



**AUDIT COMMITTEE
MEETING AGENDA**

**April 13, 2026
11:00 A.M.
50 WATER STREET**

CALL TO ORDER

- **Adoption of Minutes – December 08, 2025** **José Pagán**

INFORMATION ITEMS

- **Internal Audits Update** **Joseph O’Keefe**
- **Compliance Report** **Catherine Patsos**

OLD BUSINESS **José Pagán**

NEW BUSINESS

ADJOURNMENT



December 08, 2025

AUDIT COMMITTEE MEETING TALKING POINTS

As Reported by: José Pagán

Committee Members: Mitchell Katz, Ms. Freda Wang, Anita Kawatra and Ms. Tricia Taitt

The meeting was called to order by Mr. José Pagán, Committee Chair at 10:05am.

Mr. José Pagán requested a motion to adopt the minutes of the Audit Committee meeting held on October 14, 2025. A motion was made and duly seconded with all in favor to adopt the minutes.

Mr. José Pagán proposed a motion to convene an executive session to discuss confidential and privileged matters. A motion was made and seconded with all in favor.

The Committee reconvened in open session at 10:19am.

Mr. José Pagán noted that the Committee is now in open session and next on the agenda is a presentation of the Fiscal Year 2025 Management Letter by Ms. Maria Tiso from KPMG.

KPMG Update

Ms. Tiso the lead partner on the account introduced herself and her team which comprises of Ms. Camille Fremont, Engagement Partner and Ms. Yimiao Chen Engagement Senior Manager. She noted that she will present the Fiscal Year 2025 Management Letter for NYC Health + Hospitals. She reminded the Committee that in October she presented the final audit results and noted there was one management letter comment related to the accuracy of claims paid expense for MetroPlus. She also noted that at that time, KPMG was still working through the finding, which is now completed. She explained that they were initially unsure whether the finding would rise to the level of a significant deficiency or a material weakness. The final determination is that the issue represents a significant deficiency, which must be reported to the Audit Committee.

Ms. Maria Tiso also noted the management letter includes one prior year comment related to actuarial determined liabilities. That item was previously considered a material weakness. Management restated the opening balances in the prior year and the comment has now been fully remediated and cleared. She then turned the presentation over to Ms. Camille Fremont and

Ms. Yimiao Chen to provide a high-level summary of the significant deficiency as it relates to MetroPlus Claims Testing.

Ms. Camille Fremont stated that for the FY 2025 audit, KPMG tested the accuracy of MetroPlus claims by sampling 129 claims paid between January 1, 2025 and June 30, 2025. This period aligns with MetroPlus calendar year audit, allowing KPMG to leverage work completed as part of the December 31, 2024 audit. The remaining 2025 period will be tested for the December 31, 2025 standalone audit.

Ms. Camille Fremont reported three instances of inaccurate claim payments were identified. While individually small, the sampling tool indicated that extrapolated errors could be higher. After evaluating MetroPlus high level monitoring controls such as weekly check-runs and high dollar claim reviews, KPMG determined the issue does not rise to material weakness, but falls between a control deficiency and a significant deficiency. Considering the manual nature of certain claim processes and the large claim volume, the finding was concluded to be a significant deficiency. Management is already implementing additional controls; the control design was appropriate but operational execution caused the errors.

Ms. Freda Wang asked, for the work done from January 1 through June 30, 2025 was a similar process done for the second half of last year?

Ms. Camille Fremont responded, that the work is similar to what we performed for the December 31, 2024 audit and will be part of our testing for the second half of 2025. We did not see the same issues in prior samples, these were specific claim types.

Ms. Freda Wang asked, is a manual process always necessary somewhere in the workflow?

Ms. Camille Fremont responded, yes, contract terms are loaded into the system and reviewed manually, especially when contract changes occur.

Ms. Freda Wang asked, so, this represents a small percentage of the total claims?

Ms. Camille Fremont responded, yes, these were limited unique claim types tied to a particular period.

Ms. Freda Wang asked, is this unusual compared to industry experience?

Ms. Camille Fremont responded, no, this is not unusual and not unique to MetroPlus.

Ms. Freda Wang asked, is it good to check control processes systemwide.

Ms. Camille Fremont responded, the design is effective as the issue was in control the operation.

Ms. Tricia Taitt noted that you cannot always monitor the operation of a control so errors will happen.

Ms. Camille Fremont responded, correct, the focus now is strengthening awareness and adding additional checks. Management has already planned remediation and additional reviews.

Ms. Tricia Taitt asked, what was the financial impact?

Ms. Camille Fremont responded by saying we do not recommend booking to our extrapolated estimate. Management reprocessed the claims which resulted in a positive impact of \$1 million.

Ms. Yimiao Chen responded, another population showed \$330,000 in overpayments.

Ms. Maria Tiso responded saying, ultimately, the known errors were smaller if the amounts were larger it may have risen to a material weakness.

Ms. Freda Wang asked, did you confirm that last year's material weakness was resolved?

Ms. Maria Tiso responded, yes, it was addressed in her opening comments. The prior year issue in the HHC management letter was fully remediated and management is working with the City Actuary to incorporate future changes.

Mr. José Pagán asked if there are any other questions?

Mr. José Pagán then called on Mr. Joseph O'Keefe for the Internal Audit update.

Internal Audit

Mr. O'Keefe started with the External Audit Update. The first audit is the City Controllers Audit of the Department of Corrections Efforts to Ensure Access to Mental Health Services for Inmates. They have issued a draft report, which we are currently reviewing and will respond before the final report is issued.

The second audit is Language Access Services. The final report was received in November 2025. This audit is completed and a final response is due within 180 days

The next item was the number of audits for the current fiscal year. Out of the five scheduled audits two are completed and three remain in progress.

Lastly, an update on the Auxiliary Audits that is done by the Bonadio Group. The only outstanding auxiliary audit is the Friends of Harlem Hospital. Internal Audit is working with the Bonadio Group to obtain the necessary documentation. If information is not provided Internal Audit will determine next steps. Once completed there will be no further Auxiliary Audits under Internal Audit.

Mr. José Pagán asked if any anyone have any questions before turning the meeting over to Ms. Catherine Patsos.

Corporate Compliance

Ms. Patsos started her presentation providing an update on the activities of the department:

The 2025 Compliance Survey, administered through Gartner, was launched to increase response rates however engagement did not improve. The survey closed on December 5, 2025.

The department is finalizing 2025 General Compliance & HIPAA Training, due December 31, 2025. Ms. Patsos has been emailing facility CEO's and departments with lists of individuals who have not completed training and they have been diligent in sending reminders. The 2026 training rollout is nearly complete for January 2026 enrollment.

Ms Patsos also noted strong participation in Compliance & Ethics Week. Themed "Be Bold Followed the Golden Rules of Compliance," which included educational tables, staff engagement activities, and three well attended webinars (each exceeding 4,000 attendees) on Fraud, Waste & Abuse, HIPAA, and Conflicts of Interest.

Ms, Patsos also noted that Compliance is partnering with Internal Audit to develop the 2027 Risk Assessment, beginning with a systemwide survey.

Ms. Patsos then presented the Q3 trends for privacy and non-privacy cases:

- Non-privacy reports increased slightly, a positive indicator of reporting culture.
- Privacy cases increased modestly which is less favorable.
- Average days to close cases for non-privacy issues are declining showing improvement.
- Privacy case closure times are also improving compared to prior years.

Ms, Patsos then presented the comparative analyses by facility, issue type, and intake method.

Ms. Tricia Taitt asked what is the difference between privacy and non-privacy cases, and why are they measured separately?

Ms. Catherine Patsos responded, privacy cases should decrease and non-privacy cases should increase reporting is encouraged. Hence separate tracking.

Ms. Tricia Taitt asked are privacy cases defined strictly as HIPAA-related?

Ms. Catherine Patsos responded, yes.

Ms. Tricia Taitt asked, so privacy cases represent HIPAA noncompliance?

Ms. Catherine Patsos responded yes, they represent reports of potential noncompliance and not all are substantiated.

Ms. Tricia Taitt asked are these reports made by employees or patients?

Ms. Catherine Patsos responded, patient is reporting, we are required by the Office of Medicaid Inspector General to post our hotline publicly so that Medicaid recipients are aware of our hotline and are able to use it to report potential fraud waste and abuse, but not what they are reporting.

Ms. Tricia Taitt asked if most of the reports are coming through the hotline?

Ms. Catherine Patsos responded that the intake methods are mixed hotline, email, referrals, direct calls, etc.

Mr. Mitchell Katz noted that most privacy complaints about receiving someone else's information?

Ms. Catherine Patsos responded, yes, along with unauthorized access flagged by our monitoring tool.

Ms. Tricia Taitt noted that Bellevue and Kings County have the highest report numbers, does that reflect stronger reporting?

Ms. Catherine Patsos responded, noting that larger facilities naturally generate large report.

Mr. Michell Katz noted that Bellevue's census is 680 vs NCB's 100 volume difference make sense.

Ms. Freda Wang asked what is H&H on the chart?

Ms. Catherine Patsos responded, Central Office HR related complaints like misconduct and retaliation mostly unsubstantiated.

Ms. Tricia Taitt asked, so these reports not substantiated?

Ms. Catherine Patsos reported, correct.

Ms. Catherine Patsos presented a final slide showing an increase in anonymous reports which limits follow up. Staff are encouraged to identify themselves to support full investigations.

Ms. Patsos noted, that is the end of my presentation,

Mr. José Pagán asked is there any old or new business?

No, new or old business

Meeting adjourned at 11:42am

Office of Internal Audits Update

Audit Committee Meeting
April 13, 2026

Joseph O'Keefe, CPA CHC
Chief Internal Audit Officer

External Audits Update

- **EXTERNAL AUDITS - Audit of the Rightsourcing Contract**
- Audit Notification Letter Received – December 24, 2025 Entrance Conference – January 7, 2026
- Status: In progress
- Audit is on-going

INTERNAL AUDIT ACTIVITIES

- Number of Audits on FY 2026 Plan.
- Completed Audits 3
- In Progress 3
- Not Started 0

Audit Committee of the NYC Health + Hospitals Board of Directors Meeting

**Office of Corporate Compliance Report
Catherine Patsos
Corporate Compliance Officer**

April 13, 2026

Office of Corporate Compliance (OCC)

Activities

- **OCC Compliance Survey**
 - The OCC launched the 2025 Compliance Survey to all workforce members in November.
 - 1,656 workforce members responded
 - Key take away's:
 1. Only 16% have observed misconduct in the past year
 2. Majority of those who observed misconduct reported it to their direct manager or another manager in their department
 3. Only 29% of respondents who did not report feared retaliation if they reported compared to __% in previous years.
 4. 99% of managers said they were prepared to respond to employee reports, or that it depended on the issue

- **2025 General Compliance Training & HIPAA Training Completion Rates:**
 - General Compliance Training: 81%, compared to 71% in 2024
 - HIPAA Training: 88%; compared to 87% in 2024

OCC Activities (cont'd)

- **FY2027 Risk Assessment**
 - Internal Audits and the OCC conducted a joint Risk Assessment for FY2027.
 - The process involved interviewing Central Office Senior Leadership, as well as reviewing federal and state oversight agency Work Plans for the Compliance Risk Assessment.
 - The Draft FY2027 Risk Assessment was presented to the Enterprise Risk and Compliance Committee (“ERCC”) on February 23, 2026.
 - The Final FY2027 Risk Assessment will be presented to the ERCC on April 23, 2026, and will form the basis of the FY2027 Corporate Compliance Work Plan.

OCC Activities (cont'd)



- Compliance Touch Base Meetings with CEOs
 - Throughout the months of January and February, the Chief Corporate Compliance Office met with the facilities and programs' CEOs to provide them with the OCC's updates, including:
 - ✓ The results of the 2025 Coalfire HIPAA Risk Analysis for their facility or program;
 - ✓ Their 2025 compliance and privacy cases metrics;
 - ✓ Results from the Workforce Member Compliance Survey;
 - ✓ Their General Compliance Training and HIPAA Training Completion rates; and
 - ✓ The OCC's Compliance Hot Topics series.

Executive Summary: Q1 2026 Compliance Metrics

Reporting Period: Quarter 1, 2026 (Point-in-Time Snapshot as of March 23, 2026)

Strategic Overview:

The start of 2026 has seen a surge in non-privacy compliance activity. Although the quarter is only 91% complete, non-privacy case volume has already exceeded full-quarter totals from both 2024 and 2025.

Metric Category	Q1 2026 Snapshot <i>(Q1 is 91% complete)</i>	Strategic Insight
Non-Privacy Volume	144 Cases	60.7% Increase over Q1 2025 (84 cases) and significantly higher than the recently concluded Q4 2025 (85 cases). 
Privacy Volume	84 Cases	Stable ; currently close to the full Q1 2025 volume (80 cases). 
Reporter Anonymity	66 Anonymous Cases	127.6% Increase compared to Q1 2025 (29 cases). When including Named Reporting the overall increase was 40% .

Critical Observations & Issue Trends (Q1 2025 vs Q1 2026)

- **Targeted Issue Growth:**
 - "Billing and Coding" issues have tripled year-over-year, rising from 3 to **9 cases**.
 - "Patient Care and Patient Rights" issues more than doubled, increasing from 19 to **41 cases**.

Quarter-to-Date (QTD) Reporting Disclaimer

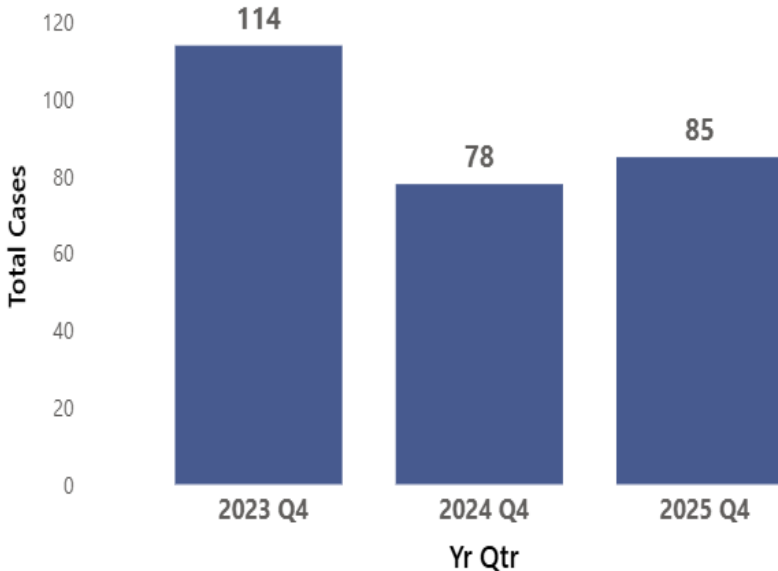
Please be advised that as this report was generated on March 24, 2026, the Q1 2026 data represents a 'Point-in-Time' snapshot as of March 23, 2026. Because the quarter is 91% complete, volume and cycle-time metrics are preliminary. Note that prior Q4 charts reflect 100% of those reported periods.

Compliance Report Metrics

Non-Privacy Compliance Report Metrics

- 4th Qtr. comparative analysis of all compliance cases for CY's 2023, 2024 & 2025

Non-privacy Compliance Case Volume by Year for Q4

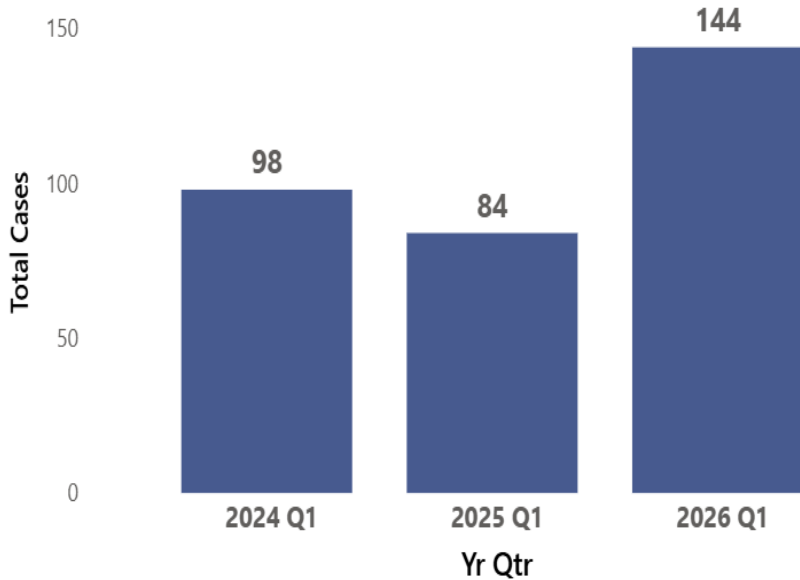


Compliance Report Metrics

Non-Privacy Compliance Report Metrics

- 1st Qtr. comparative analysis of all compliance cases for CY's 2024, 2025 & 2026

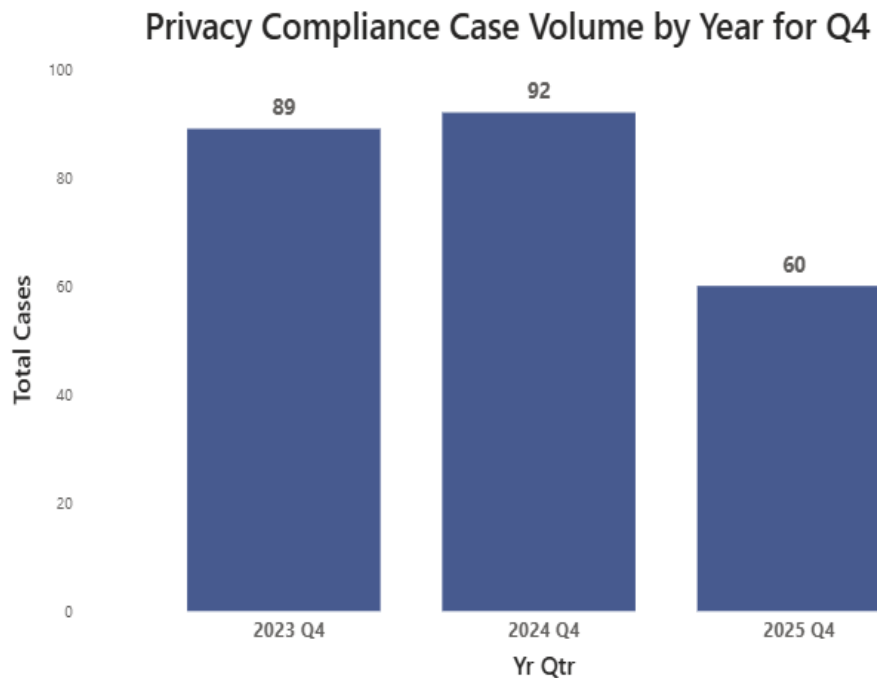
Non-privacy Compliance Case Volume by Year for Q1



Compliance Report Metrics

Privacy Compliance Report Metrics

- 4th Qtr. comparative analysis of all privacy cases for CY's 2023, 2024 & 2025

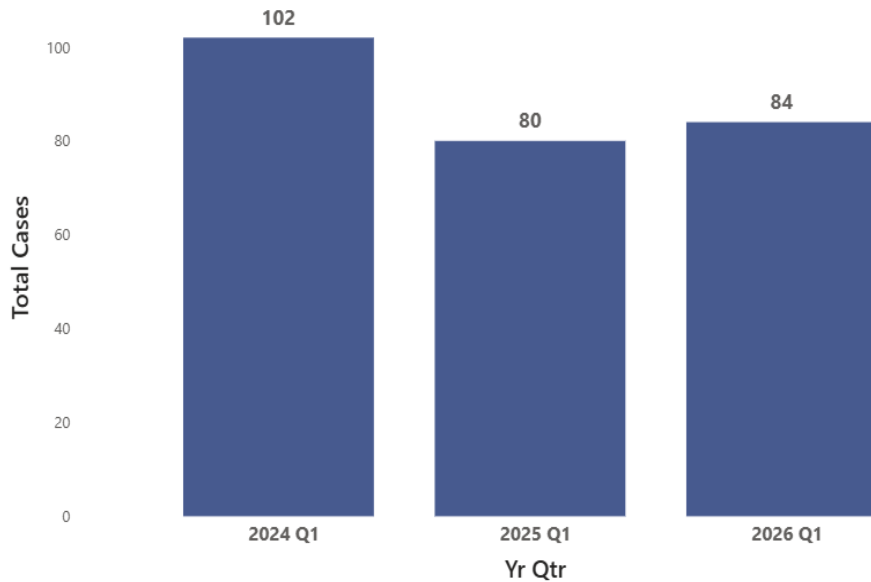


Compliance Report Metrics

Privacy Compliance Report Metrics

- 1st Qtr. comparative analysis of all privacy cases for CY's 2024, 2025 & 2026

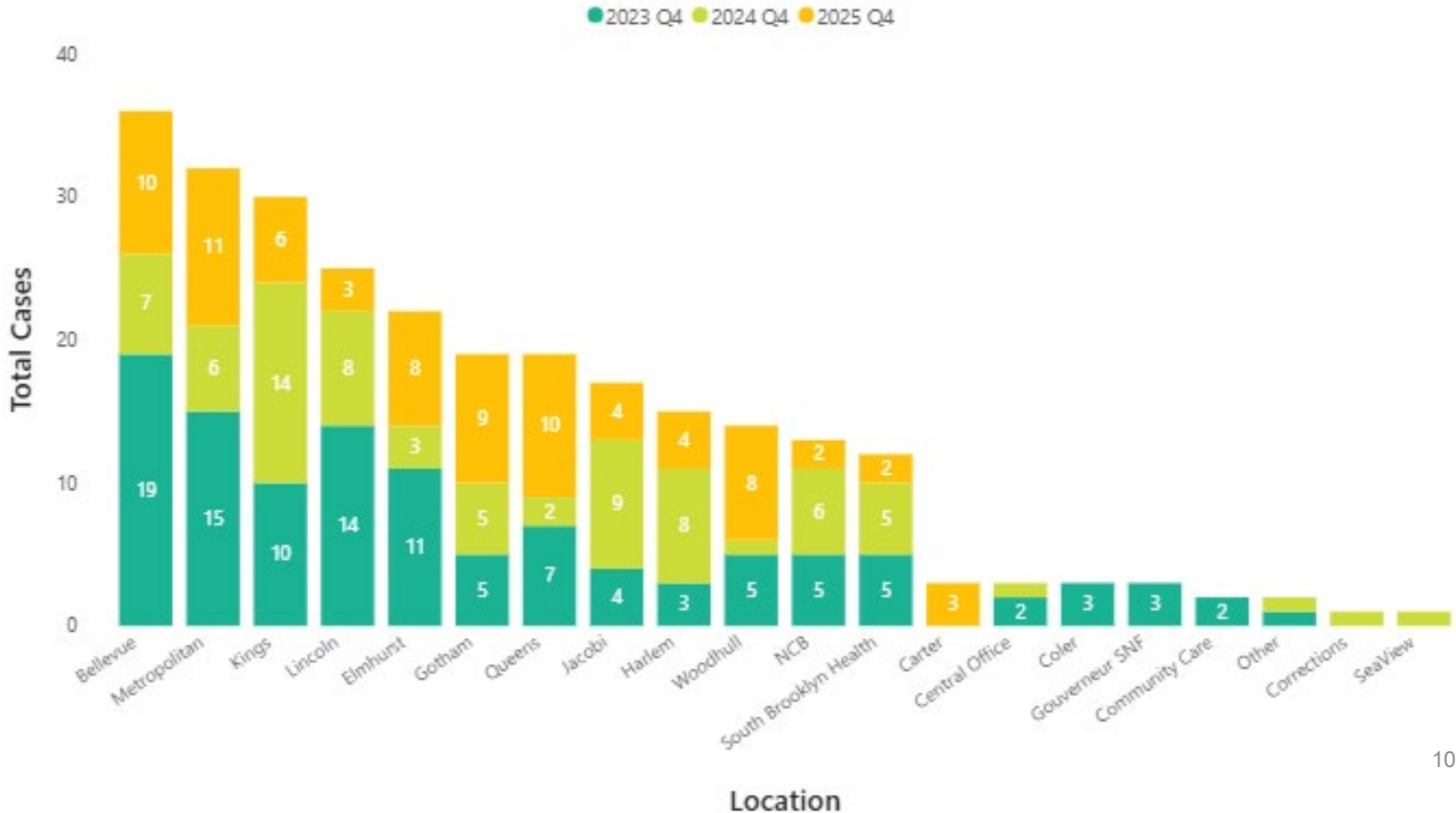
Privacy Compliance Case Volume by Year for Q1



Compliance Report Metrics

- 4th Qtr. comparative analysis of **all non-Privacy** cases for CY's 2023, 2024 & 2025 by Facility

Total non-Privacy Cases by Location and Year

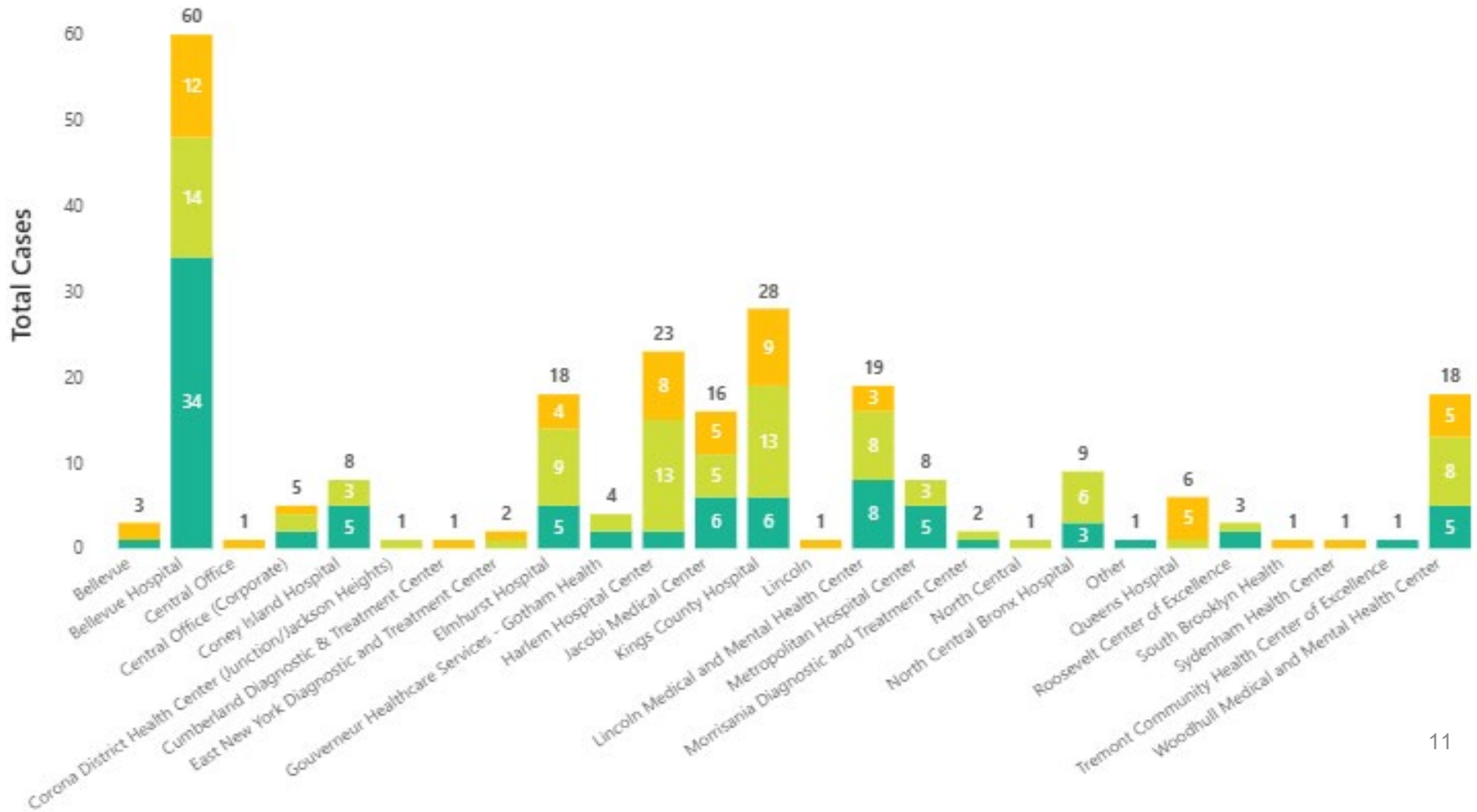


Compliance Report Metrics

- 4th Qtr. comparative analysis of all Privacy cases for CY's 2023, 2024 & 2025 by Facility

Total Privacy Cases by Location and Year

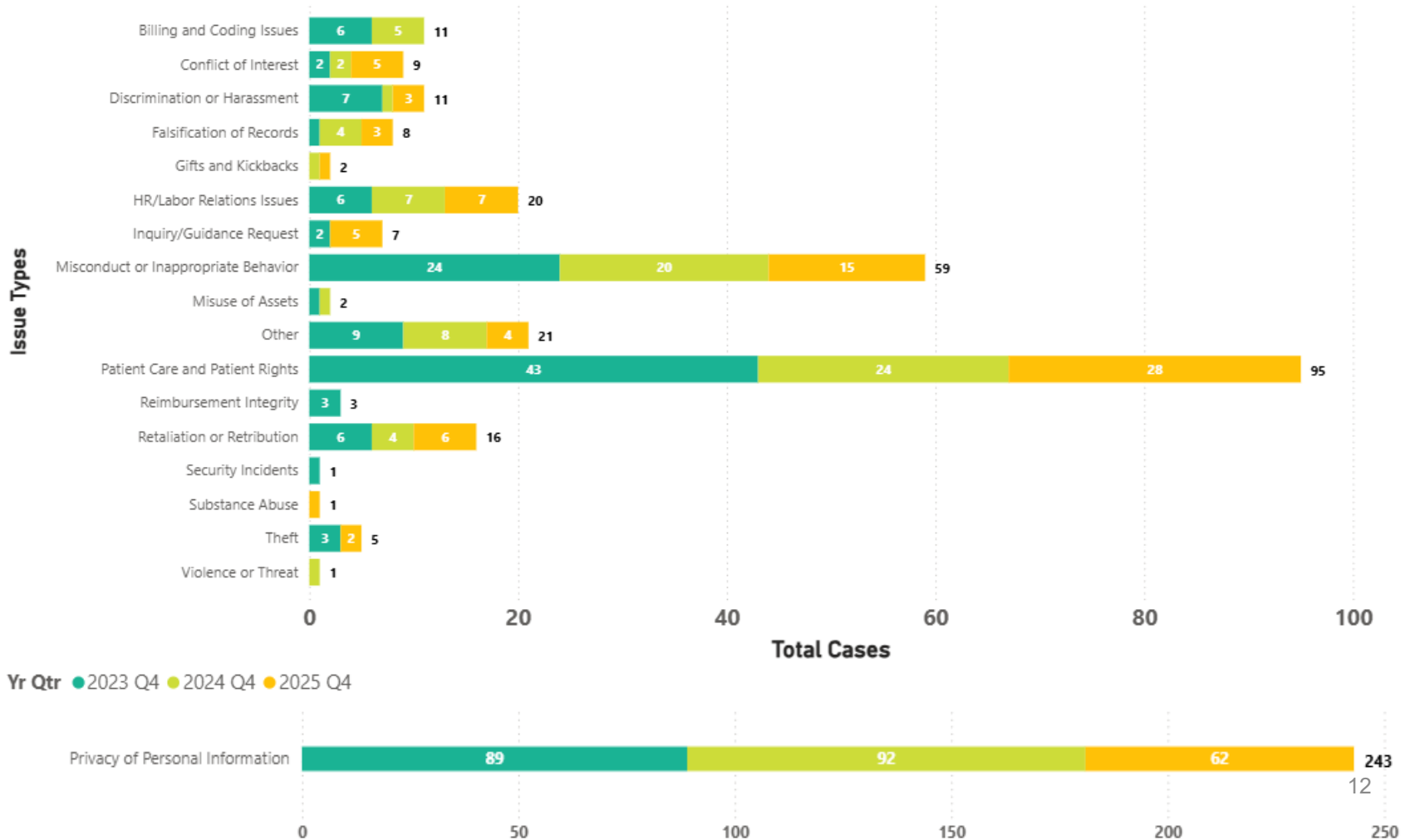
● 2023 Q4 ● 2024 Q4 ● 2025 Q4



Compliance Report Metrics

- 4th Qtr. comparative analysis of all cases for CY's 2023, 2024 & 2025 by Issue Type

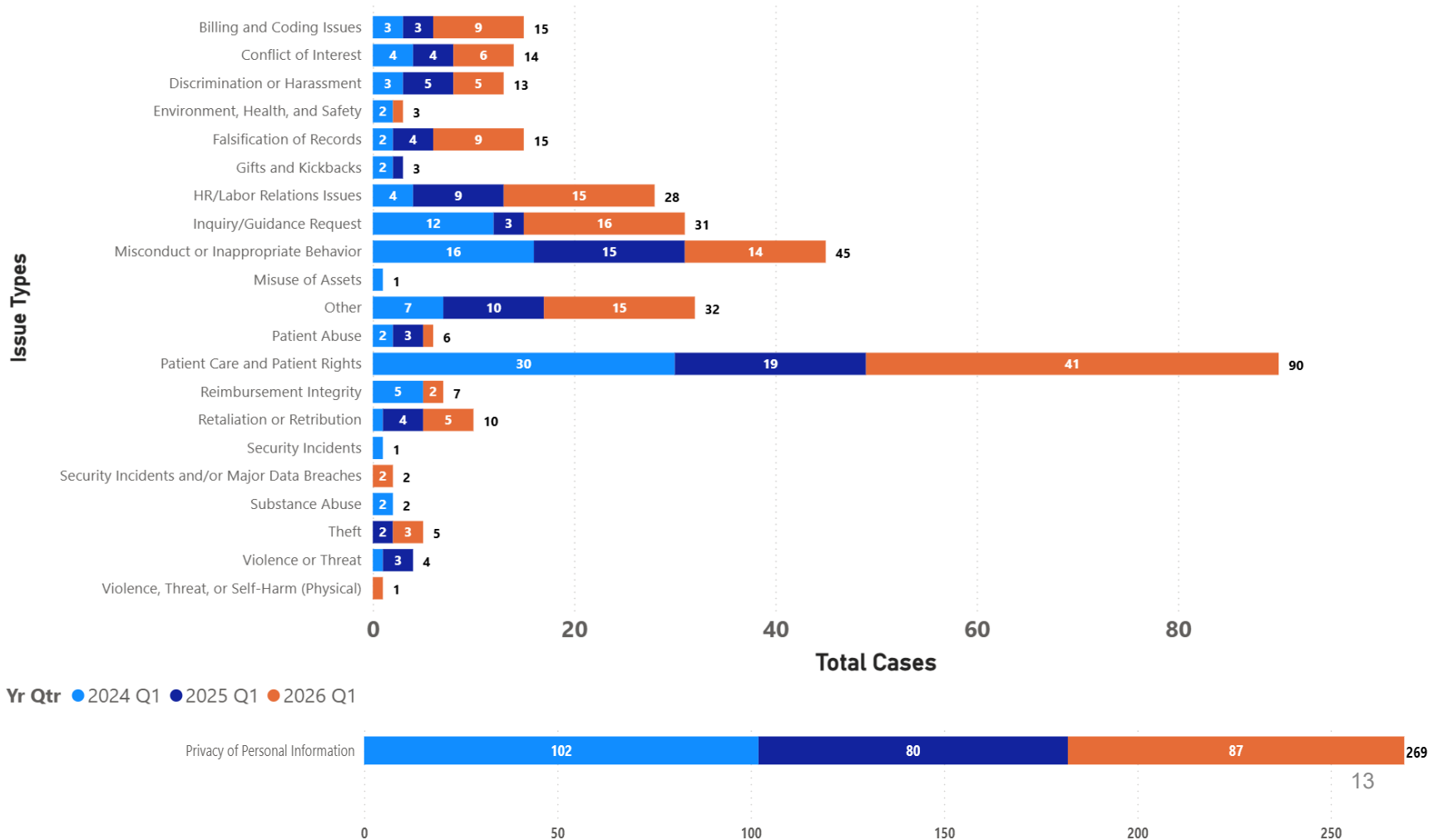
OCC Case Volume by Issue Type



Compliance Report Metrics

- 1st Qtr. comparative analysis of all cases for CY's 2024, 2025 & 2026 by Issue Type

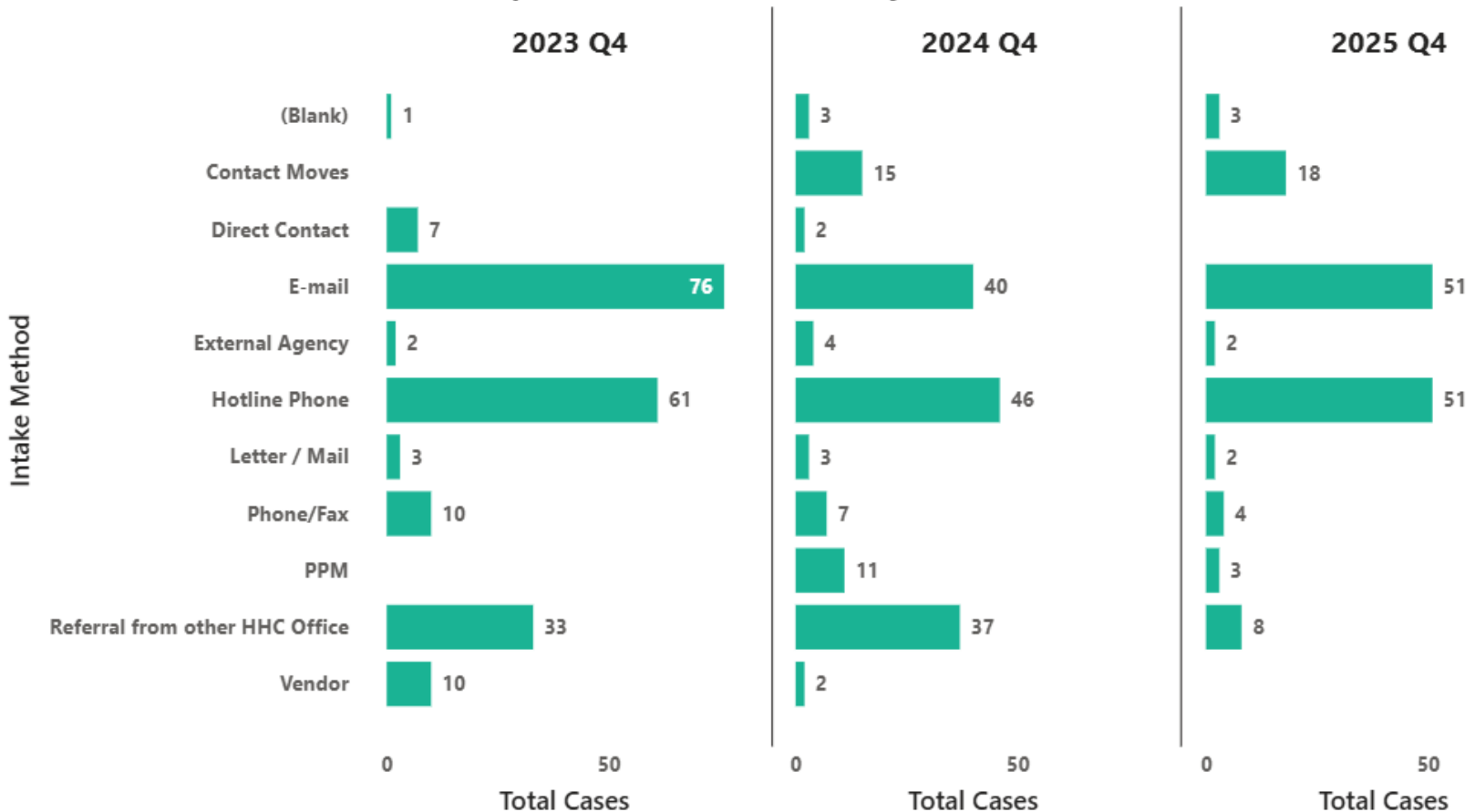
OCC Case Volume by Issue Type



Compliance Report Metrics

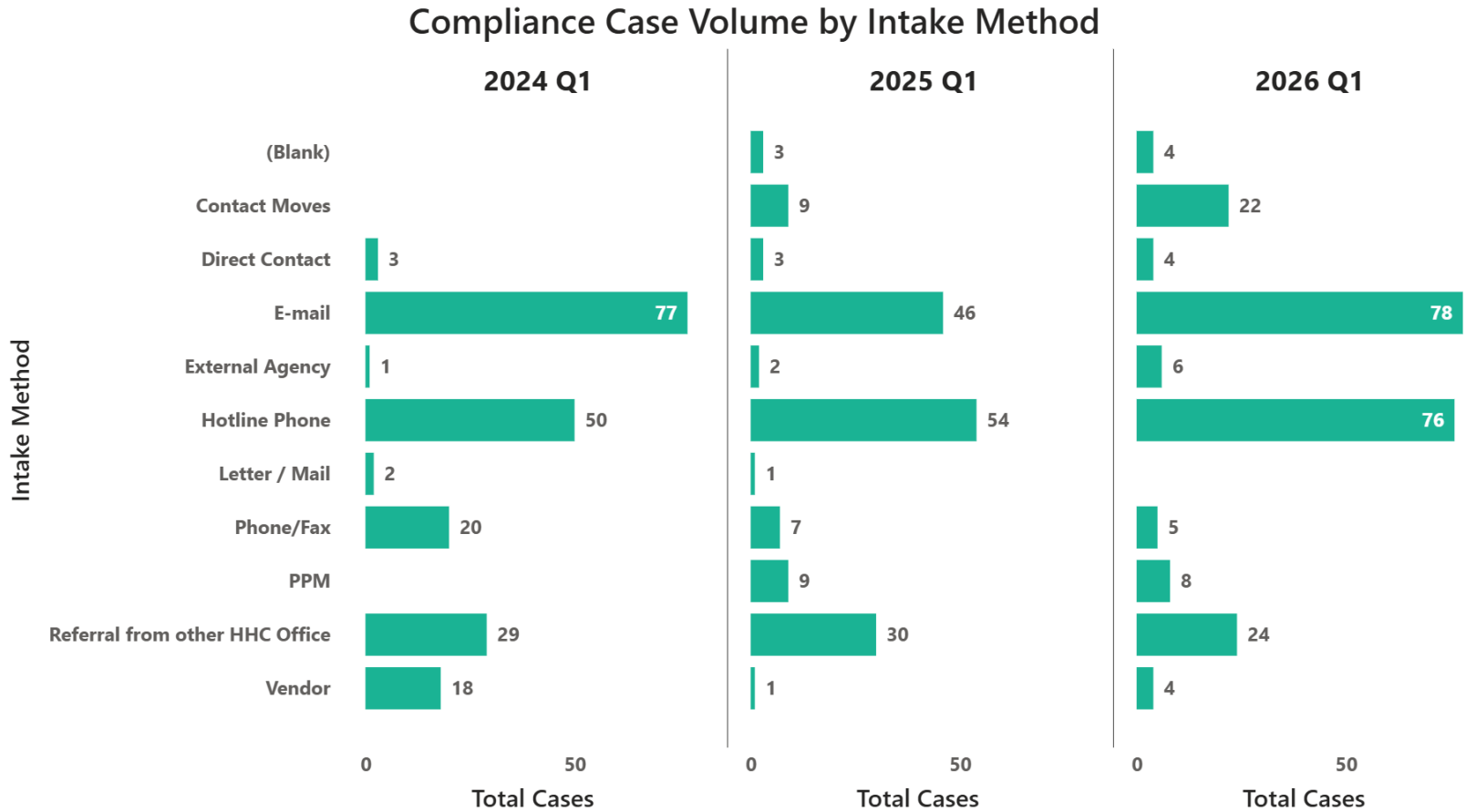
- 4th Qtr. comparative analysis of all cases for CY's 2023, 2024 & 2025 by Intake Method

Compliance Case Volume by Intake Method



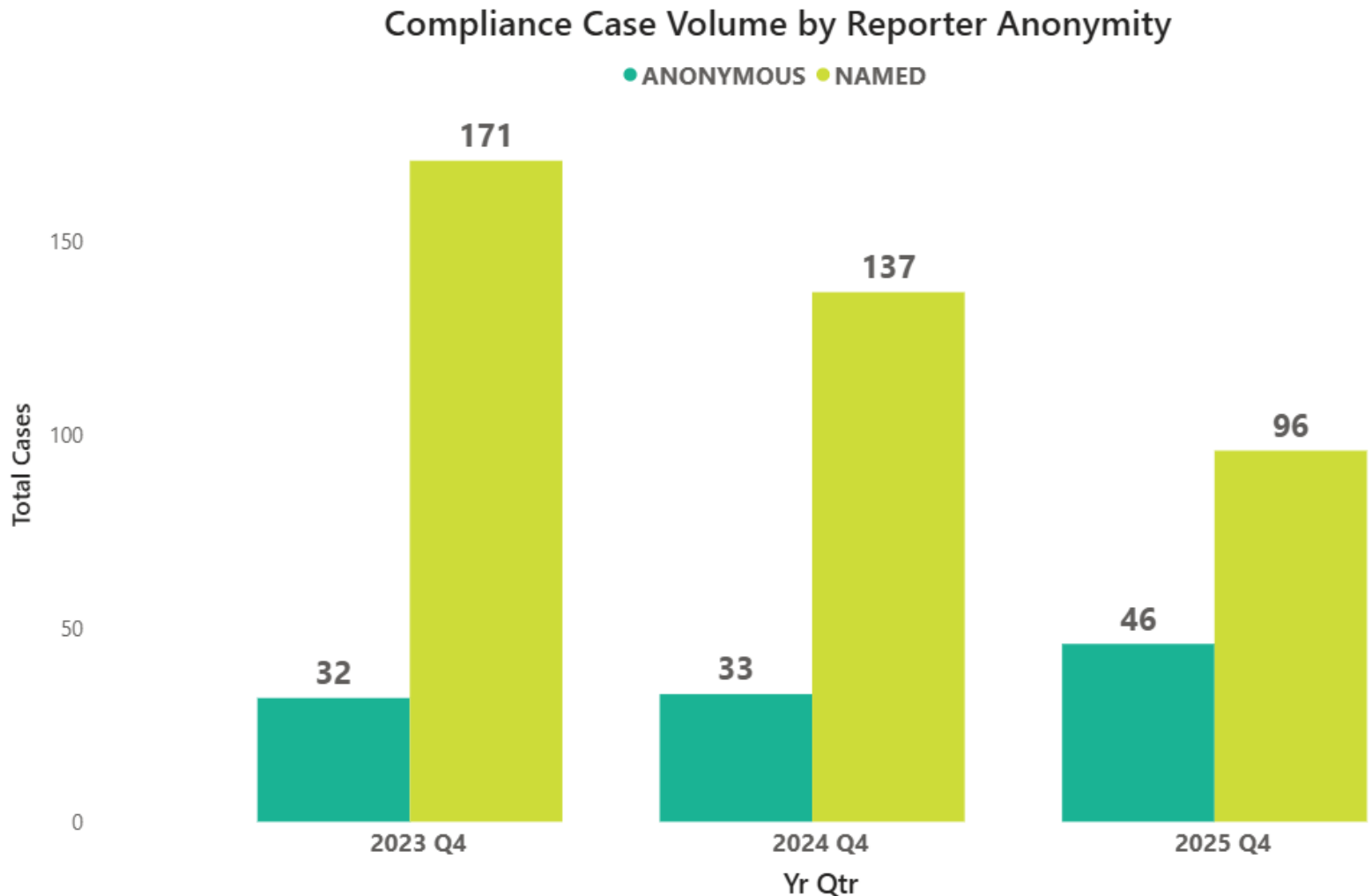
Compliance Report Metrics

- 1st Qtr. comparative analysis of all cases for CY's 2024, 2025 & 2026 by Intake Method



Compliance Report Metrics

- 4th Qtr. comparative analysis of all cases for CY's 2023, 2024 & 2025 by Reporter Anonymity



Compliance Report Metrics

- 1st Qtr. comparative analysis of all cases for CY's 2024, 2025 & 2026 by Reporter Anonymity

