



AUDIT COMMITTEE  
MEETING AGENDA

March 22, 2022  
9:00 A.M.  
50 Water Street  
VIRTUAL

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CALL TO ORDER

Ms. Sally Hernandez-Piñero

- Adoption of Minutes December 7, 2021

Ms. Sally Hernandez-Piñero

ACTION ITEMS

Resolution

Mr. Jay Weinman  
Mr. James Linhart

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a two-year best interest contract extension with Grant Thornton LLP (the "Contractor") for auditing services in an amount not to exceed \$2,019,500, which is inclusive of a five percent contingency for bond issuance.

VENDEX: APPROVED / EEO: PENDING

INFORMATION ITEMS

- Audits/Compliance Update

Ms. Catherine Patsos

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT



## MINUTES

**AUDIT COMMITTEE**

**MEETING DATE: December 7, 2021**

**TIME: 12:00 P.M.**

### **COMMITTEE MEMBERS**

Sally Hernandez-Piñero

Jose Pagán, PhD

Mitchell Katz, MD

Anita Kawatra

Freda Wang

### **STAFF ATTENDEES**

Colicia Hercules, Chief of Staff, Chairman's Office

Janny Jose, Executive Secretary, Chairman's Office

Andrea Cohen, General Counsel

John Ulberg, Senior Assistant Vice President, Finance

Jay Weinman, Corporate Comptroller

Catherine Patsos, Chief Compliance Officer

Devon Wilson, Senior Director, Office of Internal Audits

Erica Nairne-Hamilton, Audit Manager, Office of Internal Audits

Carlotta Duran, Assistant Director, Office of Internal Audits

### **OTHER ATTENDEES**

**Grant Thornton:** Tami Radinsky, Lead Engagement Partner; Lou Feuerstein, Relationship Partner; Dana Wilson, Insurance Partner; Steven Dioguardi, Senior Manager.



VIRTUAL AUDIT COMMITTEE MINUTES  
DECEMBER 7, 2021

**Call to Order**

**Committee Members Present:** Sally Hernandez-Piñero, Mitchell Katz, José Pagán – left at 12:41, Freda Wang and Anita Kawatra.

The meeting was called to order by Ms. Ms. Sally Hernandez-Piñero, Committee Chair at 12:23 P.M.

Ms. Hernandez-Piñero informed the Committee that Matthew Siegler will be representing Dr. Mitchell Katz in a voting capacity until he is able to join later in the meeting.

Ms. Sally Hernandez-Piñero requested a motion to adopt the minutes of the Audit Committee meeting held on October 18, 2021. A motion was made and seconded with all in favor to adopt the minutes.

Ms. Sally Hernandez-Piñero introduced the information item regarding the Fiscal Year 2021 Management Letter.

Grant Thornton LLC was represented by Tami Radinsky, Lead Engagement Partner to present the June 30, 2021 Management Letter.

Ms. Radinsky stated that we're here today to present the management recommendation letter. Many of these comments, if not all of them, we talked through, but they haven't been formalized, at our last Audit Committee Meeting. I will take you through them briefly. As you may be aware, our audit includes the consideration of the internal control, but unlike a public company, we don't we don't issue an opinion on the effectiveness of New York City Health internal control system.

There are three levels of control deficiencies that one can have or identify throughout our audit procedure. The lowest level is what's called a Controlled Efficiency and the highest level is a Material Weakness. Control Deficiency exists when there's design or operation of the control that does not allow management in the normal course of business to prevent or detect misstatements in a timely manner. The most significant is what is called a Material Weakness that is what either if you have a deficiency or a combination of deficiencies. So that there's a reasonable possibility that a material misstatement of the financial statements will not be prevented. Thankfully the System does not have any material weaknesses, but what we're going to focus is the significant deficiencies, but I kind of call it the middle category. Those are not as severe as a material weakness, but they're still important and warrant the attention of the Audit Committee of the Board.

Supporting Documentation for Grants Not Sufficiently maintained -  
Observation

In connection with the FEMA/PRF funding received, Grant Thornton was initially provided with a financial model designed to determine applicable COVID related expenses not reimbursed by any other source. The model contained allocations and assumptions that could not be readily supported through documentation. In addition, the model was not reconciled to the 2021 operating results as disclosed in the financial statements. This caused a delay in the receipt of auditable documentation to support the revenue recorded.

### *Recommendation*

We recommend that a formal analysis, by funding source, be performed, reviewed and approved on a quarterly basis, inclusive of appropriate documentation, and that the analysis be reconciled to the operating results as disclosed in the financial statements. This improved process will help to ensure that the financial statements include an accurate and timely reporting of NYC Health + Hospitals' recognition of FEMA and PRF funding.

### *Management's Response 2021*

Management agrees with the auditor's recommendation regarding a quarterly analysis and review of COVID eligible expenses as reconciled to the financial statement. On a quarterly basis, the system will conduct an analysis of total COVID costs – both discretely identified costs and any allocated baseline costs – and conduct a reasonableness test of those total costs in context to related revenues and the financial statement taken as a whole. The reconciliation will include a review of all documentation for discretely identified costs, and anticipated assignments to FEMA, Provider Relief, and other available funding sources per grant guidelines available at the time. An examination of recorded and deferred revenue will improve management's analysis and assist in determining the reasonableness of total COVID costs.

Mr. Weinman commented that we have two components to COVID costs, one is discretely identified. It was audited, was not an issue and what Ms. Radinsky is talking about, is the allocated course, and in context of the financial statements. We agreed that we have room to grow and get a better process. That when we look at the allocated course in connection with the discretely identified course, that it makes sense in the bottom line. Since it was all happening during the audit, it delayed part of the ordered steps. We agreed that we should have that reconciliation beforehand, and ensure that we have good data going forward.

Ms. Wang asked from what you are saying is that what the reconciliation do with the financial statements and not necessarily a tracking of the expenses being inappropriate or anything like that, if they're misidentified; is that a fair statement?

Mr. Weinman answered yes, that here are two components, it is greatly identified because we have a great process in place. You have to track them. Identify them and in turn, you don't have rent or audited. So that was good. The allocated costs are part of our baseline course and identifying them is more difficult. We have models that identified them, and they're large amounts. So to come up with the number and then backtrack to be sure what you calculated makes sense, was where we got hung up to anyone. But in the end we came up with a fair methodology. It made sense in terms of context of the financial statement and was able to audit.

Ms. Wang asked that in terms of identifying those allocated costs, is there any risk in terms what we submitted as expenses that was approved by FEMA that there would be some fall back -- it wasn't properly allocated or some such thing?

Mr. Weinman responded yes. These costs were almost entirely detrimental to PRF funds and not FEMA. All FEMA requirements were discretely identified. We shouldn't have any problem with FEMA or PRF to give you the ability to allocate. We took the liberty based on the rules to allocate.

Ms. Wang asked do they do kind of an audit afterwards or how do they track it.

Mr. Weinman responded yes, potentially they can't do an audit.

Ms. Wang asked that the fact that we had this now reconciled for our audit is a good thing?

Mr. Weinman answered yes.

Ms. Wang asked if going forward the plan is to do some sort of a quarterly analysis?

Mr. Weinman answered yes.

Ms. Wang said thank you. That that is very helpful.

Ms. Radinsky continued with her presentation as follows:

#### Lack of Timely Accounting and Reporting for Inventory Purchases and Usage

##### *Observation*

We noted that inventory purchases and usage throughout the year were not accounted for on a timely basis, resulting in a large management prepared adjustment at year-end.

##### *Recommendation*

We recommend that management implement additional controls to ensure inventory purchases and usage activity is accurately recorded on a monthly basis to ensure timely, proper and complete accounting for inventory balances and related other than personal service expenses.

Ms. Wang asked if this had been noted as deficiency entire audit?

Mr. Weinman responded that we are not reconciling the inventory on a regular basis. If there are areas on the accounting side, we recognize that. We made the adjustments for the financial statement and it was properly reported. But the process of getting the inventory could be improved and that's what Grant Thornton is recommending, that we should have a better process. We don't have to make these adjustments at year end, we would make them monthly instead of one big one at the end, and have the process from the Supply Chain to look at inventory and reconcile it on a regular basis, which supply can increase.

Ms. Radinsky stated that those are our significant deficiencies. The good news is, that's the only control deficiencies that are identified and they're both in the significant deficiency category that were new this year.

##### *Information Technology - User Access Review*

This section talks about the status of prior year findings. We had a finding dated back to 2019. That's the recommendation relating to the user access review. We recommended a formal periodic review of the network in an Epic user environments, to ensure the access changes were conducted in accordance with management's expectations. The good news is that during our audit procedures as it relates to the information technology audit, we obtained the appropriate evidence, and this comment has been closed and that's good news. We have been working with management since 2019 and that this comment has been resolved as of the current year.

##### *Patient Accounts Receivable and Net Patient Service Revenue - Credit balances in patient accounts receivable*

This is a comment, carried forward from 2018 and we are reporting on the progress that has been made. For 2021, the credit balances did decrease, but they still exist. The good news is, that the immaterial portion relates to the liabilities due to patients and payers, but the majority is related to billing adjustments. We are recommending, although the balance has decreased from the prior years, management needs to still do a complete review to determine the proper accounting treatment for these credit balances because they still exist. Understanding the root-cause a little better, and ensure these credit balances are being reduced every single year.

Mr. Weinman stated that we know that credit balance is problematic because as they exist, they are actually negative accounts received, negative accounts receivable is counterintuitive. You shouldn't have these as they exist, because, the payments are higher than the expected reimbursement on the bill. And you end up with this apparent payback that looks like a negative or a payable. These are not really payables, they are incorrect adjustments. The expected reimbursement they say \$100, and we get paid \$120. It's going to leave a \$20 credit balance. Somebody has to go and write that off. If the \$120 is the right payment, somebody has to write off that difference. About 75% of these

credit balances are on our legacy systems. They've always existed and they probably go back decades. It is difficult to get those as well, if somebody has to close them. But again, in our tests, they weren't owed back. We do have to close. On the Epic system, we're much better, right. As we get the actual expected reimbursement into the system, and get paid the expected reimbursement, we would have no adjustments, no credit balances. Revenue is looking at better organic processes. Trying to get the rates established within the System to minimize the impact of those credit balances, it's an ongoing process. When we finally clean up these legacy systems, we'll see quite a bit.

Ms. Hernandez-Piñero asked if sometime in a time horizon you think that you'll be able to clear the balances or just keep working at it?

Ms. Marji Karlin, Chief Revenue Officer, commented that I don't know that we have exactly laid out the exact timeline for doing this, but we have a more developed project plan to address the legacy systems than we have at any other point in the last couple years that we've been looking at this. We have laid out an analytical approach to make sure that we don't write down a credit balance that is in fact a liability, but it is in fact an analytical approach. As recently as yesterday, we had a conversation with all the patient account directors of each of the facilities, and understand, that we have the project plan. Understanding what resources we need to actually accomplish this since -- as Jay pointed out, these are mostly on our legacy platform.

Mr. Weinman added that the fact that this is a very high balance on the credit balances does not affect the valuation that we put onto the financial sector. Our method includes the fact that we have credit balances. It doesn't really impact the financial statements, but it is a process oriented recommendation that there might be.

Ms. Radinsky added that that's why it's a controlled efficiency and not anything of more significance.

Ms. Wang asked if Ms. Karlin is she have a magnitude of dollars or not?

Ms. Karlin answered no.

Mr. Weinman answered that on the Epic side is about \$80 million

Ms. Wang asked if that's on the Epic side that's not a legacy -- that's kind of going forward since we shifted to Epic that we're still generating credit balances with that?

Mr. Weinman stated that we have implemented FDA over the last couple years. A lot of the credit happened at the beginning of the implementation. I couldn't really tell you how much we did it over the last year or two, but as we started getting better rates in the system, we got fewer credit balances. We did have an issue when we first went up. So same issue as a legacy trying to go back and trying to clean those up, but I think we are getting better at the credits going forward.

Ms. Wang asked to the recommendation of identifying the root cause, Marji and Jay, do you feel that you have a good process in place to figure out why it's happening?

Ms. Karlin responded that, the root-cause or as Jay alluded to, is how the contracts are reflected in the system. If the expected allowed amount matches what we should be getting paid, we have a much better process now and it is a payment integrity process acknowledge, reviewing the payment amounts. Ensuring that they are the accurate amounts and then adjusting the contract bills in the system to reflect that. For the first couple of years of the Epic go live, while we had that process in place, it wasn't quite as robust as it is now. We are really catching things in real time in order to make sure that we are adjusting these accounts appropriately.

Ms. Hernandez-Piñero introduced the information item regarding Internal Audit/Corporate Compliance.

Ms. Patsos, Chief Compliance Officer provided an Audit update and informed the Committee that:

1. The NYC Comptroller's Office review of the NYC Health + Hospitals controls over nursing homes was received on August 13, 2020 - this audit is ongoing. I have reached out to the Comptroller's Office to get a status update on where they are with this audit. I was informed that they were finalizing the field work stage and they are moving into the writing stage of the audit. Since our last meeting, the Comptroller's Office has requested several pieces of information, including PPE supply for 60 days. The purchasing usage of protective gowns, training material, policies on useful life. Accounting event details and adjustments done as a result of the previous fiscal inventory.
2. An oversight audit by the NYC Comptroller's Office of NYC Health + Hospitals Auxiliaries, Final Report was issued on June 16, 2021. Dr. Katz received a letter dated August 12, 2021 from the NYC Comptroller's Office requesting a status report on the progress made in implementing the recommendations in the report. The letter requested that NYC Health + Hospitals respond by November 15, 2021. The response was sent on November 15, 2021.
3. Internal Audits will conduct a system-wide review of Nurse Hiring. Entrance conference was held on November 29, 2021 and work plan is in the development stage. The objective of the audit is to evaluate the on boarding of nurses from either direct hires, agency nurses or travel nurses. They want to verify the proper background check and have their licenses are verified. Ensure the annual performance evaluation for the direct hires and agency nurses. Ensure that we have proper documentation is maintained and reviewed by development parties.
4. An update on the dissolution of Friends of North Central Bronx Hospital Auxiliary Inc., and Sea View Hospital and Home Auxiliary Inc., The Office of Legal Affairs has engaged Katten Muchin Rosenman to assist with these dissolutions. We have the outside CPA firm conducting the audits. They have done 17 of 22 Auxiliaries of which 15 were compilations, two were reviews. Those were, the compilations that are below \$250,000, reviews are between 250,000 and 750,000. There are five reports that are still outstanding for 2020. For 2018 and 2019, each there is one report for Queen's Hospital Center Auxiliary that is outstanding. On the next page is a summary of the financial statements that have been conducted.

Ms. Hernandez-Piñero asked in regards to the review of the Nursing Homes, what end do they have in mind for the audit that they're doing? Is it that we're not using things appropriately?

Ms. Patsos responded that it is unclear because they seem to be requesting for a lot of information that we did not expect them to be asking based on the entrance conference.

AUXILIARY	CALENDAR YEARS REVIEWED	2018 REVENUES	2019 REVENUES	2020 REVENUES
East New York Diagnostic & Treatment Center	2019/2020	NA	\$5,522	\$4,650
Conev Island Hospital	2019/2020	NA	\$5,906	\$5,003
Jacobi Medical Center	2018/2019/2020	\$537,664	\$457,149	\$232,607
Renaissance Health Care	2018/2019/2020	\$16,788	\$20,666	\$12,184
Coler Hospital	2018/2019/2020	\$187,498	\$229,285	\$91,790
Carter Hospital Center	2018/2019/2020	\$226,599	\$29,893	\$12,309
Cumberland Diagnostic & Treatment Center	2018/2019/2020	\$104,367	\$76,782	\$31,683
Woodhull Medical Center	2019/2020	NA	\$234,293	\$19,925
Gouverneur Hospital	2018/2019/2020	-\$146,562	\$997,683	\$751,055
Metropolitan Hospital Center	2018/2019/2020	\$1,538,040	\$744,114	\$147,938
Bellevue Association	2019/2020	NA	\$243,272	\$83,823
Lincoln Hospital Center	2019/2020	NA	\$99,403	\$17,339
Kings County Hospital Center	2018/2019/2020	\$58,804	\$21,142	\$43,407
Sea View Hospital and Home	2018/2019/2020	\$110,468	\$42,748	\$21,600
Dr. Susan Smith McKinney Nursing & Rehabilitation Center	2018/2019/2020	\$80,714	\$77,547	\$12,102
Harlem Hospital Center	2018/2019/2020	\$9,946	\$12,201	\$5,334
Bellevue Hospital Center	2018/2019/2020	\$151,939	\$938,114	\$543,122
Friends of North Central Bronx Hospital	2018/2019	\$131,555	\$74,525	Pending
Elmhurst Hospital Center	2018/2019	\$422,419	\$335,651	Pending
Children of Bellevue	2018/2019	\$1,112,221	\$1,154,967	Pending
Friends of Harlem Hospital Center	2018/2019	\$133,487	\$215,341	Pending
Queens Hospital Center	2018/2019	Pending	Pending	Pending



Ms. Patsos also provided an update on Corporate Compliance.

**Monitoring Excluded Providers** - *exclusion and sanctions screenings for the period of October 1st through November 16, 2021* - there were two (2) workforce members who appeared on an exclusion list, and one (1) workforce member whose license was temporarily suspended.

On October 11, 2021, the OCC learned that a PAGNY physician's medical license was temporarily suspended effective September 24, 2021. Investigation revealed that the last day he worked for the System was June 18, 2021. He was terminated on June 21, 2021.

On October 18, 2021, the OCC learned that an agency workforce member on our COVID-19 Take Care team was excluded by the OMIG and the OIG and appeared on General Services Administration System of Award Management ("SAM") exclusion list, effective September 19, 2019. The workforce member worked from September 15, 2021 through October 12, 2021, when she was terminated by the agency. The COVID-19 Take Care team is funded by FEMA and the NYC Office of Management and Budget ("OMB"). Evaluation of whether the System must deduct the cost of the services provided by this agency workforce member from the pending submission to FEMA, and what if any action must be taken with respect to the OMB funds is currently underway.

On October 28, 2021, the OCC learned that an agency workforce member who commenced a part-time position as a service aide at NYC Health + Hospitals/Harlem on September 27, 2021, was on the SAM exclusion list, effective October 16, 2014. He was taken off duty on October 29, 2021, and an evaluation of any potential overpayment is underway.

*Death Master File and National Plan and Provider Enumeration System Screening* - There were no providers.

Ms. Wang asked how do we learned about the excluded providers.

Ms. Patsos answered that on a monthly-basis, we screen everyone including our vendor's affiliates, our agency staff, everyone through our vendor OIG Compliance Now. They run our lists against all the exclusion databases. We do a large number of them. We do New York State as well as several states, and the Federal list. It is also done upon hire.

Ms. Wang added that that was going to be the next question, because a couple of these, it seems got caught quickly.

Ms. Patsos said that the agencies are supposed to be screening them before they send them to us. That is why you see something that would come up almost immediately as they were supposed to be screened by the agency.

Ms. Wang asked if there's anything that you do in terms of talking to the agency about why their screening isn't catching them?

Ms. Patsos, answered yes, we go back to the agency and talk to them and let them know that these people came up on our exclusion list, and why were they sent to us to begin with.

Ms. Wang asked are you sort of tracking that when we have continual lapses like these from the agencies that we're dealing with that agency and not someone else.

Ms. Patsos responded that there is one agency that we are dealing, it is the main agency.

Ms. Wang asked is there a kind of contract record that is developed or is it just common?

Ms. Patsos answered that we are looking to track those because they have come up a couple of times.

**Privacy Incidents and Related Reports – Reported Breaches for the Period of Oct. 1, 2021 through Nov. 16, 2021.** We had twenty-one (21) incidents that we entered into our management system. Of those two (2) were found after investigation to be violations of our policies and procedures. Five (5) were not violations and fourteen (14) are still under investigation. Of the two (2) that were confirmed as violations, both of them were determined to be breaches. One involved inappropriate disclosure of PHI by our record release vendor to the wrong recipient. The second involved a resident who misplaced documents that had a PHI for three patients while in transit from one facility to another.

**Office of Civil Rights (“OCR”) Reports Regarding HIPAA Incidents -** We received one letter, this was actually a good letter because it involved an incident that occurred in March 2011 that they had been investigating, with regard to an unauthorized disclosure by a surgeon at Jacobi. The OCR concluded that based on the corrective action that we have taken and the additional security controls that we have implemented, as well as, a recent submission of our enterprise-wide HIPAA risk analysis and risk management plan, that they were able to close this review effective October 15, 2021.

**Compliance Reports –** During the period October 1, 2021 through November 16, 2021, there were a total of forty (40) compliance reports entered into the OCC’s tracking system. The tracking database utilizes colored flags (red, yellow, and green) to represent the severity of the reports. During the reporting period, there was one (1) red report, twenty-one (21) yellow reports, and eighteen (18) green reports. The red report concerned patient abuse; however, the anonymous reporter discontinued the call before the call center could obtain any details or provide the reporter with the case number.

**Principles of Professional Conduct (“POPC”)** - Due to the change in the System’s gift policy as it relates to gifts from patients and their family members, the OCC revised the POPC to comport with the new policy, and to make it more reader-friendly. The OCC provided the revised POPC, which also noted the changes that were made to it, to the Board of Directors on October 28, 2021. Upon resolution of the Board of Directors, the revised POPC was approved on that date. It has been posted both on our internal website and our external website. And we will be educating people on the changes.

**OP 50-1: Corporate Compliance and Ethics Program -** The CCOP contains the core components of our compliance program, as well as, the workforce members and business partners responsibilities and the prohibited acts in the compliance program and the responsibilities of the OCC.

**OP 120-19: Corporate Records Management Program -** A subcommittee of the Records Management Governance Committee is revising OP 120-19 Corporate Records Management Program. A draft of this OP will be presented to the Records Management Governance Committee for review at its next meeting. A key feature of the revised OP 120-19 is that the record retention schedule will be searchable for ease in determining the record retention requirements for specific types of records.

**HIPAA Risk Analysis and Security Assessment -** we have been working on a HIPAA risk analysis and security assessment with our vendor Coalfire. They are currently finalizing the last reports and workbooks. This is the final stage of the review. They will be presenting their results to System Leadership in January 2022.

We are in the process of choosing the vendor because Coalfire contract expires at the end of February. We have now two vendors that made presentations to the Evaluation Committee. We hope to secure a vendor by the end of this year.

Ms. Hernandez-Piñero inquired if we had enough staff to look at all the reports.

Ms. Patsos answered that we’ll do all of them. Everyone gets recorded in our management database.

Ms. Patsos added that we receive several reports that are not compliance reports. Some of them are for HR or Labor Relations. We gather information and then referred it to the appropriate department to handle.

There being no other business, the meeting was adjourned at 12:58 P.M.

## RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to execute a two-year best interest contract extension with Grant Thornton LLP (the “**Contractor**”) for auditing services in an amount not to exceed \$2,019,500, which is inclusive of a five percent contingency for bond issuance.



**WHEREAS**, the System requires the services of an independent certified accounting firm to prepare its annual statements and to make various other filings, including with the Centers for Medicare and Medicaid Services; and

**WHEREAS**, the System procured the Contractor’s services through an RFP conducted in 2018 that resulted in a four-year agreement which will expire April 30, 2022; and

**WHEREAS**, the contractor performed satisfactorily over the last four years at an average annual cost of \$924,100; and

**WHEREAS**, the System proposes to renew the current contract with the Contractor for two years so that its expiration will coincide with the expiration of the City of New York (the “**City**”) auditing contract to make a joint procurement with the City possible; and

**WHEREAS**, in view of the Contractor’s satisfactory performance, the lack of substantial variation in pricing over the last eight years including four years under the Contractor’s predecessor and the benefit of a relatively short extension to align with the expiration of the City’s contract, such renewal is determined to be in the System’s best interest rather than conducting another RFP; and

**WHEREAS**, the System’s Corporate Comptroller will be responsible for the management of the proposed agreement.

**NOW THEREFORE, be it**

**RESOLVED**, that the New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to execute a two-year contract extension with Grant Thornton LLP (the “**Contractor**”) for auditing services in an amount not to exceed \$2,019,500.

**EXECUTIVE SUMMARY**  
**RENEWAL OF AUDITING CONTRACT WITH**  
**GRANT THRNTON LLP**

**OVERVIEW:** The System requires the services of an independent certified accounting firm to prepare its annual statements and to make various other filings, including with the Centers for Medicare and Medicaid Services. For many years, the System used KPMG for this function but, after an RFP issued in 2018 awarded a four-year agreement to the Contractor which is due to expire April 30, 2022.

**PROCUREMENT BEST INTEREST RATIONALE:** The System sees an advantage in conducting its next competitive procurement for auditing services in tandem with the City. The City currently also uses the Contractor although the two contracts were procured and negotiated separately. There are advantages to using the same auditor as the City uses: Deadlines will be more easily met because the System and the City will be part of the same publication and information will be easily shared within the one firm. There will also be benefits to procuring the contract in tandem with the City: The System will enjoy increased negotiating power and will benefit from certain economies by combining its efforts with the City.

A contract renewal may be made in the “*Best Interest of the System*” without an RFP if the System will not lose the chance to negotiate for better rates or for better performance and if there is a benefit to doing so. The benefit of not going to a full-term RFP is explained above. Over the last eight years while shifting from KPMG to the Contractor, it has been apparent that the cost of the service is not likely to vary significantly from auditor to auditor or from year to year and so it is unlikely that an RFP will result in significantly lower costs. Furthermore, the System’s Corporate Comptroller has stated that he is satisfied with the work the Contractor has done.

**PROGRAM:** Upon the joint contract award expected in two years, despite contracting for its audit services in tandem with the City, the System’s process and the role of its Board and Audit Committee will remain the same. The System will retain autonomy of audit services as well as separately issued financial statements. The System’s financial statements will continue to receive Audit Committee review and approval of issued financial statements. The System has representation on the City RFP committee in choosing the new audit firm. The chosen auditor will have to provide educational and training programming to the System’s staff as it does currently.

**COSTS:** Total not-to-exceed price for the to-year extension will be \$2,019,500.

**MWBE:** Current utilization is only 16%. The proposed utilization plan will bring that to 24% through subcontracts with N. Cheng and Healthcare Management Solutions.

# Best Interest Auditing Services Extension

## Audit Committee

**March 22, 2022**

**Corporate Comptroller Office**

**Jay Weinman, Corporate Comptroller**

**James L. Linhart, Deputy Corporate Comptroller**

**Nicole Fleming, Controller**

## Background / Current State

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- NYC Health+ Hospitals annual financial statements must be audited by an independent certified public accounting firm, as required by the Corporate By-Laws. Additionally, some of NYC Health + Hospitals health care entities' cost reports filed with various federal and state agencies require certification/attestation reports from the auditors
- Current vendor is Grant Thornton LLP. Contract was procured through a RFP in 2018.
- Contract term is four years and expires on April 30, 2022.
- The previous fiscal year spend with Grant Thornton for external auditing services was \$924,100

➤ Reason for Action:

- Inclusion within the City contract for Audit Services (one City contract with one Audit firm).
- Issue a two year and two months contract extension to the current audit firm at a NTE of \$2,019,500, which is inclusive of a five percent contingency for bond issuance
- This two year and two months extension is needed to align to the City Contract for overall audit services and retain the same audit firm for both City and H+H. Current City contract expires June 30, 2024
- This is in lieu of issuing an RFP



# Rationale of Extension

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- Advantages to issuing a two year and two months contract extension to align to the City Contract:
  - Better negotiating power given the size of the current New York City contract
  - Ease of meeting stated deadlines since NYC H+H will be part of City's publication
  - Easier flow of information since all will be under same contract (better communications with audit teams)
  
- NYC H+H Processes and Committee to remain in place:
  - NYC H+H will still retain autonomy of audit services as well as separate issued financial statements
  - NYC H+H will still retain Audit Committee review and approval of issued financial statements
  - NYC H+H will have representation on the City RFP committee in choosing the new audit firm
  - NYC H+H will still retain contracted CPE's paid for by the Audit Firm for our staff



# Vendor Performance

➤ If no competitive procurement was conducted (because this is a best-interest renewal or extension etc.) OR if the incumbent won the competitive procurement, then complete this template

DESCRIPTION	ANSWER
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the minority, women and emerging business enterprise participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?	Yes
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?	Yes
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?	Yes
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
Performance and Overall Quality Rating Satisfactory	Excellent

# MWBE

- M/WBE Goal set for contract term (2018 – 2022): 30%
- Over the course of the contract term (2018 – 2022), Grant Thornton reported 16% M/WBE utilization.
- Grant Thornton has committed to a 25% Utilization for the upcoming contract period utilizing the following 2 NYC/NYS certified M/WBEs.

Vendor Name	M/WBE Certification	Certified as	Ethnicity	M/WBE Utilization %
N. Cheng	NYC & NYS	MBE	Asian	23%
Healthcare Management Solutions	NYS	WBE	N/A	2%

5% M/WBE utilization waiver allowed given that 75% of the work being done under this agreement involves opinion and professional judgment – work that cannot be subcontracted.

# Audit Committee Approval Request

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- The Corporate Comptroller's Office is seeking the approval to extend the contract with Grant Thornton by two years and two months for an NTE of \$2,019,500 to provide financial auditing services and align with the City's contract schedule



To: Colicia Hercules  
Chief of Staff, Office of the Chair

From: Keith Tallbe  
Senior Counsel  
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: Grant Thornton, LLP

Date: February 28, 2022

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The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

<b><u>Vendor Responsibility</u></b>	<b><u>EEO</u></b>	<b><u>MWBE Utilization Plan</u></b>
Approved	Pending	25%

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.



**AUDIT COMMITTEE OF THE  
NYC HEALTH + HOSPITALS  
BOARD OF DIRECTORS**

**Audit Committee Meeting**

**Office of Corporate Compliance  
Internal Audits**

**March 22, 2022**

**Catherine G. Patsos, Esq., CHC  
Chief Corporate Compliance Officer**

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**A. EXTERNAL AUDITS**

**1. NYC Health + Hospitals Controls Over Nursing Homes – NYC Comptroller’s Office**

Audit Notification Letter Received – August 13, 2020  
Preliminary Entrance Conference – August 19, 2020  
Status: Summary of Issues Received – January 21, 2022

Since the last Audit Committee meeting, the Chief Corporate Compliance Officer received some preliminary findings from the NYC Comptroller’s Office related to personal protective equipment inventory. Internal Audits and the Office of Corporate Compliance are reviewing these findings with Supply Chain, and preparing responses. These are preliminary findings in advance of a Draft Audit report, to which a formal response would be made.

On February 28, 2022, the NYC Comptroller’s Office reached out to the Chief Corporate Compliance Officer and Vice President of Supply Chain Services to request a meeting to discuss these preliminary findings. The meeting was held on March 8, 2022; however, not all preliminary findings were discussed. Therefore, a follow-up meeting was held on March 18, 2022.

**B. INTERNAL AUDIT ACTIVITIES**

**1. *System-Wide Review of Nurse Hiring***

Entrance Conference (Nursing and Human Resources) – November 29, 2021  
Fieldwork Start Date and Document Request – November 30, 2021  
Final Report Date – To be Determined (TBD)

Objective of the audit:

- To evaluate the onboarding of nurses including direct hire nurses, agency nurses and travel nurses;
- To verify proper background check such as fingerprints, employment eligibility, verification of New York State licenses;
- To ensure that annual performance evaluations of direct hire and agency nurses are completed; and
- To ensure that proper documentation is maintained and reviewed by relevant parties.

A meeting was held on February 23, 2022 with Nursing Administration, to discuss the nurse hiring and onboarding processes.

**2. *Auxiliary Dissolution***

Dissolution proceedings are being planned for Friends of North Central Bronx Hospital Auxiliary Inc. and Sea View Hospital and Home Auxiliary Inc. This dissolution proceedings

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are a mutual agreement between both parties. The Office of Legal Affairs has engaged Katten Muchin Rosenman to assist with these dissolutions.

There is no additional update since the last Audit Committee meeting.

### **3. *Auxiliary Audits***

The New York State Charities Bureau requires that a review, compilation or audit report accompany the CHAR500 New York State tax form submitted by the Auxiliaries. The type of report required is based on the total annual revenue of the Auxiliary.

Final reports for Calendar Year (CY) 2020 have been completed by the outside CPA firm, The Bonadio Group, and reviewed by the Office of Internal Audits for eighteen (18) of the twenty-two (22) Auxiliaries. Fifteen (15) reports were Compilations as the Auxiliaries' revenues were below \$250,000; two (2) were Reviews as the Auxiliary's revenues were between \$250,000 and \$750,000; and one (1) was an Audit as the Auxiliary's revenue was greater than \$750,000. Four (4) reports remain outstanding for CY2020.

For each of CYs 2018 and 2019, one report (The Queens Hospital Center Auxiliary Inc.) is under final review and pending issuance. The delay is due to the lack of appropriate personnel responsible for maintaining financial records within this Auxiliary. (*See the list on the following page.*)

As of October 1, 2021, The Queens Hospital Center Auxiliary Inc.'s the 501(c)(3) status has been reinstated; however, we are waiting to learn whether the reinstatement will be retroactive.

<b>AUXILIARY</b>	<b>CALENDAR YEARS REVIEWED</b>	<b>2018 REVENUES</b>	<b>2019 REVENUES</b>	<b>2020 REVENUES</b>
East New York Diagnostic & Treatment Center	2019/2020	NA	\$5,522	\$4,650
Coney Island Hospital	2019/2020	NA	\$5,906	\$5,003
Jacobi Medical Center	2018/2019/2020	\$537,664	\$457,149	\$232,607
Renaissance Health Care	2018/2019/2020	\$16,788	\$20,666	\$12,184
Coler Hospital	2018/2019/2020	\$187,498	\$229,285	\$91,790
Carter Hospital Center	2018/2019/2020	\$226,599	\$29,893	\$12,309
Cumberland Diagnostic & Treatment Center	2018/2019/2020	\$104,367	\$76,782	\$31,683
Woodhull Medical Center	2019/2020	NA	\$234,293	\$19,925
Gouverneur Hospital	2018/2019/2020	-\$146,562	\$997,683	\$751,055
Metropolitan Hospital Center	2018/2019/2020	\$1,538,040	\$744,114	\$147,938
Bellevue Association	2019/2020	NA	\$243,272	\$83,823
Lincoln Hospital Center	2019/2020	NA	\$99,403	\$17,339
Kings County Hospital Center	2018/2019/2020	\$58,804	\$21,142	\$43,407
Sea View Hospital and Home	2018/2019/2020	\$110,468	\$42,748	\$21,600
Dr. Susan Smith McKinney Nursing & Rehabilitation Center	2018/2019/2020	\$80,714	\$77,547	\$12,102
Harlem Hospital Center	2018/2019/2020	\$9,946	\$12,201	\$5,334
Bellevue Hospital Center	2018/2019/2020	\$151,939	\$938,114	\$543,122
Children of Bellevue	2018/2019	\$1,112,221	\$1,154,967	\$986,097
Friends of North Central Bronx Hospital	2018/2019	\$131,555	\$74,525	Pending
Elmhurst Hospital Center	2018/2019	\$422,419	\$335,651	Pending
Friends of Harlem Hospital Center	2018/2019	\$133,487	\$215,341	Pending
Queens Hospital Center	2018/2019	Pending	Pending	Pending



**AUDIT COMMITTEE OF THE  
NYC HEALTH + HOSPITALS  
BOARD OF DIRECTORS**

**Audit Committee Meeting**

**Office of Corporate Compliance Report**

**March 22, 2022**



**AUDIT COMMITTEE OF THE  
NYC HEALTH + HOSPITALS  
BOARD OF DIRECTORS**  
Corporate Compliance Report  
50 Water Street, 15<sup>th</sup> Floor  
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## **I. Monitoring Excluded Providers**

### Responsibilities of the System for Sanction List Screening

- 1) To comply with Federal and state regulations, and consistent with the recommendations of the NYS Office of the Medicaid Inspector General (“OMIG”) and the U.S. Department of Health and Human Services Office of Inspector General (“OIG”), each month the Office of Corporate Compliance (“OCC”) reviews the exclusion status of the System’s workforce members, vendors, and agency staff.
- 2) To ensure that NYC Health + Hospitals (the “System”) does not conduct business with individuals or entities that are a threat to the security, economy or foreign policy of the United States, the OCC also screens all NYC Health + Hospitals workforce members, vendors, and agency staff against the databases of the United States Department of Treasury Office of Foreign Asset Control (“OFAC”).

### Exclusion and Sanction Screening Report for Nov. 17, 2021 through February 22, 2022

- 3) During the period November 17, 2021 through February 22, 2022, there were two workforce members who appeared on exclusion lists.
- 4) On January 5, 2022, the OCC received a report from its exclusion screening vendor stating that an individual who appeared on the January 2022 employees list was excluded by the OMIG effective March 25, 2015, and by the OIG effective May 20, 2015, and appeared on General Services Administration System of Award Management (“SAM”) exclusion list effective March 25, 2015. The individual, however, did not pass her background check and was never hired.
- 5) On January 12, 2022, the OCC received a report from its exclusion screening vendor stating that an agency workforce member at NYC Health + Hospitals/Elmhurst was excluded by the OMIG and the OIG, and appeared on the SAM exclusion list, all effective September 20, 2016. The workforce member worked at Elmhurst from December 13, 2021 to January 12, 2022, and was training to be a discharge planner under a licensed social worker. The OCC is investigating whether this exclusion would result in any potential overpayment.

Death Master File and National Plan and Provider Enumeration System Screening

- 6) The Centers for Medicaid and Medicare Services' ("CMS") regulations and the contractual provisions found in managed care organization provider agreements require screening of the System's workforce members, certain business partners, and agents to ensure that none of these individuals are using the social security number ("SSN") or National Provider Identifier ("NPI") number of a deceased person. This screening may be accomplished by vetting the SSNs and NPIs of such individuals through the Social Security Administration Death Master File ("DMF") and the National Plan and Provider Enumeration System ("NPPES"), respectively.
- 7) No providers were identified on the DMF or NPPES during the period November 17, 2021 through February 22, 2022.

**II. Privacy Incidents and Related Reports**

Breach Defined

- 8) A breach is an impermissible use, access, acquisition or disclosure under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") Privacy Rule that compromises the security and privacy of protected health information ("PHI") maintained by the System or one of its business associates.
- 9) Pursuant to 45 CFR § 164.402(2), unless an exception applies, the unauthorized use and/or disclosure of PHI is presumed to be a breach unless the System can demonstrate, through a thorough, good faith risk assessment of key risk factors, that there is a low probability that the PHI has been compromised.

Reported Breaches for the Period of November 17, 2021 through February 22, 2022

- 10) During the Reporting Period, sixty-seven (67) incidents were entered in the case management system. Of the 67 incidents, twenty-three (23) were found, after investigation, to be violations of NYC Health + Hospitals' HIPAA Privacy and Security Operating Procedures; eleven (11) were found not to be a violation of NYC Health + Hospitals' HIPAA Privacy and Security Operating Procedures; and thirty-three (33) are still under investigation.

- 11) Of the twenty-three (23) incidents confirmed as violations, nine (9) were determined to be a breach. Three were a result of registration errors (*e.g.* selecting the wrong patient upon registration); one involved a workforce member posting PHI to social media; one involved a provider verbally disclosing the patient’s HIV status to the patient’s family member; one involved a provider leaving PHI in a NYU Langone facility; one was the result of a photo of one patient’s PHI erroneously being added to the MyChart account of another patient; one case involved EITS using patient data for staff training; and one breach was the result of a workforce member disclosing PHI to their personal attorney.

Office for Civil Rights (“OCR”) Reports Regarding HIPAA Incidents

- 12) The OCC received five (5) letters from the OCR between November 17, 2021 and February 22, 2022. Four of the letters concerned the closure of the OCR’s investigations of prior breaches, and one involved a report of an authorized disclosure of an individual’s COVID test result.

*November 23, 2021 – Bellevue:*

- 13) On November 23, 2021, the OCC received a letter from the OCR regarding a report it received on April 28, 2015, that on January 15, 2015, a NYC Health + Hospitals/Bellevue (“Bellevue”) employee sent an excel spreadsheet containing 3,334 patients’ PHI to their relative at the relative’s place of business. In the letter, the OCR noted the corrective actions taken by the System, as well as the System’s comprehensive enterprise-wide risk analysis and risk management plan that it had submitted to the OCR, which addressed the revision of the data loss prevention software to prevent email transmissions containing ePHI from being sent outside the System. Further, the enterprise-wide risk analysis and risk management plan also addressed systemic HIPAA concerns. The OCR determined that the matter raised by the breach report at the time it was filed has now been resolved through the voluntary compliance actions of NYC Health + Hospitals and its compliance actions taken in addressing systemic HIPAA concerns. Accordingly, the OCR closed this breach report investigation as of November 23, 2021.

*November 24, 2021 Letter – Woodhull:*

- 14) On November 24, 2021, the OCC received a letter from the OCR regarding a complaint it received on October 19, 2015, stating that on August 18, 2015, NYC



Health + Hospitals/Woodhull (“Woodhull”) became aware that sometime between August 18-19, 2015, a laptop that was physically secured to an electromyography (“EMG”) machine was found to be missing from a patient examination room. The laptop involved in the incident included PHI of 1,581 patients. In the letter, the OCR noted the corrective actions taken by the System, as well as the System’s comprehensive enterprise-wide risk analysis and risk management plan that it had submitted to the OCR. Further, the enterprise-wide risk analysis and risk management plan also addressed systemic HIPAA concerns. The OCR determined that the matter raised by the breach report at the time it was filed has now been resolved through the voluntary compliance actions of NYC Health + Hospitals and its compliance actions taken in addressing systemic HIPAA concerns. Accordingly, the OCR closed this breach report investigation as of November 24, 2021.

*November 26, 2021 – Jacobi:*

- 15) On November 26, 2021, the OCC received a letter from the OCR regarding a complaint it received on April 28, 2015, stating that on February 27, 2015, a NYC Health + Hospitals/Jacobi (“Jacobi”) employee sent a series of emails and excel spread sheet attachments containing 90,060 patients’ PHI to their personal email address and to their new business email account. The PHI included patients’ names, addresses, dates of birth, telephone numbers, medical record numbers, treatment dates and types of services, limited sensitive health information, and patient health insurance identification number, which in some cases included the patient’s social security number. In the letter, the OCR noted the corrective actions taken by the System, as well as the System’s comprehensive enterprise-wide risk analysis and risk management plan that it had submitted to the OCR, which addressed the revision of the data loss prevention software to prevent email transmissions containing ePHI from being sent outside the System. Further, the enterprise-wide risk analysis and risk management plan also addressed systemic HIPAA concerns. The OCR determined that the matter raised by the breach report at the time it was filed has now been resolved through the voluntary compliance actions of NYC Health + Hospitals and its compliance actions taken in addressing systemic HIPAA concerns. Accordingly, the OCR closed this breach report investigation as of November 26, 2021.

*December 1, 2021 – Coney:*

- 16) On December 1, 2021, the OCC received a letter from the OCR regarding a breach at NYC Health + Hospitals/Coney (“Coney”) that the System had reported to the OCR on May 9, 2017. The breach concerned a volunteer who was not processed through the System’s human resources department, yet had access to 3,494 patients’ non-electronic PHI. In the letter, the OCR noted the corrective actions taken by the System, as well as the System’s comprehensive enterprise-wide risk analysis and risk management plan that it had submitted to the OCR. Further, the enterprise-wide risk analysis and risk management plan also addressed systemic HIPAA concerns. The OCR determined that the matter raised by the breach report at the time it was filed has now been resolved through the voluntary compliance actions of NYC Health + Hospitals and its compliance actions taken in addressing systemic HIPAA concerns. Accordingly, the OCR closed this breach report investigation as of December 1, 2021.

*February 14, 2022*

- 17) On February 14, 2022, the OCC received a letter from the OCR regarding a report it received on November 30, 2020, alleging that NYC Health + Hospitals disclosed her COVID test results to her parents without her consent or permission. The OCR determined to resolve this matter through the provision of technical assistance. To that end, the OCR enclosed material with its letter explaining the Privacy Rule provisions related to reasonable safeguards, and information regarding a covered entity’s reporting obligations under the Breach Notification Rule. The OCR therefore closed this case without further action effective February 14, 2022.

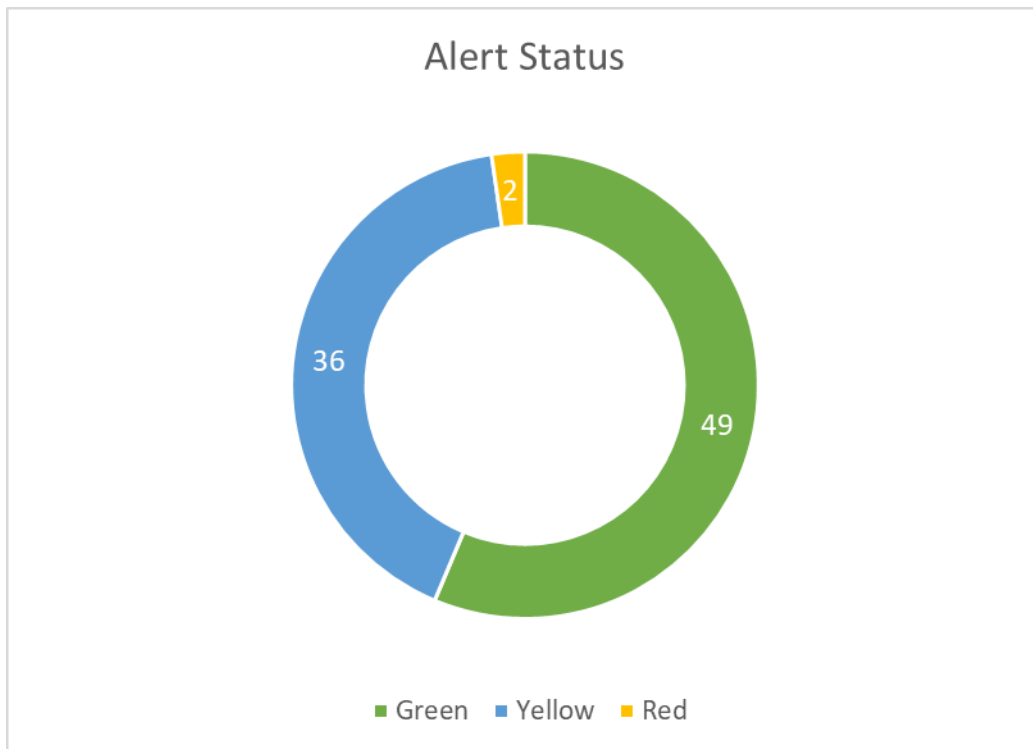
### **III. Compliance Reports**

#### Summary of Reports for the Period of November 17, 2021 through February 22, 2022

- 18) During the period November 17, 2021 through February 22, 2022, there were a total of eighty-seven (87) compliance reports entered into the OCC’s tracking database.
- 19) The tracking database utilizes colored flags (red, yellow, and green) to represent the severity of the reports. During the reporting period, there were two (2) red reports, thirty-six (36) yellow reports, and forty-nine (49) green reports. One red

report concerned threatening phone calls placed to Bellevue by an employee, and the other red report concerned an employee who felt threatened by comments made to her by a co-worker. The employee in the first case was relieved of duty, and the second case was referred to Human Resources.

<b>Alert Status</b>	
Green	49
Yellow	36
Red	2
<b>Total</b>	<b>87</b>

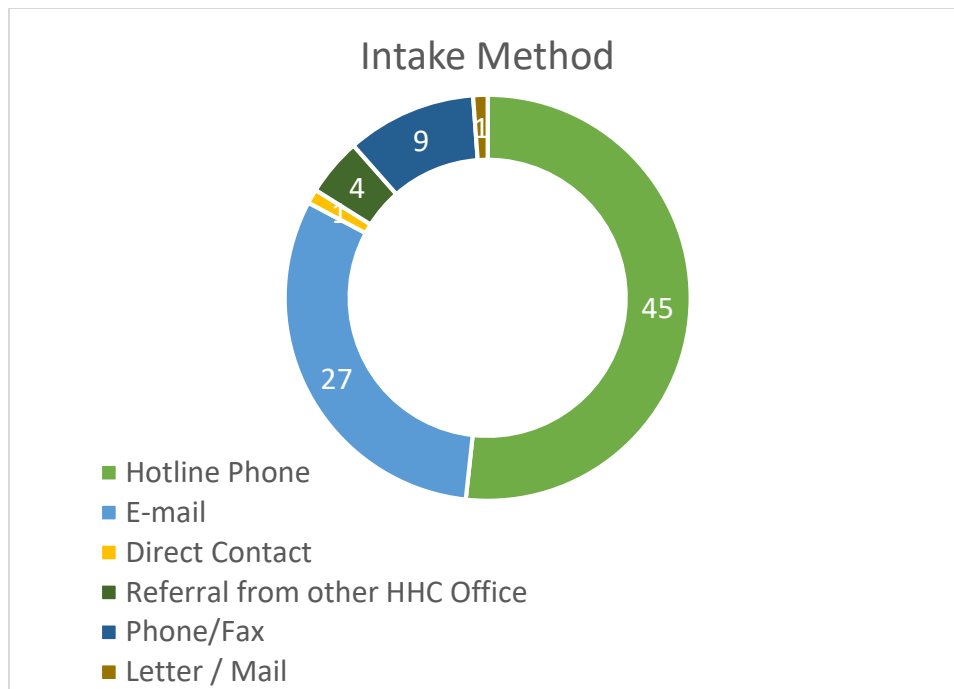


20) In addition, the database tracks reports by intake and issue type.

Intake method:

<b>Intake Method</b>	
Direct Contact	1

E-mail	27
Helpline Phone	45
Letter / Mail	1
Phone/Fax	9
Referral from other System Office	4
Total	87



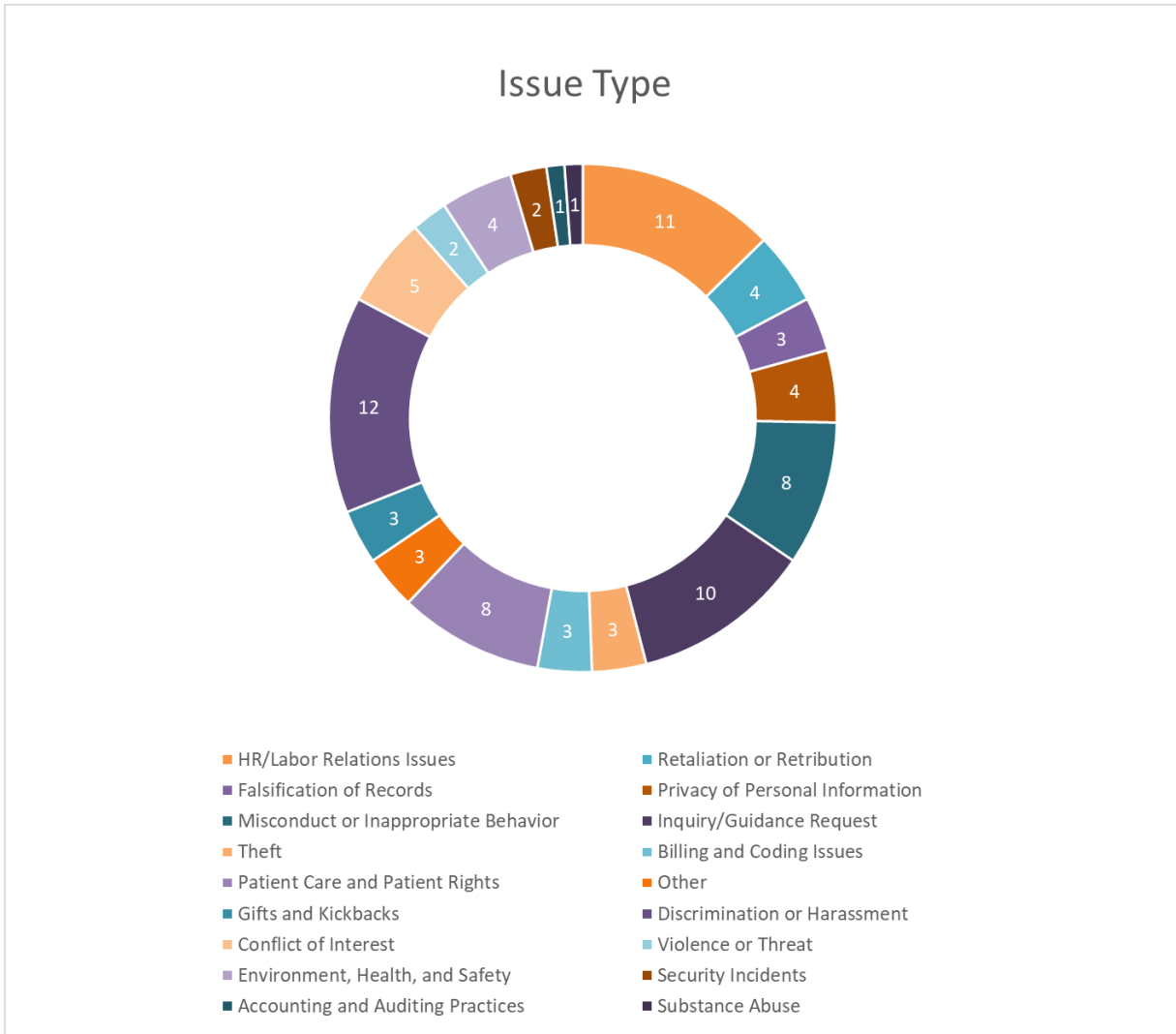
Issue type:

<b>Issue Type</b>	
HR/Labor Relations Issues	11
Retaliation or Retribution	4
Falsification of Records	3



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Privacy of Personal Information	4
Misconduct or Inappropriate Behavior	8
Inquiry/Guidance Request	10
Theft	3
Billing and Coding Issues	3
Patient Care and Patient Rights	8
Other	3
Gifts and Kickbacks	3
Discrimination or Harassment	12
Conflict of Interest	5
Violence or Threat	2
Environment, Health, and Safety	4
Security Incidents	2
Accounting and Auditing Practices	1
Substance Abuse	1
<b>Total</b>	<b>87</b>



**IV. Billing and Coding Auditing Services RFP**

- 21) The OCC, in collaboration with the Office of Revenue Cycle, drafted a Request for Proposals (“RFP”) for a vendor(s) to provide billing and coding auditing services. On February 8, 2022, the Contract Review Committee approved the RFP, which will be posted to the City Record by March 4, 2022, and then sent to selected vendors. The RFP seeks a qualified vendor(s) to conduct pre-submission billing



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and coding auditing services for inpatient, outpatient, diagnostic and treatment centers, home health, health home, and skilled nursing facility accounts. The selected vendor(s) will provide data analysis to identify areas of risk, conduct prioritized chart reviews as determined by the analysis, work with operating areas to develop and monitor corrective action plans if needed, conduct or coordinate training where deficiencies are noted, train staff on billing and coding auditing, and prepare ongoing reporting and analysis for management review. In addition, the qualified vendor(s) will conduct periodic risk assessments to determine areas of risks, threats, and opportunities related to documentation, coding, and billing of services provided, prepare a multi-year audit plan based on the risk assessments, and conduct or assist in conducting audits of risk areas identified in the risk assessments. The RFP seeks a three-year contract with a total cost of \$3.5 million.

**V. Patient Privacy Monitoring**

- 22) Under the HIPAA regulations, NYC Health + Hospitals is required to implement “hardware, software, and/or procedural mechanisms that record and examine activity in information systems that contain or use [ePHI],” and “to regularly review records of information systems activity, such as audit logs, access reports, and security incident tracking reports.”
- 23) In order to enhance the System’s compliance with this requirement, and to better protect NYC Health + Hospitals’ patients’ ePHI, the OCC, in collaboration with Enterprise Information Technology Services (“EITS”), has engaged a vendor, Maize, to implement a Patient Privacy Monitoring (“PPM”) system in Epic and other clinical applications that house ePHI. The PPM system will enhance our ability to detect unauthorized access to, and uses and disclosures of, ePHI by comparing workforce member information from PeopleSoft, including names, titles, roles, and managers, with access data from Epic and other applications that create, store or transmit ePHI. Using the information from PeopleSoft will help us determine if workforce members are inappropriately reviewing patient ePHI. For example, the PPM system will identify when someone has accessed a patient’s medical record when they are not on the patient’s treatment team. The total spend for the three-year contract is \$3,486,500.



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**VI. FY2023 Risk Assessment**

- 24) The OCC is currently developing the Draft FY2023 Risk Assessment, which will include compliance and operational risks. On March 24, 2022, the Chief Corporate Compliance Officer will present the Draft FY2023 Risk Assessment to the Enterprise Compliance Committee (“ECC”), which will review and prioritize the risks on the Draft Risk Assessment. Based on the ECC’s prioritizations, the OCC will finalize the FY2023 Risk Assessment, and prepare the Draft FY2023 Corporate Compliance Work Plan for the ECC’s review and approval, which will then be presented to the Audit Committee for approval.

**VII. HIPAA Risk Analysis and Security Assessment**

- 25) To ensure the System’s compliance with the requirements of HIPAA and HIPAA regulations, the System has again engaged Coalfire Systems, Inc. (“Coalfire”) to conduct its annual HIPAA enterprise-wide Risk Analyses and Security Assessments for a three-year period. Coalfire’s Risk Analyses involve on-site and remote interviews of key facility and Central Office personnel, in-person and virtual walk-throughs of the System’s facilities and clinics, and risk and compliance reviews of a sample of applications that create, receive, maintain or transmit ePHI. In addition, Coalfire performs penetration tests of NYC Health + Hospitals’ systems and applications to determine their vulnerability to unauthorized access. It also assesses a sample of the System’s vendors to determine their compliance with HIPAA and the security of the System’s PHI that they maintain.
- 26) Coalfire has begun its 2022 HIPAA Risk Analysis, and interviews with skilled nursing facility personnel were conducted during the week of February 14, 2022. In March, Coalfire will conduct reviews of the acute care facilities.