. In addition, Cerner remote hosting is targeted to be operational in the next month. This will complement and enhance the functions of the Audit Exchange.</li> <li>• An external quality review by a 3<sup>rd</sup> party is scheduled for this fiscal year. Internal Audit Services Department has started an internal survey for quality gap analysis. An audit plan will be developed from the results and a report will be delivered to the Audit-Compliance Committee for the Board.</li> <li>• Construction audit continues with assistance from Legal with Rudolph and Sletten in particular. No resolution has been reached at this time.</li> <li>• Addressing the possibility of hiring a per diem auditor for revenue-generating audits so that cost of hire would be paid for in revenue gained from such audits.</li> </ul>	<p>Mr. Boyle will follow up with acquiring information on pain-pump implantable as requested.</p>	<p><b>Mr. Boyle</b></p>

# D R A F T

AGENDA ITEM/ PRESENTER/ORIGINATING DATE	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/ RESPONSIBLE PARTY/FINALIZED
	<ul style="list-style-type: none"> <li>• Plans to invite specialist from Deloitte &amp; Touche to present automated controls in auditing to the Board. This method monitors system changes, cuts back on hours of testing, and reaps recurring benefits.</li> </ul> <p>Mr. Boyle shared his publicity in several healthcare articles from various interviews that was held with him. The Board respectfully bestowed congratulatory acknowledgement in having such talented and knowledgeable personnel leading PPH.</p>		
<ul style="list-style-type: none"> <li>• <b>Hotline Publicity Efforts</b></li> </ul>	<p>Part of Ms. Knutson’s efforts for Hotline publicity is to have everyone understand the functionality of the hotline tool provided. Efforts include:</p> <ul style="list-style-type: none"> <li>• Fliers</li> <li>• New Employee Orientation Awareness</li> <li>• Leadership Meetings</li> <li>• Internet and Intranet</li> <li>• Momentum magazine announcements</li> <li>• Email Out Blast</li> </ul> <p>The use of an external experienced company, Global, has proved beneficial. It is manned by experienced trained intake specialists 24/7. They are similar to case management at the back-end of the process. PPH started using this company since May, 2009.</p> <p>Ms. Knutson shared with PPH leaders a document on fun facts regarding the hotline. She has requested that they share the document with staff and conduct one-on-one with staff for more personalized information-sharing regarding the availability of the Hotline. Ms. Knutson was pleased to announce that she</p>		

# D R A F T

AGENDA ITEM/ PRESENTER/ORIGINATING DATE	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/ RESPONSIBLE PARTY/FINALIZED
	<p>received her first call over the last weekend prior to this meeting.</p> <p>Dir Bassett would like this item to be shared with the Full Board.</p>	<p>The “Hotline Publicity Efforts” information and related documents will be forwarded to the secretary of the Board for inclusion at the next Board Committee.</p>	<p><b>Ms. Goh</b></p>
<ul style="list-style-type: none"> <li>• <b>Date/Time &amp; Location of next meeting</b></li> </ul>	<p><b>Tuesday, October 20, 2009, 8:00 A.M. in the Corporate Conference Room @ 456 E. Grand.</b></p>		
<p><b>(FINAL) ADJOURNMENT</b></p>	<p>10:00 A.M.</p>	<p>Dir Greer moved to adjourn. Dir Kaufmann 2<sup>nd</sup> motion.</p>	
<p><b>SIGNATURES</b></p> <ul style="list-style-type: none"> <li>▪ <b>Committee Chairperson</b></li> <li>▪ <b>Secretary to Committee</b></li> </ul>	<p>_____</p> <p>[Linda C. Greer, R.N.]</p> <p>_____</p> <p>[Donna Goh]</p>		



## Internal Customer Satisfaction Results

**TO:** Audit/Compliance Committee for the Board of Directors

**MEETING DATE:** December 15, 2009

**FROM:** Martha Ann Knutson, Corporate Compliance Officer  
Tom Boyle, District Audit Officer

**BY:** Martha Ann Knutson, Corporate Compliance Officer

**Background:** Results of the first Internal Customer Satisfaction Survey with regard to Internal Audit and Compliance have been compiled. Carrie Frederick, Director of Performance Excellence, will present the results to the Committee and describe the methodology used to obtain them.

**Budget Impact:** N/A

**Staff Recommendation:** Obtaining and reviewing internal customer satisfaction data like this is part of the Committee's oversight function.

**Committee Questions:**

### COMMITTEE RECOMMENDATION:

**Motion:**

**Individual Action:**

**Information:**

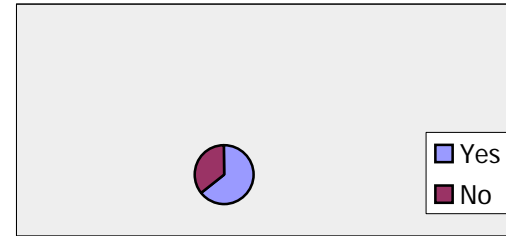
**Required Time:**

**Compliance  
Fall, 2009**

**Rd 2 Cohort 2 Q6 Compliance**

**I have enough experience with this department to provide valid feedback. If yes, answer all questions. If no, proceed to end and indicate the department**

Answer Options	Response Percent	Response Count
Yes	64.3%	45
No	35.7%	25
<i>answered question</i>		<b>70</b>
<i>skipped question</i>		<b>0</b>



**Question 2**

**Attitude: Department staff is friendly, respectful, collaborative, and professional in their interactions with others.**

Answer Options	1 - Strongly disagree	2	3	4	5 - Strongly agree	N/A	Rating Average	Response Count
Number	0	1	8	9	28	3	4.39	49
Percent	0%	2%	17%	20%	61%			
How would you suggest we improve? (Required if scored less than "4")								4
<i>answered question</i>								<b>49</b>
<i>skipped question</i>								<b>21</b>

**Question 3**

**Communications: Verbal, phone and written communications that department staff provide are clear, focused, and timely.**

Answer Options	1 - Strongly disagree	2	3	4	5 - Strongly agree	N/A	Rating Average	Response Count
Number	0	0	1	20	23	3	4.50	47
Percent	0%	0%	2%	45%	52%			
How would you suggest we improve? (Required if scored less than "4")								2
<i>answered question</i>								<b>47</b>
<i>skipped question</i>								<b>23</b>

**Compliance  
Fall, 2009**

**Question 4**

**Timeliness: The department delivers services within expected time parameters.**

Answer Options	1 - Strongly Disagree	2	3	4	5 - Strongly Agree	N/A	Rating Average	Response Count	
Number	0	0	2	18	22	4	4.48	46	
Percent	0%	0%	5%	43%	52%				
How would you suggest we improve? (Required if scored less than "4")								1	
								<i>answered question</i>	<b>46</b>
								<i>skipped question</i>	<b>24</b>

**Question 5**

**Accuracy: The department provides information and services that are based on facts.**

Answer Options	1 - Strongly Disagree	2	3	4	5 - Strongly Agree	N/A	Rating Average	Response Count	
Number	0	0	1	21	23	2	4.49	47	
Percent	0%	0%	2%	47%	51%				
How would you suggest we improve? (Required if scored less than "4")								1	
								<i>answered question</i>	<b>47</b>
								<i>skipped question</i>	<b>23</b>

**Question 6**

**Effectiveness: The department staff understands and responds to your needs.**

Answer Options	1 - Strongly Disagree	2	3	4	5 - Strongly Agree	N/A	Rating Average	Response Count	
Number	0	0	7	17	20	3	4.30	47	
Percent	0%	0%	16%	39%	45%				
How would you suggest we improve? (Required if scored less than "4")								2	
								<i>answered question</i>	<b>47</b>
								<i>skipped question</i>	<b>23</b>

Compliance  
Fall, 2009

Rd 2 Cohort 2 Q6 Compliance

Is there any other feedback you would like to offer?

Answer Options

answered question: 20  
skipped question: 50

Number Response Text

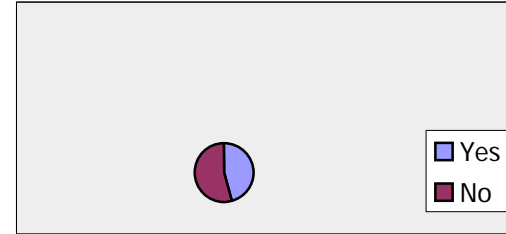
- 1 The legal / compliance staff are excellent and provide accurate and timely feedback and assistance when needed.
- 2 I have not had any experience with this department, therefore I am unable to rate at this time.
  
- 3 The department is great to work with and a new level of confidence has emerged that PPH is compliant and doing the right thing. Marty is a great addition to PPH.  
  
The arrival of Marty Knutson to PPH has brought professional acumen of the highest grade, excellent customer service, responsiveness and committed devotion to assuring PPH sustains ethical and legal conduct.
- 4 She has stepped into a position vacant well over a year and has done it with class and rapid connectivity to internal stakeholders. Applause!  
  
With Marty Knutson's arrival to PPH, our compliance program seems to be well on its way to being one of the best I've seen. She has brought professionalism, great customer service, responsiveness and devotion. She has been very approachable with good listening skills as she assures ethical and legal
- 5 conduct. We look forward to working with her in the future.
  
- 6 Marty's approach to compliance is very refreshing - her focus on values and integration with current PPH initiatives provides real value to the organization. She has used multiple venues to communicate effectively about the compliance program - particularly the approach in NEO and on the intranet. We anticipate that we will have more interaction with her in the future.
  
- 7 I appreciate the information Marty Knutson has provided to the Medical Staff and her availability and willingness to work with them on issues.  
  
The new compliance officer gave in-service that was user-friendly facilitating staff understanding.
- 8 We would appreciate an annual staff training session.
  
- 9 I'm not sure if this is the Legal dept. or the Risk Management dept. ??? Either way, I don't have much communication so don't feel I can fairly evaluate them.
- 10 Expect the Dept. to be more relevant and active now with the new CCO on-board.
- 11 Marty is a great asset to this organization.
- 12 Really don't have enough interaction to survey.
- 13 At this time I can not give feedback, have not worked with the new compliance officer yet.
- 14 I am unaware of an internal customer service department, I am from the nursing department
- 15 Limited interactions with this department at this time
- 16 We are just beginning to have interaction with Corporate Compliance. It will not be fair to give a feedback at this time.
- 17 expresscare
- 18 Marte has made a very extensive effort to get around and meet with staff  
I don't know if the direction has been set on the role of Compliance in the organization. If Compliance is intended to be operationally based, I would be concerned about the difference in interpretations of
- 19 regulatory issues between departments. If the Compliance dept is our resource, there is only one person on the team, which would not be sufficient.
- 20 Staff did not feel like they have had enough interactions with this department to complete the survey

**Internal Audit  
Fall, 2009**

**Rd 2 Cohort 2 Q6 Internal Audit**

**I have enough experience with this department to provide valid feedback. If yes, answer all questions. If no, proceed to end and indicate the department**

Answer Options	Response Percent	Response Count
Yes	45.6%	36
No	54.4%	43
<i>answered question</i>		<b>79</b>
<i>skipped question</i>		<b>0</b>



**Question 2**

**Attitude: Department staff is friendly, respectful, collaborative, and professional in their interactions with others.**

Answer Options	1 - Strongly disagree	2	3	4	5 - Strongly agree	N/A	Rating Average	Response Count
Number	0	0	3	10	25	0	4.58	38
Percent	0%	0%	8%	26%	66%			
How would you suggest we improve? (Required if scored less than "4")								4
<i>answered question</i>								<b>38</b>
<i>skipped question</i>								<b>41</b>

**Question 3**

**Communications: Verbal, phone and written communications that department staff provide are clear, focused, and timely.**

Answer Options	1 - Strongly disagree	2	3	4	5 - Strongly agree	N/A	Rating Average	Response Count
Number	0	1	3	20	15	0	4.26	39
Percent	0%	3%	8%	51%	39%			
How would you suggest we improve? (Required if scored less than "4")								1
<i>answered question</i>								<b>39</b>
<i>skipped question</i>								<b>40</b>

**Internal Audit  
Fall, 2009**

**Question 4**

**Timeliness: The department delivers services within expected time parameters.**

Answer Options	1 - Strongly Disagree	2	3	4	5 - Strongly Agree	N/A	Rating Average	Response Count	
Number	0	0	3	16	17	3	4.39	39	
Percent	0%	0%	8%	41%	44%	7.70%			
How would you suggest we improve? (Required if scored less than "4")								2	
								<i>answered question</i>	<b>39</b>
								<i>skipped question</i>	<b>40</b>

**Question 5**

**Accuracy: The department provides information and services that are based on facts.**

Answer Options	1 - Strongly Disagree	2	3	4	5 - Strongly Agree	N/A	Rating Average	Response Count	
Number	0	0	3	14	22	1	4.49	40	
Percent	0%	0%	8%	35%	55%	2.50%			
How would you suggest we improve? (Required if scored less than "4")								1	
								<i>answered question</i>	<b>40</b>
								<i>skipped question</i>	<b>39</b>

**Question 6**

**Effectiveness: The department staff understands and responds to your needs.**

Answer Options	1 - Strongly Disagree	2	3	4	5 - Strongly Agree	N/A	Rating Average	Response Count	
Number	0	0	2	20	16	1	4.37	39	
Percent	0%	0%	5%	51%	41%	2.60%			
How would you suggest we improve? (Required if scored less than "4")								0	
								<i>answered question</i>	<b>39</b>
								<i>skipped question</i>	<b>40</b>

**Internal Audit  
Fall, 2009**

**Rd 2 Cohort 2 Q6 Internal Audit**

**Is there any other feedback you would like to offer?**

**Answer Options**

*answered question: 20  
skipped question: 50*

**Number      Response Text**

- Our interaction with Internal Audit has been primarily with our involvement with RAC and most recently with assisting a new hire with the denial process. Our experience in working with your team in this limited capacity has been most positive -- high recognition in all categories above!
- My feedback is based on my experiences with the team members from the many meetings and projects where I have interacted with them. My only feedback would be that I would like to hear more about the proactive projects that are planned for the future in case they are of interest or relate to my area.
- I do not interact with this department. Radiology.
- FANS department has not had any recent interactions with this department so unable to complete survey
- Keep up the great work, no issue no problems, pleasure to work with.
- While I know the Director and work on various teams with him, I do not interact with the rest of the department, nor receive or use information from the audits conducted. Therefore, I find it difficult to adequately answer the survey as it relates to the service provided.
- We have excellent interaction with both Tom and Steve. We can depend on them to get accurate and timely data/responses to any questions we have. I have consistent interactions with Tom as part of the Internal Consultant group and rely on him for his expertise and experience.
- Thanks I.A !!
- Tom and his team do a great job. Pleasure to work with. Very professional and knowledgeable.
- Professional and courteous with a sense of humor.
- Good and helpful department.
- Sorry - who is the Internal Audit dept???
- It has been a pleasure working with Tom and his staff.
- The small amount of interaction I have with Internal Audit has always been positive.
- The availability of ACL has been useful to our department and we see other potential applications. We look forward to using this tool more extensively to support the PPH community by providing metrics and the ability to investigate the explanation for results and provide support for ongoing monitoring.
- The Internal Audit Department provides notable professional services and interactions with PPH Departments. Even after labor cuts in the recent past, the department leadership models the way on effective internal auditing for PPH. The job has been thorough and well done.
- Internal Audit Department continues to provide outstanding professional services and interactions with PPH Departments. They suffered significant cuts in labor resources in the recent past, but despite that the Department's Director models the way on how to effectively internally audit important functions within the PPH enterprise. It's a challenging job and they do it well.
- I have had very good interactions with the internal audit department. Very professional staff who exhibit timely responses to requests for information.

## Business Travel Reimbursement Procedure

**TO:** Audit/Compliance Committee for the Board of Directors

**MEETING DATE:** December 15, 2009

**FROM:** Tom Boyle, District Audit Officer  
Steve Gold, District Administrator, Skilled Nursing

**BY:** Tom Boyle, District Audit Officer

**Background:** To standardize the reimbursement procedure throughout the district.

**Budget Impact:** N/A

**Staff Recommendation:** Review and for information only regarding the procedure as included in the meeting packet.

**Committee Questions:**

### COMMITTEE RECOMMENDATION:

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**



# Business Travel Arrangements Reimbursement

Human Resources

795

(Rev. 3) In preparation

Applicable to:

Affected Departments:

## I. PURPOSE:

To provide guidelines for PPH employees, physicians, Board members, and PPH hired consultants for travel arrangements required to conduct PPH business and/or participation in approved professional meetings, conferences or seminars and to minimize the related costs of such travel.

## II. DEFINITIONS:

1. Traveler(s) – Traveler shall include PPH employees, physicians, Board members and PPH hired consultants. The term “Traveler” or “Travelers” shall apply equally to all employees, physicians, Board members, and consultants unless otherwise specifically indicated.
2. Approver – The PPH management staff person(s) authorized to approve travel.
3. Department – Cost center to which the Traveler has been assigned

## III. TEXT / STANDARDS OF PRACTICE:

It is the responsibility of all ~~employees-Travelers~~ requesting travel arrangements to complete the following prior to booking travel:

1) the established ~~USEFORM (TRAVEL ARRANGEMENTS REQUEST), Business Travel Reimbursement Form~~

a.) This form will be included in the contract for consultants.

2) obtain the necessary approvals from the appropriate Approver of the Traveler's Department prior to forwarding the request ~~to the designated administrative representative for travel arrangements to Accounts Payable for processing.~~

~~It is the responsibility of the designated administrative representative to ensure that the most efficient and economical travel arrangements have been made.~~

## IV. ~~PPH Employees, Consultants~~ Traveler Responsibilities:

### A. Transportation Expenses (Air Travel):

~~4. Reservations: All air travel reservations should be made through Internet sites such as Expedia, official airline web sites, or the airline reservations desk. Reservations should be made as early as possible in order to obtain the lowest, logical fare. Personal preference for air carrier may never be a consideration. Any change penalties or fees are only reimbursable when the change is made for business reasons.~~

~~All air travel reservations should be made through Internet sites such as Expedia, official airline web sites, or the airline reservations desk. Travelers will use the lowest, logical/reasonable applicable airfare that corresponds to the traveler's schedule request. Low airfare reservations should be considered and utilized unless multiple connections are required. Personal preference for air carrier will be a secondary consideration.~~

1.

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2. Weekend or Extended Stay: Extended stays or weekend stays for personal reasons or convenience are allowable provided the total amount reimbursed does not exceed the amount calculated for business purposes, as long as the traveler's work schedule will not be adversely impacted. Expenses for air travel reservations are cheaper by including a weekend stay the traveler may take advantage of the lesser fees as long as 1) no additional accommodations, meals and related expenses must be taken into account when comparing airfares for alternate travel days, fees are incurred, and 2) the work schedule is not adversely impacted.

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2.

Example:

Cost of airfare for Sunday Travel .....\$650  
Total costs of Saturday travel plus additional meals and Saturday night's accommodation.....\$600  
(Traveler's work schedule would not be impacted)

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Supporting documentation to demonstrate the cost comparison must be provided to Approver prior to travel, and included with the final expense report.

3. Annual Fees: PPH ~~does not~~ will not pay or reimburse for 1) annual airline travel club membership dues or 2) annual mileage program fees.
4. Upgrades: Under no circumstances will approval be allowed for upgrades to business or first class at PPH expense is prohibited travel.
5. Change Fees: Any change penalties or fees are only reimbursable when the change is made at the request of the appropriate Approver.
6. Air Travel Changes While En Route

~~Airline tickets are the same as cash. If an airline ticket is partially or totally unused, the employee must contact the airline within 72 hours of travel for credit processing.~~

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~~If an airline ticket is exchanged or modified as a result of itinerary changes that results in a at-a fare increase, the documentation for original fare and fare increase should be submitted using the travel arrangements request use form Business Travel Reimbursement Form. If a fare increase results, both the original and modified tickets will be forwarded to A/P with the appropriate business reimbursement form for credit processing.~~

7. Canceled Flights: If a carrier for any reason cancels a flight, the traveler may make new travel arrangements if no additional cost is incurred over the original cost of the airfare. If additional costs must be incurred to meet the scheduling priorities of the Traveler, the Traveler will include the additional transportation charges for reimbursement on their final Business Travel Reimbursement Form submission.
8. Bumping: The Traveler may keep compensation for voluntary bumping from an air carrier if the air carrier requests volunteers for bumping. The Traveler may accept a voluntary bumping if the Traveler's new arrival time is after business hours and does not interfere with the next business day's activities or result in additional costs to PPH.
9. Frequent Flyer Awards, Premiums, Free Tickets:
  - a. The Traveler may not use frequent flyer or other bonus coupons as reimbursable payment for business flights.

- b. The Traveler is not allowed to specify the carrier or routing to earn frequent flyer miles. Any premiums, such as free tickets or frequent flyer awards, are the property of the traveler. Travelers will not be reimbursed for any free airline tickets received from air mileage programs and used for PPH purposes.

B. Hotel/ Lodging Accommodations:

- 1. Travelers must make room reservations that ensure the lowest rate.
  - a. When traveling to San Diego, Travelers are recommended to use PPH contracted hotels. If the Traveler chooses to use another hotel, reimbursement will not exceed the PPH contracted rate.
  - b. Out of area travel hotel rates need to be approved by the Approver.
- 2. Travelers will make room reservations using 1) the block rooms associated with the event they are attending or 2) a facility within a reasonable distance from the event being attended that is in a safe area and Hotel/Lodging and Internet fees reimbursement will only include the daily rate and applicable lodging taxes. PPH will not reimburse Traveler for discretionary room charges, including but not limited to, gym fee, stock bar, laundry services.
  - a. Internet usage reimbursement for consultants will be included in their contracts.

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C. Car Rentals, Cabs, Parking, etc.

- 1. Car rental will be paid for by the traveler and submitted on the Business Travel Reimbursement Form. Car rentals will include only economy cars and insurance coverage is not accepted.
- 2. Travelers should use shuttle vehicles when available.
- 3. Cab, parking, and car rental fees must be paid by the Traveler and submitted on the Business Travel Reimbursement Form.
- 4. Car mileage must be submitted on the Business Travel Reimbursement Form

D. Per Diem Expenses:

- 1. Travelers will be allowed the current IRS Per Diem Rate to use on meals and incidental expenses.
- 2. Unless the sponsored activity is sanctioned by PPH, PPH will not reimburse for use of alcohol without the consent of the Approver. Receipts will be submitted with the Business Travel Reimbursement Form if the use of alcohol has been approved.

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Exceptions:

1. Unless prior approval is obtained from the President/CEO Approver of the trip, arrangements made outside this standard of practice will not be honored for reimbursement by PPH.

2. Any requests for car mileage reimbursement which may exceed the cost of air and/or rail transportation must be approved by the appropriate Vice President or other Executive Management Team member prior to the date of the related conference, seminar or business meeting.

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If the Traveler chooses travel other than by air, mileage reimbursement will not exceed the cost of airfare.

3. Travelers (as defined above) will be responsible for reservations and other incurred expenses of non-travelers. Reimbursement for the cost of

~~reservations for non-employees traveling with staff members must be made to PPH. Arrangements for reimbursement should be finalized prior to receiving confirmations from the designated travel agency.~~

~~2. All airline tickets will be purchased at the lowest possible rates and, as a result, may carry penalties for cancellation or changes. Every effort must be made to confirm accurate information with the designated administrative representative prior to making travel arrangements.~~

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V. **ADDENDUM:**

VI. **DOCUMENT / PUBLICATION HISTORY:**

Revised: 2/3/1999

VII. **CROSS REFERENCE-DOCUMENTS:**

V. **DOCUMENT / PUBLICATION HISTORY: (template)**

Revision Number	Effective Date	Document Owner at Publication	Description
(this version) 3		Brenda Turner, Chief Human Resource Officer	The procedure needs to allow exception be granted by the CEO or designee
(Changes) 2	03/15/2005	Michael H. Covert, F.A.C.H.E., President and CEO	9/09 Revised to reflect current practices Procedure being reviewed for 1) changing PPH procedure process and 2) JCAHO. [Reviewed on 10/29/2007 by Walter George: Extended review to 10/28/2008]
(Changes) 1	02/05/2002	Gilbert Taylor, SVP	Revised: 2/99

VI.

VI. **CROSS-REFERENCE DOCUMENTS:(template)**

Reference Type	Title	Notes
Source Documents	Total Compensation	

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*[http://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:10219\\$3](http://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:10219$3)*

## PPH Credit Cards

**TO:** Audit/Compliance Committee for the Board of Directors

**MEETING DATE:** December 15, 2009

**FROM:** Martha Ann Knutson, Corporate Compliance Officer

**BY:** Martha Ann Knutson, Corporate Compliance Officer

**Background:** FIN-03 is a long established policy of the Board describing the terms upon which it grants authority to obligate the District via credit cards. Periodic review of the policy has not been documented since November 2006.

**Budget Impact:** N/A

**Staff Recommendation:** Review and reauthorization of the policy as included in the meeting packet.

**Committee Questions:**

### COMMITTEE RECOMMENDATION:

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**

**PPH Credit Cards**

Policies, BOD only

FIN-03

(Rev: 2)**Official****Applicable to:**

All PPH Entities - 00

**Affected Departments:**

All Departments

**I. PURPOSE:**

To establish policy for obtaining financial accommodations from a bank, pursuant to the use of a number of Credit Cards by the officers and agents of PPH and to ensure District credit cards are not extended without the authorization of the board.

**II. DEFINITIONS:****III. TEXT / STANDARDS OF PRACTICE:**

- A. PPH officers and agents may use Credit Cards for and in connection with PPH business. This includes travel arrangements for both trustees and District employees. All PPH officers and agents issued a credit card will sign a statement that it is understood that the credit card is strictly for ending connection with PPH business (Attachment 1)
- B. Credit Cards will be issued in the name(s) of officers or agents designated to Bank by PPH and that all indebtedness incurred through the use of such Credit Cards be charged directly to PPH. The bank will not extend such accommodations by issuing Credit Cards unless PPH agrees in writing to assume sole responsibility and to pay the Bank for all indebtedness incurred by use of these Credit Cards, whether such use of indebtedness was authorized or unauthorized by PPH.
- C. In the case of deletions of authorization of designated officers or agents, PPH shall be liable for the use of such Credit Cards until said Credit Cards are returned to Bank or Bank is notified of the loss or theft of said Credit Cards.
- D. The Bank is authorized to act upon this policy until written notice of its revocation is delivered to Bank, and that the authority hereby granted shall apply with equal force and effect to the successors in office of the officers named.
- E. To allow the operation and maintenance of a District courier and transportation service, a gasoline credit card shall be issued. These cards are the overall responsibility of the designated PPH officers overseeing courier and transportation services
- F. This policy will be reviewed and updated as required or at least every three years.

**IV. ADDENDUM:****V. DOCUMENT / PUBLICATION HISTORY:**

Original Document Date: 2/94

Reviewed: 4/95; 1/99; 6/05; 11/06

Revision Number: 1 Dated: 6/05

Document Owner: Michael Covert

Authorized Promulgating Officers: Marcelo R. Rivera, Chairman

**VI. CROSS REFERENCE DOCUMENTS:**

Prior to 2005 this policy was Board Policy 10-503

Attachment 1

Date: \_\_\_\_\_

I \_\_\_\_\_ have received a Palomar Pomerado Health credit card and understand that I am to use this credit card for District business only. Any charges placed on this credit card that are not for District business will be a violation of PPH policy, and I will reimburse the district immediately for any charges that are not in support of District business.

\_\_\_\_\_

Signature

**V. DOCUMENT / PUBLICATION HISTORY: (template)**

Revision Number	Effective Date	Document Owner at Publication	Description
(this version) 2	11/14/2007	James Neal, Director of Corporate Integrity	Board review and update
(Changes) 1	06/01/2005	James Neal, Director of Corporate Integrity	Original Document Date: 2/94 Reviewed: 4/95; 1/99; 6/05 Revision Number: 1 Dated: 6/05 Document Owner: Michael Covert Authorized Promulgating Officers: Marcelo R. Rivera, Chairman

VI.

**Authorized Promulgating Officers:**

( 10/16/2007 ) James Neal, Director of Corporate Integrity  
 ( 11/14/2007 ) Dr. Marcelo R Rivera, Director, PPH Board  
 ( unsigned ) Janine Sarti, General Counsel

**VI. CROSS-REFERENCE DOCUMENTS:(template)**

Reference Type	Title	Notes
Source Documents	Prior to 2005 this policy was Board Policy 10-503	

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<http://www.lucidoc.com/cgi/doc-gw.pl?ref=pphealth:21807>*

## PPH Hotline Publicity Efforts

**TO:** Audit/Compliance Committee for the Board of Directors

**MEETING DATE:** December 15, 2009

**FROM:** Martha Ann Knutson, Corporate Compliance Officer

**BY:** Martha Ann Knutson, Corporate Compliance Officer

**Background:** The PPH Compliance Hotline was transferred to Global Compliance in September 2009. This is the first of what is anticipated to be a series of continuing reports on efforts to publicize the Hotline and metrics related to the effectiveness of those efforts.

**Budget Impact:** N/A

**Staff Recommendation:** Reviewing the effectiveness of efforts relating to the Hotline is part of the Committee's oversight function.

**Committee Questions:**

### COMMITTEE RECOMMENDATION:

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**



# Report

Date: 12/9/2009  
 To: Audit and Compliance Committee  
 From: Martha Ann Knutson, Corporate Compliance Officer  
 RE: Hotline Activity - Sept. to November, 2009

What follows is a summary of (1) activities relating to efforts to publicize the Compliance Hotline (phone and website) and (2) actual calls and web submissions received during the indicated period.

Publicity effort	Frequency (dates)
New Employee Orientation – 30 minute in person presentation, including review of “Speaking Up” / feedback concept and flyer.	Each Monday
“Speaking Up” and other pages added to PPH.Net and PPH.org	Sept. 20
Presentation to Leadership with FU assignment to speak face to face with each member of their department regarding the “Speaking Up” by Halloween	Sept. 24
“Breaking News” story re new Compliance Pages	Sept. 24
CCO meetings with Departments, Council of Chairs, Nursing Leadership, PCCC staff, Villa POM staff.	Various
Article in Momentum re: “Speaking Up”	Oct / Nov.
“Quick Link” for Website added to PPH.net & “Breaking News” story re same	Oct. 21
“Speaking Up” role for managers added to New Leader Orientation	Monthly (since Oct.)

## “Calls”

Month	Number and Source(s)	Allegation type(s)
September	0	
October	3 – 800 # (2); Web (1)	Guidance requests, HR issue
November	4 - 800 # (3); Web (1)	False patient ID; H1N1; HR issue; “not professional”

Report: Hotline Activity - Sept. to November, 2009

Corporate Compliance Web Efforts						
<i>Page Views</i>						
	<b>pph.org</b>	<b>pph.net</b>				
	<b>1526</b>	<b>Home- 2766</b>	<b>Tools- 2267</b>	<b>Learning- 2268</b>	<b>Speaking- 2269</b>	<b>Regulatory- 2270</b>
<b>Sep-09</b>	64	127	64	58	47	59
<b>Oct-09</b>	33	59	25	24	10	16
<b>Nov-09</b>	35	19	7	3	1	4
<b>“Breaking News” re Quick Link</b>		97				