

# Compliance Committee Meeting

May 22, 2019 12:30 PM EDT

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# NOTICE OF MEETING

## **NORTH BROWARD HOSPITAL DISTRICT**

### **BOARD OF COMMISSIONERS**

An Compliance and Ethics Committee meeting will be held on Wednesday, May 22<sup>nd</sup>, 2019, immediately following the Legal Affairs and Governmental Relations Committee meeting, at the Broward Health Corporate Spectrum Location: 1700 Northwest 49 Street, Fort Lauderdale, Florida, 33309. The purpose of this committee meeting is to review and consider any matters within the committee's jurisdiction.

Persons with disabilities requiring special accommodations in order to participate should contact the District by calling 954-473-7100 at least 48 hours in advance of the meeting to request such accommodations.

Any person who decides to appeal any decision of the District's Board with respect to any matter considered at these meetings will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made which record includes testimony and evidence upon which the appeal is to be based.

**COMPLIANCE AND ETHICS COMMITTEE**  
**Immediately Following**  
**Legal Affairs and Governmental Relations Committee Meeting**  
**April 17, 2019**

**CALL TO ORDER** 11:17 am

**COMMITTEE MEMBERS**

- Commissioner Nancy W. Gregoire, Chair
- Commissioner Andrew M. Klein
- Commissioner Christopher T. Ure
- Commissioner Ray T. Berry
- Commissioner Stacy L. Angier (WebEx)
- Commissioner Marie C. Waugh (WebEx)

**ADDITIONALLY PRESENT** Gino Santorio/President/CEO, Alan Goldsmith/CAO, Alex Fernandez/CFO, Jerry Del Amo/Managing Senior Associate, Steve Forman/ Compliance Consultant, Brian Kozik/Chief Compliance Officer, Nigel Crooks/Chief Internal Auditor, Lee Ghezzi/VP Quality and Case Management, Melanie Hatcher/VP Human Resource, Denise Moore/VP Marketing, Beth Cherry/SVP Physician Practices, Lauren Brown/Director Compliance/Privacy Ops.

**PUBLIC COMMENTS** None

**APPROVAL OF MINUTES**

1. Approval of the Compliance and Ethics Committee meeting minutes, dated March 21, 2019

**MOTION** It was *moved* by Commissioner Berry, *seconded* by Commissioner Angier, to:

**APPROVE THE COMPLIANCE AND ETHICS MEETING MINUTES DATED  
MARCH 21, 2019.**

Motion *carried* unanimously

Commissioner Gregoire welcomed Broward Health's new Chief Compliance Officer, Brian Kozik, to his first Compliance and Ethics Committee meeting. Mr. Kozik shared a brief overview of his professional background.

**TOPIC OF DISCUSSION**

2. Chief Compliance Officer Report
  - a. Report from the Executive Compliance Group

Mr. Kozik reported on activities that had taken place within the compliance department during the first three weeks of his tenure.

Discussion ensued on whether Commissioner Gregoire could attend the DC meeting with Senior Management and Chairman Klein, without the risk of causing a Sunshine violation.

- Mr. Kozik shared that he spoke to the new IRO who was interested in meeting with the Board of Commissioners. He further reported that the IRO would be requesting materials for review, prior to providing a draft report.

Note: Mr. Kozik modified the order of items listed on the agenda.

- IRO Plan of Correction – Beth Cherry

Ms. Cherry updated the committee on the progress of pending items listed on the IRO plan of correction. Projected completion date for said items was moved from April 30<sup>th</sup> to June 30<sup>th</sup>. Commissioner Gregoire inquired if Mr. Cobo and Mr. Lewis could have access to the plan of correction spreadsheet. Mr. Santorio stated that he would want the legal department to vet the request before confirming it could be shared with outside parties.

- Training – Melanie Hatcher

Ms. Hatcher reported that the 3 year compliance training for 8,134 people was completed. Year 4 will be launched on May 13<sup>th</sup>, 2019.

- Disclosures – Lauren Brown

Ms. Brown reported a significant reduction of open disclosures that were over two years old. In regards to trends, HIPAA was identified as the largest disclosure group, Human Resources second, and Policy and Procedures third. Ms. Brown and Mr. Kozik planned on sharing current trends and enhancements with the Monitor and asking for her suggestions. Trends will be provided on the SharePoint drive.

- Sanction Screening – Lee Ghezzi

Mr. Ghezzi reported that the sanction screening on employees, residents, volunteers, vendors and students had been completed. Populations that were not captured are now being appropriately screened. Policies and forms are being refined to make screening more efficient.

- Risk Assessment, Auditing and Monitoring – Alex Fernandez

Mr. Fernandez reported that two of the facilities hosted their first regional compliance meetings. The outcomes of the monthly meetings would be standardized and tracked. The audit department's annual risk assessment report would be combined those from the compliance arena, so that there be one system wide risk assessment list. The goal is to have them all completed by the end of the fiscal year.

- Code of Conduct – Denise Moore

Denise Moore reported that the Code of Conduct engagement strategy had recently launched to bring awareness to employees. She further reported that the compliance department completed a thorough inventory of current policies. The plan was to prioritize what could be crossed off the

inventory, revise policies that were outdated and decide what constituted a policy versus a procedure.

3. Regulatory Environment Report / Training – Steve Forman

- Compliance Reporting to the Board of Commissioners

Steve Forman shared a presentation listing the types of compliance data that should be reported to the committee.

Discussion ensued on which departments had the authority to engage in investigations and how qualified they were. Mr. Kozik suggested that an external investigative trainer be brought in to instruct each department on how to appropriately conduct an internal investigation.

Chairman Klein discussed and summarized the state of the compliance program from the last 18 months to present and the substantial progress that has been made in the last 120 days.

**ADJOURNMENT** 12:36 pm

**MOTION** It was *moved* by Commissioner Klein, *seconded* by Commissioner Ure, to:

**ADJOURN THE COMPLIANCE AND ETHICS COMMITTEE MEETING.**

Motion *carried* unanimously.

Respectfully submitted,  
Commissioner Ray T. Berry, Secretary/Treasurer

# **North Broward Hospital District Board of Commissioners Compliance Training**

**Brian W. Kozik, CHC, CHPC, CCEP  
SVP, Chief Compliance & Privacy Officer  
May 22, 2019**

# U.S. Department of Justice – Criminal Division

## Evaluation of Corporate Compliance Programs

### (Updated April 2019)

- The “Principles of Federal Prosecution of Business Organizations” in the Justice Manual describe factors prosecutors should consider in conducting and investigation of a corporation, determining whether to bring charges, and negotiating plea or other agreements.

#### The Factors Include:

- The adequacy and effectiveness of the corporation’s compliance program at the time of the offense, as well as at the time of a charging decision; and
- The corporation’s remedial efforts to implement an adequate and effective corporate compliance program or to improve an existing one.

# U.S. Department of Justice – Criminal Division

## Evaluation of Corporate Compliance Programs

### (Updated April 2019)

- Assistant AG Brian Benczkowski instructs prosecutors to consider, at the time of the resolution:

“Whether the corporation has made significant investments in, and improvements to, its corporate compliance program and internal controls systems” and,

“Whether remedial improvements to the compliance program and internal controls have been tested to demonstrate that they would prevent or detect similar misconduct in the future to determine if a monitor is appropriate”.



# U.S. Department of Justice – Criminal Division

## Evaluation of Corporate Compliance Programs

### (Updated April 2019)

- Three fundamental questions a prosecutor should ask:
  1. Is the corporation's compliance program well designed?
  2. Is the program being applied earnestly and in good faith? In other words, is the program being implemented effectively?
  3. Does the corporation's compliance program work in practice?

# Is the corporation's compliance program well designed?

Consider:

-How the company has identified, assessed, and defined its risk profile, and the degree to which the program devotes appropriate resources to the spectrum of risks.

-Any well-designed compliance program entails policies and procedures that give both content and effect to ethical norms that address and aim to reduce risks identified by the company as part of its risk assessment process.

## Is the corporation's compliance program well designed?

-Steps taken by the company to ensure policies and procedures have been integrated into the organization, including through periodic training and certification for all directors, officers, relevant employees, and, where appropriate, agents and business partners.

-A hallmark of a well-designed compliance program is the existence of an efficient and trusted mechanism by which employees can anonymously or confidentially report allegations of a breach of the company's code of conduct, company policies, or suspected acts of misconduct.

## Is the corporation's compliance program being implemented effectively?

- The company's top leaders – the Board and Executives – set the tone for the rest of the company.
- Prosecutors should examine the extent to which senior management have clearly articulated the company's ethical standards, conveyed and disseminated them in clear and unambiguous terms, and demonstrated rigorous adherence by example.
- Prosecutors should address the sufficiency of the personnel and resources within the compliance function, in particular, whether those responsible for compliance have: (1) sufficient seniority within the organization; (2) sufficient resources, namely, staff to undertake the requisite auditing, documentation, and analysis; and (3) sufficient autonomy from

## Is the corporation's compliance program being implemented effectively?

Management, such as direct access to the board.

-Another hallmark of effective implementation of a compliance program is the establishment of incentives for compliance and disincentives for non-compliance.

-Prosecutors should assess whether the company has clear disciplinary procedures in place, enforces them consistently across the organization, and ensures the procedures are commensurate with the violations.

-Prosecutors should also assess the extent to which the company's communications convey to its employees that unethical conduct will not be tolerated and will bring swift consequences, regardless of position or title of the employee who engages in the conduct.

## Does the corporation's compliance program work in practice?

-Prosecutors need to assess adequacy and effectiveness of the corporation's compliance program at the time of the offense, as well as at the time of a charging decision.

-It is important to note that the existence of misconduct does not, by itself, mean that a compliance program did not work or was ineffective at the time of the offense.

-The failure to prevent or detect the instant offense does not mean that the program is not generally effective in preventing and deterring misconduct. The Department recognizes that no compliance program can prevent all criminal activity by a corporation's employees.

## Does the corporation's compliance program work in practice?

-In assessing whether a company's compliance program was effective at the time of the misconduct, prosecutors should consider whether and how the misconduct was detected, what investigation resources were in place to investigate suspected misconduct, and the nature and thoroughness of the company's remedial efforts.

-To determine whether a company's compliance program is working effectively at the time of a charging decision or resolution, prosecutors should consider whether the program evolved over time to address existing and changing compliance risks.

## Does the corporation's compliance program work in practice?

-A company's business changes over time, as do the environments in which it operates, the nature of its customers, the laws that govern its actions, and the applicable industry standards.

-Accordingly, prosecutors should consider whether the company has engaged in meaningful efforts to review its compliance program and ensure it is not stale. Some companies survey employees to gauge the compliance culture and evaluate the strength of controls, and/or conduct periodic audits to ensure that controls are functioning well.

-Prosecutors may reward efforts to promote improvement and sustainability.



## Does the corporation's compliance program work in practice?

-Another hallmark of a compliance program that is working effectively is the existence of a well-functioning and appropriately funded mechanism for the timely and thorough investigations of any allegations or suspicions of misconduct by the company, its employees, or agents.

-A hallmark of a compliance program that is working effectively in practice is the extent to which a company is able to conduct a thoughtful root cause analysis of misconduct and timely and appropriately remediate to address the root causes.

## Does the corporation's compliance program work in practice?

-Remediation: What specific changes has the company made to reduce the risk that the same or similar issues will occur in the future? What specific remediation has addressed the issues identified in the root cause and missed opportunity analysis?

-Accountability: What disciplinary actions did the company take in response to the misconduct and were they timely? Were managers held accountable for misconduct that occurred under their supervision? What is the company's record (e.g., number and types of disciplinary actions) on employee discipline relating to the types of conduct at issue? Has the company even terminated or otherwise disciplined anyone (reduced or eliminated bonuses, issued a warning letter, etc.) for the type of misconduct at issue?