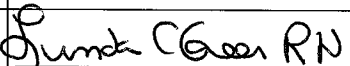



**Palomar Pomerado Health
INTERNAL AUDIT & COMPLIANCE
BOARD SUB-COMMITTEE MEETING**

PPH Corporate Building
456 E. Grand Ave.
1st Floor Conference Room
March 20, 2009

AGENDA ITEM/ PRESENTER/ORIGINATING DATE	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/ RESPONSIBLE PARTY/FINALIZED
CALL TO ORDER	8:00am by Dir Greer. Quorum comprised of Directors, Greer, Larson and Krider. Also attending: Janine Sarti, Michael Covert, Tom Boyle, Steve Barrett, Chris Udall, Luba Halich and Margie Drobatschewsky. Regrets from: Dir Kaufman		
NOTICE OF MEETING	Notice of Meeting was posted consistent with legal requirements.		
PUBLIC COMMENTS	None		
APPROVAL OF MINUTES •	The minutes of February 17, 2009 were reviewed and approved.	MOTION: by Dir Krider, 2 nd by Dir Larson and carried to approve the February 17, 2009 minutes as submitted. All in favor - none opposed.	
• Status of Dir of Corporate Compliance search	Janine Sarti reported on the status of the recruitment for Director of Corporate Compliance by the recruiting firm KornFerry. A draft selection criteria grid has been prepared and will be sent to the Board for review.		
• Report on Compliance Hotline activity	Janine Sarti reported that she had personally received 5 calls regarding compliance issues. The Compliance hot-line has not had any calls since last reported. It has been identified that the whole operational list needs to be reviewed to look for possible matches. PPH electronically		

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	receives possible matches, but the correct departments may not be receiving the needed information in order to confirm the match.		
<ul style="list-style-type: none"> • Report on Internal Audit and Compliance Committee Charter 	Dir. Linda Greer reported that the charter has been approved and would like to have it made available on the Board portal as well as on Lucidoc.		
<ul style="list-style-type: none"> • Update on Internal Audit Services 	<p>Tom Boyle gave a report on the Internal Audit reporting and monitoring projects as well as provided a chart for review.</p> <p>Completed, in process and planned projects were listed. Job descriptions for a senior compliance auditor and for a senior internal auditor were listed.</p> <p>Dir Larson stated that he would like to be kept informed of the return on investment of adding additional staff to the Internal Audit department.</p>		
<ul style="list-style-type: none"> • Update on New Privacy Laws 	<p>Luba Halich gave a report on California privacy laws AS 211 and SB 541. The laws are part of the Health and Safety Code, are anti snooping laws, and have no good faith exceptions. They also have both individual and facilities fines as well as establish the Office of Health Information Integrity within California Health and Human Services Agency.</p> <p>Luba Halich outlined what PPH is required to do, defined unauthorized access and provided examples of violations.</p>		
<ul style="list-style-type: none"> • Report on Contract Performance Tool 	Steve Barrett and Chris Udall gave a report on the new contract performance tool, Crystal, that is being used for contract performance reports. Chris Udall discussed the abilities and limitations of the tool. Chris walked through an example of the reporting capabilities highlighting its ability to show year over year trends, exporting abilities and level of data detail. An example was also shown of the		

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	whole health plan, MedService, data detail and year over year summary.		
<ul style="list-style-type: none"> • Open discussion 	<p>Dir Greer requested periodic updates from the Compliance Oversight Committee.</p> <p>Dir Greer suggested a monthly rotation between Tom Boyle and the Director of Corporate Compliance to the Internal Audit and Compliance committee once a Director of Corporate Compliance has been hired.</p> <p>Dir Greer asked that Tom Boyle give the committee an update of the OIG Work Plan at the April 21st meeting.</p> <p>Dir Larson stated that he would like a yearly report from Tom Boyle to the full Board on the projects and accomplishments of the Audit department.</p> <p>Dir Greer suggested that a closed session be added as a standing item to the agenda.</p>		
<ul style="list-style-type: none"> • Date/Time & Location of next meeting 	April 21, 2009, 8:00 am in the corporate conference room @ 456 E. Grand.		
(FINAL) ADJOURNMENT	9:31am	Dir Greer moved to adjourn. Dir Krider 2 nd motion.	
SIGNATURES <ul style="list-style-type: none"> ▪ Committee Chairperson ▪ Secretary to Committee 	 <hr/> [Linda C. Greer, R.N.]  <hr/> [Nicole Dennis]		