



FINANCE AND AUDIT COMMITTEE
March 26, 2019
12:00 PM

Meeting Location
Health Care District Administrative Office
1515 N. Flagler Drive, Suite 101
West Palm Beach, FL 33401

If a person decides to appeal any decision made by the board or committee, with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings, and that, for such purpose, he may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based.



**FINANCE and AUDIT COMMITTEE MEETING
AGENDA**

**March 26, 2019 12:00 P.M.
Health Care District Board Room
1515 N. Flagler Drive, Suite 101
West Palm Beach, FL 33401**

1. Call to Order – Chair

- A. Roll Call
- B. Affirmation of Mission: The mission of the Health Care District of Palm Beach County is to be the health care safety net for Palm Beach County. Our vision is meeting changes in health care to keep our community healthy.

2. Agenda Approval

- A. Additions/Deletions/Substitutions
- B. Motion to Approve Agenda

3. Awards, Introductions and Presentations

- A. Health Care District of Palm Beach County Portfolio Update with Short Term Strategy Investment Review – John Grady, Public Trust Advisors

4. Disclosure of Voting Conflict

5. Public Comment

6. Meeting Minutes

- A. **Staff Recommends a MOTION TO APPROVE:**
Finance and Audit Committee Meeting Minutes of January 29, 2019. [Pages 1-4]
- B. **Staff Recommends a MOTION TO APPROVE:**
Finance and Audit Committee Meeting Minutes of November 27, 2018. [Pages 5-9]
- C. **Staff Recommends a MOTION TO APPROVE:**
Finance and Audit Committee Meeting Minutes of September 25, 2018. [Pages 10-14]

7. Consent Agenda – Motion to Approve Consent Agenda Items

A. ADMINISTRATION

- 7A-1. **RECEIVE AND FILE:**
March 2019 Internet Posting of District Public Meeting.
<http://www.hcdpbc.org> – Resources – Public Meetings
- 7A-2. **RECEIVE AND FILE:**
Finance and Audit Committee Attendance [Page 15]

7. Consent Agenda (Continued)

Prior Month Action Items

- 7A-3. **Staff Recommends a MOTION TO APPROVE:**
District Cares Changes (Tomas Cleare) [Pages 16-17]
- 7A-4. **Staff Recommends a MOTION TO APPROVE:**
Belle Glade Primary Care clinic Construction
(Dawn Richards) [Pages 18-19]
- 7A-5. **Staff Recommends a MOTION TO APPROVE:**
340B Discount Program Report
(Harry Kimball) [Pages 20-29]
- 7A-6. **Staff Recommends a MOTION TO APPROVE:**
Patient Access Audit
(Harry Kimball) [Pages 30-39]
- 7A-7. **Staff Recommends a MOTION TO APPROVE:**
Audit Plan 2018/2019 Status Update
(Harry Kimball) [Pages 40-45]
- 7A-8. **Staff Recommends a MOTION TO APPROVE:**
FY 2019/2020 Audit Plan and Risk Assessment
(Harry Kimball) [Pages 46-68]

Current Action Items

- 7B-1. **RECEIVE AND FILE:**
IT Audits and Assessments
(Cindy Yarbrough) [Pages 69-72]
- 7B-2. **Staff Recommends a MOTION TO APPROVE:**
Audit Plan 2018-2019 Status Update and Follow-up of
Management Action Plan Items for Completed Audits
(Harry Kimball) [Pages 73-80]
- 7B-3. **Staff Recommends a MOTION TO APPROVE:**
Audit Plan 2019-2020 Status Update
(Harry Kimball) [Pages 81-88]
- 7B-4. **RECEIVE AND FILE:**
2018 Health Care District Audit
(Dawn Richards) [Pages 89-90 /Under Separate Cover]
- 7B-5. **RECEIVE AND FILE:**
2018 Healthy Palm Beaches, Inc. Audit
(Dawn Richards) [Pages 91-92 /Under Separate Cover]

7. Consent Agenda (Continued)

- 7B-6. **RECEIVE AND FILE:**
2018 Good Health Foundation, Inc. Audit
(Dawn Richards) [Pages 93-94 /Under Separate Cover]
- 7B-7. **RECEIVE AND FILE:**
2018 District Clinic Holdings, Inc. Audit
(Dawn Richards) [Pages 95-96 /Under Separate Cover]

8. Regular Agenda

A. ADMINISTRATION

- 8A-1. **RECEIVE AND FILE:**
Good Health Foundation Board Appointment
(Tom Cleare) [Pages 97-108]
- 8A-2. **RECEIVE AND FILE:**
Health Care District Financial Statements – February 2019.
(Dawn Richards) [Pages 109-161]
- 8A-3. **RECEIVE AND FILE:**
Aeromedical Program Dashboard
(Dawn Richards) [Pages 162-164]
- 8A-4. **Staff Recommends a MOTION TO APPROVE:**
Amendment to the Finance and Audit Committee Charter
(Dawn Richards) [Pages 165-169]
- 8A-5. **Staff Recommends a MOTION TO APPROVE:**
Controlled Substance Audit – Primary Care Clinic Pharmacies
(Harry Kimball) [Pages 170-182]
- 8A-6. **Staff Recommends a MOTION TO APPROVE:**
PTO Benefits Audit
(Harry Kimball) [Pages 183-191]
- 8A-7. **Staff Recommends a MOTION TO APPROVE:**
Third Party Vendor Management Audit
(Harry Kimball) [Pages 192-202]
- 8A-8. **Staff Recommends a MOTION TO APPROVE:**
Revenue Charge Capture Controls Assessment
(Harry Kimball) [Pages 203-211]

9. Comments

- A. CEO Comments
- B. CFO Comments
- C. Committee Member Comments

10. Upcoming Events

- A. Budget Transfer and Amendments – September 2019
- B. Insurance Schedule – November 2019 - 2020

11. Establishment of Upcoming Meetings

Date:	Time:
May 28, 2019	12:00 P.M. – Annual Meeting – Lakeside Medical Center, Belle Glade
July 30, 2019	12:00 P.M. – Joint meeting with the Health Care District Board (Location TBD)
September 24, 2019	12:00 P.M.
November 26, 2019	12:00 P.M.

Unless otherwise noted, these meetings will take place in the Health Care District Board Room at 1515 N. Flagler Drive, Suite 101, West Palm Beach.

12. Motion to Adjourn



**FINANCE and AUDIT COMMITTEE MEETING
SUMMARY MINUTES**

**January 29, 2019 12:00 P.M.
Health Care District Board Room
1515 N. Flagler Drive, Suite 101
West Palm Beach, FL 33401**

1. Call to Order – Chair

Mr. Edward Sabin called the meeting to order.

A. Roll Call

Health Care District Finance and Audit Committee members present included: Edward Sabin, Chair; Nancy Banner, Vice Chair; Joseph Bergeron and Michael Burke.

Staff present included: Darcy Davis, Chief Executive Officer; Dawn Richards, VP & Chief Financial Officer; Dr. Belma Andric, Chief Medical Officer; Dr. Tom Cleare, VP of Strategy; Karen Harris, VP of Field Operations; Ellen Pentland, Chief Compliance Officer; Cindy Yarbrough, Chief Information Officer; Steven Hurwitz, VP of Human Resources and Communications; Valerie Shahriari, General Counsel; Stephanie Dardanella, Administrator of Lakeside Medical Center and Lisa Sulger, Manager of Records.

Others present included: John Grady, Public Trust Advisors; Harry Torres, Crowe Healthcare; Harry Kimball, Crowe Healthcare and Carlos Hernandez, RSM US LLP.

Recording/Transcribing Secretary: Tanya McCain

Mr. Sabin noted that a quorum is not present, so no votes will be taken today.

- B. Affirmation of Mission:** The mission of the Health Care District of Palm Beach County is to be the health care safety net for Palm Beach County. Our vision is meeting changes in health care to keep our community healthy.

2. Agenda Approval

- A. Additions/Deletions/Substitutions**

None.

- B. Motion to Approve Agenda**

CONCLUSION/ACTION: No action was taken.

3. Awards, Introductions and Presentations

- A. Health Care District of Palm Beach County Quarterly Investment Review and Economic Update (1Q Ending 12/31/2018) – Public Trust Advisors**

Mr. John Grady with Public Trust Advisors presented the quarterly investment report for the period ending December 31, 2018.

B. RSM Audit Update

Mr. Carlos Hernandez with RSM US LLP updated the Committee on the progress of the ongoing external audits and responded to questions.

4. Disclosure of Voting Conflict

None.

5. Public Comment

None.

6. Meeting Minutes

- A. Staff Recommends a MOTION TO APPROVE:**
Finance and Audit Committee Meeting Minutes of September 25, 2018.

CONCLUSION/ACTION: No action was taken.

- B. Staff Recommends a MOTION TO APPROVE:**
Finance and Audit Committee Meeting Minutes of November 27, 2018.

CONCLUSION/ACTION: No action was taken.

7. Consent Agenda – Motion to Approve Consent Agenda Items

CONCLUSION/ACTION: No action was taken.

A. ADMINISTRATION

- 7A-1. **RECEIVE AND FILE:**
January 2019 Internet Posting of District Public Meeting.
<http://www.hcdpbc.org> – Resources – Public Meetings

- 7A-2. **RECEIVE AND FILE:**
Finance and Audit Committee Attendance.

8. Regular Agenda

A. ADMINISTRATION

- 8A-1. **RECEIVE AND FILE:**
Health Care District Financial Statements – December 2018.

Ms. Dawn Richards reviewed the information provided in the Management Discussion and Analysis and responded to questions.

CONCLUSION/ACTION: No action was taken.

8A-2. **Staff Recommends a MOTION TO APPROVE:**
District Cares Changes

Mr. Thomas Cleare provided an update of the changes to the District Cares program and responded to questions.

CONCLUSION/ACTION: No action was taken.

8A-3. **Staff Recommends a MOTION TO APPROVE:**
Belle Glade Primary Care Clinic Construction

Ms. Richards presented the budget overage of the Belle Glade Primary Care and Dental Clinic construction project and responded to questions.

CONCLUSION/ACTION: No action was taken.

8A-4. **Staff Recommends a MOTION TO APPROVE:**
340B Discount Program Report

Mr. Harry Kimball reported on the findings of the completed 340B Discount Program report and responded to questions.

CONCLUSION/ACTION: No action was taken.

8A-5. **Staff Recommends a MOTION TO APPROVE:**
Patient Access Audit

Mr. Kimball discussed the results of the Patient Access Audit report and responded to questions.

CONCLUSION/ACTION: No action was taken.

8A-6. **Staff Recommends a MOTION TO APPROVE:**
Audit Plan 2018/2019 Status Update

Mr. Kimball reported on the status of the 2018/2019 Audit Plan for all entities of the District. The Audit Plan 2018/2019 Status Update includes 12 audits.

CONCLUSION/ACTION: No action was taken.

8A-7. **Staff Recommends a MOTION TO APPROVE:**
FY 2019/2020 Audit Plan and Risk Assessment

Mr. Kimball reported on the FY 2019/2020 Audit Plan and Risk Assessment and responded to questions.

9. Comments

A. CEO Comments

Ms. Davis stated that it would be a good idea to have the Finance and Audit Committee Charter revised so that a majority of the seated Committee members would constitute a quorum.

B. CFO Comments

C. Committee Member Comments

Mr. Sabin agreed with Ms. Davis regarding the number of seated members that should constitute a quorum and inquired about the action necessary to revise the Charter.

Ms. Valerie Shahriari replied that a change to the Charter can be requested by a Committee member and the revisions would be brought to the next meeting as an agenda item for approval.

10. Establishment of Upcoming Meetings

Date:	Time:
March 26, 2019	12:00 P.M.
May 28, 2019	12:00 P.M. – Annual Meeting (Officer Elections)
July 30, 2019	12:00 P.M. – Joint meeting with the Health Care District Board (Location TBD)
September 24, 2019	12:00 P.M.
November 26, 2019	12:00 P.M.

Unless otherwise noted, these meetings will take place in the Health Care District Board Room at 1515 N. Flagler Drive, Suite 101, West Palm Beach.

11. Motion to Adjourn

There being no further business, the meeting was adjourned.

Edward Sabin, Finance and Audit Committee Chair

Date



**FINANCE AND AUDIT COMMITTEE MEETING
SUMMARY MINUTES**

**November 27, 2018, 12:00 p.m.
1515 N. Flagler Drive, Suite 101
West Palm Beach, FL 33401**

1. Call to Order – Chair

Brian Lohmann called the meeting to order.

A. Roll Call

Health Care District Finance and Audit Committee members present included: Brian Lohmann, Chair; Nancy Banner, Vice Chair; Joe Bergeron; Michael Burke; Leslie Daniels; Edward Sabin and Michael Smith.

Staff present included: Darcy Davis, Chief Executive Officer; Dawn Richards, VP & Chief Financial Officer; Dr. Belma Andric, Chief Medical Officer; Dr. Tom Cleare, VP of Strategy; Karen Harris, VP of Field Operations; Ellen Pentland, Chief Compliance Officer; Cindy Yarbrough, Chief Information Officer; Steven Hurwitz, VP of Human Resources and Communications; Mina Bayik, Director of Finance; Robin Kish, Director of Communications; Lisa Sulger, Manager of Records; and Stephanie Dardanella, Administrator of Lakeside Medical Center

Others present included: John Grady, Public Trust Advisors; Harry Torres, Crowe Healthcare; Harry Kimball, Crowe Healthcare; and Scott Gerard, Crowe Healthcare

Recording/Transcribing Secretary: Tanya McCain

- B. Affirmation of Mission:** This mission of the Health Care District of Palm Beach County is to be the health care safety net for Palm Beach County. Our vision is meeting changes in health care to keep our community healthy.

2. Agenda Approval

A. Additions/Deletions/Substitutions

None.

B. Motion to Approve Agenda

CONCLUSION/ACTION: Ms. Banner made a motion to approve the agenda as presented. The motion was duly seconded by Mr. Smith. There being no opposition, the motion passed unanimously.

3. Awards, Introductions and Presentations

A. Recognition of Michael Smith, Finance and Audit Committee

Chair Lohmann read the following statement in recognition of Michael Smith's tenure on the Finance and Audit Committee. He began by noting that the Health Care District has been the County's healthcare safety net and responsible steward of tax-payer dollars. For the past 8 years, Michael Smith has dedicated his time and expertise to guiding the Health Care District's Finance Committee to doing just that. I am proud to have served along-side Michael as our healthcare system has expanded access to care through its many diverse programs. This year, as we mark the Health Care District's 30th anniversary, we also recognize Michael for his ideas, leadership and commitment to this public agency's fiduciary health and financial oversight. During his 2 terms on the Finance Committee, the Health Care District has served a growing number of residents while reducing property taxes.

Michael, your tenure was highlighted by many other noteworthy accomplishments. These achievements include the launch of Lakeside Medical Center's Family Medicine Residency Program as well as the District's operation of the CL Brumbach Primary Care Clinics, which served 45,400 adult and pediatric patients during the last fiscal year. Other milestones include: launching the Medication Assisted Treatment Program to address the county's opioid epidemic; rolling out the Mobile Health Clinic to serve the homeless; working on the Helicopter Replacement Project; expanding pharmacy services; implementing the 340B Program and reducing costs for prescriptions; providing dental, behavioral health and women's health services and so many more. Chair Lohmann thanked him for his time, insight and sound judgement on the Committee. Chairman Lohmann asked Mr. Smith to join him and the other Committee members for a group photo and to present him with a memento of his service on the Finance and Audit Committee.

Mr. Smith stated that it has been a pleasure to serve and that he enjoyed it and learned a lot about the Health Care District. Mr. Smith concluded by offering his services if he is needed for anything in the future.

B. Investment review and Economic Update (4Q Ending 9/30/2018) – John Grady, Public Trust Advisors

Mr. Grady presented the quarterly investment report for the period ending September 30, 2018.

4. Disclosure of Voting Conflict

None.

5. Public Comment

Don Chester, Healthy Mothers – Healthy Babies

6. Consent Agenda – Motion to Approve Consent Agenda Items

CONCLUSION/ACTION: Mr. Daniels made a motion to approve the Consent Agenda items. The motion was duly seconded by Mr. Sabin. There being no opposition, the motion passed unanimously.

A. ADMINISTRATION

- 6A-1. **RECEIVE AND FILE:**
November 2018 Internet Posting of District Public Meeting.
<http://www.hcdpbc.org> - Resources- Public Meetings
- 6A-2. **RECEIVE AND FILE:**
Finance and Audit Committee Attendance
- 6A-3. **RECEIVE AND FILE:**
Insurance Schedule 2018 – 2019
- 6A-4. **Staff Recommends a MOTION TO APPROVE:**
Fiscal Year 2016 Budget Savings

7. Regular Agenda

A. ADMINISTRATION

7A-1. Health Care District Financial Statements – September 2018.

Ms. Richards reviewed the information provided in the Management Discussion and Analysis and responded to questions.

CONCLUSION/ACTION: Received and filed.

7A-2. Health Care District Financial Statements – October 2018.

Ms. Richards reviewed the information provided in the Management Discussion and Analysis and responded to questions.

CONCLUSION/ACTION: Received and filed.

7A-3. Fiscal Year 2018 Lakeside Medical Center Budget Amendment

Ms. Mina Bayik presented the 2018 fiscal year-end budget amendment for Lakeside Medical Center to the Committee for review.

CONCLUSION/ACTION: Mr. Bergeron made a motion to forward the Fiscal Year 2018 Lakeside Medical Center Budget Amendment to the Board for approval. The motion was duly seconded by Mr. Daniels. There being no opposition, the motion passed unanimously.

7A-4. FY 2018 Audit Plan Status Update

Mr. Kimball reported on the status of the proposed for all entities of the District. The FY 2018 Audit Plan Status update includes 12 audits.

CONCLUSION/ACTION: Mr. Sabin made a motion to forward the FY 2018 Audit Plan Status Update to the Board for approval. The motion was duly seconded by Mr. Smith. There being no opposition, the motion passed unanimously.

7A-5. Medical Device Security Assessment Report

Mr. Gerard reviewed the biomedical device risk assessment and responded to questions.

CONCLUSION/ACTION: Mr. Daniels made a motion to forward the Medical Device Security Assessment Report to the Board for approval. The motion was duly seconded by Mr. Bergeron. There being no opposition, the motion passed unanimously.

7A-6. Sponsored Programs Award Recommendations

Mr. Cleare outlined the award recommendations from the Sponsored Programs Funding Request Selection Committee and responded to questions.

CONCLUSION/ACTION: Mr. Smith made a motion to forward the Sponsored Programs Award Recommendations to the Board for approval. The motion was duly seconded by Mr. Sabin. There being no opposition, the motion passed unanimously.

7A-7. Department of Health Subsidy

Mr. Cleare reviewed the Department of Health Subsidy and responded to questions.

CONCLUSION/ACTION:

Mr. Bergeron made a motion to forward the Department of Health Subsidy to the Board for approval. The motion was duly seconded by Mr. Smith. There being no opposition, the motion passed unanimously.

7A-8. Reimbursement for DOH Services in Excess of Contract Minimum

Mr. Cleare reviewed the request for Reimbursement for DOH Services in Excess of Contract Minimum and responded to questions.

CONCLUSION/ACTION: Mr. Burke made a motion to forward the Reimbursement for DOH Services in Excess of Contract Minimum to the Board for approval. The motion was duly seconded by Mr. Daniels. There being no opposition, the motion passed unanimously.

8. Comments

A. CEO Comments

None.

B. CFO Comments

None.

C. Committee Member Comments

None.

9. Establishment of Upcoming Meetings

January 29, 2019

- 12:00 P.M., Health Care District Finance and Audit Committee Meeting

March 26, 2019

- 12:00 P.M., Health Care District Finance and Audit Committee Meeting

May 28, 2019 - Annual Meeting (Officer Elections)

- 12:00 P.M., Health Care District Board Finance and Audit Committee Meeting

July 30, 2019 (Location TBD)

- 12:00 P.M., Joint Meeting with the Health Care District Board

September 24, 2019

- 12:00 P.M., Health Care District Board Finance and Audit Committee Meeting

November 26, 2019

- 12:00 P.M., Health Care District Finance and Audit Committee Meeting

Unless otherwise noted, these meetings will take place in the Health Care District Board Room at 1515 N. Flagler Drive, West Palm Beach, Florida.

11. Motion to Adjourn

There being no further business, the meeting was adjourned.

Brian Lohmann, Finance Committee Chairman

Date

**FINANCE AND AUDIT COMMITTEE MEETING
SUMMARY MINUTES**

**September 25, 2018, 12:00 p.m.
1515 N. Flagler Drive, Suite 101
West Palm Beach, FL 33401**

1. Call to Order – Chair

Brian Lohmann called the meeting to order.

A. Roll Call

Health Care District Finance and Audit Committee members present included: Brian Lohmann, Chair; Nancy Banner, Vice Chair; Joe Bergeron; Michael Burke; Leslie Daniels; Joan Roude; Edward Sabin and Michael Smith.

Staff present included: Darcy Davis, Chief Executive Officer; Dawn Richards, VP & Chief Financial Officer; Dr. Belma Andric, Chief Medical Officer; Dr. Tom Cleare, VP of Strategy; Karen Harris, VP of Field Operations; Ellen Pentland, Chief Compliance Officer; Cindy Yarbrough, Chief Information Officer; Steven Hurwitz, VP of Human Resources and Communications; Valerie Shahriari, General Counsel and Stephanie Dardanello, Administrator of Lakeside Medical Center.

Others present included: John Grady, Public Trust Advisors; Harry Torres, CHAN Healthcare; and Harry Kimball, CHAN Healthcare

Recording/Transcribing Secretary: Tanya McCain

- B. Affirmation of Mission:** This mission of the Health Care District of Palm Beach County is to be the health care safety net for Palm Beach County. Our vision is meeting changes in health care to keep our community healthy.

2. Agenda Approval

A. Additions/Deletions/Substitutions

It was requested that agenda item 7A-4 (Auditor General Final Response) be moved from the Consent Agenda to the Regular Agenda as item 8A-8.

B. Motion to Approve Agenda

CONCLUSION/ACTION: Chair Lohmann made a motion to approve the agenda as amended. The motion was duly seconded by Mr. Sabin. There being no opposition, the motion passed unanimously.

3. Awards, Introductions and Presentations

A. Investment review and Economic Update (3Q Ending 6/30/2018) – John Grady, Public Trust Advisors

Mr. Grady presented the quarterly investment report for the period ending June 30, 2018.

4. Disclosure of Voting Conflict

None

5. Public Comment

None

6. Meeting Minutes

A. Staff Recommends a MOTION TO APPROVE:

Finance and Audit Committee Meeting Minutes of May 22, 2018.

CONCLUSION/ACTION: Ms. Banner made a motion to approve the Finance and Audit Committee Meeting Minutes of May 22, 2018 as presented. The motion was duly seconded by Mr. Smith. There being no opposition, the motion passed unanimously.

B. RECEIVE AND FILE:

Health Care District Board and Finance and Audit Committee Joint Meeting Minutes of July 24, 2018.

7. Consent Agenda – Motion to Approve Consent Agenda Items

CONCLUSION/ACTION: Ms. Roude made a motion to approve the Consent Agenda items. The motion was duly seconded by Mr. Burke. There being no opposition, the motion passed unanimously.

A. ADMINISTRATION

7A-1. RECEIVE AND FILE:

September 2018 Internet Posting of District Public Meeting.
<http://www.hcdpbc.org> - Resources- Public Meetings

7A-2. RECEIVE AND FILE:

Finance and Audit Committee Attendance

7A-3. RECEIVE AND FILE:

RSM Renewal of Audit Arrangement Letter

7A-4. MOVED TO REGULAR AGENDA AS ITEM 8A-8

7A-5. RECEIVE AND FILE:

2019 Budget – Version 2

8. Regular Agenda

A. ADMINISTRATION

8A-1. Health Care District Financial Statements – August 2018.

Ms. Richards reviewed the information provided in the Management Discussion and Analysis and responded to questions.

CONCLUSION/ACTION: Received and filed.

8A-2. Purchasing Policy Revisions

Ms. Richards identified the revised sections of the proposed Policy and responded to questions.

CONCLUSION/ACTION: Ms. Roude made a motion to forward the Purchasing Policy Revisions to the Board for approval. The motion was duly seconded by Mr. Burke. There being no opposition, the motion passed unanimously.

8A-3. Fund Balance Policy Revisions

Ms. Richards identified the revised sections of the proposed Policy and responded to questions.

CONCLUSION/ACTION: Mr. Edward Sabin made a motion to forward the Fund Balance Policy Revisions to the Board for approval. The motion was duly seconded by Ms. Joan Roude. There being no opposition, the motion passed unanimously.

8A-4. Meaningful Use Audit Report

Mr. Kimball discussed the results of the Meaningful Use Audit and responded to questions.

CONCLUSION/ACTION: Ms. Roude made a motion to forward the Meaningful Use Audit Report to the Board for approval. The motion was duly seconded by Ms. Banner. There being no opposition, the motion passed unanimously.

8A-5. AR Allowance Audit Report

Mr. Kimball discussed the results of the Accounts Receivable Reserves Audit and responded to questions.

CONCLUSION/ACTION: Mr. Smith made a motion to forward the AR Allowance Audit Report to the Board for approval. The motion was duly seconded by Ms. Roude. There being no opposition, the motion passed unanimously.

8A-6. **Gift Shop Audit Report**

Mr. Kimball discussed the results of the Gift Shop Audit Report and responded to questions.

CONCLUSION/ACTION: Mr. Bergeron made a motion to forward the Gift Shop Audit Report to the Board for approval. The motion was duly seconded by Ms. Banner. There being no opposition, the motion passed unanimously.

8A-7. **FY2018 Audit Plan Status Update**

Mr. Kimball reported on the status of proposed audits for all entities of the District. The FY 2018 Audit Plan Status Update includes 12 audits.

CONCLUSION/ACTION: Mr. Burke made a motion to forward the FY2018 Audit Plan Status Update to the Board for approval. The motion was duly seconded by Ms. Roude. There being no opposition, the motion passed unanimously.

8A-8. **Auditor General Final Response**

Ms. Richards reported on the status and outcome of the 2016 investigation by the Auditor General.

CONCLUSION/ACTION: Chair Lohmann made a motion to forward the Auditor General Final Response to the Board for approval. The motion was duly seconded by Mr. Sabin. There being no opposition, the motion passed unanimously.

9. **Comments**

A. **CEO Comments**

None.

B. **CFO Comments**

None.

C. **Committee Member Comments**

None.

10. Establishment of Upcoming Meetings

Date:	Time:
November 27, 2018	12:00 P.M.

Unless otherwise noted, these meetings will take place in the Health Care District Board Room at 1515 N. Flagler Drive, West Palm Beach, Florida.

11. Motion to Adjourn

There being no further business, the meeting was adjourned.

Brian Lohmann, Finance Committee Chairman

Date

**HEALTH CARE DISTRICT
OF PALM BEACH COUNTY
FINANCE and AUDIT COMMITTEE**

Attendance Tracking

	01/29/19	03/26/19	05/28/19	07/30/19	09/24/19	11/26/19
Edward Sabin	✓					
Nancy Banner	✓					
Joseph Bergeron	✓					
Mike Burke	✓					
Les Daniels						
Joan Roude						

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Item Description: District Cares Changes

2. Summary:

This agenda item presents the Board with an update on the changes to District Cares.

3. Substantive Analysis:

During the July 2018 Strategic Planning Meeting, the Board received an update on early details of the District Cares new outsourced behavioral health benefit. Additionally, upcoming changes planned for District Cares were presented. The changes, both benefit and administrative, came as a result of lengthy internal and external reviews of the program. Opportunities were also identified to leverage partnerships that would add expertise and access to new decision-support data analytics while avoiding the cost of a new claims administration system. The approved FY2019 budget included \$3,000,000 for behavioral health and \$1,800,000 for professional fees for new system administration support.

Behavioral Health

The District is working with Community Care Plan, a taxing district owned third party administrator in Broward County for our behavioral health benefit. Community Care Plan will administer the District Cares behavioral health benefit including claims payment, authorization processing, and reporting. The new benefit will include unlimited outpatient services, primarily at the CL Brumback Primary Care Clinics, as well as inpatient psychiatric, addiction stabilization, and other behavioral health services at the JFK and JFK North hospitals. CL Brumback's Medically Assisted Treatment clinic is also being re-located to the JFK North Campus to help bring together a continuum of care in a centralized location.

Benefits and Membership

Staff has been reviewing and assessing all aspects of District Cares. Benefit and membership changes are in the process of being implemented. New benefit and membership changes strive to cover more Palm Beach County residents in need of the District's services while balancing the District's financial risk. Benefit limitation and additional authorization requirements will help to control utilization and better manage the care of our patients. Once fully implemented, the Clinic providers will control all specialist referrals maximizing their ability to manage patients.

Membership criteria has been updated so that anyone who has lived in Palm Beach County for at least 6 months (or declares the intent to stay), has income below 100% of the Federal Poverty level, and who is a current patient of the CL Brumback Primary Care Clinics, will be able to receive District Cares benefits. The reduced

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

documentation requirements focusing on any patient who lives in Palm Beach County along with the income criteria that fills the gap between qualifying for Medicaid and qualifying for subsidies on the exchange, will enable the District to cover more Palm Beach County residents and enable the Clinics to better care for more of their low-income patients with access to specialist care.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	\$4,800,000	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

N/A

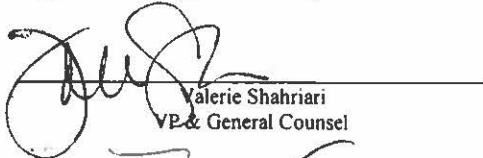
Committee or Board

Date Reviewed

6. Recommendation:

Staff recommends that the Finance and Audit Committee review the information provided in this agenda item and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Thomas Cleare
Vice President of Strategy



Dawn L. Richards
VP & Chief Financial Officer

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Description: Belle Glade Primary Care Clinic Construction

2. Summary:

The agenda item presents the budget overage of the Belle Glade Primary Care and Dental Clinic construction project.

3. Substantive Analysis:

The Primary Care Clinic budgeted \$1,079,900 to complete the construction project for the relocation of its Belle Glade medical and dental clinics to the Lakeside Medical Center facility. The Guaranteed Maximum Price presented by the General Contractor is \$1,380,865.24 exceeding the budgeted amount by \$300,965.24. This includes a \$100,000 contingency, which may not be utilized. HRSA funding for this project will be up to 88% of \$1,000,000 or \$880,000.

Project GMP	\$1,380,865
Project Budget	\$1,079,900
HRSA Share of Budgeted Cost (88% up to \$1,000,000)	\$880,000
HCD Share of Budgeted Cost (12% of \$1,000,000)	\$199,900
Budget Overage	\$300,965

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	\$300,965.24	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

Finance and Audit Committee

Committee or Board

March 26, 2019

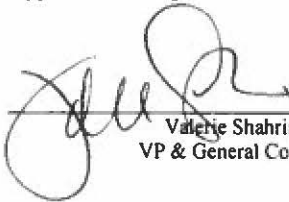
Date Reviewed

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**


6. Recommendation:

Staff recommends that the Finance and Audit Committee review the Belle Glade Primary Care Clinic Construction project and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn Richards
VP & Chief Financial Officer

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Item Description: 340B Discount Program Report

2. Summary:

Provide the 340B Discount Program Project report for committee review and approval.

3. Substantive Analysis:

Crowe Healthcare Risk Consulting (Crowe) completed the 340B Discount Program project, which resulted in five findings; three moderate risk and two low risk. Management responded with an action plan for each issue. The report is included in the Finance and Audit Committee package.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

Finance and Audit Committee
Committee or Board

March 26, 2019
Date Reviewed

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**


6. Recommendation:

Staff recommends the Finance and Audit Committee review the 340B Discount Program report and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn L. Richards
VP & Chief Financial Officer

340B Discount Program Project - Health Care District of Palm Beach County (HCDPBC)



Date: October 24, 2018

Location: Health Care District of Palm Beach County

OBJECTIVES

- Test whether established controls related to the Health Resources and Services Administration's (HRSA) 340B guidelines and regulations were functioning as Management intended.
- Test processes in place to comply with HRSA's 340B guidelines and regulations.

SCOPE

A sampling approach (similar to what we've experienced during recent HRSA/The Bizzell Group audits) was utilized to test 340B qualified prescriptions for expected compliance elements. Policies and Procedures, internal operations and monitoring strategy were also tested.

Location: HCDPBC Pharmacy

Time Period: 2/1/2018 - 7/31/2018

Sample Selected: Selections were made from the population of 340B qualified prescriptions within the audit period above.

Scope Exclusions: Duplicate Transaction Testing

CONCLUSION

The audit identified a diversion risk due to missing referral documentation that shows HCDPBC maintains a responsibility of care for referred patients and drug dispensations not appropriately documented in the medical record.

Other issues relating to policy enhancements, internal auditing procedures, and dental electronic medical record (EMR) access were identified.

Management is committed to addressing all identified issues in a timely manner.

SUMMARY OF ISSUE RISKS

High Risk - 0

Moderate Risk - 3

Low Risk - 2

340B Discount Program Project - Health Care District of Palm Beach County (HCDPBC)



Date: October 24, 2018

Location: Health Care District of Palm Beach County

ISSUE 1: Diversion Risk – Incomplete Referral Documentation

ISSUE RISK

Moderate Risk

WHAT IS CAUSING THE ISSUE?

Policies and Procedures: Documentation does not exist for referral prescriptions.

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Maintain and monitor compliance with 340B program requirements.

WHAT IS EXPECTED?

Per the HCDPBC 340B Policy, in order to qualify for 340B, prescriptions written by referred providers must include "a referral on file in the EMR with supporting documentation returned from the specialist, such as an office visit summary or other appropriate medical records."

WHAT ACTIONS WILL MANAGEMENT TAKE?

Management will follow the referral procedures as documented within the 340B policy and procedure. Complete
Hyla Fritsch - Director of Pharmacy

WHAT ARE THE FINDINGS?

Crowe identified 2 of 50 prescriptions that were written by a referred provider, but required documentation to support the referral was not included within the EMR. Therefore, it could not be determined that HCDPBC maintained responsibility of care.

340B Discount Program Project - Health Care District of Palm Beach County (HCDPBC)



Date: October 24, 2018

Location: Health Care District of Palm Beach County

ISSUE 2: Incomplete Documentation

ISSUE RISK

Moderate Risk

WHAT IS CAUSING THE ISSUE?

Training: Prescriptions written are not always documented within the EMR.

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Maintain and monitor compliance with 340B program requirements.

WHAT IS EXPECTED?

The covered entity must maintain appropriate documentation to confirm 340B-qualified prescriptions meet all eligibility requirements.

WHAT ACTIONS WILL MANAGEMENT TAKE?

- Management will provide training for providers regarding documentation requirements when writing prescriptions. Complete Hyla Fritsch - Director of Pharmacy
- Management will work with Legal/Compliance to determine if any adjustments should be made. 12/31/2018 Hyla Fritsch - Director of Pharmacy

WHAT ARE THE FINDINGS?

Crowe identified 2 of 50 prescriptions that were not documented in the EMR. The locations where the prescriptions were written were confirmed to be eligible facilities, but a lack of support within the EMR brings about increased risk of non-compliance with 340B requirements.

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340B Discount Program Project - Health Care District of Palm Beach County (HCDPBC)



Date: October 24, 2018

Location: Health Care District of Palm Beach County

ISSUE 3: Lack of Monitoring Documentation

ISSUE RISK

Moderate Risk

WHAT IS CAUSING THE ISSUE?

Reporting: Documentation to support 340B self-monitoring activities is not retained.

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Maintain and monitor compliance with 340B program requirements.

WHAT IS EXPECTED?

Covered entities must ensure program integrity and maintain accurate records documenting compliance with all 340B Program requirements. A robust monitoring program is essential to achieving this objective.

WHAT ACTIONS WILL MANAGEMENT TAKE?

Audit results will be documented and reported. 12/31/2018
Hyla Fritsch - Director of Pharmacy

WHAT ARE THE FINDINGS?

Crowe noted that while monthly audits are performed, supporting documentation to evidence the self-audit process and any subsequent issue resolutions is not retained.

340B Discount Program Project - Health Care District of Palm Beach County (HCDPBC)

Date: October 24, 2018

Location: Health Care District of Palm Beach County



ISSUE 4: Policy Enhancements Opportunities

WHAT IS CAUSING THE ISSUE?

Policies and Procedures: Formal written direction to align organization behavior with objectives was missing or inadequate.

WHAT IS EXPECTED?

Covered entity 340B policies include all program components that align with HRSA's expectations and are presented in a consistent, organized manner.

WHAT ARE THE FINDINGS?

Health Care District of Palm Beach County's policy was unclear or excluded key program details that HRSA expects to be present. Areas noted for enhancement include:

- Site eligibility
- Specifics of independent audit process

ISSUE RISK

Low Risk

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Maintain and monitor compliance with 340B program requirements.

WHAT ACTIONS WILL MANAGEMENT TAKE?

Management will update policy with enhancements noted in order to convey accurate operations of the 340B program. 12/31/2018
Hyla Fritsch - Director of Pharmacy

340B Discount Program Project - Health Care District of Palm Beach County (HCDPBC)



Date: October 24, 2018

Location: Health Care District of Palm Beach County

ISSUE 5: Lack of Dental EMR Access

ISSUE RISK

Low Risk

WHAT IS CAUSING THE ISSUE?

Technology Alignment: Dental clinic utilizes a separate EMR for documenting visits and procedures. The pharmacies do not have access to this EMR.

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Maintain and monitor compliance with 340B program requirements.

WHAT IS EXPECTED?

The covered entity is able to provide support that 340B-qualified prescriptions meet all eligibility requirements.

WHAT ACTIONS WILL MANAGEMENT TAKE?

Management will work with dental providers to gain access to their EMRs so patient health care records can be obtained. 12/31/2018
Hyla Fritsch - Director of Pharmacy

WHAT ARE THE FINDINGS?

Crowe identified 1 of 50 prescriptions that pharmacy was not able to provide support showing eligibility requirements were met due to a lack of dental EMR access.

340B Discount Program Project - Health Care District of Palm Beach County (HCDPBC)



Date: October 24, 2018

Location: Health Care District of Palm Beach County

CONTEXT

The 340B Drug Pricing Program is a federal program created to permit covered entities to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services. The program requires drug manufacturers to provide outpatient drugs to eligible health care centers, clinics, and hospitals (termed "covered entities") at a reduced price.

HRSA has increased its scrutiny over covered entity compliance with 340B regulations since the start of periodic audits in 2012. This has resulted in an increase in the number of covered entity audits performed, and corresponding audit findings. In 2016, HRSA outsourced their audit fieldwork to The Bizzell Group. The Bizzell Group appears to consist of more seasoned pharmacy professionals with prior experience in 340B program management and oversight resulting in a more sophisticated audit approach. Failure to comply with 340B requirements may result in sanctions, including repayments to pharmaceutical manufacturers or even removal from the program entirely.

Due to increased scrutiny and the potential financial impact, HCDPBC has contracted with Crowe to perform an independent audit.

OTHER OBSERVATIONS

1. Negative Inventory Balances - Excel inventory reports used to accumulate dispensations and reorder 340B drugs show negative balances when accumulation is available for 340B purchasing, which could be perceived that overpurchasing has occurred. Management noted that as of December 3, 2018, they will no longer be filling non-340B prescriptions in-house so negative balances will not appear on the spreadsheet subsequent to the December 3rd date.

ISSUE RISK DEFINITIONS

In determining whether the issue risk was High, Moderate or Low, Crowe Healthcare Risk Consulting LLC considered a variety of factors, including the following, as applicable: significance of potential financial losses; risks to achieving business objectives; potential impact on care delivery quality; the potential for reputational damage; regulatory impact; and the potential for compromised data integrity. This list is not all-inclusive.

340B Discount Program Project - Health Care District of Palm Beach County (HCDPBC)



Date: October 24, 2018

Location: Health Care District of Palm Beach County

REPORT ACCEPTANCE

Darcy Davis, Chief Executive Officer

Date

Dawn Richards, VP & Chief Financial Officer

Date

COPIES

Val Shahriari, VP & General Counsel

Ellen Pentland, Chief Compliance Officer

Belma Andric, MD, VP & CMO

Hyla Fritsch, Director of Pharmacy

Terry Megiveron, Director of Practice Operations, Primary Care Clinics

Kristine Morales, Assistant Director of Pharmacy

AUDITORS

Chris Wasik, Healthcare Risk Audit Director

Rich Costello, Healthcare Risk Manager

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. This report and the information contained herein (the "Report") is intended solely for the use of the authorized employees of the client named herein for the purposes set forth herein. The Report is strictly confidential and shall under no circumstances be disclosed to any other party without the prior written consent of Crowe Healthcare Risk Consulting LLC ("Crowe").

Except for the permitted use of the Report by the authorized employees of the client named herein, Crowe hereby disclaims any and all responsibility and liability for the Report and the use thereof. No third party may rely on the Report or the information contained therein for any purpose, and Crowe makes no representation to any third party as to the accuracy, sufficiency or propriety of the information contained in the Report. Further, Crowe disclaims any obligation to update the Report.

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Item Description: Patient Access Audit

2. Summary:

Provide the Patient Access Audit report for Finance and Audit Committee review and approval.

3. Substantive Analysis:

Crowe Healthcare Risk Consulting completed the Patient Access Audit report, which resulted in 4 findings, 1 moderate risk and 3 low risk. Management responded with an action plan for each issue. The report is included in the Finance and Audit Committee package.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

Finance and Audit Committee

Committee or Board

March 26, 2019

Date Reviewed

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**


6. Recommendation:

Staff recommends the Finance and Audit Committee review the Patient Access Audit report and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn L. Richards
VP & Chief Financial Officer

Patient Access-Front End Processes and Controls



Date: December 07, 2018

Location: Health Care District of Palm Beach County

OBJECTIVES

- Validated formal, written procedures existed to clearly guide staff in performing their required functions for Patient Access and tested whether controls were operating as management intended
- Tested whether controls to comply with Federal/State regulations surrounding the securing and retention of regulatory mandated forms were functioning as Management intended
- Assessed procedures to identify, monitor, record and correct registration errors. Tested whether Key Performance Indicators were established and reported to benchmark against industry standards
- Assessed procedures and control activities related to variations and changes in payer plans
- Tested whether processes were in place to maximize collection of the patient's financial responsibility at the point of service and assessed procedures to determine correct payment amount
- Assessed procedures in place to monitor and evaluate the effectiveness of external vendors which support Patient Access functions

CONCLUSION

Although control activities over the patient access and registration functions such as scheduling, registration and insurance verification appear adequate, the District is exposed to potential regulatory risks if excluded provider screening is not performed on outside physicians who submit referral orders for their patients at LMC. Also, the District can enhance controls over patient access objectives, such as required documents and signatures collected through the registration functions by conducting performance audits, monitoring and developing a registration checklist at the Clinics and Healey.

Finally, management can make sure patient access services from external vendors are effective and in line with organizational goals and objectives by implementing and monitoring performance metrics over the Qualified Medicare Beneficiary services at LMC.

SCOPE

Patient Access processes and controls over scheduling, registration and insurance verification at the Lakeside Medical Center (LMC), CL Brumback Primary Care Clinics (Medical and Dental), Healey Rehabilitation Center, Aeromedical and the Trauma Agency System.

Location: Lakeside Medical Center (LMC), CL Brumback Primary Care Clinics (Medical and Dental), Healey Rehabilitation Center, Aeromedical and the Trauma Agency System

Time Period: As of October 1, 2017

Patient Access-Front End Processes and Controls



Date: December 07, 2018

Location: Health Care District of Palm Beach County

Scope Exclusions: Crowe limited the scope of work at the Trauma Agency System to assessing established procedures in place over the Patient Access Insurance Verification process, to avoid duplicating the work of an external consultant. Management recently contracted with a healthcare consultant to perform an analytical review and provide recommendations for improvement at the Trauma Agency System.

SUMMARY OF ISSUE RISKS



Patient Access-Front End Processes and Controls



Date: December 07, 2018

Location: Health Care District of Palm Beach County

ISSUE 1: LMC Patient Scheduling-Sanction Screening for Referring Physicians Not Performed Timely

WHAT IS CAUSING THE ISSUE?

Procedures: The District lacks a procedure addressing sanction screening of new referring physicians.

WHAT IS EXPECTED?

The Department of Health and Human Services Office of Inspector General (OIG) mandates that sanction screening be performed on all individuals employed or contracted with to furnish items and/or services (directly or indirectly) that are payable by Federal health care programs. An excluded person may not provide services that are payable by Federal health care programs, regardless of whether the person is an employee, a contractor or a volunteer, or has any other relationship with the health care provider.

Health care providers who receive payments under Federal health care programs may employ or contract with excluded persons, so long as any of the items or services provided are wholly unrelated to Federal healthcare programs. OIG guidance indicates that excluded provider screening should include referring physicians who provide orders or prescribe services which are billed by a hospital to a Federal health care program. Therefore, it is considered best practice to screen referring physicians who order services that are included in any claims or costs submitted for payment by a Federally financed health care program.

WHAT ARE THE FINDINGS?

The District's Compliance Department conducts sanction screening on referring physicians annually, as part of their Annual Compliance Screening procedures, but the District did not establish procedures for excluded provider screening of physicians added to the LMC accounting system between the annual screenings.

ISSUE RISK

Moderate Risk

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Conduct operations in compliance with Federal/State regulations surrounding OIG, HIPAA, MSP, ABN, IMM and NPP

WHAT ACTIONS WILL MANAGEMENT TAKE?

Management implemented procedures to perform sanction screening for all non-affiliated physicians currently in HMS that did not have a screening completed.

Complete
Tabatha McCallister - Manager of Admitting

Ellen Pentland - Chief Compliance & Privacy Officer

New referring physicians are screened by the Patient Access department at the point of service, prior to providing service and added to an Excel file. The Manager of Admitting submits the list annually to the Compliance Department to include in the District's Annual Compliance Screening process.

Patient Access-Front End Processes and Controls



Date: December 07, 2018

Location: Health Care District of Palm Beach County

ISSUE 2: The Clinics and Healey Lack A Quality Assurance Process to Improve Patient Access Activities

WHAT IS CAUSING THE ISSUE?

Procedures: No procedures exist to monitor overall effectiveness of patient access/registration processes.

WHAT IS EXPECTED?

Procedures exist to monitor the accuracy and effectiveness of registration processes. It is a best practice for Skilled Nursing Facilities (SNF) to audit all resident accounts to ensure all required admissions paperwork was obtained and signed by the resident and/or family.

WHAT ARE THE FINDINGS?

There were no procedures in place at the Clinics to monitor and manage the effectiveness and accuracy of front-end patient access activities. There were no quality performance audits performed or process monitoring procedures to ensure the registration of patients is aligned with organizational objectives and regulatory requirements.

A Quality Assurance Performance Improvement audit over the Admission Agreement provided to residents was performed annually at Healey for all admissions, but this audit did not include evidence of the significant processes, key forms and documents reviewed.

Crowe noted a quality assurance process was maintained at LMC. Procedures in place allowed LMC to review, identify and correct registration errors and report on various key performance indicators (KPI's) around patient access goals.

ISSUE RISK

Low Risk

WHAT BUSINESS OBJECTIVES ARE AT RISK?

- Metrics, KPI's and management reports are accurate and achieve objectives and goals
- Conduct operations in compliance with Federal/State regulations surrounding OIG, HIPAA, MSP, ABN, IMM and NPP

WHAT ACTIONS WILL MANAGEMENT TAKE?

- Management hired a full-time equivalent in late December to support the front office operations for the Clinics. Management will implement procedures to monitor the quality and effectiveness of front-end patient access activities, to include key patient registration components needed to assure that necessary information, forms and signatures for each encounter are captured. 02/28/2019 Terry Megiveron - Director, Practice Operations
Marcia Young - Director Revenue Cycle Management
- Management will develop a checklist to include in the Quality Assurance Improvement audit. The checklist will assure that all critical admission processes were performed and that key forms and documents in the resident file were reviewed, signed and properly stored. The audit will be conducted every six months. 03/29/2019 Shelly-Ann Lau - Administrator Healey Center

Patient Access-Front End Processes and Controls



Date: December 07, 2018

Location: Health Care District of Palm Beach County

ISSUE 3: Vendor Contract Lacks Performance Metrics

ISSUE RISK

Low Risk

WHAT IS CAUSING THE ISSUE?

Procedures: Management did not implement solutions to monitor effectiveness of Qualified Medicare Beneficiary (QMB) certification services.

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Metrics, KPI's and management reports are accurate and achieve objectives and goals

WHAT IS EXPECTED?

Monitor and manage service agreements with external vendors in a manner that promotes acceptable, timely performance in accordance with contract terms. Services provided under the agreement should include measurable performance standards that address organizational goals and objectives.

WHAT ACTIONS WILL MANAGEMENT TAKE?

The service agreement was effective 06/30/2019 October 2018. The medical services provided to patients who are qualified are not billable and LMC can only benefit from the patient's eligibility if they return for future service. Management will need sufficient data to analyze and develop appropriate goals and benchmarks.

Tabatha McCallister - Manager of Admitting

WHAT ARE THE FINDINGS?

LMC contracted with an outside service provider to assist Medicare patients with no secondary coverage with completing an application for the QMB program. LMC pays \$150 for every approved application referred for QMB certification services. The service provider sends LMC a listing of approved patients under the program. Crowe noted the agreement does not include performance metrics which would allow LMC to assess the effectiveness of the services provided under this agreement.

Once sufficient historical data is established management will analyze how many patients have been qualified on a monthly basis and how many have returned for medical service and implement relevant KPI's/ metrics to assess the overall benefit and effectiveness of the QMB certification program. The established metrics will be reviewed quarterly.

Patient Access-Front End Processes and Controls



Date: December 07, 2018

Location: Health Care District of Palm Beach County

ISSUE 4: No Monitoring of Point of Service Collections at Clinics

ISSUE RISK

Low Risk

WHAT IS CAUSING THE ISSUE?

Procedures: No procedures in place to monitor performance of patient liability collections at point of service

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Conduct pre-registration activities to maximize collections through verification of insurance and collection of co-pays, deductibles, deposits and prior account balances

WHAT IS EXPECTED?

The Athena system provides the capability to report collection rates at time of service for each clinic. Reporting and procedures implemented to monitor and manage collection of patient responsibility helps maximize collections at the point of service.

WHAT ACTIONS WILL MANAGEMENT TAKE?

Some services offered by the Clinics, such as adult immunizations, are optional and require payment prior to the service being provided.

03/31/2019
Terry Megiveron - Director,
Practice Operations

Management will develop appropriate reporting tools from Athena and implement procedures to monitor collection activities and evaluate the performance of each clinic collection representative and compare actual collections to expected collections at the point of service.

WHAT ARE THE FINDINGS?

Procedures to monitor and maximize collections of patient responsibility at the point of service were not in place for the Clinics. Although federal healthcare rules prevent a Federally Qualified Health Center, such as the Primary Care Clinics, from denying service for inability to pay, there is no process to enhance collection when the patient liability portion is determined at the point of service.

Additionally, management will review current procedures around collection activities at the point of service and implement enhancements to the process. Improvements will be made around the collection scripting provided to front-end personnel and reports that communicate staff performance at the point of service, in conjunction with practice managers, collection representatives and front-line coordinators.

Patient Access-Front End Processes and Controls



Date: December 07, 2018

Location: Health Care District of Palm Beach County

CONTEXT

Effective controls over the patient access process is a top risk to healthcare providers. Registration errors and ineffective front-end processes around patient access can slow claim processing/payment and create time consuming re-work for staff. Proper monitoring, continuous improvement and effective controls over scheduling, registration and insurance verification prevent issues in billing and collections, patient and physician satisfaction and access to care. This audit was performed in response to concerns noted with patient registration such as not collecting correct information, verifying and obtaining authorization.

ISSUE RISK DEFINITIONS

In determining whether the issue risk was High, Moderate or Low, Crowe Healthcare Risk Consulting LLC considered a variety of factors, including the following, as applicable: significance of potential financial losses; risks to achieving business objectives; potential impact on care delivery quality; the potential for reputational damage; regulatory impact; and the potential for compromised data integrity. This list is not all-inclusive.

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Patient Access-Front End Processes and Controls



Date: December 07, 2018

Location: Health Care District of Palm Beach County

REPORT ACCEPTANCE

Darcy Davis

Darcy Davis, Chief Executive Officer

Date

Dawn Richards

Dawn Richards, VP & Chief Financial Officer

Date

COPIES

Val Shahriari, VP & General Counsel

Ellen Pentland, Chief Compliance & Privacy Officer

Karen Harris, Vice President of Field Operations

Marcia Young, Director Revenue Cycle Management

Stephanie Dardanella, Hospital Administrator

Tabatha McCallister, Manager of Admitting

Terry Megiveron, Director, Practice Operations

Shelly-Ann Lau, Administrator Healey Center

AUDITORS

Harry Torres, Healthcare Risk Audit Senior Manager

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. This report and the information contained herein (the "Report") is intended solely for the use of the authorized employees of the client named herein for the purposes set forth herein. The Report is strictly confidential and shall under no circumstances be disclosed to any other party without the prior written consent of Crowe Healthcare Risk Consulting LLC ("Crowe").

Except for the permitted use of the Report by the authorized employees of the client named herein, Crowe hereby disclaims any and all responsibility and liability for the Report and the use thereof. No third party may rely on the Report or the information contained therein for any purpose, and Crowe makes no representation to any third party as to the accuracy, sufficiency or propriety of the information contained in the Report. Further, Crowe disclaims any obligation to update the Report.

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Item Description: Audit Plan 2018/2019 Status Update

2. Summary:

Provide a status update of the Audit Plan 2018/2019 Status Update and Follow-up of Management Action Plan Items for completed audits.

3. Substantive Analysis:


Since the 11/27/18 Committee meeting, 2 audits have been completed. The FY 2018/2019 Audit Plan includes 12 audits. Crowe has completed 7 audits. There are 4 audits in the reporting phase, and 1 in field work.

Internal controls are strengthened when action plans for issues are implemented. Crowe discusses all issues with process owners during the course of each project. Management is responsible for formulating corresponding action plans to correct identified internal control deficiencies. Crowe validates resolution of issues by testing completion of action plans with Management on a monthly basis through our follow-up process. It is Management's responsibility to continue to maintain the controls necessary to mitigate risk. Additionally, Crowe reports the status of outstanding issues to Management, bimonthly.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

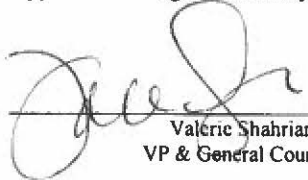
5. Reviewed/Approved by Committee or Subsidiary Board:

<u>Finance and Audit Committee</u> Committee or Board	<u>March 26, 2019</u> Date Reviewed
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6. Recommendation:

Staff recommends the Finance and Audit Committee review the Audit Plan 2018/2019 Status Update and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn L. Richards
VP & Chief Financial Officer

Health Care District of Palm Beach County
Internal Audit - Audit Plan 2018-2019

Entity	Category	Quarter	Proposed Audit	Scope	Status	Source	Issues by Impact Level			Audit Overview
							High	Medium	Low	
1 LMC	Operations	2	Gift Shop	FULL AUDIT	Complete	LMC Leadership	0	1	4	Assess operations of gift shop and relationship to LMC, including contracts, controls, donations.
2 Health Care District	IT	2	System Access Management	FULL AUDIT	Complete	Protiviti Risk Assessment Crowe Horwath Top 20. RSM 2014, 2015, 2016	2	1	1	Without strong access management controls, operating systems and business and clinical applications may not be protected from unauthorized access or theft. Users should have access only to the information they need to perform their job functions, and access for users who have been terminated or transferred must be removed on a timely basis. Weak system access management controls may also affect the integrity of information generated from a system and the system may be vulnerable to loss or failure due to external or internal manipulation.
3 LMC, Healey, Clinics, Aeromed	RCM	2	Accounts Receivable Reserves	FULL AUDIT	Complete	RSM 2014, 2015	0	6	0	Controls over accounts receivables should be in place to account for patient and insurance receivables, contractual allowances, charity deductions and bad debt.
4 LMC, Clinics, Healey, Aeromedical, Trauma	RCM	3	Patient Access	FULL AUDIT	Complete	Protiviti Risk Assessment Crowe Horwath Top 20	0	1	3	Effective controls over scheduling, registration and insurance verification prevent issues in billing and collections, patient and physician satisfaction and access to care.
5 Pharmacy, LMC	Clinical	3	340B Discount Program	PROJECT	Complete	Crowe Horwath Top 20, Senior Leadership	0	3	2	Savings and revenue from this program can significantly impact the bottom line. Having operations in place to validate compliance requires consistent attention. Risk is increased as the program is expanded to additional locations.
6 Clinics	Operations	3	Meaningful Use	PROJECT	Complete	CMS, Crowe Horwath Top 20	0	3	0	CMS has contracted with third parties to conduct MU audits of suspicious and random providers. Audits may be pre or post payment and have been field or desk audits. They can occur anytime in the six year period following attestation. Providers have been given as little as two weeks to respond. If found to be ineligible, payments will be recouped. Fraudulent attestations are subject to sanctions.
7 LMC, Clinics, Healey	IT	4	Medical Device Security	PROJECT	Complete	Protiviti Risk Assessment, Crowe Horwath Top 20	1	5	1	Assessment of patient devices that store patient information and procedures related to the management of these devices and the protection of PHI.
8 LMC, Clinics, Healey, Aeromedical, Pharmacy	RCM	4	Revenue Charge Capture	FULL AUDIT	Reporting	Protiviti Risk Assessment, Crowe Horwath Top 20				Charge capture procedures need to support revenue recognition goals. Challenges may exist despite EHRs and ICD10. Concerns are accuracy and timeliness.
9 Health Care District	Operations	4	Third Party Vendor Management	FULL AUDIT	Reporting	Protiviti Risk Assessment, Crowe Horwath Top 20				Healthcare systems continue to embrace the use of third party providers for a variety of crucial operational, clinical and technological functions, often with the objective of cost savings or efficiency gains. However, the use of third parties to provide core services is not without risk. Some of those risks include: failure to meet performance requirements as outlined in the contract, failure to meet financial terms in accordance with contract provisions, billing for services not provided and potential compliance risks.
10 Pharmacy, Primary Care Clinics, LMC, Healey	Clinical	Q12019	Medication Management and Drug Diversion	FULL AUDIT	Reporting	Protiviti Risk Assessment, Crowe Horwath Top 20, OIG				Inadequate controls on medication management and controlled substances can have significant financial, compliance, patient care and reputational impacts. Pharmacists and care providers have a shared responsibility to help ensure the right patient, right medication, right dosage and right route in order to provide safe and effective care. Controls over ordering, dispensing, administering drugs, maintaining inventory and monitoring diversion are required to avoid patient care issues and compliance violations.
11 LMC, Clinics, Healey, Aeromedical	RCM	Q12019	Credit Balances	FULL AUDIT	Field work	Protiviti Risk Assessment				Credit balances occur due to limitations in billing systems, errors in cash posting, incorrect insurance information, duplicate cash entries, incorrect coordination of benefits. Medicaid payment integrity reviews under RAC include credit balance audits. Federal and state law governs the timeliness of refunds due to patients.
12 Health Care District	Finance	Q12019	PTO	PROJECT	Reporting	Senior Leadership				Consistency of PTO practices coordinated with contracted terms per employment agreements.
							3	20	11	

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Time Table By Calendar Quarter

Crowe Resource	Q2	Q3	Q4	Q12019
IT	(2) System Access management	(6) Meaningful Use	(7) Medical Device Security	
Harry Torres	(3) Accounts Receivable Reserves (1) Special Project: Gift Shop	(4) Patient Access	(9) Thrd party Vendor Management (8) Revenue Charge Capture	(11) Credit Balances (12) PTO
Pharmacy/ 340b specialist		(5) 340b Discount Program		(10)Med mgmt & Drug Diversion

Health Care District of Palm Beach County
Internal Audit - Management Action Plan Status

OPEN ACTION PLANS

AUDIT NAME	ISSUE NAME	ACTION PLAN NAME	ACTION PLAN SUMMARY	DUE DATE	REVISED DUE DATE	ACTION PLAN OWNERS	FOLLOW-UP COMMENTS
AR Allowance	Gaps Exist in the Written Procedures Over Allowance Calculations	Procedures Are Currently Being Updated	Management will update written procedures. Each business unit operates differently and provides distinct services. Written procedures will be consistent across business units where possible, but will reflect the operating environment of each entity. Management is currently revising existing procedures and will look to include the necessary components and provisions related to the allowance process, where appropriate.	11/30/2018	2/28/2019	Dawn Richards	
AR Allowance	Aeromed Allowance Estimate Not Based On Sufficient Data	Revise Aeromed Allowance Calculation	The Aeromed department converted its patient accounting system in April 2018 from TriTech to Golden Hour. Due to system limitations in the old system, Management was unable to obtain sufficient data which includes substantial patient volume to estimate an adequate allowance percentage. Management will recalculate the reserve factor utilizing sufficient data covering at least six months of patient service activity in the Golden Hour system once this historical data is available and will review allowance percentages every six months following the initial calculation.	4/30/2019		Marcia Young	
Gift Shop	Business Liability Insurance for Gift Shop Could Not Be Confirmed	Business Insurance Coverage	Discussion was held with key Auxiliary personnel. They are aware that the gift shop and its personnel are not covered under the District's insurance policy. The District will be providing the Auxiliary Management Team with a sub-lease agreement that will contain standard insurance provisions.	10/31/2018	2/28/2019	Stephanie Dardanello	
Gift Shop	The Medical Center Lacks a Formal Contract/Lease Agreement and Policies With the Auxiliary	Provide Formal Lease Agreement	Key Auxiliary personnel have asked for a proposed lease agreement. The sub-lease agreement will be presented to the Auxiliary and finalized accordingly.	10/31/2018	2/28/2019	Stephanie Dardanello	
Gift Shop	Auxiliary May Not Be In Compliance with IRS Reporting Requirements	Auxiliary Consulting with Professionals	Discussion held with key Auxiliary personnel. They understand the findings and are currently in discussions with an Accountant to file the necessary returns and comply with IRS regulations and federal laws.	12/31/2018	2/28/2019	Stephanie Dardanello	
Medical Device Security Assessment	Medical Device Roles and Responsibilities Not Formalized	Assess Medical Device threats, risks, and controls	The Director of Operations will update the existing Medical Equipment Management plan to include roles and responsibilities from all departments that touch medical devices including IT, Clinical Engineering, Procurement, and Clinical Departments.	3/29/2019		Dennis Dzurovski	
Medical Device Security Assessment	IT Risk Assessment did not Include Medical Devices	Establish Medical Device Governance Committee	IT Management will direct with the external vendor who completes the FY2019 IT Risk Assessment to include medical device threats, risks, and controls	11/30/2019		Cindy Yarbrough	
Medical Device Security Assessment	Medical Devices are Not on a Separate Network Segment	Provide Quarterly Reporting	IT Management has contracted with CDW Government, Inc. to transform the HCDPBC network from a legacy flat design to a segmented design. The project will include a separate segment to place medical devices.	3/31/2020		Cindy Yarbrough	
Medical Device Security Assessment	Medical Device Inventory Adjustments are Not Reported to HCDPBC Management	Update Existing Medical Equipment Management Plan	HCDPBC management will request Crothall Healthcare to provide quarterly medical device inventory adjustments	3/29/2019		Dennis Dzurovski	
Medical Device Security Assessment	Security-Related Medical Device Attributes Are Not Maintained	Establish Medical Device Network Segment	IT Management will define security-related medical device attributes to track and maintain on a centralized inventory of connected medical devices through input from IT security review forms and a complete review and documentation of existing connected medical devices.	10/31/2019		Cindy Yarbrough	
Medical Device Security Assessment	IT and Clinical Engineering Do Not Have Oversight Over Biomedical Device Purchases	Track Medical Device Security-Related Attributes	HCDPBC management will require all connected medical device purchases to be analyzed and approved by the IT Department. This control will be formalized through a policy/procedure update.	3/29/2019		Dennis Dzurovski	
340B Discount Program	Policies and Procedures: Formal written direction to align organization behavior with objectives was missing or inadequate.	Maintain and monitor compliance with 340B program requirements.	Management will update policy with enhancements noted in order to convey accurate operations of the 340B program.	12/31/2018	2/28/2018	Hyla Fritsch	

Health Care District of Palm Beach County
Internal Audit - Management Action Plan Status

ACTION PLANS COMPLETED SINCE THE LAST AUDIT COMMITTEE MEETING ON 11/29/18:

AUDIT NAME	ISSUE NAME	ACTION PLAN NAME	ACTION PLAN SUMMARY	DUE DATE	REVISED DUE DATE	ACTION PLAN OWNERS	FOLLOW-UP COMMENTS
AR Allowance	Lack of Support for Reasonableness of Allowance Factors Calculated for the Clinics and Aeromed	Reasonableness Assessed Every 6 Months for Clinics and Aeromed	The six month period used to estimate the allowance considers all payments received during that time period which relate to charges in that period. About 65% of patient service charges are incurred under the Trauma Care program or Self-Pay, which are adjusted at 100% and 90% respectively. Medicaid/ Managed Care charges make up about 20% of remaining charges and are collected within 45 days. Management intends to recalculate the allowance percentage every 6 months for Clinics and Aeromed. To assess reasonableness of the established rates, a lookback will compare the recalculated percentages with prior rates for the Clinics and Aeromed.	11/30/2018		Jesenia Bruno	Complete
Meaningful Use	Lakeside Medical Center (EH) Stage 1 Supporting Attestation Details Were Missing	Obtain and Maintain EH Stage 1 missing information	Management will obtain and maintain audit ready details for every EH Stage 1 component identified on the summary attestation page including core, menu and clinical quality measure of MU submitted attestations and store it on a share drive so that it is available to all key stakeholders.	12/15/2018		Janet Moreland	Complete
Meaningful Use	MU Audit Defense Plan Did Not Exist	Produce EH MU Audit Defense Plan	Management will produce a MU Audit Defense Plan for the Hospital (EH) to include key components such as defense response team members, response road map, dedicated and monitored contact notification email address and location of MU attestation supporting evidence.	12/15/2018		Janet Moreland	Complete
Meaningful Use	Clinics (EP) Modified Stage 2 Supporting Attestation Details Not Maintained	Produce and Maintain EP Modified Stage 2 Attestation Details	Management will produce and maintain audit ready details as needed for EP Modified Stage 2 Core and Clinical Quality Measure identified on summary attestation page of submitted attestation and store it on a share drive so that it is available to all key stakeholders.	12/15/2018		Terry Megiveron	Complete
Meaningful Use	MU Audit Defense Plan Did Not Exist	Produce EP MU Audit Defense Plan	Management will produce a MU Audit Defense Plan for the Clinics (EP) to include key components such as defense response team members, response road map, dedicated and monitored contact notification email address and location of MU attestation supporting evidence.	12/15/2018		Terry Megiveron	Complete
Medical Device Security Assessment	Medical Device Governance Not Established	Involve IT and Clinical Engineering Departments in Medical Device Procurement	HCDPBC management will establish a cross functional biomedical device governance committee that includes representatives from IT, Clinical Engineering, Supply Chain, and Hospital Administration that will meet regularly to define policy, procedures, and make key decisions related to biomedical device risk.	1/1/2019		Dennis Dzurowski	Complete
Diversion Risk – Incomplete Referral Documentation 340B Discount Program	Policies and Procedures: Documentation does not exist for referral prescriptions.	Maintain and monitor compliance with 340B program requirements.	Management will follow the referral procedures as documented within the 340B policy and procedure.	12/31/2018		Hyla Fritsch	Complete
	Training: Prescriptions written are not always documented within the EMR.	Maintain and monitor compliance with 340B program requirements.	Management will provide training for providers regarding documentation requirements when writing prescriptions.	12/31/2018		Hyla Fritsch	Complete
			Management will work with Legal/Compliance to determine if any adjustments should be made. Audit results will be documented and reported.	12/31/2018		Hyla Fritsch	Complete
340B Discount Program	Reporting: Documentation to support 340B self-monitoring activities is not retained.	Maintain and monitor compliance with 340B program requirements.		12/31/2018		Hyla Fritsch	Complete
340B Discount Program	Technology Alignment: Dental clinic utilizes a separate EMR for documenting visits and procedures. The pharmacies do not have access to this EMR.	Maintain and monitor compliance with 340B program requirements.	Management will work with dental providers to gain access to their EMRs so patient health care records can be obtained.	12/31/2018		Hyla Fritsch	Complete

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**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Item Description: FY 2019/2020 Audit Plan and Risk Assessment

2. Summary:

Provide the FY 2019/2020 Audit Plan and Risk Assessment.

3. Substantive Analysis:

Crowe Healthcare Risk Consulting's (Crowe) approach to performing risk assessments and developing the proposed Audit Plan is a robust and multidisciplinary process, involving collaboration with multiple levels of Management. This process requires in-depth consideration of risks facing the organization, as well as the most efficient and effective use of resources. In developing the Proposed Audit Plan, Crowe considers known risks, along with Management's strategic objectives, to focus the Audit Plan on areas most relevant to the organization. Crowe and Management have discussed risks facing the organization and recommend the FY 2019 Audit Plan for approval.

Crowe and Management acknowledge it is not feasible for Internal Audit to identify and audit every risk for a multitude of reasons. These include, but are not limited to, risk areas under review by others, processes already under improvement initiatives, on-going restructurings and risks not deemed as significant as others at the initial development of the Audit Plan. Crowe recognizes the dynamic and evolutionary nature of the Healthcare District and the healthcare industry. As a result, Crowe and Management will continually assess changes in the environment and emerging risks, recommending adjustments to the Audit Plan throughout the year, as necessary, with a total of 8 audits and 4 projects in FY 2019/2020.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

5. Reviewed/Approved by Committee or Subsidiary Board:

Finance and Audit Committee	
Committee or Board	Date Reviewed


6. Recommendation:

Staff recommends the Finance and Audit Committee review the FY 2019/2020 Audit Plan and Risk Assessment and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriri
VP & General Counsel



Dawn L. Richards
VP & Chief Financial Officer

Health Care District of Palm Beach County
Internal Audit - Audit Plan 2019-2020

	Entity	Category	Quarter	Proposed Audit	Scope	Source	Audit Overview
1	Aeromedical	Finance & Revenue Cycle	2	Billing and Collections	FULL AUDIT	Crowe Risk Assessment	Given that processes and systems in place are manual, and services have been recently contracted to a third party vendor, an external assessment can address control gaps that might exist and consideration of leading practices provided.
2	District	Finance & Revenue Cycle	2	Procurement Controls	FULL AUDIT	Crowe Risk Assessment	Adequate control activities around vendor set-up, purchase authorizations and accounts payable can prevent financial issues for the District.
3	Clinics	Operations	2	Construction Build Out	FULL AUDIT	Crowe Risk Assessment	Construction projects can create risks of overpayments and delays. The primary care build out at LMC has experienced changes to scope and opportunities to enhance processes can help the District achieve organizational objectives.
4	Clinics	Finance & Revenue Cycle	3	Billing and Collections	FULL AUDIT	Crowe Risk Assessment	Given that processes and systems in place are manual, and services have been recently contracted to a third party vendor, control gaps might exist which could be addressed through an external review and consideration of leading practices.
5	Clinics	Operations	3	Mobile Van Operations and Processes	FULL AUDIT	Crowe Risk Assessment	Adequate control activities are important to facilitate the eligibility, patient setup, data collection activities and downstream processes. Risks to consider around this operation and ensure overall effectiveness of the program include proper storage of medication, vehicle downtime parking and security.
6	District	Human Resources	3	Employee Classification	PROJECT	Crowe Risk Assessment	Adequate processes related to employees vs. contractors classification can prevent penalties and fines. Also, appropriate oversight of contractors can mitigate other risks for the District.
7	Aeromedical, LMC, Clinics	Finance & Revenue Cycle	4	Denials Management	FULL AUDIT	Crowe Risk Assessment	To prevent negative financial impacts to the organization, adequate control activities over denials management should be in place. These controls and processes can also mitigate compliance issues and perpetual billing and collecting issues.
8	Clinics	Clinical	4	Quality Improvement	FULL AUDIT	Crowe Risk Assessment	Adequate control activities over the collection and aggregation of data from the individual clinics for reporting and performance improvement process can mitigate risks to deficient quality reporting. Quality metrics used can be compared to leading practices and potential gaps identified.
9	District	Compliance	4	Compliance Effectiveness Assessment	PROJECT	Crowe Risk Assessment	A compliance program assessment conducted by an independent source was last done in 2017. A compliance program assessment would assess the effectiveness of the compliance program across the organization in consideration of the 7 elements of an appropriate compliance program and consideration of the federal sentencing guidelines.

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Health Care District of Palm Beach County
Internal Audit - Audit Plan 2019-2020

10	Clinics	Finance & Revenue Cycle	Q1 2020	Medicaid Wrap Process	PROJECT	Senior Leadership	Given the complexities of the Medicaid Wrap filing, completeness of the data set being incorrect could subject the District to incorrect filing and receipts.
11	LMC	Operations	Q1 2020	Drug Diversion	FULL AUDIT	Crowe Risk Assessment	Appropriate controls over medication management and controlled substances can mitigate significant financial, compliance, patient care, and reputational impacts. Controls over ordering, dispensing, administering drugs, maintaining inventory and monitoring diversion are required to avoid patient care issues and compliance violations.
12	Clinics	Clinical	Q1 2020	Payer Quality Incentive Bonuses	PROJECT	Senior Leadership	Payer quality reporting controls should support incentive bonuses received are accurate and represents the full amount allowable.

Time Table By Calendar Quarter

Crowe Resource	Q2	Q3	Q4	Q1 2020
Certified Construction Auditor (CCA)	(1) Construction Build Out			
Harry Torres	(2) Billing and Collections (Aeromed) (3) Procurement Controls	(4) Billing and Collections (Clinics) (5) Mobile Van Operations (6) Employee Classification	(7) Denials Management	(10) Medicaid Wrap Process
Clinical Specialist			(8) Clinical Quality	
Pharmacy Specialist				(11) Drug Diversion
Compliance Specialist			(9) Compliance Effectiveness Assessment	(12) Payer Quality Incentive Bonuses



Smart decisions. Lasting value.™

Healthcare District of Palm Beach County

FY 2019/ 2020

Risk Assessment

For Finance and Audit Committee

January 2019

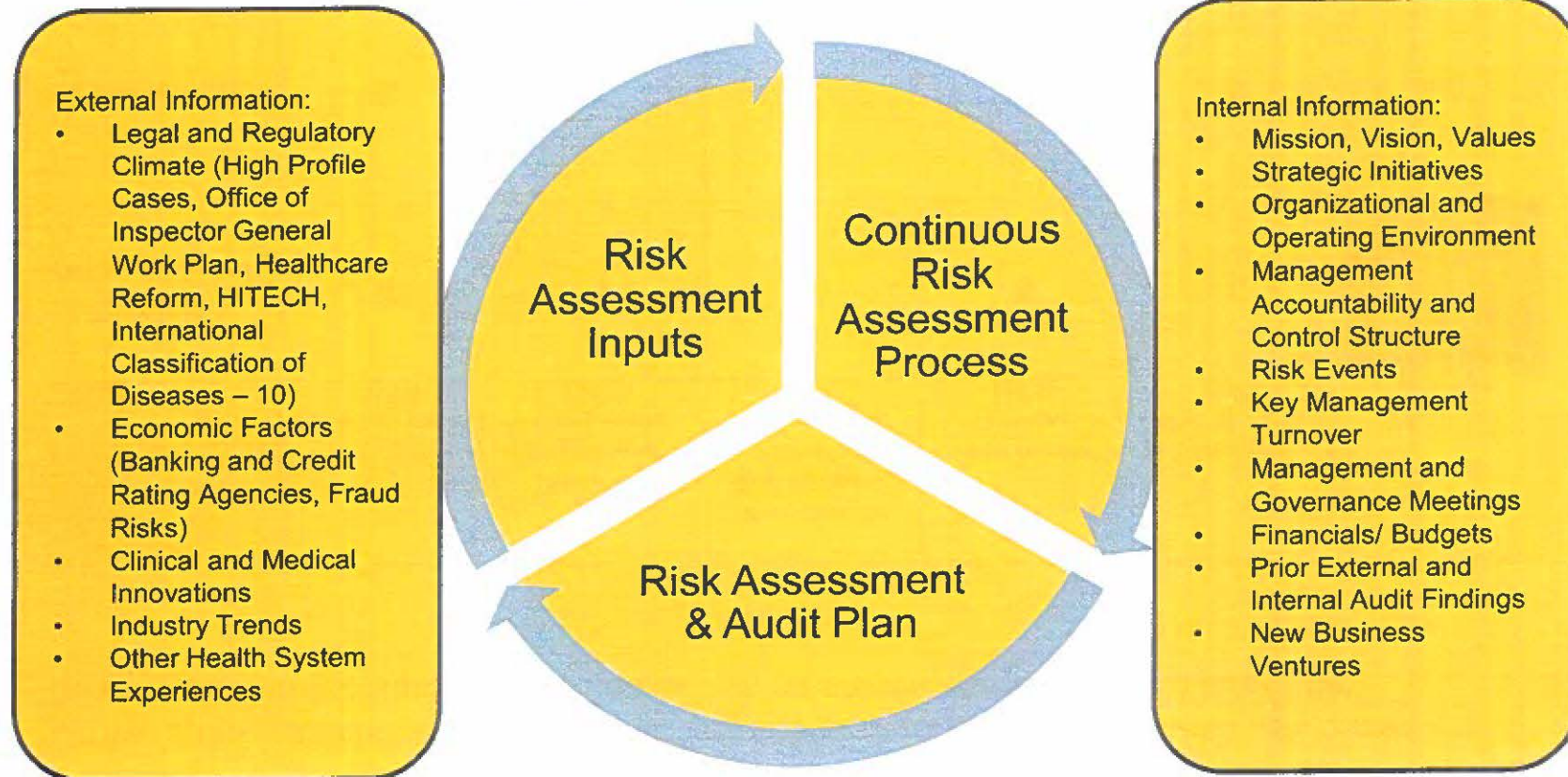
Contents

- Risk Assessment Approach
- Risk Ranking Example
- Healthcare District Interviews and Team
- Key Strategies of Healthcare District and Risk Indicators
- Top Risks by category (Compliance, Financial, Operational, Information Technology)
- Proposed Audit Plan
- Observations

Risk Assessment Approach

- From November through mid December 2018, Crowe Healthcare Risk Consulting (Crowe) compiled and assessed risk areas for reporting to Executive Management and Governance and to highlight key risk areas to potentially include in an Internal Audit Work Plan. The process included gaining an understanding of:
 - Key strategic objectives
 - Environmental and/or emerging industry trends
 - Organization and operating environment
 - Management accountability (control environment)
 - Legal and regulatory climate
- To achieve the above, Crowe:
 - Assigned a multi-disciplined specialist team.
 - Obtained District documents, including strategic plan, annual compliance work plan, prior year risk assessment, financial statements, among other key documents.
 - Interviewed key Executives and the Finance and Audit Committee Chair.

Risk Assessment Framework



Risk Ranking Example

Crowe's risk assessment and risk ranking methodology evaluates each risk based on five factors with scoring at specific weights as shown in the following example:

	Strategic or Business Impact (30%)	Business Environment Complexity (15%)	Mgt. Control Environment, Historical Performance (25%)	Prior Audits, Reviews (15%)	Governance and Mgt. Concern (15%)	Weighted Average
Physician Arrangements	4	5	4	5	5	4.45
Cybersecurity	5	5	4	2	3	4.0

The District Interview Summary

- Brian Lohmann, Chairman Finance and Audit Committee
- Darcy Davis, Chief Executive Officer
- Val Shahriari, VP & General Counsel
- Dawn Richards, VP & Chief Financial Officer
- Ellen Pentland, Chief Compliance & Privacy Officer
- Cindy Yarborough, Chief Information Officer
- Dr. Daniel Padron, Chief Medical Officer LMC
- Dr. Belma Andric, VP & Chief Medical Officer
- Thomas Cleare, VP of Strategy
- Steven Hurwitz, Vice President of HR and Communications
- Karen Harris, Vice President of Field Operations
- Shelly Ann Lau, Administrator Healey Center
- Stephanie Dardenello, Hospital Administrator
- Dr. Noel Stewart, FQHC Medical Director
- Kenneth Schepke, Aeromed Medical Director
- Hyla Frisch, Director, Pharmacy
- Marcia Young, Director, Revenue Cycle Management
- Eileen Perry, Director, Utilization Management
- Mina Bayik, Director, Finance
- Terry Megiveron, Director, Practice Operations
- Janet Moreland, Director of Nursing
- Bruce Sample, Radiology Manager
- Dennis Dzurovski, Director of Facilities
- Gerry Pagano, Director, Aviation Operations
- Jesenia Bruno, Director, Accounting
- Lisa Sulger, Public Records Manager
- Manuel Diaz, HIM Manager
- Victoria Pruitt, Director, Corporate Risk Management
- Tabatha McCallister, Manager of Admitting
- Kenneth Healey, Finance Manager
- Robert Forchin, Manager, Accounting & Purchasing
- Dawn Michelle Wainz, Business Office Manager
- Carlos Hernandez, RSM Partner
- C. Bert Bennett, Draffin & Tucker Partner

Crowe Risk Assessment Team

- Scott Gerard, CPA, Senior Vice-President
- Harry Kimball, CPA, Vice-President
- Harry Torres, CPA, Senior Manager
- Kelly Smith, CPA, Director, Clinical
- Charlene Stinnet, RN, Senior Manager, Clinical
- Delena Howard, CPC, COC, CCS, CSS-P Director, Compliance
- Chris Wasik, CIA, CFE, Director, 340B & Pharmacy
- Joe Miko, CIA, CISA, Senior Manager, IT
- Rosanna Coppola, CPA, Manager

Strategic Imperatives of the District

As part of the risk assessment, Crowe reviewed the strategic plan of the organization. Each interview consisted of time spent discussing risk relative to the strategic plan, and each risk is aligned with factors that could prevent the organization from achieving its objectives.

The District four strategic focus areas:

- Find our “True North” – Determining our direction in the community is driven by our role as the health care safety net
- Stay in our lane – Focus on the services offered and let others deliver what we cannot or do not provide
- Safe riding, hard racing – Save taxpayer dollars
- Quality and value is remembered long after price is forgotten – Be cost effective and resourceful to accomplish the mission

Healthcare Industry and District Specific Risk Indicators

- Pace of organizational changes
- Continued confidence in direction of management and culture
- Focus on core operations – increased concentration in quality, with an openness to exploring new ways of delivering services to the community
- Shift in population health strategies
- Regulatory enforcement initiatives (e.g. OIG Work Plan)
- Significant investment in new technology (now and continuing)
- Considerations on reimbursement and uncertainty in environment

Effective systems of internal controls help mitigate operational, financial, compliance and information technology risks

Fiscal Year 2019/ 2020 Proposed Audit Plan

	Entity	Category	Quarter	Proposed Audit	Scope	Risk To Be Addressed by Audit/ Project
1	Aeromedical	Finance & Revenue Cycle	2	Billing and Collections	FULL AUDIT	Given that processes and systems in place are manual, and services have been recently contracted to a third party vendor, an external assessment can address control gaps that might exist and consideration of leading practices provided.
2	District	Finance & Revenue Cycle	2	Procurement Controls	FULL AUDIT	Adequate control activities around vendor set-up, purchase authorizations and accounts payable can prevent financial issues for the District.
3	Clinics	Operations	2	Construction Build Out	FULL AUDIT	Construction projects can create risks of overpayments and delays. The primary care build out at LMC has experienced changes to scope and opportunities to enhance processes can help the District achieve organizational objectives.
4	Clinics	Finance & Revenue Cycle	3	Billing and Collections	FULL AUDIT	Given that processes and systems in place are manual, and services have been recently contracted to a third party vendor, control gaps might exist which could be addressed through an external review and consideration of leading practices.
5	Clinics	Operations	3	Mobile Van Operations and Processes	FULL AUDIT	Adequate control activities are important to facilitate the eligibility, patient setup, data collection activities and downstream processes. Risks to consider around this operation and ensure overall effectiveness of the program include proper storage of medication, vehicle downtime parking and security.
6	District	Human Resources	3	Employee Classification	PROJECT	Adequate processes related to employees vs. contractors classification can prevent penalties and fines. Also, appropriate oversight of contractors can mitigate other risks for the District.

Fiscal Year 2019/ 2020 Proposed Audit Plan

	Entity	Category	Quarter	Proposed Audit	Scope	Risk To Be Addressed by Audit/ Project
7	Areomedical, LMC, Clinics	Finance & Revenue Cycle	4	Denials Management	FULL AUDIT	To prevent negative financial impacts to the organization, adequate control activities over denials management should be in place. These controls and processes can also mitigate compliance issues and perpetual billing and collecting issues.
8	Clinics	Clinical	4	Quality Improvement	FULL AUDIT	Adequate control activities over the collection and aggregation of data from the individual clinics for reporting and performance improvement process can mitigate risks to deficient quality reporting. Quality metrics used can be compared to leading practices and potential gaps identified.
9	District	Compliance	4	Compliance Effectiveness Assessment	PROJECT	A compliance program assessment conducted by an independent source was last done in 2017. A compliance program assessment would assess the effectiveness of the compliance program across the organization in consideration of the 7 elements of an appropriate compliance program and consideration of the federal sentencing guidelines.
10	Clinics	Finance & Revenue Cycle	Q1-2020	Medicaid Wrap Process	PROJECT	Given the complexities of the Medicaid Wrap filing, completeness of the data set being incorrect could subject the District to incorrect filing and receipts.
11	LMC	Operations	Q1-2020	Drug Diversion	FULL AUDIT	Appropriate controls over medication management and controlled substances can mitigate significant financial, compliance, patient care, and reputational impacts. Controls over ordering, dispensing, administering drugs, maintaining inventory and monitoring diversion are required to avoid patient care issues and compliance violations.
12	Clinics	Clinical	Q1-2020	Payer Quality Incentive Bonuses	PROJECT	Payer quality reporting controls should support incentive bonuses received are accurate and represents the full amount allowable.

Top Risks – Finance & Revenue Cycle

Risk Area	Rationale
Revenue Cycle – Billing and Collections (On plan)	<ul style="list-style-type: none"> Given that processes and systems in place are manual, there could be control gaps which could be addressed through an external review and consideration of leading practices. Gross Accounts Receivable monitoring could be enhanced to better trouble shoot issues.
Charity Care and Appropriate Classification	<ul style="list-style-type: none"> Appropriate classification of uncompensated care is an important component of cost reporting, which has downstream impacts. The reporting accuracy starts with appropriate classification of status at the front end.
Denials Management / Expected Reimbursement (On plan)	<ul style="list-style-type: none"> Denial rates are not high but increasing. Lack of visibility if denial related write-offs are charged to contractual adjustments. Denials Management processes represent a high risk across the healthcare industry. Enhanced controls and processes can have positive financial impact.
Medicaid Wrap (On plan)	<ul style="list-style-type: none"> Medicaid premium assistance programs require filing of a complex data set, inclusive of capitated payments received, total fee for service payments received, other payments, total Medicaid visits, Medicaid members seen and assigned. Errors in Payments and other pertinent data collected for the Medicaid Wrap program could cause incorrect or inappropriate calculations and/or filing for the Medicaid Wrap incentive.
Billing/ Collections with Palm Beach County Department of Health	<ul style="list-style-type: none"> Given complexities in the specific transactions between the Healthcare District and the county Department of Health, an independent assessment of the billing and collections might be warranted to ensure appropriate controls are established and functioning as Management intends.
Procurement controls (On plan)	<ul style="list-style-type: none"> Control activities around vendor set-up that are designed properly and working effectively mitigate risks related to purchase authorizations and accounts payable which prevent financial issues for the District. IA performed vendor management / contract audit in prior audit plan.
District Care – Medical claims processing	<ul style="list-style-type: none"> Fairly manual process. Claims management process over District Cares is currently being restructured While claims will be managed, it will be critical to have appropriate oversight of the medical claims process.

Top Risks – Operational

Risk Area	Rationale
Revenue Charge Capture – Med/Surg, Emergency, Central Supply, Clinical Lab, CT Scan, Primary Care, Aeromed	<ul style="list-style-type: none"> • Areas of improvement exist in some of the high dollar, high complexity charge capture areas. • Charge capture procedures need to support revenue recognition goals. • Challenges may exist despite EHRs and ICD 10. Concerns are accuracy and timeliness. • Audit should incorporate data analytics and continue from the FY 18 controls assessment.
Pharmacy – Drug Diversion (On plan)	<ul style="list-style-type: none"> • LMC is undergoing a pharmacy controls enhancement process. • Given diversion risks and a new control environment, an independent review can assess its effectiveness and provide additional leading practices to impede potential diversions.
340B Compliance	<ul style="list-style-type: none"> • Regulation within the 340B process are complex and changing. • Education of regulations can be provided to 340B steering committee to enhance productivity of ongoing meetings. • Annual external audit is expected from HRSA. • Audit from Crowe 340B could qualify for annual HRSA audit, as well as allow professionals to provide additional education.
Human Resources – New employee set up and HR specific roles	<ul style="list-style-type: none"> • Proper controls around role restrictions prevent unauthorized HR approvals, such as pay status, new hires. • Properly designed controls can mitigate risks related to creating employees. • Control activities around key HR processes should include proper segregation of duties.
Facilities Management – Construction Build Out (On plan)	<ul style="list-style-type: none"> • Appropriate procedures supports good maintenance practices over the facilities management function • Construction projects can create risks of overpayments and delays. With scope changes experienced to the new build out at LMC for a primary care clinic, a facilities management audit can enhance the overall effectiveness of the construction function for the District.
Mobile Van Operations Process (On plan)	<ul style="list-style-type: none"> • As operations progress, it is critical to monitor appropriateness and ensure patient safety and quality is maintained and patient data is captured accurately.
Healy – Patient leave	<ul style="list-style-type: none"> • Risk that patients are not appropriately signed out and in when leaving the facility.

Top Risks – Information Technology

Risk Area	Rationale
Cybersecurity	<ul style="list-style-type: none"> • One of the highest risk areas industry wide and executives express concern. • Organization continuously adapts its software and IT needs to increase its security control effectiveness • Multiple system interface and physical locations complicates the security landscape • Currently working with consultant on cybersecurity matters for FY 19.
Biomedical Device Management and Security	<ul style="list-style-type: none"> • High-risk industry wide related to patient safety, HIPAA privacy and network security. • Device Management coordinates directly with IT leadership and the new Medical Device Committee • The District has implemented network segmentation efforts. • Continued review for leading practices and appropriate controls.
Mobile Device Usage	<ul style="list-style-type: none"> • Unauthorized mobile device, and other non approved electronic tools used for clinical purposes creates security and privacy exposures.
Unencrypted ePHI Transmission	<ul style="list-style-type: none"> • Unencrypted ePHI transmission stored in shared network files creates exposure of security and privacy breaches if an external network intrusion were to intercept an internal transmission of data. • Control activities should prevent the unauthorized access of ePHI that is stored on shared drives.
End User Education	<ul style="list-style-type: none"> • Lack of end user education on IT Security related to use and associated risks of internal network share drives. • Document retention policies should address the storage of stale data by users. Controls around scalability can prevent increases in business documents and stored data over time from becoming unmanageable.
Wi-Fi Hotspots	<ul style="list-style-type: none"> • Wi-Fi hotspots pose potential risk for users to gain access.
IT Third Party Vendor Contract	<ul style="list-style-type: none"> • Oversight of IT Third Party Vendor contractual terms and conditions may require further monitoring for contractual SLA compliance and HDCPB IT policies and procedures.
Role Based Provisioning	<ul style="list-style-type: none"> • Effective control activities and procedures for role-based provisioning & de-provisioning of user access to applications and networks prevent unauthorized access to sensitive data and can mitigate fines and reputational damage to the organization. Provisioning of a formal User Access Management software is in progress.
IT Generated Reports	<ul style="list-style-type: none"> • Procedures in place should ensure that IT generated revenue reports are complete and accurate to support management reliance on reports.

Top Risks - Compliance

Risk Area	Rationale
Compliance Effectiveness Assessment (On plan)	<ul style="list-style-type: none"> • A compliance program assessment has not been conducted by an independent source since 2017. • A compliance program assessment would assess the effectiveness of the compliance program across the organization in consideration of the 7 elements of an appropriate compliance program and consideration of the federal sentencing guidelines. • Recommendations for enhancement and leading practices would be provided as a result of this project.
Coding Compliance – Inpatient/ ER/ Category 2	<ul style="list-style-type: none"> • When coding monitoring procedures are reduced, related risks increase. • Higher risk around the billing specialty procedures (properly coded and billed and completely captured).
Physician Compensation and Medical Directorships	<ul style="list-style-type: none"> • Manual time sheets utilized at the hospital for certain physician and/or medical director time reporting, can increase the risk of paying a physician who has not submitted a timesheet. • Providing payment to a physician without a log is a compliance violation and a high risk across the healthcare industry. • Stark Law risks related to compliance and accounting for Medical Directorships and Physician Recruiting agreements.
Physician FMV	<ul style="list-style-type: none"> • Physician contracts and compensation should be at appropriate levels. Inability to maintain the agreement and monitor relationships to FMV can result in penalties and fines from regulators. • The District has various arrangements and utilizes mostly contracted physicians. • The District Legal Counsel and Compliance are involved with ongoing reviews.
Patient documentation - Outpatient & clinics	<ul style="list-style-type: none"> • Documentation of patient information can at times be filed within incorrect patient chart when scanned. • Patient information and documentation inaccurately filed affects the reliability of the data included in the patient file.
Employee classification (On plan)	<ul style="list-style-type: none"> • Classification between employees vs. contractors, that is not aligned with regulatory rules/requirements can result in penalties and fines.

Top Risks - Clinical

Risk Area	Rationale
Quality Measures - LMC	<ul style="list-style-type: none"> • Performance Improvement (PI) process in general has not been assessed by IA. Good foundational controls are important in the individual processes around infection, readmission, LOS, etc. • Audit would look at how PI priorities and goals are determined, how quality issues are analyzed for root cause, tracking and monitoring of performance, how accountability for corrective action is assigned and enforced, etc. From there, more specific audits could be performed (either this cycle or future years) around key quality measures where the District might be underperforming.
Quality Improvement – Clinics (On plan)	<ul style="list-style-type: none"> • Clinic operations and quality functions that are not fully centralized and/or standardize can result in process gaps and risk quality improvement objectives. • An audit in this area would look at process to collect and aggregate data from the individual clinics for reporting and PI purposes. The concerns surround the process, rather than around specific care delivery problems.
Instrument Sterilization	<ul style="list-style-type: none"> • High risk industry wide • Independent audit would assess the level of infection prevention surveillance. • Such areas to include in scope could be GI, Radiology, Cardiopulmonary, Dental, etc.
New Contract Physician procedures	<ul style="list-style-type: none"> • High turnover of LMC physicians recently due to change in culture, non-renewal of contracts, etc. • Currently have locum tenens in surgery, anesthesiology, radiology; brand new hospitalists.
Workplace violence	<ul style="list-style-type: none"> • Incidents broadly in the workplace have been on the rise. • Risk to employee, visitor and patient safety exists given the overall increase in incidents.
Discharge procedures	<ul style="list-style-type: none"> • Adequate assessment procedures can mitigate risks around premature discharge and/or inadequate support following discharge. • Procedures should be in place to support efforts that reduce readmission scores. • Quality of discharge practices and follow up/programs can impact patient safety.
Payer Quality Incentive Bonuses (On plan)	<ul style="list-style-type: none"> • Payer reporting controls should support incentive bonuses received are accurate and represents the full amount allowable.

Observations

As a result of our interviews, we have made the following observations which represent potential areas of improvement or leading practices based on our experiences in the healthcare industry.

- LMC – no abduction bands for newborns was raised as a result of our interviews. While matching identification tags are placed on newborn and mother, there are no bands to trigger alarms if a newborn was inappropriately taken. A mitigating factor are locked doors, which have to be released by a security guard, and a “code pink” security alert exists which would lock down the Hospital in an event.
- The District should consider incorporating the annual strategic plan into the District’s Operational Budget process, which will assist in communicating strategy to key levels of management in the organization.
- Crowe did not observe a denials management committee. Committee would review pervasive denials issues and formulate systemic corrective plans. A mitigating committee exists, a Utilization Review Committee. It should be considered if this is fully performing the functions of a denials management committee.

Next Steps

- Obtain approval for the proposed internal audit plan by the District Leadership
- Obtain approval for the proposed internal audit plan by Finance & Audit Committee.
- Share approved Internal Audit Plan with Leadership and Management after Finance & Audit Committee approval.
- Communicate internal audits with process level Management and Executives over each of the areas selected for 2019/20 internal audit coverage.
- Confirm timing of internal audit projects approved for 2019/20.



Questions?

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**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Description: IT Audits and Assessments

2. Summary:

Correlation between Internal Audit and other ongoing security assessments

3. Substantive Analysis:

In response to requests made by Finance Committee Members in a previous meeting, the attached represents a correlation between the various Information Technology audits and assessments, including the District Internal Audit function. Action plans are reviewed on a continuous basis to ensure they are appropriate.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:


 Dawn L. Richards
 VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

Finance and Audit Committee

 Committee or Board

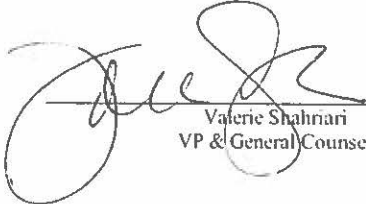
 Date Reviewed

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

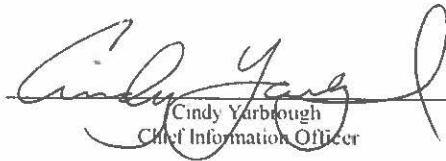
6. Recommendation:

Staff recommends that the Finance & Audit Committee receive and file follow up information.

Approved for Legal sufficiency:

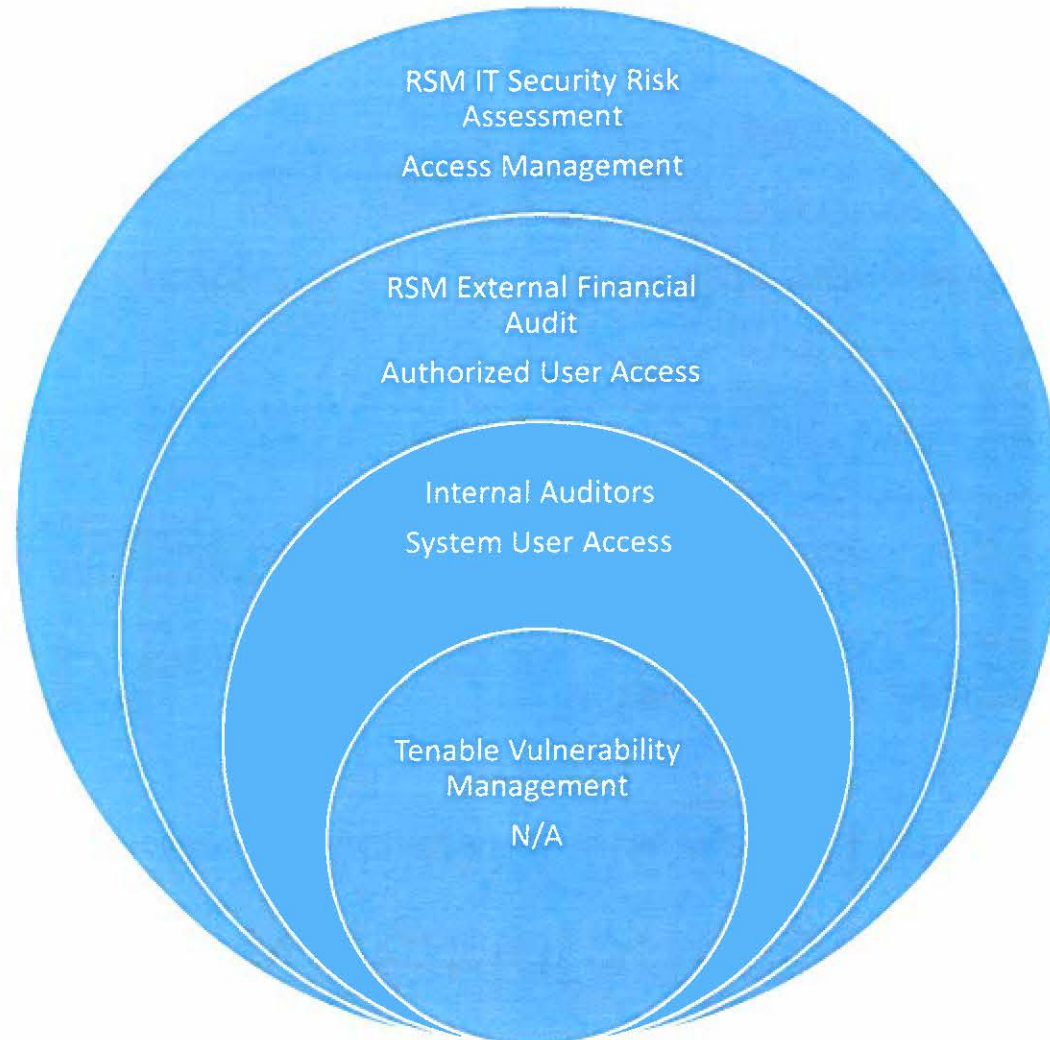


Valerie Shahrari
VP & General Counsel



Cindy Yarbrough
Chief Information Officer

Example of Comparable Audit Findings



Correlation Between Information Technology (IT) Audits and Assessments

RSM External Financial Audit

- Financial audits sometimes require part of the systems that produce or store financial data are also audited.
- This portion is generally an IT audit and would cover topics such as change management, physical and logical access controls, continuity of systems and incident management.
- Results in management response

Crowe Healthcare Internal Audits

- 2018 Completed Audits:
 - System Access Management
 - Meaningful Use
 - Medical Device Security
- Results in a management initiative plan

IT Security Risk Assessment

- Performed annually for MU attestation
- HCD environment measured based on ability to identify, protect, detect, respond and recover from a cyber-threat
- Existing controls and vulnerabilities identified
- Overall control effectiveness determined
- Results in internal action plan and monthly security action plan review with IT, Compliance and RSM

IT Tenable Vulnerability Management

- Provides summary view of critical vulnerabilities and risk exposure
- Results in internal vulnerabilities remediation plan

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**

1. Item Description: Audit Plan 2018-2019 Status Update and Follow-up of Management Action Plan Items for Completed Audits

2. Summary:

This agenda item provides the Audit Plan 2018-2019 Status Update and Follow-up of Management Action Plan Items for Completed Audits.

3. Substantive Analysis:


Since the 1/29/19 Committee meeting, 4 audits have been completed. The FY 2018-2019 Audit Plan includes 12 audits. Crowe has completed 11 audits. There is 1 audit in the reporting phase.

Internal controls are strengthened when action plans for issues are implemented. Crowe discusses all issues with process owners during the course of each project. Management is responsible for formulating corresponding action plans to correct identified internal control deficiencies. Crowe validates resolution of issues by testing completion of action plans with Management on a monthly basis through our follow-up process. It is Management's responsibility to continue to maintain the controls necessary to mitigate risk. Additionally, Crowe reports the status of outstanding issues to Management, bimonthly.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**

5. Reviewed/Approved by Committee or Subsidiary Board:

Finance and Audit Committee

Committee or Board

March 26, 2019

Date Reviewed


6. Recommendation:

Staff recommends that the Finance & Audit Committee review the Audit Plan 2018-2019 Status Update and Follow-up of Management Action Plan Items for Completed Audits and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn L. Richards
VP & Chief Financial Officer

Health Care District of Palm Beach County
 Audit Plan 2018-2019 Status Update

	Entity	Category	Quarter	Proposed Audit	Scope	Source	Status	Issues by Impact Level			Audit Overview
								High	Medium	Low	
1	LMC	Operations	2	Gift Shop	FULL AUDIT	LMC Leadership	Complete	0	1	4	Assess operations of gift shop and relationship to LMC, including contracts, controls, donations.
2	Health Care District	IT	2	System Access Management	FULL AUDIT	Protiviti Risk Assessment, Crowe Horwath Top 20, RSM 2014, 2015, 2016	Complete	2	1	1	Without strong access management controls, operating systems and business and clinical applications may not be protected from unauthorized access or theft. Users should have access only to the information they need to perform their job functions, and access for users who have been terminated or transferred must be removed on a timely basis. Weak system access management controls may also affect the integrity of information generated from a system and the system may be vulnerable to loss or failure due to external or internal manipulation.
3	LMC, Healey, Clinics, Aeromed	RCM	2	Accounts Receivable Reserves	FULL AUDIT	RSM 2014, 2015	Complete	0	6	0	Controls over accounts receivables should be in place to account for patient and insurance receivables, contractual allowances, charity deductions and bad debt.
4	LMC, Clinics, Healey, Aeromedical, Trauma	RCM	3	Patient Access	FULL AUDIT	Protiviti Risk Assessment, Crowe Horwath Top 20	Complete	0	1	3	Effective controls over scheduling, registration and insurance verification prevent issues in billing and collections, patient and physician satisfaction and access to care.
5	Pharmacy, LMC	Clinical	3	340B Discount Program	PROJECT	Crowe Horwath Top 20, Senior Leadership	Complete	0	3	2	Savings and revenue from this program can significantly impact the bottom line. Having operations in place to validate compliance requires consistent attention. Risk is increased as the program is expanded to additional locations.
6	Clinics	Operations	3	Meaningful Use	PROJECT	CMS, Crowe Horwath Top 20	Complete	0	3	0	CMS has contracted with third parties to conduct MU audits of suspicious and random providers. Audits may be pre or post payment and have been field or desk audits. They can occur anytime in the six year period following attestation. Providers have been given as little as two weeks to respond. If found to be ineligible, payments will be recouped. Fraudulent attestations are subject to sanctions.
7	LMC, Clinics, Healey	IT	4	Medical Device Security	PROJECT	Protiviti Risk Assessment, Crowe Horwath Top 20	Complete	1	5	1	Assessment of patient devices that store patient information and procedures related to the management of these devices and the protection of PHI.
8	LMC, Clinics, Healey, Aeromedical, Pharmacy	RCM	4	Revenue Charge Capture	FULL AUDIT	Protiviti Risk Assessment, Crowe Horwath Top 20	Complete Pending Audit Committee Approval	0	0	0	Charge capture procedures need to support revenue recognition goals. Challenges may exist despite EHRs and ICD10. Concerns are accuracy and timeliness.
9	Health Care District	Operations	4	Third Party Vendor Management	FULL AUDIT	Protiviti Risk Assessment, Crowe Horwath Top 20	Complete Pending Audit Committee Approval	0	2	2	Healthcare systems continue to embrace the use of third party providers for a variety of crucial operational, clinical and technological functions, often with the objective of cost savings or efficiency gains. However, the use of third parties to provide core services is not without risk. Some of those risks include: failure to meet performance requirements as outlined in the contract, failure to meet financial terms in accordance with contract provisions, billing for services not provided and potential compliance risks.
10	Pharmacy, Primary Care Clinics, LMC, Healey	Clinical	Q12019	Medication Management and Drug Diversion	FULL AUDIT	Protiviti Risk Assessment, Crowe Horwath Top 20, OIG	Complete Pending Audit Committee Approval	0	1	4	Inadequate controls on medication management and controlled substances can have significant financial, compliance, patient care and reputational impacts. Pharmacists and care providers have a shared responsibility to help ensure the right patient, right medication, right dosage and right route in order to provide safe and effective care. Controls over ordering, dispensing, administering drugs, maintaining inventory and monitoring diversion are required to avoid patient care issues and compliance violations.
11	LMC, Clinics, Healey, Aeromedical	RCM	Q12019	Credit Balances	FULL AUDIT	Protiviti Risk Assessment	Reporting				Credit balances occur due to limitations in billing systems, errors in cash posting, incorrect insurance information, duplicate cash entries, incorrect coordination of benefits. Medicaid payment integrity reviews under RAC include credit balance audits. Federal and state law governs the timeliness of refunds due to patients.
12	Health Care District	Finance	Q12019	PTO	PROJECT	Senior Leadership	Complete Pending Audit Committee Approval	0	1	2	Consistency of PTO practices coordinated with contracted terms per employment agreements.
								3	24	19	

Health Care District of Palm Beach County
 Audit Plan 2018-2019 Status Update

Time Table By Calender Quarter

Crowe Resource	Q2	Q3	Q4	Q12019
IT	(2) System Access management	(6) Meaningful Use	(7) Medical Device Security	
Harry Torres	(3) Accounts Receivable Reserves (1) Special Project Gift Shop	(4) Patient Access	(9) Third party Vendor Management (8) Revenue Charge Capture	(11) Credit Balances (12) PTO
Pharmacy/ 340b specialist		(5) 340b Discount Program		(10) Med mgmt & Drug Diversion

Health Care District of Palm Beach County
 Follow-up of Management Action Plan Items for Completed Audits

OPEN ACTION PLANS									
AUDIT NAME	AUDIT PLAN REFERENCE	ISSUE NAME	ACTION PLAN NAME	ACTION PLAN SUMMARY	DUE DATE	REVISED DUE DATE	ACTION PLAN OWNERS	RISK RATING	
AR Allowance	2019 - 03	Aeromed Allowance Estimate Not Based On Sufficient Data	Revise Aeromed Allowance Calculation	The Aeromed department converted its patient accounting system in April 2018 from TriTech to Golden Hour. Due to system limitations in the old system, Management was unable to obtain sufficient data which includes substantial patient volume to estimate an adequate allowance percentage. Management will recalculate the reserve factor utilizing sufficient data covering at least six months of patient service activity in the Golden Hour system once this historical data is available and will review allowance percentages every six months following the initial calculation.	4/30/2019		Marcia Young	Moderate	
Controlled Substances	2019 -10	Pharmacy Record Keeping is Non-Compliant with DEA Requirements	DEA Filing System	Pharmacy Management will develop a DEA filing system ("DEA File") to maintain the following information, segregated by Schedule I, II and III through V's. <ul style="list-style-type: none"> • Unused and executed DEA 222 Forms will be secured and filed in chronological order (if DEA file is not secure, a placeholder to the location will be added) • Dated controlled substance invoices • Biennial inventories • DEA registrant license certification • Power of Attorney (POA) Forms used to delegate the ordering of Schedule II controlled substances • DEA 108 Forms for theft or loss of controlled substances (as applicable) • DEA 41 Forms for registrant record of controlled substances destroyed (as applicable) • Records of controlled substances transferred to another DEA registrant (as applicable) • Expired controlled substance records • Provider prescriptions (or placeholder to location) • Signed Schedule II CSOS subscriber agreement 	6/1/2019		Hyla Fritsch	Low	
			Checklist Process	Develop a checklist process to monitor the DEA File by validating all controlled substance records are current, complete and include all records for a closed loop system.	6/1/2019		Hyla Fritsch	Low	
Controlled Substances	2019 -10	Inventory Not Recorded in Finished Form	Inventory Recorded in Finished Form	The Pharmacy Procedures Manual will be revised to include the "finished form" requirement and the inventory count sheets will be revised to include the "finished form" format. Management provided staff with training and also revised written procedures to record inventory counts in finished form. Additionally, Pharmacy Management will provide education to pharmacy staff to record inventory counts in finished form. The next annual inventory is scheduled for September 30, 2019.	10/1/2019		Hyla Fritsch	Low	
Medical Device Security Assessment	2019 - 07	Medical Device Roles and Responsibilities Not Formalized	Assess Medical Device threats, risks, and controls	The Director of Operations will update the existing Medical Equipment Management plan to include roles and responsibilities from all departments that touch medical devices including IT, Clinical Engineering, Procurement, and Clinical Departments.	3/29/2019		Dennis Dzurovski	Moderate	
Medical Device Security Assessment	2019 - 07	Medical Device Inventory Adjustments are Not Reported to HCDPBC Management	Update Existing Medical Equipment Management Plan	HCDPBC management will request Crothall Healthcare to provide quarterly medical device inventory adjustments.	3/29/2019		Dennis Dzurovski	Low	
Medical Device Security Assessment	2019 - 07	IT and Clinical Engineering Do Not Have Oversight Over Biomedical Device Purchases	Track Medical Device Security-Related Attributes	HCDPBC management will require all connected medical device purchases to be analyzed and approved by the IT Department. This control will be formalized through a policy/procedure update.	3/29/2019		Dennis Dzurovski	Moderate	
Medical Device Security Assessment	2019 - 07	Security-Related Medical Device Attributes Are Not Maintained	Establish Medical Device Network Segment	IT Management will define security-related medical device attributes to track and maintain on a centralized inventory of connected medical devices through input from IT security review forms and a complete review and documentation of existing connected medical devices.	10/31/2019		Cindy Yarbrough	Moderate	
Medical Device Security Assessment	2019 - 07	IT Risk Assessment did not Include Medical Devices	Establish Medical Device Governance Committee	IT Management will direct with the external vendor who completes the FY2019 IT Risk Assessment to include medical device threats, risks, and controls.	11/30/2019		Cindy Yarbrough	Moderate	
Medical Device Security Assessment	2019 - 07	Medical Devices are Not on a Separate Network Segment	Provide Quarterly Reporting	IT Management has contracted with CDW Government, Inc. to transform the HCDPBC network from a legacy flat design to a segmented design. The project will include a separate segment to place medical devices.	3/31/2020		Cindy Yarbrough	High	
Patient Access - Front End Processes and Controls	2019 - 04	The Clinics and Healey Lack A Quality Assurance Process to Improve Patient Access Activities	Procedures to Enhance Quality Assurance at Healey	Management will develop a checklist to include in the Quality Assurance Improvement audit. The checklist will assure that all critical admission processes were performed and that key forms and documents in the resident file were reviewed, signed and properly stored. The audit will be conducted every six months.	3/29/2019		Shelly-Ann Lau	Low	

Health Care District of Palm Beach County

Follow-up of Management Action Plan Items for Completed Audits

Patient Access - Front End Processes and Controls	2019 - 04	No Monitoring of Point of Service Collections at Clinics	Implement Reporting Tools and Procedures to Monitor Collection at Point of Service	Some services offered by the Clinics, such as adult immunizations, are optional and require payment prior to the service being provided. Management will develop appropriate reporting tools from Athena and implement procedures to monitor collection activities and evaluate the performance of each clinic collection representative and compare actual collections to expected collections at the point of service. Additionally, management will review current procedures around collection activities at the point of service and implement enhancements to the process. Improvements will be made around the collection scripting provided to front-end personnel and reports that communicate staff performance at the point of service, in conjunction with practice managers, collection representatives and front-line coordinators.	3/31/2019	Terry Megiveron	Low
Patient Access - Front End Processes and Controls	2019 - 04	Vendor Contract Lacks Performance Metrics	Monitor Effectiveness of Patient Certification Services	The service agreement was effective October 2018. The medical services provided to patients who are qualified are not billable and LMC can only benefit from the patient's eligibility if they return for future service. Management will need sufficient data to analyze and develop appropriate goals and benchmarks. Once sufficient historical data is established management will analyze how many patients have been qualified on a monthly basis and how many have returned for medical service and implement relevant KPI's/ metrics to assess the overall benefit and effectiveness of the QMB certification program. The established metrics will be reviewed quarterly.	6/30/2019	Tabatha McCallister	Low
PTO Benefits	2019 - 12	PTO Accrued at Higher Rates due to Exceeding 80 Regular Hours	Educate Department Managers	The Payroll Manager will educate department managers regarding the importance of making certain that employees do not exceed 80 regular hours. This education will be incorporated into the quarterly education session.	3/31/2019	Sabrina Thornton	Moderate
			Build a Rule into Kronos	The Payroll Manager will build a rule into the Kronos system which will comply with the PTO policy of employees not exceeding 40 regular hours per week.	3/31/2019	Sabrina Thornton	Moderate
PTO Benefits	2019 - 12	PTO Accrued at Higher Rates Due to Incorrect Leave Anniversary Codes	Correct Leave Anniversary Code Errors	The Human Resources Assistant will correct the Leave Anniversary Code for the employees in the Finance Plus system so that PTO can accrue correctly going forward. The Human Resource Manager and Director will advise the employees affected by this change.	3/31/2019	Rosella Weymer	Low
			Monitor Leave Anniversary Codes	The Payroll Manager will monitor Leave Anniversary Codes on a periodic basis to determine if correct based on years of service.	3/31/2019	Sabrina Thornton	Low
			Educate Human Resources Staff	The Payroll Manager will educate Human Resources staff regarding inclusion of the correct Leave Anniversary Code for all rehired employees that is based on their rehire date.	3/31/2019	Sabrina Thornton	Low
			Implement a Written Policy & Procedure	The Payroll Manager will update existing procedure to include information for correctly establishing rehired employees in the Finance Plus system. This includes inclusion of the correct Leave Anniversary Date and Leave Anniversary Code based on their rehire date. The updated written procedure will be shared with Human Resources management.	3/31/2019	Sabrina Thornton	Low
PTO Benefits	2019 - 12	PTO Hours Granted as an Award Entered Using Incorrect Process	Educate Human Resources Management	Human Resources management will oversee that education is provided on the correct process for awarding PTO hours. Specifically, the education will include that all PTO hours granted as awards should be routed to the Payroll Department for entry into the Finance Plus system.	3/31/2019	Steven Hurwitz	Low
			Monitor PTO Hours Added	The Payroll Manager will monitor PTO hours manually added in the Finance Plus system to determine if hours have been manually added and if the correct process for doing so has been followed.	3/31/2019	Sabrina Thornton	Low
Third Party Vendor Management	2019 - 09	Pre-paid Service Fees Not Supported by Agreement	Obtain a Possible Addendum to Agreement	<ul style="list-style-type: none"> Management will reach out to vendor and determine if a refund can be obtained under the agreement or if an addendum can be negotiated to account for future service credits as refundable to the District. Discussions will also include input from the District's Finance and Legal departments. Management will work with the Legal department to develop a standard template which defines the specific payment terms under the agreement and include in contracts going forward. Management will reinforce procedures to compare invoices received to the contract terms prior to submitting for payment. 	3/31/2019	Terry Megiveron	Low
Third Party Vendor Management	2019 - 09	Security Officer Contract Performance Not Formally Monitored to Address Service Level Issues at Lakeside Medical Center (LMC)	Work with Service Provider to Resolve Service Related Issues and Implement Tools to Monitor Performance at LMC	<p>Management is discussing the service related issues identified with appropriate management over the Security Officer service agreement and will implement appropriate corrective actions.</p> <p>Management will implement a formalized performance monitoring process which will include tools and procedures to address G4S compliance with contract requirements and provide effective oversight over the contract. Such tools will include verification of licensing requirements, notification of changes to vendor's key personnel, unsatisfactory personnel, minimum hiring standards, training expectations, scheduled and unscheduled inspections, reconciliation of service hours billed, communication of incident reports and resolving performance issues in a timely manner. Management will also apply action plan items to other business units serviced by G4S.</p>	4/30/2019	Stephanie Dardanello, Dennis Dzurowski	Moderate

Health Care District of Palm Beach County

Follow-up of Management Action Plan Items for Completed Audits

Third Party Vendor Management	2019 - 09	Improve Performance Management Procedures for LMC Cafeteria Services	Develop Tools and Formal Procedures to Adequately Monitor and Management Performance of Cafeteria Services Provider at LMC	<p>Management will implement tools and procedures to facilitate contract performance monitoring. In accordance with quality monitoring and process improvement goals included in the contract, LMC will develop a patient/customer satisfaction tool to survey patient/customer satisfaction with cafeteria services. Additionally, LMC will survey Nutrition Services staff semi-annually to gauge strengths and weaknesses of the department and management. The results of these surveys will be included in the annual business plan. Management will also make sure that the annual business plan details all of the elements provided in the contract requirements, such as Goals and Objectives to be attained over the following operational year.</p> <p>Additionally, management will require contractor to provide a monthly operational report that details all the relevant topics noted in the contract terms. Finally, Management will work with appropriate contractor personnel to develop a Quarterly Business Review packet that provides management appropriate insight to analyze financial results and operations of the cafeteria services provided by the vendor. The information in the Quarterly Business Review should include sufficient level detail to allow management to observe and follow up on significant trends and/or variances. Management will meet with vendor quarterly to discuss performance issues and any necessary corrective actions.</p>	4/30/2019	Stephanie Dardanello	Moderate
Third Party Vendor Management	2019 - 09	Establish Procedures Around Vendor Performance Monitoring	Develop District-wide Procedures and Guidelines Over Vendor Performance Monitoring and Management	<p>Vendor performance monitoring and management procedures consists of a Vendor Risk Assessment, Vendor Due Diligence, Vendor Contract Management and Vendor Supervision. Management will develop a Vendor Risk Rating Matrix to assign a Vendor Risk Rating of Low, Medium or High Risk which is managed by an assigned contract supervisor for each department. Exceptions to the assigned risk rating may be granted as noted by the Risk Rating Matrix.</p> <p>The Rating is an indicator of the level of due diligence the organization requires for each vendor. Risk assessments will be reviewed as part of contract renewal or anytime its scope changes significantly. Medium and high-risk vendor contracts, including renewals, will be executed by the business unit senior leader or above. The assigned contract supervisor will complete the vendor risk analysis, vendor due diligence review, maintain vendor files and act as vendor liaison.</p>	4/30/2019	Dawn Richards	Low

ACTION PLANS COMPLETED SINCE THE LAST AUDIT COMMITTEE MEETING ON 1/29/19:

AUDIT NAME	AUDIT PLAN REFERENCE	ISSUE NAME	ACTION PLAN NAME	ACTION PLAN SUMMARY	DUE DATE	REVISED DUE DATE	ACTION PLAN OWNERS	FOLLOW-UP COMMENTS	
340B Discount Program	2019 - 05	Policies and Procedures written direction to align organization behavior with objectives was missing or inadequate	Formal written direction to align organization behavior with objectives was missing or inadequate	Maintain and monitor compliance with 340B program requirements.	Management updated its policies with enhancements noted in order to convey accurate operations of the 340B program	12/31/2018	2/28/2018	Hyla Fritsch	Complete
AR Allowance	2019 - 03	Gaps Exist in the Written Procedures Over Allowance Calculations	Procedures Are Currently Being Updated	Management updated its written procedures. Each business unit operates differently and provides distinct services. Written procedures are consistent across business units and reflect the operating environment of each entity.	11/30/2018	2/28/2019	Dawn Richards	Complete	
				Management revised existing procedures and included the necessary components and provisions related to the allowance process.					
Controlled Substances	2019 - 10	Pharmacy Record Keeping is Non-Compliant with DEA Requirements	Return Invalid DEA Forms to DEA	Pharmacy Management returned the invalid DEA 222 Forms to the local DEA field office.	3/1/2019		Hyla Fritsch	Complete	
Controlled Substances	2019 - 10	Controlled Substances Not Secured	Training on Securing Controlled Substances	Pharmacy Management provided additional training and developed a quality review process to review proper security of all controlled substances	3/1/2019		Hyla Fritsch	Complete	
				Coaching was provided to individuals on the importance of securing controlled substances at all time.					
				The expired controlled substances that were left unsecured were locked up in a secured drawer or cabinet.					
Controlled Substances	2019 - 10	Two Perpetual Inventory Management Systems Utilized	Eliminate the Manual Inventory System	Pharmacy Management eliminated the manual perpetual inventory system and solely uses the electronic McKesson inventory management system.	3/1/2019		Hyla Fritsch	Complete	
Controlled Substances	2019 - 10	Controlled Substance Inventory Management Lacked Effective Diversion Controls	Reconciliation of Cardinal Summary Report	Management developed a monthly process for reconcile controlled substance purchases (Cardinal summary report) to controlled substances stocked into McKesson inventory. The reconciliations are signed off demonstrating performance of the reconciliation and maintained on file for internal quality assurance reviews.	4/1/2019		Hyla Fritsch	Complete	
			Reconciliation Between McKesson Inventory and Reverse Distributor Report.	The clinic pharmacies developed a reconciliation process requiring a reconciliation between the inventory adjustments recorded in McKesson to the reports provided by the reverse distributor when they pick up expired controlled substance inventory.	4/1/2019		Hyla Fritsch	Complete	

Health Care District of Palm Beach County

Follow-up of Management Action Plan Items for Completed Audits

			New Formal Procedures Will Be Implemented	Management developed a formal written procedure requiring a reconciliation between McKesson inventory adjustments and the reverse distributor reports.	4/1/2019		Hyla Fritsch	Complete
Gift Shop	2019 - 01	Business Liability Insurance for Gift Shop Could Not Be Confirmed	Business Insurance Coverage	Employee training was conducted and a quality assurance review process were established to validate the procedures are being followed. Discussion was held with key Auxiliary personnel. They are aware that the gift shop and its personnel are not covered under the District's insurance policy. The District will be providing the Auxiliary Management Team with a sub-lease agreement that will contain standard insurance provisions.	10/31/2018	2/28/2019	Stephanie Dardanello	Will Not Be Implemented
				NOTE: Not Applicable - The District is implementing an in-house gift shop strategy				
Gift Shop	2019 - 01	The Medical Center Lacks a Formal Contract/Lease Agreement and Policies With the Auxiliary	Provide Formal Lease Agreement	Key Auxiliary personnel have asked for a proposed lease agreement. The sub-lease agreement will be presented to the Auxiliary and finalized accordingly.	10/31/2018	2/28/2019	Stephanie Dardanello	Will Not Be Implemented
				NOTE: Not Applicable - The District is implementing an in-house gift shop strategy				
Gift Shop	2019 - 01	Auxiliary May Not Be In Compliance with IRS Reporting Requirements	Auxiliary Consulting with Professionals	Discussion held with key Auxiliary personnel. They understand the findings and are currently in discussions with an Accountant to file the necessary returns and comply with IRS regulations and federal laws.	12/31/2018	2/28/2019	Stephanie Dardanello	Will Not Be Implemented
				NOTE: Not Applicable - The District is implementing an in-house gift shop strategy				
Patient Access - Front End Processes and Controls	2019 - 04	The Clinics and Healey Lack A Quality Assurance Process to Improve Patient Access Activities	Procedures to Enhance Quality Assurance at Clinics	Management hired a full-time equivalent in late December to support the front office operations for the Clinics. Management implemented procedures to monitor the quality and effectiveness of front-end patient access activities. to include key patient registration components needed to assure that necessary information, forms and signatures for each encounter are captured.	2/28/2019		Terry Megiveron and Marica Young	Complete

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**

1. Item Description: Audit Plan 2019-2020 Status Update.

2. Summary:

This agenda item provides the Audit Plan 2019-2020 Status Update.

3. Substantive Analysis:

Since the 1/29/19 Committee meeting. The FY 2019-2020 Audit Plan includes 12 audits. There are 2 audits in fieldwork phase and 1 in the planning stage. 9 audits have not started.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

Finance and Audit Committee

Committee or Board

March 26, 2019

Date Reviewed

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**


6. Recommendation:

Staff recommends that the Finance & Audit Committee review the Audit Plan 2019-2020 Status Update and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn L. Richards
VP & Chief Financial Officer

Health Care District of Palm Beach County
 Audit Plan 2019-2020 Status Update

	Entity	Category	Quarter	Proposed Audit	Scope	Source	Status	Audit Overview
1	Aeromedical	Finance & Revenue Cycle	2	Billing and Collections (Golden Hour)	FULL AUDIT	Crowe Risk Assessment	Fieldwork	Given that processes and systems in place are manual, and services have been recently contracted to a third party vendor, an external assessment can address control gaps that might exist and consideration of leading practices provided.
2	District	Finance & Revenue Cycle	2	Procurement Controls	FULL AUDIT	Crowe Risk Assessment	Planning	Adequate control activities around vendor set-up, purchase authorizations, supply chain management and accounts payable can prevent financial issues for the District.
3	Clinics	Operations	2	Construction Build Out	FULL AUDIT	Crowe Risk Assessment	Fieldwork	Construction projects can create risks of overpayments and delays. The primary care build out at LMC has experienced changes to scope and opportunities to enhance processes can help the District achieve organizational objectives.
4	Clinics	Finance & Revenue Cycle	3	Billing and Collections (Athena)	FULL AUDIT	Crowe Risk Assessment	Not Started	Given that processes and systems in place are manual, and services have been recently contracted to a third party vendor, control gaps might exist which could be addressed through an external review and consideration of leading practices.
5	Clinics	Operations	3	Mobile Van Operations and Processes	FULL AUDIT	Crowe Risk Assessment	Not Started	Adequate control activities are important to facilitate the eligibility, patient setup, data collection activities and downstream processes which support the overall effectiveness of the Mobile Van program. Risks areas to consider around this operation include proper storage of medication, vehicle downtime parking and security.
6	District	Human Resources	3	Employee Classification	PROJECT	Crowe Risk Assessment	Not Started	Adequate processes related to employees vs. contractors classification can prevent penalties and fines. Also, appropriate oversight of contractors can mitigate other risks for the District.
7	Aeromedical, LMC, Clinics	Finance & Revenue Cycle	4	Denials Management	FULL AUDIT	Crowe Risk Assessment	Not Started	To prevent negative financial impacts to the organization, adequate control activities over denials management should be in place. These controls and processes can also mitigate compliance issues and perpetual billing and collecting issues.
8	Clinics	Clinical	4	Quality Incentives and Improvement Reporting	FULL AUDIT	Crowe Risk Assessment	Not Started	Adequate control activities over the collection and aggregation of data from the individual clinics for reporting and performance improvement process can mitigate risks to deficient quality reporting and can enhance incentive opportunities. Quality metrics used can be compared to leading practices and potential gaps identified.
9	District	Compliance	4	Compliance Effectiveness Assessment	PROJECT	Crowe Risk Assessment	Not Started	A compliance program assessment conducted by an independent source was last done in 2017. A compliance program assessment would assess the effectiveness of the compliance program across the organization in consideration of the 7 elements of an appropriate compliance program and consideration of the federal sentencing guidelines.
10	Clinics	Finance & Revenue Cycle	Q1 2020	Medicaid Wrap Process	PROJECT	Senior Leadership	Not Started	Given the complexities of the Medicaid Wrap filing, completeness of the data set being incorrect could subject the District to incorrect filing and receipts.

Health Care District of Palm Beach County
 Audit Plan 2019-2020 Status Update

11	LMC	Operations	Q1 2020	Drug Diversion	FULL AUDIT	Crowe Risk Assessment	Not Started	Appropriate controls over medication management and controlled substances can mitigate significant financial, compliance, patient care, and reputational impacts. Controls over ordering, dispensing, administering drugs, maintaining inventory and monitoring diversion are required to avoid patient care issues and compliance violations.
12	Clinics	Clinical	Q1 2020	Payer Quality Incentive Bonuses	PROJECT	Senior Leadership	Not Started	Payer quality reporting controls should support incentive bonuses received are accurate and represents the full amount allowable.

Time Table By Calendar Quarter

Crowe Resource	Q2	Q3	Q4	Q1 2020
Certified Construction Auditor (CCA)	(1) Construction Build Out			
Harry Torres	(2) Billing and Collections (Aeromed) (3) Procurement Controls	(4) Billing and Collections (Clinics) (5) Mobile Van Operations (6) Employee Classification	(7) Denials Management	(10) Medicaid Wrap Process
Clinical Specialist			(8) Clinical Quality	
Pharmacy Specialist				(11) Drug Diversion
Compliance Specialist			(9) Compliance Effectiveness Assessment	(12) Payer Quality Incentive Bonuses

Health Care District of Palm Beach County
 Revenue Charge Capture Controls Assessment
 Summary of Processes and Key Controls in Place

Business Unit/Department	Key Controls
<p>Aeromedical</p>	<p>PROCESS: Completed transportation events are captured in the Aeromedical medic and pilot systems daily. Aeromedical personnel manually enter the flight information, mileage and patient demographic data in each system into an Excel file daily.</p> <p>CONTROL-1: Flight information captured daily is compared to the information entered into the Golden Hour system, they system provided by the Aeromedical billing and collections vendor. Discrepancies in any of the systems are addressed and resolved prior to final billing.</p> <p>CONTROL-2: Monthly reports, with total transports, provided by Golden Hour are reconciled to the running total of completed flights each month.</p>
<p>Healey Rehab Center</p>	<p>PROCESS: The charge capture process at Healey primarily consists of:</p> <p>Room and Board - Charges are captured through a daily resident census and midnight headcount.</p> <p>Physical Therapy – Charges are captured daily from the services scheduled through the Physical Therapy department's portal and billed monthly after charges are transferred to Matrixcare, the Resident Management System.</p> <p>Ancillary Services - Charges are captured through service logs, which are provided to the Billing Office Manager for review and entry into the Matrixcare system.</p> <p>Pharmacy Drugs, Clinical Laboratory and Radiology - These charges are captured when an invoice is received from the service provider.</p> <p>CONTROL-1: The Billing Office Manager reviews the Census Reports daily for accuracy/completeness or room and board charges.</p> <p>CONTROL-2: The Billing Office Manager reviews physical therapy charges monthly for missing codes/charges.</p> <p>CONTROL-3: The Billing Office Manager reviews the monthly service log for ancillary service charges to validate residents have authorized the services, prior to entering into Matrix. Any issues or discrepancies noted are researched and resolved prior to billing.</p> <p>CONTROL-4: The Billing Office Manager reviews the invoices for outside services provided to residents when received, validating that treatment/services are included in the resident's medical records.</p>

Business Unit/Department	Key Controls
Primary Care Clinics (Medical and Dental)	<p>PROCESS: Patient service charges at the Clinics (Medical and Dental) are captured through the Patient Management Systems Athena and Dentrix. These systems provide visibility into missing charges or inaccuracies through error reports, system alerts and dashboards.</p> <p>CONTROL-1: The EHRs, Athena and Dentrix, are configured to automatically capture service charges and supplies for procedures at the Clinics (Medical and Dental).- IT Automated System Control</p> <p>CONTROL-2: Clinic providers review patient charts in Athena and Dentrix for completeness and accuracy prior to dropping charges for billing.</p> <p>CONTROL-3: The Clinic's Patient Financial Counselor reviews charges daily and compares to the provider's notes to identify errors in the charges dropped in Dentrix.</p> <p>CONTROL-4: Coders review charges daily and compare to the provider's notes to identify errors in the charges dropped for billing, and work with providers to resolve issues around charge capture prior to billing.</p>
LMC (Surgery)	<p>PROCESS: Surgeries are scheduled through the hospital's EHR Perioperative Information Management System (PIMS). Once the schedule is complete, a Preference Card is generated. The Preference Cards define the list of equipment, instruments, supplies and implants for each surgical procedure. Nurses are able to correct or resolve any issues with the charges entered and reviewed prior to bill drop.</p> <p>CONTROL-1: The EHR is configured to automatically capture service charges and supplies for most procedures. - IT Automated System Control</p> <p>CONTROL-2: For scheduled surgeries, the nurse reviews that supplies noted for the procedure are accurate or added to the patient's chart, if missing.</p> <p>CONTROL-3: At the end of each surgical case the nurse will confirm all supplies/implants used with the Surgical Tech and confirm they are included in the Preference Card for accurate billing and also verify that charges agree to clinical documentation.</p> <p>CONTROL-4: Twice per week, the Surgery Nurse Manager pulls the Surgery Log report of recently completed surgeries and reviews it to make sure charge activity is complete and accurate and agrees to charge sheets, prior to submitting to billing.</p>
LMC (Emergency Department)	<p>PROCESS: Most patient charges from the Emergency Department (ED) are automatically captured through its Emergency Department Information System (EDIS). Charges not captured automatically are added manually after nurse reviews system edit reports and patient charts.</p>

Business Unit/Department	Key Controls
	<p>CONTROL-1: The Emergency Department's EHR is configured to automatically capture charges for most procedures. - IT Automated System Control</p> <p>CONTROL-2: Daily, staff queries the EDIS to validate that daily charges captured agrees with completed Emergency Room visits recorded by the Admitting department.</p> <p>CONTROL-3: Nurse management review daily alert reports for missing charges and supplies, which includes review of physician charts and nursing documentation to validate all chargeable procedures and supplies are included.</p> <p>CONTROL-4: Patient Access personnel reconcile the accommodation status code in MedHost to the Physician order for patients admitted as in-patient through the Emergency Department and apply the appropriate charges.</p> <p>CONTROL-5: The hospital coder reviews the patient medical record and procedures charged for accuracy and completeness and can capture missing charges if any are noted.</p>
<p>LMC (Clinical Laboratory)</p>	<p>PROCESS: Laboratory orders are received from hospital physicians through the Laboratory Information System (LIS), a subsystem of the Medical Center's MedHost EHR system. When orders are completed and results verified, the charges are automatically dropped for billing in MedHost.</p> <p>CONTROL-1: The Laboratory's EHR is configured to automatically capture service charges for completed laboratory tests.- IT Automated System Control</p> <p>CONTROL-2: Lab Technicians and Supervisors review system work lists to confirm orders from prior day were completed and verify no open lab orders have been missed and that all charges are captured.</p> <p>CONTROL-3: The Laboratory Manager also performs a bi-weekly quality assurance review of all orders to verify charges are accurate and results agree with patient records.</p>
<p>LMC (Radiology)</p>	<p>PROCESS: Radiology orders are entered through MedHost. Radiology Staff prints out the order and manually enters it into MedQ an enterprise radiology information systems. The Radiology Technologist completes the procedure and matches the image to the order before providing to Radiologist to dictate results.</p> <p>CONTROL-1: Technologist reviews the order received and matches to physician prescription to validate diagnosis is appropriate for the order.</p>

Business Unit/Department	Key Controls
	<p>CONTROL-2: Director of Radiology and/or Radiology Manager review charges daily to compare the finalized orders in MedHost to the stored images and provider notes, to validate charges are complete and accurate. Charges for supplies are embedded into the procedure charge for this department.</p>
<p>LMC (Central Supply)</p>	<p>PROCESS: LMC's Materials Management group processes all supply requests for use in the hospital and also manages the request for new supply items to be added to the Charge Description Master (CDM). Supplies are received at the receiving warehouse and then transferred to a stock room for the respective hospital departments to use. Chargeable supplies are included in the patient charges when medical procedures are performed and can only be charged based on a physician order.</p> <p>CONTROL: The Change Master Request Form requires approval from the requesting Department Manager, Purchasing Supervisor, Revenue Cycle Manager and Charge Master Coordinator before updating the CDM with a charge master code for new supply items.</p>
<p>LMC (General)</p>	<p>PROCESS: The Admitting department captures Inpatient room and board charges daily. The "head in bed" service code per the census report is compared to the patient's Hospital Service Code in MedHost. When the codes are matched, the appropriate charge is captured. LMC has a (3)-day bill hold policy. Charges posted to patient accounts after the 3-day bill hold are considered late charges.</p> <p>CONTROL-1: The Admitting department performs a reconciliation of room and board charges to daily census for LMC in-patients, by comparing the "head in bed" service code per the census report to the patient's Hospital Service Code in MedHost.</p> <p>CONTROL-2: The Finance department reviews the reconciliation performed by Admissions and any discrepancies noted to patient charges are addressed and resolved in MedHost.</p> <p>CONTROL-3: To support the identification and communication of late charges, the Billing Office reviews the bill hold reports at LMC, Coders and Practice Managers identify clinical encounters not closed by the providers at Clinics.</p>

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Description: 2018 Health Care District Audit

2. Summary:

The 2018 Health Care District audited Comprehensive Annual Financial Report (CAFR) is being provided for Finance and Audit Committee review.

3. Substantive Analysis:

The District's external auditor, RSM US LLP, completed the audit procedures for fiscal year ended September 30, 2018. The opinion provides the assurance that the financial statements are presented fairly, with no material misstatements.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee:

N/A

Committee Name

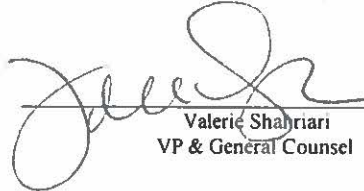
Date Reviewed/Approved

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

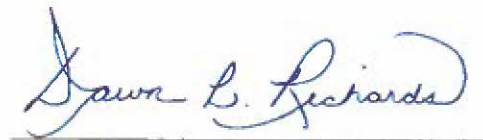
6. Recommendation:

Staff recommends that the Finance and Audit Committee review the 2018 Health Care District audited Comprehensive Annual Financial Report (CAFR) and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn Richards
VP & Chief Financial Officer

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Description: 2018 Healthy Palm Beaches, Inc. Audit

2. Summary:

The 2018 Healthy Palm Beaches, Inc. audited statutory financial report is being provided for Finance and Audit Committee review.

3. Substantive Analysis:

The District's external auditor, RSM US LLP, completed the audit procedures for fiscal year ended December 31, 2018. The opinion provides the assurance that the financial statements are presented fairly, with no material misstatements.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee:

N/A

Committee Name

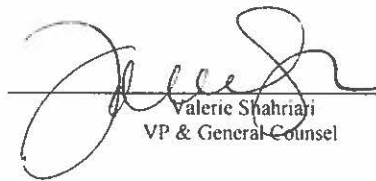
Date Reviewed/Approved

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

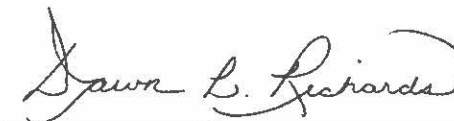
6. Recommendation:

Staff recommends that the Finance and Audit Committee review the 2018 Healthy Palm Beaches, Inc. audited statutory financial report and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn Richards
VP & Chief Financial Officer

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Description: 2018 Good Health Foundation, Inc. Audit

2. Summary:

The 2018 Good Health Foundation, Inc. audited financial report is being provided for Finance and Audit Committee review.

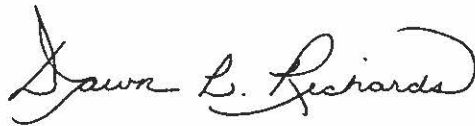
3. Substantive Analysis:

The District's external auditor, RSM US LLP, completed the audit procedures for fiscal year ended September 30, 2018. The opinion provides the assurance that the financial statements are presented fairly, with no material misstatements.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee:

N/A

Committee Name

Date Reviewed/Approved

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**


6. Recommendation:

Staff recommends that the Finance and Audit Committee review the 2018 Good Health Foundation, Inc. audited financial report and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn Richards
VP & Chief Financial Officer

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Description: 2018 District Clinic Holdings, Inc. Audit

2. Summary:

The 2018 District Clinic Holdings, Inc. audited financial report is being provided for Finance and Audit Committee review.

3. Substantive Analysis:

The District's external auditor, RSM US LLP, completed the audit procedures for fiscal year ended September 30, 2018. The opinion provides the assurance that the financial statements are presented fairly, with no material misstatements.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget	
Capital Requirements	N/A	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee:

N/A

Committee Name

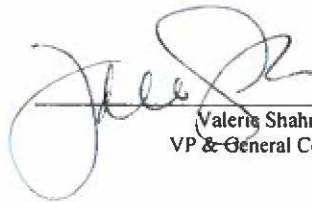
Date Reviewed/Approved

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

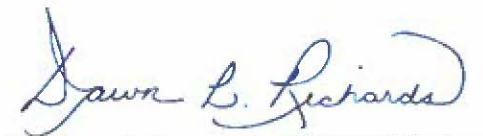
6. Recommendation:

Staff recommends that the Finance and Audit Committee review the 2018 District Clinic Holdings, Inc. audited financial report and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn Richards
VP & Chief Financial Officer

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Item Description: Good Health Foundation Board Appointment.

2. Summary:

This agenda item presents the Finance and Audit Committee with an update on the Good Health Foundation and rationale for the appointment of the members of the Finance and Audit Committee to the Good Health Foundation Board.

3. Substantive Analysis:

The Good Health Foundation, Inc. is a nonprofit corporation organized and operated under the laws of the State of Florida to provide philanthropic resources for the Health Care District of Palm Beach County, Florida (the District). The Foundation is a component unit of the District.

The Foundation's original purpose was to support activities related to Trauma Services and later changed to provide financial support for the construction of a new hospital and medical campus in western Palm Beach County, Florida and thereafter to support the ongoing activities of the new hospital and related health care system. Today, the Foundation's mission is to advance the health of residents and visitors in Palm Beach County through access to local quality health care.

Currently, the Foundation maintains donations designated to support activities at Lakeside Medical Center and is in the early stages of receiving funds for the new Employee Assistance Fund. The Employee Assistance Fund was designed to assist employees who may have experienced a hardship to have access to emergency funds. Employees must meet the eligibility requirements and funds are approved by a designated committee, and distributed through HR and Accounts Payable.

As the purpose of the Foundation has evolved, synergies were recognized between the Finance and Audit Committee and the Foundation. Each year the Good Health Foundation, Inc. Financial Statements are brought to the Finance and Audit Committee for review. Any funding initiatives for the District that will involve the use of existing Foundation funding will also be reviewed by the Finance and Audit Committee.

Additionally, many grant opportunities require a foundation to serve as the applicant, though the services are ultimately provided by the appropriate District business unit. For example, the recent grant from the Quantum Foundation for the Mobile Health Clinic required the use of the Good Health Foundation for submission and receipt of funding. This pass through nature of these grants will ultimately be reviewed by the

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

Finance and Audit Committee as part of the Committee’s responsibilities for budget and financial review.

As a result, the Good Health Foundation Board has approved Bylaw changes for the Foundation such that the members of the Foundation Board shall always be the same as the members of the District’s Finance and Audit Committee.

For reference, attached to this agenda item are copies of the Amended Bylaws of the Good Health Foundation.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

N/A

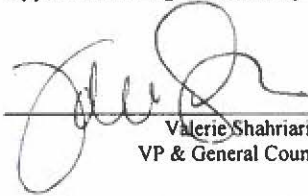
Committee or Board
Date Reviewed

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

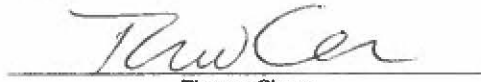
6. Recommendation:

Staff recommends that the Finance and Audit Committee receive and file the Good Health Foundation Board Appointment.

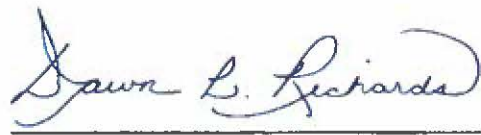
Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Thomas Cleare
Vice President of Strategy



Dawn L. Richards
VP & Chief Financial Officer

Amended Bylaws
of
Good Health Foundation, Inc.

Amended Bylaws
of
Good Health Foundation, Inc.

Article I	Membership
Article II	Board of Directors
Article III	Officers
Article IV	Committees
Article V	Miscellaneous Provisions
Article VI	Amendments

Certificate

History of Good Health Foundation, Inc. Bylaws

Reflecting Board Action through _____

AMENDED BY-LAWS
Of
GOOD HEALTH FOUNDATION, INC.

ARTICLE I

Membership

SECTION 1. No members. The corporation shall have no members.

ARTICLE II

Board of Directors

SECTION 1. Governing Board. The governing board of directors for all acts of the Corporation shall be the Finance and Audit Committee, a standing committee of the Board of Commissioners of the Health Care District of Palm Beach County ("Governing Board" hereafter).

SECTION 2. Composition. The members of the Governing Board shall always be the same as the members of the Finance and Audit Committee, a standing committee of the Board of Commissioners of the Health Care District of Palm Beach County.

SECTION 3. Independence. Recognizing the Governing Board's fiduciary duties to the Corporation, the Governing Board members shall comply with conflict of interests provisions of the Health Care Act and the Code of Ethics for Public Officers and Employees (Part III of Chapter 112, Florida Statutes), as well as any and all other applicable standards as set forth by applicable regulatory and accreditation agencies.

SECTION 4. Term. Each member of the Governing Board shall serve for a term concurrent with their term as a member of the Finance and Audit Committee.

SECTION 5. General Powers and Duties. The property, business and affairs of the Corporation shall be managed by the Governing Board.

SECTION 6. Regular Meetings. The Governing Board shall hold regular meetings not less than annually at a time and place set forth by the Governing Board in the State of Florida, County of Palm Beach. Regular meetings of the Governing Board may be held without notice.

SECTION 7. Special Meetings. Special meetings of the Governing Board may be held at any time on the call of the Chairperson or by motion of the Governing Board. Notice shall be given orally, by facsimile or by mail and shall set forth the purposes, time and place of the meeting. No business shall be transacted except as detailed in the notice. Special meetings must be held in the State of Florida, County of Palm Beach. Unless otherwise stated in these By-laws, if notice of a special meeting is given orally, in person or by telephone, it shall be given not less than one day before the meeting; if it

is given by facsimile or by mail, it shall be given not less than three (3) days before the meeting.

SECTION 8. Quorum. The presence of a majority of the Governing Board shall be necessary at any meeting to constitute a quorum or to transact business.

SECTION 9. Voting. Action on any proposal shall require an affirmative vote of a majority of the Governing Board members present.

ARTICLE III

Officers

SECTION 1. Designation, Election, and Term of Office. The officers of the Corporation shall consist of a Chairperson of the Board, elected from among the Governing Board, a Secretary, a Treasurer and such other officers and assistant officers as the Governing Board may authorize. The officers shall be elected by the Governing Board at its annual meeting, to hold office for one or two years as specified, and until their successors have been duly elected and qualified, or until their death, resignation or removal. Any two (2) or more offices may be held by the same person.

SECTION 2. The Chairperson of the Board. The Chairperson of the Board shall preside at all meetings of the Governing Board, and shall perform such other duties as may be assigned to him or her from time to time by the Governing Board.

SECTION 3. The Secretary. The Secretary shall act as Secretary of the Board, shall give, or cause to be given, notice of all meetings of the Governing Board, unless notice thereof be waived shall, supervise the custody of any records and reports and shall be responsible for the keeping and reporting of adequate records of all meetings of the Governing Board. The Secretary shall also perform such other duties as may be assigned to him or her from time to time by the Governing Board.

SECTION 4. The Treasurer. The Treasurer through his or her self or staff designee, shall keep full and correct account of receipts and disbursements in the books belonging to the Corporation, and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation, in such banks of deposit as may be designated by the Governing Board. The Treasurer shall dispose of funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Chairperson and the Governing Board, whenever they may require it of him, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall also perform such other duties as may be assigned to him or her from time to time by the Governing Board.

SECTION 5. Resignation. Any officer may resign from their position at any time by giving written notice to the Governing Board or to the Chairperson or Secretary of the Corporation. Any such resignation shall take effect at the time specified therein; and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. Removal. Any of the officers of the Corporation may be removed from their

position by the Governing Board whenever, in its judgment, the best interests of the Corporation will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not of itself create any contract rights.

SECTION 7. Vacancies. Any vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Governing Board at an annual or regular meeting or at a special meeting called for such purpose.

ARTICLE IV

Miscellaneous Provisions

SECTION 1. Indemnification of Directors Officers Employees and Agents: Insurance

(a) The Corporation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a Director, officer, employee or agent of the Corporation, against expenses (including attorney's fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation or with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a Director, officer, employee, or agent of the Corporation against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interests of the Corporation, provided that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

(c) To the extent that a Director, officer, or agent of the Corporation has been successful, on the merits or otherwise, in the defense of any action suit or proceeding referred to in paragraph (a) or paragraph (b) of this Section 1, or in defense of any claim issue or matter therein, such person shall be indemnified against expenses (including attorneys fees) actually and reasonably incurred by such person in connection therewith.

(d) Any indemnification under paragraph (a) or paragraph (b) of this Section 1 unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon

a determination that indemnification of the Director, officer, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in paragraph (a) or paragraph (b) of this Section 1. Such determination shall be made (i) by the Governing Board by a majority vote of a quorum consisting of Directors who were not parties to such action suit or proceeding; or (ii) if such a quorum is not obtainable or even if obtainable if a quorum of disinterested Directors so directs by independent legal counsel in a written opinion.

(e) Expenses incurred in defending a civil or criminal action suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the Governing Board in the specific case upon receipt of an undertaking by or on behalf of the Director, officer, or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified as authorized in this Section 1.

(f) The indemnification provided by this Section 1 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, or agent and shall inure to the benefit of the heirs executors and administrators of such a person.

(g) The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, or agent of the Corporation against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Section 1.

(h) For purposes of this Section 1, references to "the Corporation" shall include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger which if its separate existence had continued, would have had the power and authority to indemnify its Directors, officers, or agents so that any person who was a Director, officer, or agent of such merging corporation, or was serving at the request of such merging corporation as a Director, officer, or agent of another corporation partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section 1 with respect to the surviving corporation as such person would have with respect to such merging corporation if its separate existence had continued.

SECTION 2. Principal Office. The principal office of the Corporation in the State of Florida shall be located at 1515 N. Flagler Drive, Suite 101, West Palm Beach, FL 33401.

SECTION 3. Depositories. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Governing Board may designate.

SECTION 4. Checks, Drafts, Notes, Etc. All checks, drafts or other orders for the payment of money and all notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, or agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Governing Board.

SECTION 5. Fiscal Year. The fiscal year of the Corporation shall end on the last day of September of each year.

SECTION 6. Conflicts of Interest.

a) A conflict of interest will be deemed to exist whenever an individual is in the position to approve or influence Corporation policies or actions which involve or could ultimately harm or benefit financially: (a) the individual; (b) any member of his immediate family (spouse, parents, children, brothers or sisters, and spouses of these individuals); or (c) any organization in which he or an immediate family member is a Director trustee officer member partner or more than 10% shareholder. Service on the board of another not for profit corporation does not constitute a conflict of interest.

b) A Director or officer shall disclose a conflict of interest: (a) prior to voting on or otherwise discharging his duties with respect to any matter involving the conflict which comes before the Board or any committee; (b) prior to entering into any contract or transaction involving the conflict; (c) as soon as possible after the Director or officer learns of the conflict; and (d) on the annual conflict of interest disclosure form. The Secretary of the Corporation shall distribute annually to all Directors and officers, a form soliciting the disclosure of all conflicts of interest, including specific information concerning the terms of any contract or transaction with the Corporation and whether the process for approval set forth in Section 6(c) of this Article IV was used.

c) A Director or officer who has or learns about a potential conflict of interest should disclose promptly to the Secretary of the Corporation the material facts surrounding any actual or potential conflict of interest, including specific information concerning the terms of any contract or transaction with the Corporation. All effort should be made to disclose any such contract or transaction and have it approved by the Board before the arrangement is entered into.

Following receipt of information concerning a contract or transaction involving a potential conflict of interest, the Board shall consider the material facts concerning the proposed contract or transaction including the process by which the decision was made to recommend entering into the arrangement on the terms proposed. The Board shall approve only those contracts or transactions in which the terms are fair and reasonable to the Corporation and the arrangements are consistent with the best interests of the Corporation. Fairness includes, but is not limited to the concepts that the Corporation should pay no more than fair market value for any goods or services which the Corporation receives and that the Corporation should receive fair market value consideration for any goods or services that it furnishes others. The Board shall set forth the basis for its decision with respect to approval of contracts or transactions involving conflicts of interest in the minutes of the meeting at which the decision is made, including the basis for determining that the consideration to be paid is fair to the Corporation.

d) No contract or other transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other Corporation, firm, association or other entity in which one or more of its Directors or officers are Directors or officers, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such Director or Directors or officer or officers are present at the meeting of the Governing Board, or of a committee thereof, which authorizes such contract or transaction, or that his or their votes are counted for such purpose if the material facts as to such Director's or officer's interest in such contract or transaction and as to any such common Directorship officership or financial interest are disclosed in good faith or known to the Board or committee, and the Board or committee authorizes such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested Director or officers. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Governing Board or committee which authorizes such contract or transaction. At the time of the discussion and decision concerning the authorization of such contract or transaction the

interested Director or officer should not be present at the meeting.

SECTION 7. Compensation.

a) The Directors of the Corporation shall not receive compensation for fulfilling their duties as Directors although Directors may be reimbursed for actual out of pocket expenses which they incur in order to fulfill their duties as Directors. Expenses of spouses will not be reimbursed by the Corporation.

ARTICLE V

Amendments

SECTION 1. Method of Amendment. These By-laws may be altered amended or repealed and new and other By-laws may be made and adopted at any annual or regular meeting of the Governing Board or any special meeting called for that purpose by the affirmative vote of a majority of the Directors in office.

CERTIFICATE

This is to certify that I am the Board Secretary of the Good Health Foundation, Inc. and that the foregoing Amended Bylaws of the Good Health Foundation, Inc. were duly approved by said Board at a meeting held on the ___th day of ____, 2019.

By: _____

HISTORY OF GOOD HEALTH FOUNDATION, INC. BYLAWS

Change Number	Date of Adoption	Section(s) Amended
1	April 22, 2010	Article II, Section 2 modifying the minimum number of Directors from 7 to 5. Article II, Section 7 modifying the minimum number to constitute a quorum from 4 to 3.
2	February 24, 2015	Article II, Section 2 modifying the composition of Directors minimum number of Directors from 2 to 3. Article II, Section 8 modifying Board's voting requirement on any proposals. Article V, Section 2 modifying address of the corporation.
3	May 26, 2015	Amended to reflect name Change from Glades Healthcare Foundation to Good Health Foundation.
4	March 9, 2016	Article II, Section 2 modifying the composition of Directors minimum number of Directors from 3 to 2 and modifying the respective Boards.
5	March 9, 2016	Article V, Section 5 modifying Corporation fiscal year end to September 30 of each year.
6	March 29, 2016	Amended and restated bylaws approved by Directors.

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Description: Health Care District Financial Statements

2. Summary:

The YTD February 2019 financial statements for the Health Care District are presented for Finance and Audit Committee review.

3. Substantive Analysis:

Management has provided the income statements and key statistical information for Health Care District. Additional Management discussion and analysis is incorporated into the financial statement presentation.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee:

N/A

Committee Name

Date Reviewed/Approved

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**


6. Recommendation:

Staff recommends that the Finance and Audit Committee receive and file the Health Care District February 2019 YTD financial statements.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn Richards
VP & Chief Financial Officer



Health Care District of Palm Beach County

FINANCIAL STATEMENT

February 2019



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MEMO

To: Finance Committee

From: Dawn L. Richards, Chief Financial Officer

Date: March 15, 2019

Subject: Management Discussion and Analysis of February 2019 Health Care District Financial Statements

The February statements represent the financial performance for the five months of the 2019 fiscal year for the Health Care District.

Net Performance

- YTD net margin for all funds combined of \$55.6M is \$3.4M (6.5%) over the budget of \$52.2M and \$60.0M (1,349%) over the prior year of (\$4.4M). The significant increase in net margin over the prior year is a result of a change in revenue recognition methodology for ad valorem taxes.

Volume Analysis

- Aeromedical transports of 269 are under the budget of 279 by 10 or 3.6% and under the prior year of 289 by 20 or 6.9%.
- YTD census at the Healey Center of 119 is over the budget of 118 by 1 or 0.8% and under the prior year of 120 by 1 or 0.8%.
- YTD adjusted patient days at Lakeside Medical Center of 6,855 are under the budget of 7,544 by 689 or 9.1% and under the prior year of 7,543 by 688 or 9.1%.
- Emergency room visits YTD of 10,005 are over the budget of 9,907 by 98 or 1.0% and over the prior year of 9,905 by 100 or 1.0%.
- Outpatient visits YTD of 2,424 are under the budget of 3,493 by 1,069 or 30.6% and under the prior year of 3,493 by 1,069 or 30.6%.
- Total medical clinic visits YTD in all adult and pediatric clinics of 41,361 are under the budget of 42,775 by 1,414 or 3.3% and under the prior year of 41,673 by 312 or 0.7%. The volume variances are attributable to high no show rates since switching EHR systems, long wait times to schedule appointments, and new providers in the MAT program whose visits are still ramping up.

- Total dental visits YTD of 10,923 are under the budget of 13,622 by 2,699 or 19.8% and under the prior year of 13,277 by 2,354 or 17.7%. The volume variances are attributable to the ramp up of the new strategy of integration with medical visits, which is slowing productivity.

Revenue Analysis

- YTD revenue in the General Fund of \$122.3M is \$933k (0.8%) under the budget of \$123.3M and \$62.8M (105.3%) over the prior year of \$59.6M. Shortfalls in ad valorem taxes (\$2.5M) and patient revenue (\$527k) are offset by overages in unrealized gain/loss - investments (\$1.2M), interest earnings (\$481k), and other revenue (\$424k).
- YTD net patient revenue at the Healey Center of \$4.2M is \$265k (6.7%) over the budget of \$4.0M and \$676k (19.1%) over the prior year of \$3.5M. The increase in reimbursement is attributable to an enhanced rate from Medicaid.
- YTD net patient revenue at Lakeside Medical Center of \$11.0M is \$793k (6.7%) under the budget of \$11.8M and \$765k (7.5%) over the prior year of \$10.2M. This is a result of unfavorable volume variances.
- YTD net patient revenue in the Primary Care Clinics of \$5.1M is \$1.2M (32.2%) over the budget of \$3.9M and \$788k (13.4%) under the prior year of \$5.9M, due to unanticipated LIP revenue (\$962k) and unbudgeted District Cares subsidy payments (\$771k) for clinic visits.
- YTD grant revenue in the Primary Care Clinics of \$4.8M is \$1.0M (28.9%) over the budget of \$3.8M and \$1.7M (56.1%) over the prior year of \$3.1M. This is due to a change in the HRSA base drawdown procedure that improves the process. Revenue from the Belle Glade construction grant of \$488k is \$137k (22.0%) under the budget of \$625k.

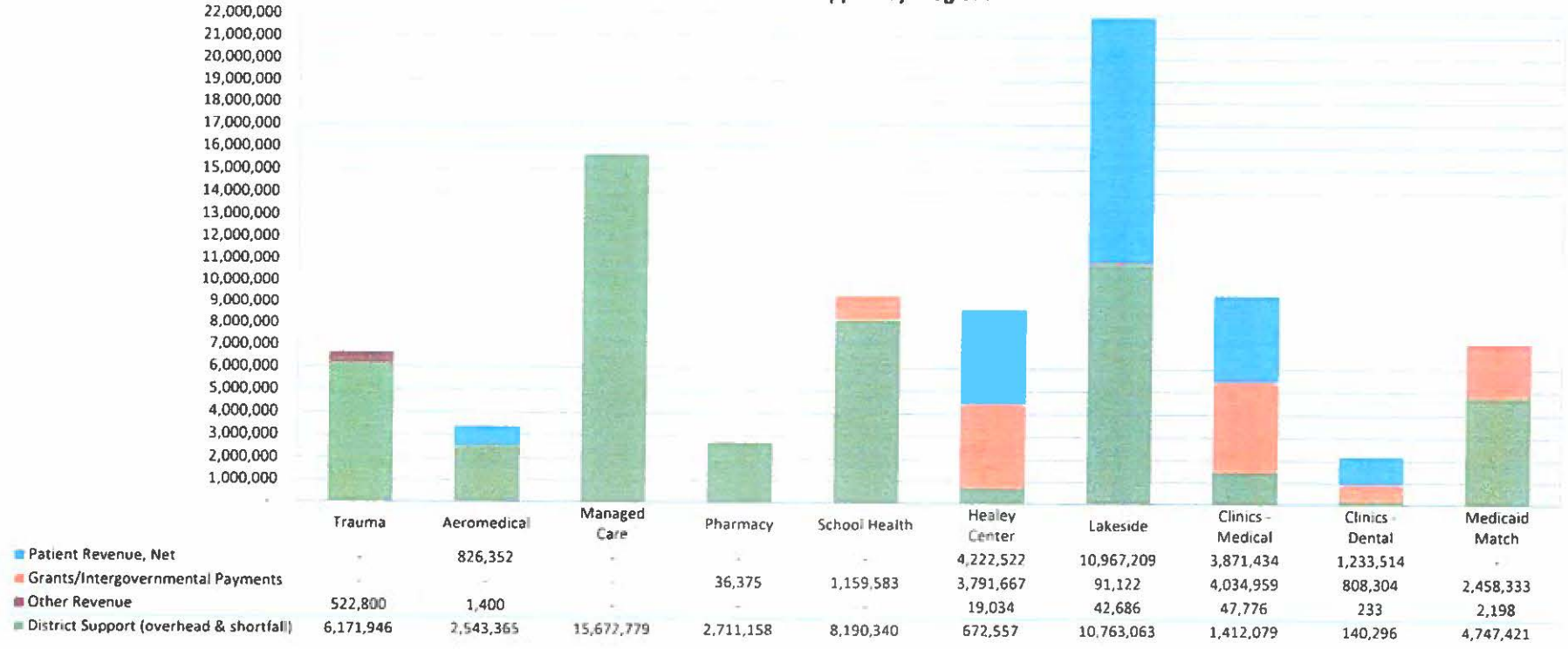
Expenses Analysis

- Total operating expenses in the General Fund of \$53.6M are \$2.0M (3.6%) under the budget of \$55.6M and \$2.1M (4.0%) over the prior year of \$51.5M. Savings and timing in salaries (\$963k), benefits (\$378k), purchased services (\$1.1M), sponsored programs (\$954k), and repairs and maintenance (\$357k) are the major contributors to the favorable variance.
- Total operating expenses in the Healey Center of \$7.61M are \$42k (0.6%) over the budget of \$7.57M and \$341k (4.7%) over the prior year of \$7.3M. Favorable variances in benefits (\$21k), purchased services (\$19k), repairs and maintenance (\$14k), and other expense (\$16k) offset unfavorable variances in salaries (\$87k) and other supplies (\$16k).

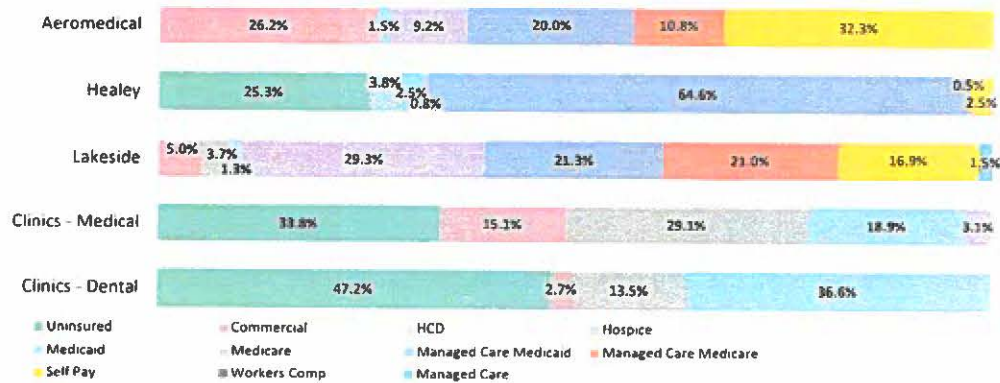
- Total operating expenses at Lakeside Medical Center of \$18.6M are \$274k (1.5%) over the budget of \$18.4M and \$2.0M (12.2%) over the prior year of \$16.6M. Significant favorable variances in salaries (\$302k), benefits (\$70k), purchased services (\$279k), other supplies (\$81k), and utilities (\$58k) partially offset unfavorable variances in contracted physician expense (\$982k), medical supplies (\$91k) and repairs and maintenance (\$27k). Variances were caused by locum tenens, inventory adjustments, and JCAHO required repairs.
- Clinic Medical operating expenses of \$7.9M are \$437k (5.2%) under the budget of \$8.4M and \$591k (8.0%) over the prior year of \$7.4M. Savings in salaries (\$145k), benefits (\$132k), and medical services (\$109k) are the main contributors to the favorable variance. Clinic Dental operating expenses of \$1.8M are \$143k (7.2%) under the budget of \$2.0M and \$73k (4.2%) over the prior year of \$1.75M. Savings in salaries (\$44k), benefits (\$22K), medical supplies (\$27k), purchased services (\$18k), and other supplies (\$17k) contribute to the favorable variance.

Program Dashboard - YTD February 2019

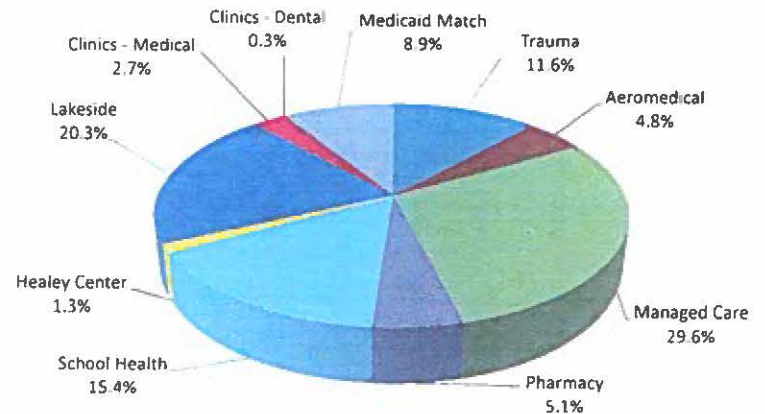
YTD Revenue and District Support by Program



YTD Payor Mix by Volume

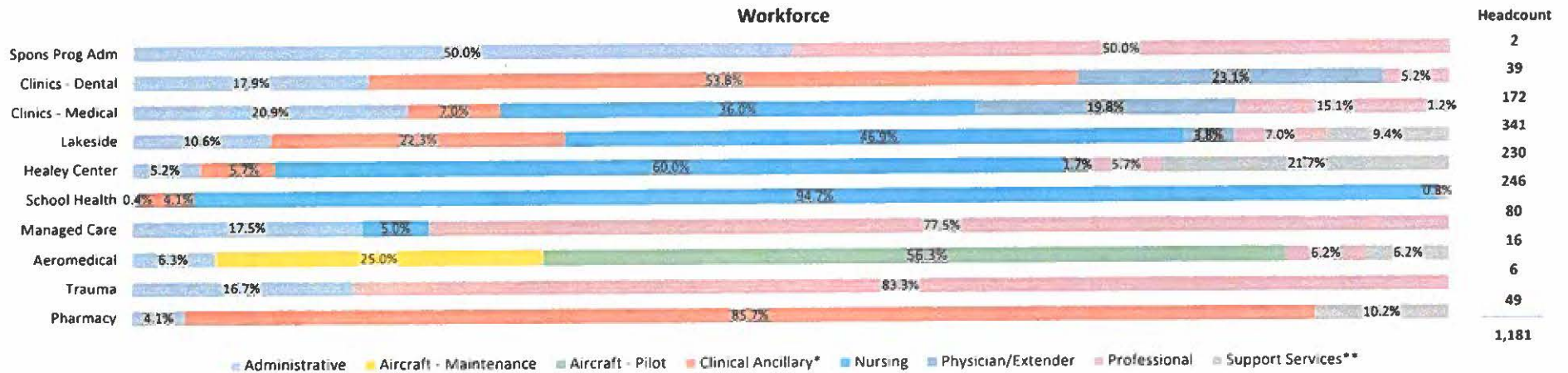


District Support (overhead and shortfall)



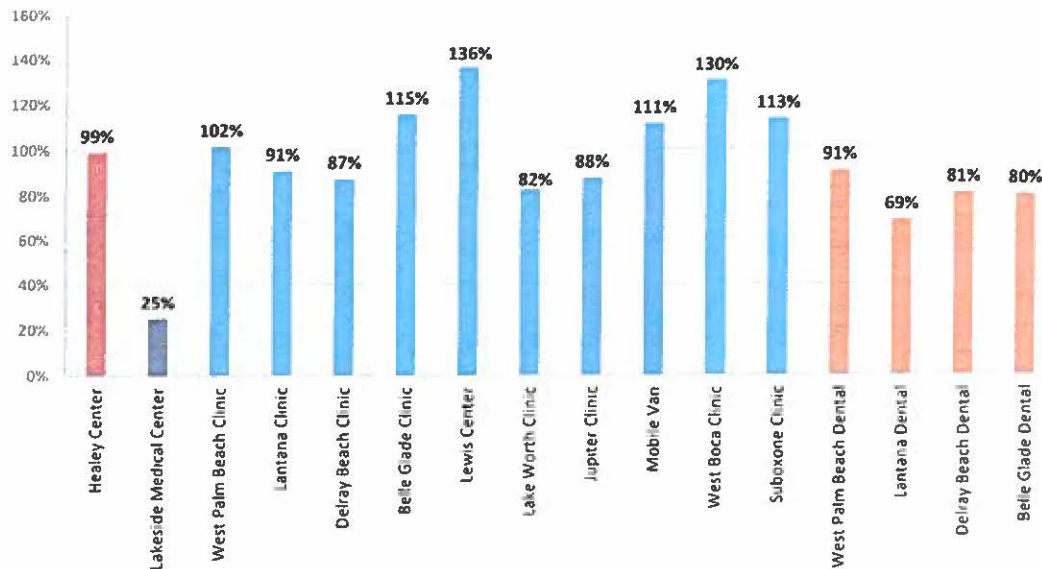
Program Dashboard - YTD February 2019

Workforce



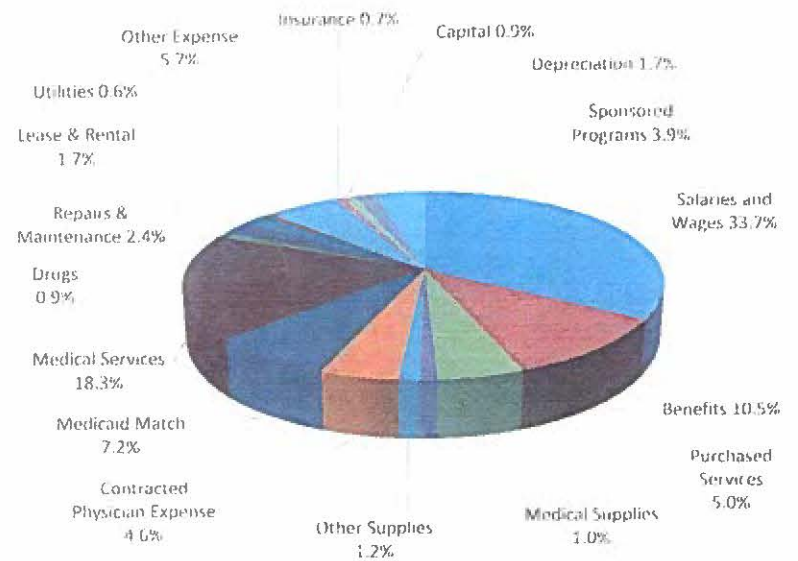
* Clinical Ancillary is comprised of employees in pharmacy, lab, radiology, ultrasound, respiratory, physical therapy, social services, activities, and dental hygienists/assistants
 ** Support Services is comprised of employees in housekeeping, dietary, laundry, purchasing, and warehouse/delivery

Capacity Percentage



Healey Center and Lakeside Medical Center capacity percentages reflect the year-to-date average daily census
 Primary Care and Dental Clinic capacity percentages represent the number of completed visits compared to the budgeted number of visits at each location.

Functional Expense Breakdown



Revenues & Expenditures - Combined All Funds (Functional)

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date						
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%
Revenues:													
\$ 5,661,776	\$ 5,446,090	\$ 215,686	4.0%	\$ 11,072,500	\$ (5,410,724)	(48.9%)	\$ 115,912,091	\$ 118,367,989	\$ (2,455,898)	(2.1%)	\$ 55,420,830	\$ 60,491,261	109.1%
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
3,960,306	4,058,588	(98,283)	(2.4%)	4,153,567	(193,261)	(4.7%)	21,121,031	20,933,559	187,472	0.9%	20,937,182	183,848	0.9%
1,481,917	1,481,917	-	0.0%	1,481,917	-	0.0%	7,409,583	7,409,583	(0)	(0.0%)	7,409,583	(0)	(0.0%)
1,380,785	755,241	625,544	82.8%	683,528	697,256	102.0%	4,970,761	3,851,200	1,119,561	29.1%	3,260,038	1,710,723	52.5%
500,516	223,338	277,177	124.1%	222,889	277,627	124.6%	1,747,107	1,116,692	630,415	56.5%	1,186,708	560,398	47.2%
(126,799)	(86,815)	(39,984)	46.1%	(128,383)	1,584	(1.2%)	769,257	(434,074)	1,203,331	(277.2%)	(1,157,429)	1,926,685	(166.5%)
237,993	177,908	60,085	33.8%	173,705	64,288	37.0%	2,209,959	2,004,688	205,271	10.2%	1,913,646	296,313	15.5%
\$ 13,096,493	\$ 12,056,268	\$ 1,040,225	8.6%	\$ 17,659,723	\$ (4,563,230)	(25.8%)	\$ 154,139,788	\$ 153,249,638	\$ 890,150	0.6%	\$ 88,970,560	\$ 65,169,228	73.2%
Expenditures:													
6,381,918	6,680,394	298,477	4.5%	6,214,048	(167,869)	(2.7%)	33,488,492	34,854,164	1,365,673	3.9%	32,154,077	(1,334,415)	(4.2%)
2,075,942	2,169,015	93,073	4.3%	1,976,736	(99,206)	(5.0%)	10,548,256	11,170,924	622,668	5.6%	10,113,461	(434,795)	(4.3%)
951,535	1,313,759	362,224	27.6%	1,308,142	356,607	27.3%	4,996,511	6,370,939	1,374,428	21.6%	4,471,069	(525,442)	(11.8%)
244,552	193,429	(51,122)	(26.4%)	195,461	(49,090)	(25.1%)	1,023,914	957,884	(66,030)	(6.9%)	847,521	(176,394)	(20.8%)
268,687	288,290	19,603	6.8%	222,190	(46,497)	(20.9%)	1,153,403	1,465,247	311,843	21.3%	1,121,259	(32,144)	(2.9%)
1,007,044	544,645	(462,399)	(84.9%)	615,591	(391,453)	(63.6%)	4,544,244	3,568,153	(976,092)	(27.4%)	3,143,614	(1,400,630)	(44.6%)
1,441,591	1,441,591	-	0.0%	1,415,952	(25,638)	(1.8%)	7,207,953	7,207,953	-	0.0%	7,079,762	(128,191)	(1.8%)
3,350,015	3,414,764	64,749	1.9%	3,901,879	551,865	14.1%	18,080,901	17,053,694	(1,027,207)	(6.0%)	18,847,664	766,763	4.1%
217,401	246,275	28,874	11.7%	216,217	(1,184)	(0.5%)	919,590	1,231,753	312,163	25.3%	1,114,561	195,071	17.5%
422,648	524,538	101,890	19.4%	358,156	(64,492)	(18.0%)	2,406,179	2,654,479	248,299	9.4%	1,995,392	(410,787)	(20.6%)
342,878	359,607	16,729	4.7%	590,889	248,011	42.0%	1,697,806	1,802,687	104,881	5.8%	1,914,256	216,449	11.3%
132,753	118,167	(14,587)	(12.3%)	112,016	(20,737)	(18.5%)	600,766	650,309	49,543	7.6%	576,608	(24,159)	(4.2%)
687,567	551,506	(136,060)	(24.7%)	425,212	(262,354)	(61.7%)	5,635,752	4,525,960	(1,109,791)	(24.5%)	4,035,141	(1,600,611)	(39.7%)
137,672	164,257	26,585	16.2%	137,073	(599)	(0.4%)	695,397	821,595	126,198	15.4%	687,544	2,147	0.3%
874,021	960,833	86,812	9.0%	913,226	39,205	4.3%	3,849,741	4,804,167	954,426	19.9%	3,478,645	(371,095)	(10.7%)
18,536,224	18,971,071	434,847	2.3%	18,602,791	66,568	0.4%	96,848,905	99,139,907	2,291,002	2.3%	91,590,674	(5,258,231)	(5.7%)
Net Performance before Depreciation & Overhead Allocations													
\$ (5,439,731)	\$ (6,914,803)	\$ 1,475,072	(21.3%)	\$ (943,068)	\$ (4,496,663)	476.8%	\$ 57,290,883	\$ 54,109,730	\$ 3,181,153	5.9%	\$ (2,620,114)	\$ 59,910,997	(2,286.6%)
344,599	384,559	39,960	10.4%	365,755	21,156	5.8%	1,723,204	1,924,941	201,736	10.5%	1,829,241	106,037	5.8%
18,880,822	19,355,629	474,807	2.5%	18,968,546	87,724	0.5%	98,572,110	101,064,848	2,492,738	2.5%	93,419,915	(5,152,195)	(5.5%)
\$ (5,784,330)	\$ (7,299,361)	\$ 1,515,032	(20.8%)	\$ (1,308,823)	\$ (4,475,506)	341.9%	\$ 55,567,678	\$ 52,184,790	\$ 3,382,889	6.5%	\$ (4,449,355)	\$ 60,017,034	1,348.9%
25,299	1,661,386	1,636,088	98.5%	1,061,250	1,035,952	97.6%	907,455	8,306,932	7,399,477	89.1%	1,623,705	716,250	44.1%
\$ (5,809,628)	\$ (8,960,748)	\$ 3,151,119	(35.2%)	\$ (2,370,074)	\$ (3,439,555)	145.1%	\$ 54,660,223	\$ 43,877,858	\$ 10,782,365	24.6%	\$ (6,073,061)	\$ 60,733,284	1,000.0%

Note: Excludes Interfund Transfers

Revenues and Expenses by Fund YTD

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

	General Fund	Healey Center	Lakeside Medical	Healthy Palm Beaches	Primary Care Clinics	Medicaid Match	Capital Funds	Total
Revenues:								
Ad Valorem Taxes	\$ 115,912,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,912,091
Premiums	-	-	-	-	-	-	-	-
Patient Revenue, Net	826,352	4,222,522	10,967,209	-	5,104,948	-	-	21,121,031
Intergovernmental Revenue	1,159,583	3,791,667	-	-	-	2,458,333	-	7,409,583
Grants	36,375	-	91,122	-	4,843,264	-	-	4,970,761
Interest Earnings	1,465,223	-	-	-	-	-	-	1,465,223
Unrealized Gain/(Loss)-Investments	769,257	-	-	-	-	-	-	769,257
Other Revenue	2,155,585	19,034	42,686	20,543	48,009	2,198	203,788	2,491,844
Total Revenues	\$ 122,324,466	\$ 8,033,223	\$ 11,101,017	\$ 20,543	\$ 9,996,220	\$ 2,460,531	\$ 203,788	\$ 154,139,788
Expenditures:								
Salaries and Wages	14,961,168	4,432,258	7,789,540	-	6,305,527	-	-	33,488,492
Benefits	5,067,103	1,654,582	2,135,928	-	1,690,643	-	-	10,548,256
Purchased Services	3,137,030	336,284	1,188,948	15,750	318,498	-	-	4,996,511
Medical Supplies	59,021	232,258	573,554	-	159,081	-	-	1,023,914
Other Supplies	329,092	352,009	366,254	-	106,049	-	-	1,153,403
Contracted Physician Expense	145,833	4,210	4,394,201	-	-	-	-	4,544,244
Medicaid Match	-	-	-	-	-	7,207,953	-	7,207,953
Medical Services	17,876,007	23,542	-	(225)	181,577	-	-	18,080,901
Drugs	221,451	158,228	349,815	-	190,096	-	-	919,590
Repairs & Maintenance	1,282,337	151,119	812,119	-	160,604	-	-	2,406,179
Lease & Rental	835,060	7,488	314,074	-	541,183	-	-	1,697,806
Utilities	51,632	175,806	346,894	-	26,435	-	-	600,766
Other Expense	5,171,004	59,988	314,913	3,596	86,250	-	-	5,635,752
Insurance	601,083	25,606	52,787	4,817	11,104	-	-	695,397
Sponsored Programs	3,849,741	-	-	-	-	-	-	3,849,741
Total Operational Expenditures	53,587,561	7,613,379	18,639,027	23,938	9,777,048	7,207,953	-	96,848,905
Net Performance before Depreciation & Overhead Allocations	\$ 68,736,904	\$ 419,845	\$ (7,538,010)	\$ (3,396)	\$ 219,173	\$ (4,747,421)	\$ 203,788	\$ 57,290,883
Budget	\$ 67,645,609	\$ 200,123	\$ (6,425,335)	\$ (13,830)	\$ (2,658,769)	\$ (4,747,548)	\$ 109,479	\$ 54,109,730
Prior Year: Net Performance before Depreciation & Overhead Allocations	\$ 8,047,215	\$ 78,191	\$ (6,258,794)	\$ 43,538	\$ 2,632	\$ (4,619,260)	\$ 105,278	\$ (2,601,201)

Combined Governmental Funds Statement of Net Position

As of February 28, 2019

	General Fund February 2019	General Fund January 2019	Medicaid Match February 2019	Medicaid Match January 2019	Capital Projects February 2019	Capital Projects January 2019	Governmental Funds February 2019	Governmental Funds January 2019
Assets								
Cash and Cash Equivalents	\$ (12,541,901)	\$ 73,824,100	\$ 609,042	\$ (374,291)	\$ 22,546,217	\$ 22,557,423	\$ 10,613,359	\$ 96,007,232
Restricted Cash	-	-	-	-	-	-	-	-
Investments	217,496,964	137,178,902	-	-	-	-	217,496,964	137,178,902
Notes Receivable	-	-	-	-	-	-	-	-
Accounts Receivable, net	973,838	1,080,723	-	-	-	-	973,838	1,080,723
Due From Other Funds	263	-	-	-	-	-	263	-
Due From Other Governments	14,460,522	20,161,734	-	983,333	-	-	14,460,522	21,145,067
Inventory	163,265	164,066	-	-	-	-	163,265	164,066
Other Current Assets	2,686,681	2,709,249	-	-	-	-	2,686,681	2,709,249
Total Assets	\$ 223,239,633	\$ 235,118,774	\$ 609,042	\$ 609,042	\$ 22,546,217	\$ 22,557,423	\$ 246,394,892	\$ 258,285,240
Liabilities								
Accounts Payable	6,393,424	5,488,486	-	-	-	-	6,393,424	5,488,486
Medical Benefits Payable	4,315,496	5,179,757	-	-	-	-	4,315,496	5,179,757
Due To Other Funds	-	-	-	-	-	-	-	-
Due To Other Governments	-	-	-	-	-	-	-	-
Deferred Revenue	16,291,769	22,185,461	-	-	-	-	16,291,769	22,185,461
Other Current Liabilities	5,036,196	4,935,165	-	-	-	-	5,036,196	4,935,165
Noncurrent Liabilities	438,133	403,926	-	-	-	-	438,133	403,926
Total Liabilities	32,475,019	38,192,794	-	-	-	-	32,475,019	38,192,794
Fund Balances								
Nonspendable	1,862,316	2,877,739	-	-	-	-	1,862,316	2,877,739
Assigned to Subsequent Year's Budget	38,200,000	38,200,000	-	-	-	-	38,200,000	38,200,000
Assigned to Capital Projects	-	-	-	-	23,248,133	23,248,133	23,248,133	23,248,133
Assigned to Medicaid Match	-	-	609,042	609,042	-	-	609,042	609,042
Unassigned	94,781,269	94,512,778	-	-	-	-	94,781,269	94,512,778
Beginning Fund Balance	134,843,585	135,590,517	609,042	609,042	23,248,133	23,248,133	158,700,760	159,447,692
Revenue Over/(Under) Expenditures	55,921,029	61,335,463	-	-	(701,915)	(690,709)	55,219,114	60,644,754
Ending Fund Balance	190,764,614	196,925,980	609,042	609,042	22,546,217	22,557,423	213,919,874	220,092,446
Total Liabilities and Fund Balances	\$ 223,239,633	\$ 235,118,774	\$ 609,042	\$ 609,042	\$ 22,546,217	\$ 22,557,423	\$ 246,394,892	\$ 258,285,239

^ Excludes Interfund Transfers

Combined Business-Type Funds Statement of Net Position

As of of February 28, 2019

	Healey Center February 2019	Healey Center January 2019	Healthy Palm Beaches February 2019	Healthy Palm Beaches January 2019	Lakeside Medical Center February 2019	Lakeside Medical Center January 2019	Primary Care Clinics February 2019	Primary Care Clinics January 2019	Business-Type Funds February 2019	Business- Type Funds January 2019
Assets										
Cash and Cash Equivalents	\$ 1,792,863	\$ 214,384	\$ 1,412,802	\$ 1,420,243	\$ 4,745,947	\$ 4,761,533	\$ 874,614	\$ 379,113	\$ 8,826,225	\$ 6,775,272
Restricted Cash	8,855	8,855	1,500,000	1,500,000	-	-	-	-	1,508,855	1,508,855
Accounts Receivable, net	1,058,030	1,105,415	-	-	2,969,361	3,093,047	862,145	1,070,634	4,889,536	5,269,095
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
Due From Other Governments	-	1,516,667	-	-	580,802	472,419	2,534,680	2,777,200	3,115,481	4,766,285
Inventory	-	-	-	-	712,729	735,078	-	-	712,729	735,078
Other Current Assets	39,003	55,287	45,301	46,747	267,415	320,493	160,915	189,236	512,634	611,763
Net Investment in Capital Assets	17,777,478	17,832,114	-	-	37,575,905	37,852,711	1,158,139	1,167,157	56,511,522	56,851,982
Total Assets	\$ 20,676,229	\$ 20,732,721	\$ 2,958,103	\$ 2,966,989	\$ 46,852,159	\$ 47,235,282	\$ 5,590,492	\$ 5,583,339	\$ 76,076,982	\$ 76,518,331
Deferred Outflows of Resources										
Deferred Outflows Related to Pensions	\$ 88,686	\$ 88,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,686	\$ 88,686
Liabilities										
Accounts Payable	132,398	143,399	-	9,800	1,688,116	1,786,704	473,547	480,691	2,294,062	2,420,594
Medical Benefits Payable	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	263	-	-	-	-	-	263	-
Due to Other Governments	29,545	29,545	-	-	2,301,819	2,317,805	-	-	2,331,364	2,347,350
Deferred Revenue	-	-	-	-	56,350	96,475	70,432	72,491	126,781	168,966
Other Current Liabilities	444,181	433,081	3,471	3,471	922,485	855,012	760,655	716,585	2,130,793	2,008,149
Noncurrent Liabilities	1,127,645	1,127,645	-	-	2,135,423	2,135,423	797,053	797,053	4,060,122	4,060,122
Total Liabilities	\$ 1,733,770	\$ 1,733,670	\$ 3,734	\$ 13,271	\$ 7,104,194	\$ 7,191,420	\$ 2,101,688	\$ 2,066,821	\$ 10,943,385	\$ 11,005,182
Deferred Inflows of Resources										
Deferred Inflows	\$ 126,350	\$ 126,350	\$ -	\$ -	\$ 2,357	\$ 2,357	\$ 612	\$ 612	\$ 129,319	\$ 129,319
Net Position										
Net Investment in Capital Assets	17,777,478	17,832,114	-	-	37,575,905	37,852,711	1,158,139	1,167,157	56,511,522	56,851,982
Restricted	8,855	8,855	1,500,000	1,500,000	-	-	-	-	1,508,855	1,508,855
Unrestricted	1,118,462	1,120,419	1,454,369	1,453,718	2,169,703	2,188,794	2,330,054	2,348,749	7,072,588	7,111,680
Total Net Position	18,904,795	18,961,387	2,954,369	2,953,718	39,745,608	40,041,505	3,488,193	3,515,906	65,092,965	65,472,516
Total Net Position	\$ 20,638,565	\$ 20,695,057	\$ 2,958,103	\$ 2,966,989	\$ 46,852,158.42	\$ 47,232,925	\$ 5,589,880.74	\$ 5,582,727	\$ 76,165,669	\$ 76,607,017



Health Care District
PALM BEACH COUNTY

SUPPLEMENTAL INFORMATION

GENERAL FUND

Trauma Statement of Revenues and Expenditures

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month								Fiscal Year To Date							
Actual	Budget	Variance	%	Prior Year	Variance	%		Actual	Budget	Variance	%	Prior Year	Variance	%	
\$ 83,467	\$ 32,000	\$ 51,467	160.8%	\$ 75,246	\$ 8,221	10.9%	Other Revenue	\$ 522,800	\$ 160,000	\$ 362,800	226.7%	\$ 181,503	\$ 341,297	188.0%	
83,467	32,000	51,467	160.8%	75,246	8,221	10.9%	Total Revenue	522,800	160,000	362,800	226.7%	181,503	341,297	188.0%	
<i>Direct Operational Expenses:</i>															
37,961	41,015	3,054	7.4%	36,878	(1,083)	(2.9%)	Salaries and Wages	205,037	211,223	6,186	2.9%	199,631	(5,406)	(2.7%)	
12,122	13,036	914	7.0%	12,671	548	4.3%	Benefits	63,815	66,299	2,484	3.7%	65,960	2,144	3.3%	
-	-	-	0.0%	-	-	0.0%	Purchased Services	-	-	-	0.0%	-	-	0.0%	
1,130,296	1,183,338	53,042	4.5%	1,304,267	173,971	13.3%	Medical Services	5,815,241	5,916,688	101,447	1.7%	6,582,938	767,697	11.7%	
30	42	12	28.4%	-	(30)	(0.0%)	Other Supplies	168	208	40	19.4%	60	(108)	(180.8%)	
29,167	29,167	0	0.0%	25,000	(4,167)	(16.7%)	Contracted Physician Expense	145,833	145,833	0	0.0%	123,998	(21,835)	(17.6%)	
792	792	-	0.0%	708	(83)	(11.8%)	Repairs & Maintenance	3,958	3,958	-	0.0%	3,542	(417)	(11.8%)	
-	-	-	0.0%	-	-	0.0%	Utilities	-	-	-	0.0%	-	-	0.0%	
783	860	77	8.9%	396	(387)	(97.9%)	Other Expense	5,443	5,198	(244)	(4.7%)	2,104	(3,339)	(158.7%)	
78,799	100,745	21,946	21.8%	91,337	12,538	13.7%	Insurance	410,131	503,725	93,594	18.6%	475,859	65,728	13.8%	
1,289,949	1,368,993	79,044	5.8%	1,471,256	181,307	12.3%	Total Operational Expenses	6,649,626	6,853,132	203,506	3.0%	7,454,091	804,465	10.8%	
Net Performance before Overhead															
(1,206,482)	(1,336,993)	130,511	(9.8%)	(1,396,010)	189,528	(13.6%)	Allocations	(6,126,826)	(6,693,132)	566,306	(9.2%)	(7,272,588)	1,145,762	(15.8%)	
<i>Overhead Allocations:</i>															
48	352	304	86.3%	269	221	82.1%	Risk Mgt	555	1,759	1,203	68.4%	1,333	778	58.3%	
-	-	-	0.0%	-	-	0.0%	Rev Cycle	-	-	-	0.0%	-	-	0.0%	
144	154	9	6.0%	54	(90)	(167.0%)	Internal Audit	711	769	58	7.5%	70	(641)	(913.2%)	
3,245	3,472	227	6.5%	16,206	12,961	80.0%	Palm Springs Facility	15,411	17,359	1,948	11.2%	48,409	32,998	68.2%	
658	689	31	4.5%	843	185	21.9%	Administration	3,398	3,447	50	1.4%	3,707	309	8.3%	
807	850	43	5.0%	504	(304)	(60.3%)	Human Resources	4,315	4,251	(64)	(1.5%)	2,792	(1,523)	(54.5%)	
432	352	(80)	(22.7%)	373	(59)	(15.8%)	Legal	2,129	1,761	(367)	(20.9%)	1,338	(791)	(59.1%)	
145	234	89	38.0%	277	132	47.6%	Records	856	1,168	312	26.7%	764	(92)	(12.0%)	
115	324	208	64.4%	190	74	39.2%	Compliance	748	1,618	870	53.8%	921	173	18.8%	
12	40	28	70.2%	31	19	61.4%	Planning/Research	154	198	43	21.9%	176	21	12.1%	
642	965	324	33.5%	665	24	3.6%	Finance	3,942	4,826	885	18.3%	3,294	(648)	(19.7%)	
196	364	168	46.2%	366	171	46.6%	Public Relations	988	1,819	830	45.7%	1,082	94	8.7%	
2,273	2,758	485	17.6%	2,115	(158)	(7.5%)	Information Technology	11,512	13,788	2,276	16.5%	11,048	(464)	(4.2%)	
-	-	-	0.0%	2	2	100.0%	Budget & Decision Support	-	-	-	0.0%	268	268	100.0%	
56	75	19	25.7%	76	21	27.0%	Corporate Quality	401	375	(26)	(7.0%)	434	33	7.5%	
8,774	10,627	1,854	17.4%	21,971	13,197	60.1%	Total Overhead Allocations	45,119	53,137	8,018	15.1%	75,635	30,516	40.3%	
1,298,723	1,379,620	80,898	5.9%	1,493,227	194,504	13.0%	Total Expenses	6,694,745	6,906,269	211,524	3.1%	7,529,726	834,981	11.1%	
\$ (1,215,256)	\$ (1,347,620)	\$ 132,365	(9.8%)	\$ (1,417,981)	\$ 202,725	(14.3%)	Net Margin	\$ (6,171,946)	\$ (6,746,269)	\$ 574,324	(8.5%)	\$ (7,348,224)	\$ 1,176,278	16.0%	

Aeromedical Statement of Revenues and Expenditures

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date						
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%
\$ 1,319,247	\$ 1,111,738	\$ 207,509	18.7%	\$ 1,197,261	\$ 121,986	10.2%	\$ 5,621,765	\$ 5,639,544	\$ (17,780)	(0.3%)	\$ 5,774,801	\$ (153,036)	(2.7%)
850,857	510,453	(340,404)	(66.7%)	647,569	(203,288)	(31.4%)	3,423,939	2,589,389	(834,550)	(32.2%)	2,666,189	(757,750)	(28.4%)
197,469	264,618	67,149	25.4%	168,372	(29,097)	(17.3%)	1,090,035	1,342,335	252,300	18.8%	1,560,452	470,417	30.1%
168,240	69,786	(98,454)	(141.1%)	77,254	(90,985)	(117.8%)	281,438	354,003	72,565	20.5%	252,170	(29,268)	(11.6%)
1,216,565	844,857	(371,708)	(44.0%)	893,195	(323,370)	(36.2%)	4,795,412	4,285,727	(509,685)	(11.9%)	4,478,811	(316,602)	(7.1%)
102,682	266,881	(164,199)	(61.5%)	304,066	(201,384)	(66.2%)	826,352	1,353,817	(527,465)	(39.0%)	1,295,990	(469,638)	(36.2%)
7.78%	24.01%			25.40%			14.70%	24.01%			22.44%		
(1)	-	(1)	0.0%	(87)	86	(98.7%)	1,400	-	1,400	0.0%	-	1,400	0.0%
102,682	266,881	(164,200)	(61.5%)	303,979	(201,298)	(66.2%)	827,752	1,353,818	(526,065)	(38.9%)	1,295,990	(468,238)	(36.1%)
<i>Direct Operational Expenses:</i>													
156,800	162,940	6,140	3.8%	138,594	(18,206)	(13.1%)	796,373	873,877	77,504	8.9%	797,311	938	0.1%
53,005	55,245	2,239	4.1%	50,911	(2,094)	(4.1%)	264,874	290,580	25,707	8.8%	270,102	5,228	1.9%
223,086	242,642	19,556	8.1%	386,261	163,175	42.2%	1,248,506	1,213,212	(35,293)	(2.9%)	1,185,398	(63,108)	(5.3%)
954	1,517	563	37.1%	2,099	1,146	54.6%	7,098	7,583	485	6.4%	9,441	2,343	24.8%
12,469	12,833	364	2.8%	10,391	(2,078)	(20.0%)	53,063	64,167	11,104	17.3%	47,982	(5,080)	(10.6%)
77,565	72,194	(5,371)	(7.4%)	76,396	(1,169)	(1.5%)	361,103	360,971	(132)	(0.0%)	367,529	6,426	1.7%
4,026	4,909	884	18.0%	4,607	582	12.6%	22,799	24,546	1,747	7.1%	22,780	(19)	(0.1%)
5,090	5,100	10	0.2%	5,090	-	0.0%	25,451	25,500	49	0.2%	25,451	-	0.0%
23,616	22,713	(903)	(4.0%)	17,130	(6,486)	(37.9%)	112,186	120,742	8,556	7.1%	99,961	(12,225)	(12.2%)
6,957	6,597	(360)	(5.5%)	6,867	(90)	(1.3%)	27,332	32,983	5,651	17.1%	29,041	1,710	5.9%
563,568	586,691	23,123	3.9%	698,347	134,779	19.3%	2,918,784	3,014,162	95,378	3.2%	2,854,995	(63,789)	(2.2%)
Net Performance before Overhead													
(460,887)	(319,809)	(141,077)	44.1%	(394,368)	(66,519)	16.9%	(2,091,031)	(1,660,344)	(430,687)	25.9%	(1,559,005)	(532,026)	34.1%
<i>Overhead Allocations</i>													
500	2,637	2,137	81.1%	2,646	2,146	81.1%	5,751	18,212	12,462	68.4%	13,130	7,379	56.2%
33,181	23,063	(10,119)	(43.9%)	9,993	(23,189)	(232.0%)	176,348	159,291	(17,057)	(10.7%)	48,241	(128,107)	(265.6%)
1,496	1,152	(344)	(29.8%)	533	(963)	(180.7%)	7,363	7,959	596	7.5%	692	(6,672)	(964.8%)
6,815	5,169	(1,647)	(31.9%)	8,309	1,494	18.0%	35,185	35,700	514	1.4%	36,528	1,343	3.7%
2,436	1,857	(579)	(31.2%)	1,520	(916)	(60.3%)	13,017	12,823	(194)	(1.5%)	8,427	(4,594)	(54.5%)
4,477	2,641	(1,836)	(69.5%)	3,679	(798)	(21.7%)	22,045	18,239	(3,805)	(20.9%)	13,183	(8,862)	(67.2%)
1,501	1,751	250	14.3%	2,725	1,224	44.9%	8,862	12,095	3,233	26.7%	7,528	(1,334)	(17.7%)
1,194	2,426	1,232	50.8%	1,868	674	36.1%	7,743	16,753	9,010	53.8%	9,073	1,330	14.7%
122	296	174	58.8%	301	179	59.4%	1,599	2,046	447	21.9%	1,732	133	7.7%
6,645	7,236	592	8.2%	6,557	(87)	(1.3%)	40,821	49,982	9,160	18.3%	32,457	(8,364)	(25.8%)
2,028	2,727	699	25.6%	3,611	1,584	43.9%	10,234	18,833	8,599	45.7%	10,663	429	4.0%
23,537	20,673	(2,864)	(13.9%)	20,838	(2,699)	(13.0%)	119,210	142,783	23,573	16.5%	108,866	(10,344)	(9.5%)
-	-	-	0.0%	23	23	100.0%	-	-	-	0.0%	2,641	2,641	100.0%
577	563	(15)	(2.6%)	752	175	23.3%	4,156	3,885	(270)	(7.0%)	4,275	120	2.8%
84,508	72,189	(12,319)	(17.1%)	63,355	(21,154)	(33.4%)	452,334	498,602	46,268	9.3%	297,431	(154,903)	(52.1%)
648,076	658,880	10,804	1.6%	761,702	113,626	14.9%	3,371,117	3,512,763	141,646	4.0%	3,152,426	(218,691)	(6.9%)
\$ (545,395)	\$ (391,999)	\$ (153,396)	39.1%	\$ (457,723)	\$ (87,672)	19.2%	\$ (2,543,365)	\$ (2,158,946)	\$ (384,419)	17.8%	\$ (1,856,436)	\$ (686,929)	(37.0%)

Managed Care Statement of Revenues and Expenditures

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date							
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%	
\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	Patient Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
-	-	-	0.0%	-	-	0.0%	Total Revenue	-	-	-	0.0%	-	-	0.0%
Direct Operational Expenses:														
356,165	370,319	14,154	3.8%	349,236	(6,929)	(2.0%)	Salaries and Wages	1,915,617	1,907,031	(8,585)	(0.5%)	1,891,727	(23,889)	(1.3%)
125,588	135,456	9,868	7.3%	131,954	6,366	4.8%	Benefits	664,111	687,148	23,036	3.4%	685,321	21,209	3.1%
171,492	190,574	19,082	10.0%	93,488	(78,004)	(83.4%)	Purchased Services	298,632	952,870	654,238	68.7%	172,562	(126,070)	(73.1%)
2,135,831	2,165,583	29,752	1.4%	2,594,548	458,717	17.7%	Medical Services	12,060,767	10,827,917	(1,232,850)	(11.4%)	12,245,813	185,046	1.5%
2,393	3,456	1,063	30.8%	1,215	(1,178)	(97.0%)	Other Supplies	10,089	17,282	7,193	41.6%	6,524	(3,565)	(54.6%)
-	-	-	0.0%	-	-	0.0%	Drugs	-	-	-	0.0%	-	-	0.0%
24,744	31,264	6,521	20.9%	31,834	7,091	22.3%	Repairs & Maintenance	125,408	156,322	30,914	19.8%	116,556	(8,853)	(7.6%)
11,675	14,894	3,219	21.6%	14,813	3,138	21.2%	Lease & Rental	46,783	74,470	27,687	37.2%	74,065	27,282	36.8%
407	525	118	22.5%	403	(4)	(1.0%)	Utilities	3,373	2,625	(748)	(28.5%)	2,415	(959)	(39.7%)
6,021	14,639	8,618	58.9%	7,059	(1,038)	(14.7%)	Other Expense	30,932	73,194	42,262	57.7%	69,221	38,289	55.3%
-	-	-	0.0%	-	-	0.0%	Insurance	-	-	-	0.0%	-	-	0.0%
2,834,315	2,926,711	92,396	3.2%	3,224,549	390,234	12.1%	Total Operational Expenses	15,155,713	14,698,859	(456,854)	(3.1%)	15,264,204	108,491	0.7%
Net Performance before Overhead														
(2,834,315)	(2,926,711)	92,396	(3.2%)	(3,224,549)	390,234	(12.1%)	Allocations	(15,155,713)	(14,698,859)	(456,854)	3.1%	(15,264,204)	108,491	(0.7%)
Overhead Allocations:														
648	4,728	4,080	86.3%	2,942	2,294	78.0%	Risk Mgt	7,464	23,641	16,176	68.4%	14,596	7,131	48.9%
-	-	-	0.0%	-	-	0.0%	Rev Cycle	-	-	-	0.0%	-	-	0.0%
1,942	2,066	124	6.0%	592	(1,350)	(227.9%)	Internal Audit	9,558	10,331	773	7.5%	768	(8,789)	(1,143.9%)
23,979	25,654	1,675	6.5%	131,070	107,091	81.7%	Palm Springs Facility	113,874	128,269	14,395	11.2%	391,527	277,654	70.9%
8,847	9,268	421	4.5%	9,232	385	4.2%	Administration	45,672	46,340	667	1.4%	40,585	(5,087)	(12.5%)
11,574	12,185	612	5.0%	7,473	(4,101)	(54.9%)	Human Resources	61,847	60,927	(920)	(1.5%)	41,414	(20,433)	(49.3%)
5,811	4,735	(1,076)	(22.7%)	4,087	(1,724)	(42.2%)	Legal	28,615	23,675	(4,939)	(20.9%)	14,649	(13,966)	(95.3%)
1,948	3,140	1,192	38.0%	3,028	1,080	35.7%	Records	11,503	15,700	4,197	26.7%	8,364	(3,139)	(37.5%)
1,550	4,349	2,799	64.4%	2,076	526	25.3%	Compliance	10,051	21,746	11,695	53.8%	10,080	30	0.3%
159	531	373	70.2%	335	176	52.6%	Planning/Research	2,076	2,656	581	21.9%	1,924	(152)	(7.9%)
8,625	12,976	4,350	33.5%	7,286	(1,340)	(18.4%)	Finance	52,988	64,878	11,891	18.3%	36,061	(16,926)	(46.9%)
2,632	4,889	2,257	46.2%	4,017	1,380	34.4%	Public Relations	13,284	24,446	11,162	45.7%	11,847	(1,437)	(12.1%)
30,552	37,068	6,516	17.6%	23,152	(7,400)	(32.0%)	Information Technology	154,740	185,339	30,599	16.5%	120,957	(33,784)	(27.9%)
-	-	-	0.0%	25	25	100.0%	Budget & Decision Support	-	-	-	0.0%	2,934	2,934	100.0%
749	1,009	260	25.7%	836	87	10.4%	Corporate Quality	5,394	5,043	(351)	(7.0%)	4,750	(644)	(13.6%)
99,015	122,598	23,583	19.2%	196,145	97,129	49.5%	Total Overhead Allocations	517,066	612,992	95,926	15.6%	700,458	183,392	26.2%
2,933,330	3,049,309	115,979	3.8%	3,420,694	487,364	14.2%	Total Expenses	15,672,779	15,311,851	(360,928)	(2.4%)	15,964,662	291,883	1.8%
\$ (2,933,330)	\$ (3,049,309)	\$ 115,979	(3.8%)	\$ (3,420,694)	\$ 487,364	(14.2%)	Net Margin	\$ (15,672,779)	\$ (15,311,851)	\$ (360,928)	2.4%	\$ (15,964,662)	\$ 291,883	1.8%

Pharmacy Services Statement of Revenues and Expenditures

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date						
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%
\$ -	-	\$ -	0.0%	-	\$ -	0.0%	\$ -	-	\$ -	0.0%	\$ -	-	0.0%
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
6,783	17,709	(10,926)	(61.7%)	6,550	233	3.6%	36,375	94,388	(58,013)	(61.5%)	35,046	1,329	3.8%
6,783	17,709	(10,926)	(61.7%)	6,550	233	3.6%	36,375	94,388	(58,013)	(61.5%)	35,046	1,329	3.8%
<i>Direct Operational Expenses</i>													
275,845	294,907	19,063	6.5%	267,340	(8,505)	(3.2%)	1,469,662	1,518,730	49,067	3.2%	1,449,252	(20,411)	(1.4%)
90,214	90,025	(189)	(0.2%)	85,064	(5,150)	(6.1%)	461,232	457,244	(3,988)	(0.9%)	433,276	(27,956)	(6.5%)
9,430	13,135	3,705	28.2%	499	(8,931)	(1,788.2%)	47,634	65,677	18,043	27.5%	51,572	3,938	7.6%
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
15,616	16,077	461	2.9%	5,336	(10,280)	(192.7%)	39,415	80,383	40,968	51.0%	45,107	5,692	12.6%
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
55,234	91,542	36,308	39.7%	63,547	8,313	13.1%	221,451	457,710	236,260	51.6%	379,448	157,997	41.6%
16,180	43,230	27,049	62.6%	25,635	9,455	36.9%	118,558	216,148	97,589	45.1%	137,056	18,497	13.5%
14,872	17,773	2,901	16.3%	12,735	(2,137)	(16.8%)	68,545	88,866	20,321	22.9%	61,954	(6,591)	(10.6%)
464	800	336	41.9%	(50)	(515)	1,027.0%	3,048	4,000	952	23.8%	3,342	294	8.8%
1,712	2,883	1,170	40.6%	642	(1,071)	(166.9%)	6,736	14,413	7,677	53.3%	4,778	(1,958)	(41.0%)
2,243	1,912	(331)	(17.3%)	1,277	(966)	(75.6%)	9,981	9,559	(422)	(4.4%)	6,418	(3,564)	(55.5%)
481,811	572,284	90,473	15.8%	462,025	(19,787)	(4.3%)	2,446,262	2,912,729	466,467	16.0%	2,572,202	125,939	4.9%
<i>Net Performance before Overhead</i>													
(475,028)	(554,575)	79,546	(14.3%)	(455,474)	(19,554)	4.3%	(2,409,887)	(2,818,341)	408,454	(14.5%)	(2,535,826)	127,268	(5.0%)
<i>Overhead Allocations:</i>													
479	3,496	3,017	86.3%	3,381	2,901	85.8%	5,520	17,482	11,962	68.4%	16,772	11,252	67.1%
2,411	2,315	(96)	(4.2%)	379	(2,032)	(536.6%)	12,812	11,573	(1,239)	(10.7%)	1,828	(10,984)	(600.8%)
1,436	1,528	92	6.0%	681	(756)	(111.0%)	7,068	7,640	572	7.5%	883	(6,185)	(700.5%)
6,542	6,853	311	4.5%	10,608	4,066	38.3%	33,774	34,267	494	1.4%	46,636	12,862	27.6%
6,662	7,014	352	5.0%	4,030	(2,631)	(65.3%)	35,598	35,069	(530)	(1.5%)	22,336	(13,262)	(59.4%)
4,297	3,502	(796)	(22.7%)	4,696	399	8.5%	21,160	17,508	(3,653)	(20.9%)	16,833	(4,327)	(25.7%)
1,441	2,322	881	38.0%	3,479	2,039	58.6%	8,506	11,610	3,104	26.7%	9,611	1,105	11.5%
1,146	3,216	2,070	64.4%	2,385	1,239	51.9%	7,432	16,081	8,648	53.8%	11,583	4,151	35.8%
117	393	276	70.2%	384	267	69.5%	1,535	1,964	429	21.9%	2,211	676	30.6%
6,378	9,595	3,217	33.5%	8,372	1,994	23.8%	39,183	47,976	8,793	18.3%	41,438	2,254	5.4%
1,946	3,615	1,669	46.2%	4,610	2,664	57.8%	9,823	18,077	8,254	45.7%	13,614	3,790	27.8%
22,593	27,411	4,818	17.6%	26,604	4,011	15.1%	114,428	137,055	22,627	16.5%	138,990	24,562	17.7%
-	-	-	0.0%	29	29	100.0%	-	-	-	0.0%	3,372	3,372	100.0%
554	746	192	25.7%	960	406	42.3%	3,989	3,729	(259)	(7.0%)	5,458	1,469	26.9%
82	146	64	43.9%	118	36	30.2%	442	732	290	39.6%	262	(180)	(68.8%)
56,084	72,153	16,068	22.3%	70,717	14,632	20.7%	301,271	360,763	59,492	16.5%	331,825	30,554	9.2%
537,895	644,437	106,541	16.5%	532,741	(5,154)	(1.0%)	2,747,534	3,273,493	525,959	16.1%	2,904,027	156,493	5.4%
\$ (531,113)	\$ (626,728)	\$ 95,615	(15.3%)	\$ (526,191)	\$ (4,921)	0.9%	\$ (2,711,158)	\$ (3,179,105)	\$ 467,946	(14.7%)	\$ (2,868,981)	\$ 157,822	5.5%

School Health Statement of Revenues and Expenditures

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date						
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%
\$ 231,917	\$ 231,917	\$ -	0.0%	\$ 231,917	\$ -	0.0%	\$ 1,159,583	\$ 1,159,583	\$ (0)	(0.0%)	\$ 1,159,583	\$ (0)	(0.0%)
231,917	231,917	-	0.0%	231,917	-	0.0%	1,159,583	1,159,583	(0)	(0.0%)	1,159,583	(0)	(0.0%)
Total Revenue							Total Revenue						
<i>Direct Operational Expenses</i>													
1,167,319	1,302,259	134,940	10.4%	1,094,902	(72,417)	(6.6%)	6,146,343	6,546,960	400,617	6.1%	5,692,657	(453,685)	(8.0%)
415,166	475,175	60,010	12.6%	406,737	(8,429)	(2.1%)	2,212,869	2,375,877	163,008	6.9%	2,162,809	(50,060)	(2.3%)
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
4,290	10,000	5,710	57.1%	8,691	4,401	50.6%	51,923	34,000	(17,923)	(52.7%)	11,351	(40,572)	(357.4%)
26	583	557	95.5%	1,007	981	97.4%	7,221	2,917	(4,304)	(147.6%)	1,737	(5,484)	(315.8%)
8,335	9,542	1,207	12.6%	11,926	3,591	30.1%	51,609	47,708	(3,901)	(8.2%)	53,893	2,284	4.2%
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
1,683	1,929	247	12.8%	1,596	(86)	(5.4%)	3,012	9,646	6,633	68.8%	3,559	547	15.4%
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
1,596,818	1,799,488	202,670	11.3%	1,524,860	(71,958)	(4.7%)	8,472,977	9,017,107	544,131	6.0%	7,926,006	(546,970)	(6.9%)
Total Operational Expenses							Total Operational Expenses						
Net Performance before Overhead													
(1,364,901)	(1,567,571)	202,670	(12.9%)	(1,292,943)	(71,958)	5.6%	(7,313,393)	(7,857,524)	544,131	(6.9%)	(6,766,423)	(546,971)	8.1%
Allocations													
<i>Overhead Allocations</i>													
1,270	9,264	7,993	86.3%	6,964	5,694	81.8%	14,625	46,319	31,694	68.4%	34,547	19,922	57.7%
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
3,805	4,048	243	6.0%	1,402	(2,403)	(171.4%)	18,727	20,242	1,515	7.5%	1,819	(16,908)	(929.8%)
7,531	8,057	526	6.5%	30,573	23,042	75.4%	35,764	40,286	4,521	11.2%	91,328	55,564	60.8%
17,333	18,159	825	4.5%	21,851	4,517	20.7%	89,486	90,794	1,308	1.4%	96,060	6,574	6.8%
32,258	33,963	1,705	5.0%	19,707	(12,552)	(63.7%)	172,382	169,817	(2,565)	(1.5%)	109,213	(63,169)	(57.8%)
11,386	9,277	(2,108)	(22.7%)	9,674	(1,712)	(17.7%)	56,065	46,387	(9,678)	(20.9%)	34,672	(21,393)	(61.7%)
3,817	6,152	2,335	38.0%	7,166	3,349	46.7%	22,538	30,762	8,223	26.7%	19,797	(2,741)	(13.8%)
3,037	8,521	5,485	64.4%	4,913	1,876	38.2%	19,693	42,607	22,914	53.8%	23,859	4,166	17.5%
311	1,041	730	70.2%	792	481	60.8%	4,067	5,205	1,138	21.9%	4,554	487	10.7%
16,900	25,423	8,524	33.5%	17,244	345	2.0%	103,819	127,117	23,297	18.3%	85,353	(18,466)	(21.6%)
5,157	9,579	4,423	46.2%	9,496	4,340	45.7%	26,028	47,897	21,869	45.7%	28,041	2,014	7.2%
59,861	72,627	12,766	17.6%	54,798	(5,063)	(9.2%)	303,184	363,136	59,952	16.5%	286,290	(16,894)	(5.9%)
-	-	-	0.0%	60	60	100.0%	-	-	-	0.0%	6,945	6,945	100.0%
1,468	1,976	509	25.7%	1,978	510	25.8%	10,569	9,881	(687)	(7.0%)	11,243	674	6.0%
164,133	208,090	43,957	21.1%	186,617	22,485	12.0%	876,947	1,040,449	163,502	15.7%	833,720	(43,227)	(5.2%)
Total Overhead Allocations							Total Overhead Allocations						
1,760,950	2,007,578	246,627	12.3%	1,711,477	(49,473)	(2.9%)	9,349,923	10,057,556	707,633	7.0%	8,759,726	(590,197)	(6.7%)
Total Expenses							Total Expenses						
\$ (1,529,034)	\$ (1,775,661)	\$ 246,627	(13.9%)	\$ (1,479,561)	\$ (49,473)	3.3%	\$ (8,190,340)	\$ (8,897,973)	\$ 707,633	(8.0%)	\$ (7,600,143)	\$ (590,197)	(7.8%)
Net Margin							Net Margin						

Sponsored Programs

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date						
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%
<i>Sponsored Programs:</i>													
705,594	791,667	86,073	10.9%	550,183	(155,411)	(28.2%)	3,527,970	3,958,333	430,363	10.9%	2,729,213	(798,757)	(29.3%)
158,427	166,667	8,239	4.9%	360,543	202,116	56.1%	311,771	833,333	521,563	62.6%	736,933	425,162	57.7%
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
10,000	2,500	(7,500)	(300.0%)	2,500	(7,500)	(300.0%)	10,000	12,500	2,500	20.0%	12,500	2,500	20.0%
874,021	960,833	86,812	9.0%	913,226	39,205	4.3%	3,849,741	4,804,167	954,426	19.9%	3,478,645	(371,095)	(10.7%)
<i>Direct Operational Expenses:</i>													
12,241	12,851	610	4.7%	11,794	(447)	(3.8%)	66,473	66,180	(293)	(0.4%)	66,119	(354)	(0.5%)
5,230	5,401	171	3.2%	5,234	4	0.1%	27,578	27,450	(127)	(0.5%)	27,448	(129)	(0.5%)
-	83	83	100.0%	129	129	100.0%	110	417	307	73.6%	129	19	14.7%
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
270	521	251	48.2%	-	(270)	(0.0%)	1,770	2,604	834	32.0%	241	(1,529)	(634.7%)
17,741	18,856	1,115	6.3%	17,157	(584)	(3.4%)	95,930	96,651	721	0.8%	93,937	(1,993)	(2.1%)
\$ 891,762	\$ 979,689	\$ 87,927	9.0%	\$ 930,383	\$ 38,621	4.2%	\$ 3,945,671	\$ 4,900,818	\$ 955,147	19.5%	\$ 3,572,583	\$ (373,088)	(10.4%)

General Fund Statement of Revenues and Expenditures by Month

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Year to Date
Revenues:													
Ad Valorem Taxes	\$ -	\$ 21,909,070	\$ 83,120,459	\$ 5,220,786	\$ 5,661,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,912,091
Premiums													
Patient Revenue, Net	130,636	180,131	356,622	56,280	107,682								826,352
Intergovernmental Revenue	231,917	231,917	231,917	231,917	231,917								1,159,583
Grants	7,820	4,818	11,753	5,201	6,783								36,375
Interest Earnings	233,697	238,380	190,989	319,898	482,263								1,465,223
Unrealized Gain/(Loss)-Investments	(49,482)	155,186	641,266	149,084	(126,799)								769,257
Other Revenue	1,210	473,396	1,224,894	224,207	231,878								2,155,585
Total Revenues	\$ 555,794	\$ 23,192,899	\$ 85,777,900	\$ 6,207,373	\$ 6,590,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,324,466
Expenditures:													
Salaries and Wages	3,298,698	2,915,868	2,983,671	2,927,192	2,835,739								14,961,168
Benefits	1,055,344	1,100,508	904,269	1,015,998	990,983								5,067,103
Purchased Services	494,856	800,476	566,029	654,314	621,355								3,137,030
Medical Supplies	4,323	4,710	39,275	5,970	5,743								59,021
Other Supplies	25,159	40,536	84,704	77,326	101,366								379,092
Contracted Physician Expense	29,167	29,167	29,167	29,167	29,167								145,833
Medical Services	3,748,086	3,330,642	3,401,981	4,129,172	3,266,127								17,876,007
Drugs	14,087	30,279	18,181	103,670	55,244								271,451
Repairs & Maintenance	233,625	221,593	291,127	296,634	239,358								1,282,337
Lease & Rental	132,692	169,243	177,188	174,498	181,440								835,060
Utilities	11,427	12,065	9,852	9,749	8,540								51,632
Other Expense	316,602	650,421	1,935,661	1,711,669	556,651								5,171,004
Insurance	120,673	122,833	112,469	127,095	118,013								601,083
Sponsored Programs	705,594	705,594	705,594	858,937	874,021								3,849,741
Total Operational Expenditures	10,190,332	10,133,434	11,259,166	12,121,391	9,883,238	-	-	-	-	-	-	-	53,587,561
Net Performance before Overhead Allocations	\$ (9,634,538)	\$ 13,059,465	\$ 74,518,733	\$ (5,914,018)	\$ (3,292,738)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,736,904
Overhead Allocations	(822,184)	(878,887)	(893,893)	(955,086)	(815,753)	-	-	-	-	-	-	-	(4,365,798)
Total Expenses	9,368,148	9,254,553	10,365,273	11,166,305	9,067,485	-	-	-	-	-	-	-	49,221,763
Net Margin	\$ (8,812,354)	\$ 13,938,347	\$ 75,412,627	\$ (4,958,932)	\$ (2,476,985)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,102,702
Capital													
General Fund Support/ Transfer In (Out)	\$ (3,291,581)	\$ (4,370,744)	\$ (3,491,091)	\$ (3,086,373)	\$ (2,941,885)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,181,673)



General Fund Program Statistics

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Current Year Total	Prior Year Total	% Var to Budget	% Var to Prior Year
Aeromedical																
Patients Transported - Actual	46	40	55	65	63	-	-	-	-	-	-	-	269	289	-	(6.9%)
Patients Transported - Budget	51	63	51	59	55	-	-	-	-	-	-	-	279	274	(3.6%)	-
Variance	(5)	(23)	4	6	8	-	-	-	-	-	-	-	(10)	15	-	-
Actual Hours Available for Service	1,070	1,080	1,113	1,069	1,005	-	-	-	-	-	-	-	5,337	5,373	-	-
Service Hours Utilized	74.0	54.0	79.0	94.0	92.0	-	-	-	-	-	-	-	393.0	379.0	-	-
Utilization %	6.9%	5.0%	7.1%	8.8%	9.2%	-	-	-	-	-	-	-	7.4%	7.1%	-	-
# of Flights - Training/Public Education	8	5	7	7	1	-	-	-	-	-	-	-	28	55	-	(49.1%)
# of Flights - Maintenance	9	11	15	13	10	-	-	-	-	-	-	-	58	47	-	23.4%
Trauma																
New Trauma Patients - Actual	359	399	421	400	377	-	-	-	-	-	-	-	1,956	1,881	-	4.0%
New Trauma Patients - Budget	399	399	399	399	399	-	-	-	-	-	-	-	1,995	1,730	(2.0%)	-
Variance	(40)	-	22	1	(22)	-	-	-	-	-	-	-	(39)	151	-	-
School Health																
Medical Events	48,567	32,649	28,460	35,695	40,115	-	-	-	-	-	-	-	185,486	183,008	-	1.4%
Screenings	29,329	19,811	18,958	14,867	16,019	-	-	-	-	-	-	-	98,984	79,548	-	24.4%
Total Events - Actual	77,896	52,460	47,418	50,562	56,134	-	-	-	-	-	-	-	284,470	262,556	-	-
Total Events - Budget	66,612	50,206	43,714	50,088	51,936	-	-	-	-	-	-	-	262,556	262,777	-	-
Managed Care																
District Care Visits to Primary Clinic - Medical	1,857	2,043	2,121	2,356	2,168	-	-	-	-	-	-	-	10,545	13,859	-	(23.9%)
District Care Visits to Primary Clinic - Dental	441	381	338	293	345	-	-	-	-	-	-	-	1,798	3,711	-	(51.5%)
Uninsured Visits to Primary Clinic - Medical	3,649	2,420	2,465	2,717	2,706	-	-	-	-	-	-	-	13,957	10,888	-	28.2%
Uninsured Visits to Primary Clinic - Dental	1,381	990	873	1,028	1,052	-	-	-	-	-	-	-	5,324	5,752	-	(7.4%)
Membership - Current Year	9,446	9,195	8,929	8,731	8,470	-	-	-	-	-	-	-	-	-	-	(11.4%)
Membership - Prior Year	9,946	10,060	9,924	9,852	9,829	-	-	-	-	-	-	-	-	-	-	-
Pharmacy																
Total Prescriptions Filled at In-House Pharmacies	24,348	20,947	20,144	22,785	20,931	-	-	-	-	-	-	-	109,155	119,802	-	(8.9%)
Total Prescriptions Filled at Retail Pharmacies	159	120	247	309	323	-	-	-	-	-	-	-	1,158	1,146	-	1.0%
Total Prescriptions Filled Inhouse/Retail - Actual	24,507	21,067	20,391	23,094	21,254	-	-	-	-	-	-	-	110,313	120,948	-	(8.8%)
Total Prescriptions Filled - Budget	26,876	24,372	24,016	25,283	24,714	-	-	-	-	-	-	-	125,761	131,880	(11.9%)	-



Health Care District
PALM BEACH COUNTY

SUPPLEMENTAL INFORMATION

HEALEY CENTER

Healey Center Statement of Revenues and Expenses

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month								Fiscal Year To Date							
Actual	Budget	Variance	%	Prior Year	Variance	%		Actual	Budget	Variance	%	Prior Year	Variance	%	
\$ 1,145,087	\$ 1,011,946	\$ 133,141	13.2%	\$ 1,001,224	\$ 143,862	14.4%	Gross Patient Revenue	\$ 5,551,085	\$ 5,417,850	\$ 133,235	2.5%	\$ 5,445,979	\$ 105,106	1.9%	
101,265	22,744	(78,521)	(345.2%)	93,577	(7,688)	(8.2%)	Contractual Allowances	98,443	91,863	(6,580)	(7.2%)	492,675	394,233	80.0%	
263,811	251,670	(12,141)	(4.8%)	227,515	(36,296)	(16.0%)	Charity Care	1,250,844	1,357,163	106,319	7.8%	1,360,237	109,394	8.0%	
13,170	2,236	(10,934)	(489.0%)	6,009	(7,161)	-119.2%	Bad Debt	(20,723)	11,180	31,903	285.4%	46,882	67,605	144.2%	
378,246	276,650	(101,596)	(36.7%)	327,101	(51,145)	(15.6%)	Total Contractuals and Bad Debt	1,328,563	1,460,206	131,643	9.0%	1,899,794	571,231	30.1%	
766,841	735,296	31,545	4.3%	674,123	92,717	13.8%	Net Patient Revenue	4,222,522	3,957,644	264,878	6.7%	3,546,185	676,337	19.1%	
66.97%	72.66%			67.33%			Collection %	76.07%	73.05%			65.12%			
758,333	758,333	-	0.0%	758,333	-	0.0%	PBC Interlocal	3,791,667	3,791,667	-	0.0%	3,791,667	-	0.0%	
1,671	4,468	(2,797)	(62.6%)	2,713	(1,042)	(38.4%)	Other revenue	19,034	22,340	(3,306)	(14.8%)	12,532	6,502	51.9%	
760,004	762,801	(2,797)	(0.4%)	761,047	(1,042)	(0.1%)	Total Other Revenues	3,810,701	3,814,007	(3,306)	(0.1%)	3,804,199	6,502	0.2%	
1,526,845	1,498,097	28,748	1.9%	1,435,170	91,675	6.4%	Total Revenues	8,033,223	7,771,651	261,573	3.4%	7,350,384	682,839	9.3%	
<i>Direct Operational Expenses</i>															
860,191	805,606	(54,585)	(6.8%)	785,960	(74,231)	(9.4%)	Salaries and Wages	4,432,258	4,344,430	(87,827)	(2.0%)	4,169,384	(262,874)	(6.3%)	
321,671	324,278	2,607	0.8%	309,387	(12,284)	(4.0%)	Benefits	1,654,582	1,675,583	21,001	1.3%	1,590,862	(63,720)	(4.0%)	
71,451	71,143	(309)	(0.4%)	67,288	(4,163)	(6.2%)	Purchased Services	336,284	355,713	19,428	5.5%	317,339	(18,946)	(6.0%)	
39,636	45,500	5,864	12.9%	47,541	7,905	16.6%	Medical Supplies	232,258	227,500	(4,758)	(2.1%)	229,832	(2,426)	(1.1%)	
66,207	67,232	1,025	1.5%	59,931	(6,277)	(10.5%)	Other Supplies	352,009	336,159	(15,850)	(4.7%)	423,156	71,146	16.8%	
119	2,088	1,969	94.3%	1,263	1,143	90.5%	Contracted Physician Expense	4,210	10,441	6,231	59.7%	7,613	3,404	44.7%	
5,732	3,750	(1,982)	(52.9%)	-	(5,732)	0.0%	Medical Services	23,542	18,750	(4,792)	(25.6%)	-	(23,542)	0.0%	
34,228	30,667	(3,561)	(11.6%)	23,032	(11,197)	(48.6%)	Drugs	158,228	153,333	(4,895)	(3.2%)	152,084	(6,144)	(4.0%)	
46,998	32,957	(14,040)	(42.6%)	16,825	(30,172)	(179.3%)	Repairs & Maintenance	151,119	164,787	13,668	8.3%	123,200	(27,919)	(22.7%)	
1,383	2,849	1,466	51.5%	1,345	(38)	(2.8%)	Lease & Rental	7,488	14,245	6,757	47.4%	7,135	(353)	(4.9%)	
34,744	34,256	(488)	(1.4%)	29,704	(5,040)	(17.0%)	Utilities	175,806	171,280	(4,525)	(2.6%)	167,867	(7,939)	(4.7%)	
6,443	15,260	8,817	57.8%	12,495	6,052	48.4%	Other Expense	59,988	76,301	16,313	21.4%	62,676	2,688	4.3%	
5,029	4,601	(429)	(9.3%)	3,364	(1,665)	(49.5%)	Insurance	25,606	23,004	(2,602)	(11.3%)	21,044	(4,562)	(21.7%)	
1,493,834	1,440,187	(53,647)	(3.7%)	1,358,135	(135,698)	(10.0%)	Total Operational Expenses	7,613,379	7,571,527	(41,851)	(0.6%)	7,272,193	(341,185)	(4.7%)	
Net Performance before Depreciation & Overhead Allocations															
33,011	57,911	(24,899)	(43.0%)	77,035	(44,023)	(57.1%)	Overhead Allocations	419,845	200,123	219,721	109.8%	78,191	341,654	436.9%	
54,636	70,087	15,451	22.0%	60,986	6,350	10.4%	Depreciation	268,496	350,433	81,937	23.4%	305,333	36,837	12.1%	
<i>Overhead Allocations</i>															
1,260	9,189	7,929	86.3%	7,236	5,976	82.6%	Risk Mgt	14,508	45,947	31,439	68.4%	35,896	21,388	59.6%	
-	-	-	0.0%	35,896	35,896	100.0%	Rev Cycle	-	-	-	0.0%	173,288	173,288	100.0%	
3,774	4,016	241	6.0%	1,457	(2,318)	(159.1%)	Internal Audit	18,576	20,079	1,503	7.5%	1,890	(16,687)	(883.1%)	
17,194	18,013	819	4.5%	22,704	5,510	24.3%	Administration	88,767	90,064	1,297	1.4%	99,812	11,045	11.1%	
30,031	31,618	1,588	5.0%	18,636	(11,395)	(61.1%)	Human Resources	160,480	158,092	(2,387)	(1.5%)	103,280	(57,200)	(55.4%)	
11,294	9,203	(2,091)	(22.7%)	10,051	(1,243)	(12.4%)	Legal	55,615	46,015	(9,600)	(20.9%)	36,026	(19,589)	(54.4%)	
3,786	6,103	2,317	38.0%	7,446	3,660	49.2%	Records	22,357	30,514	8,157	26.7%	20,571	(1,787)	(8.7%)	
3,012	8,453	5,441	64.4%	5,105	2,092	41.0%	Compliance	19,535	42,264	22,730	53.8%	24,791	5,256	21.2%	
308	1,033	724	70.2%	823	515	62.5%	Planning/Research	4,034	5,163	1,129	21.9%	4,732	698	14.7%	
16,764	25,219	8,455	33.5%	17,918	1,154	6.4%	Finance	102,985	126,095	23,110	18.3%	88,686	(14,298)	(16.1%)	
5,115	9,502	4,387	46.2%	9,867	4,752	48.2%	Public Relations	25,818	47,512	21,693	45.7%	29,136	3,318	11.4%	
59,380	72,044	12,664	17.6%	56,938	(2,442)	(4.3%)	Information Technology	300,748	360,218	59,470	16.5%	297,471	(3,276)	(1.1%)	
-	-	-	0.0%	62	62	100.0%	Budget & Decision Support	-	-	-	0.0%	7,216	7,216	100.0%	
1,456	1,960	504	25.7%	2,055	599	29.2%	Corporate Quality	10,484	9,802	(682)	(7.0%)	11,682	1,198	10.3%	
-	-	-	0.0%	11,161	11,161	100.0%	Managed Care Contract	-	-	-	0.0%	24,822	24,822	100.0%	
153,375	196,353	42,978	21.9%	207,355	53,981	26.0%	Total Overhead Allocations	823,905	981,765	157,859	16.1%	959,298	135,393	14.1%	
1,701,844	1,706,626	4,782	0.3%	1,626,476	(75,368)	(4.6%)	Total Expenses	8,705,780	8,903,725	197,945	2.2%	8,536,825	(168,956)	(2.0%)	
(174,999)	(208,529)	33,530	(16.1%)	(191,306)	16,307	(8.5%)	Net Margin	(672,557)	(1,132,075)	459,518	(40.6%)	(1,186,441)	513,883	43.3%	
\$ 118,407	\$ 154,167	\$ (35,760)	(23.2%)	\$ 118,407	\$ 118,407	0.0%	General Fund Support/Transfer In	\$ 404,061	\$ 770,833	\$ (366,772)	(47.6%)	\$ -	\$ 404,061	0.0%	



Census	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Current Year Total	Prior Year Total
Admissions	10	9	12	8	8								47	53
Discharges	11	13	8	10	6								48	58
Average Daily Census	119	118	119	119	119								119	120
Budget Census	118	118	118	118	118								118	118
Occupancy % (120 licensed beds)	99%	98%	99%	99%	99%								99%	100%
Days By Payor Source:														
Medicaid	109	78	62	93	65								407	12,359
Managed Care Medicaid	2,259	2,201	2,330	2,384	2,245								11,419	-
Medicare	115	90	52	48	32								337	130
Private Pay	97	90	93	93	84								457	567
Hospice	124	120	145	142	103								634	386
Charity	990	961	1,016	930	812								4,709	4,619
Total Resident Days	3,694	3,540	3,698	3,690	3,341								17,963	18,061



SUPPLEMENTAL INFORMATION

LAKESIDE MEDICAL CENTER

Lakeside Medical Center Statement of Revenues and Expenses

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month								Fiscal Year To Date							
Actual	Budget	Variance	%	Prior Year	Variance	%		Actual	Budget	Variance	%	Prior Year	Variance	%	
\$ 4,545,320	\$ 4,608,115	\$ (62,795)	(1.4%)	\$ 4,322,867	\$ 222,453	5.1%	Inpatient Revenue	\$ 21,494,635	\$ 24,141,404	\$ (2,646,768)	(11.0%)	\$ 23,871,947	\$ (2,377,312)	(10.0%)	
6,775,699	5,625,374	1,150,324	20.4%	6,187,355	588,344	9.5%	Outpatient Revenue	34,556,217	29,470,711	5,085,506	17.3%	30,459,107	4,097,111	13.5%	
-	57,619	(57,619)	(100.0%)	60,070	(60,070)	(100.0%)	Physician Clinic	1,126	288,093	(286,968)	(99.6%)	289,372	(288,247)	(99.6%)	
11,321,019	10,291,108	1,029,911	10.0%	10,570,292	750,727	7.1%	Gross Patient Revenue	56,051,978	53,900,208	2,151,770	4.0%	54,620,426	1,431,552	2.6%	
8,134,897	6,797,189	(1,337,708)	(19.7%)	7,508,643	(626,254)	(8.3%)	Contractual Allowances	38,688,650	35,609,717	(3,078,933)	(8.6%)	38,099,106	(589,544)	(1.5%)	
313,570	201,182	(112,387)	(55.9%)	192,449	(121,121)	(62.9%)	Charity Care	1,763,567	1,053,972	(709,595)	(67.3%)	1,072,915	(690,652)	(64.4%)	
825,696	1,142,698	317,001	27.7%	989,862	164,165	16.6%	Bad Debt	5,281,982	5,986,466	704,484	11.8%	6,109,146	827,164	13.5%	
108	38,427	38,319	99.7%	40,582	40,474	99.7%	Physician Contractuals	1,988	192,137	(190,149)	99.0%	158,423	156,435	98.7%	
\$ 9,274,271	\$ 8,179,496	\$ (1,094,774)	(13.4%)	\$ 8,731,534	\$ (542,736)	(6.2%)	Total Contractuals and Bad Debt	\$ 45,736,187	\$ 42,842,292	\$ (2,893,896)	(6.8%)	\$ 45,439,591	\$ (296,596)	(0.7%)	
130,283	140,377	(10,094)	(7.2%)	127,231	3,053	2%	Other Patient Revenue	651,418	701,886	(50,468)	(7.2%)	1,021,455	(370,038)	-36%	
2,177,032	2,251,989	(74,958)	(3.3%)	1,965,988	211,044	10.7%	Net Patient Revenue	10,967,209	11,759,803	(792,594)	(6.7%)	10,202,291	764,918	7.5%	
19.23%	21.88%			18.60%			Collection %	19.57%	21.82%			18.68%			
18,224	-	18,224	0.0%	30,575	(12,350)	(40.4%)	Grant Funds	91,122	-	91,122	0.0%	121,987	(30,865)	(25.3%)	
4,337	35,935	(31,598)	(87.9%)	11,256	(6,919)	(61.5%)	Other Revenue	42,686	179,673	(136,987)	(76.2%)	23,483	19,203	81.8%	
22,561	35,935	(13,374)	(37.2%)	41,831	(19,270)	(46.1%)	Total Other Revenues	133,808	179,673	(45,865)	(25.5%)	145,470	(11,662)	(8.0%)	
2,199,593	2,287,924	(88,331)	(3.9%)	2,007,819	191,774	9.6%	Total Revenues	11,101,017	11,939,476	(838,459)	(7.0%)	10,347,761	753,256	7.3%	
<i>Direct Operational Expenses:</i>															
1,488,697	1,500,406	11,709	0.8%	1,485,036	(3,661)	(0.2%)	Salaries and Wages	7,789,540	8,091,473	301,933	3.7%	7,771,699	(17,840)	(0.2%)	
415,974	409,080	(6,894)	(1.7%)	409,091	(6,883)	(1.7%)	Benefits	2,135,928	2,206,113	70,185	3.2%	2,093,599	(42,328)	(2.0%)	
206,736	333,043	126,307	37.9%	371,841	165,105	44.4%	Purchased Services	1,188,948	1,468,117	279,169	19.0%	1,343,102	154,153	11.5%	
153,498	92,117	(61,382)	(66.6%)	71,994	(81,505)	(113.2%)	Medical Supplies	573,554	482,590	(90,964)	(18.8%)	385,217	(188,337)	(48.9%)	
64,124	86,914	22,790	26.2%	76,352	12,228	16.0%	Other Supplies	366,254	447,495	81,242	18.2%	280,779	(85,475)	(30.4%)	
977,758	513,391	(464,368)	(90.5%)	589,329	(388,430)	(65.9%)	Contracted Physician Expense	4,394,201	3,411,879	(982,323)	(28.8%)	2,996,647	(1,397,554)	(46.6%)	
90,491	72,302	(18,189)	(25.2%)	81,295	(9,197)	(11.3%)	Drugs	349,815	378,784	28,969	7.6%	336,583	(13,232)	(3.9%)	
105,261	157,024	51,763	33.0%	120,201	14,940	12.4%	Repairs & Maintenance	812,119	785,119	(27,000)	(3.4%)	584,941	(227,178)	(38.8%)	
51,184	62,234	11,050	17.8%	52,717	1,534	2.9%	Lease & Rental	314,074	311,170	(2,905)	(0.9%)	204,095	(109,980)	(53.9%)	
85,378	69,047	(16,331)	(23.7%)	71,597	(13,781)	(19.2%)	Utilities	346,894	404,708	57,815	14.3%	350,057	3,163	0.9%	
99,995	88,194	(11,801)	(13.4%)	40,150	(59,846)	(149.1%)	Other Expense	314,913	316,171	1,258	0.4%	200,454	(114,459)	(57.1%)	
11,496	12,239	742	6.1%	9,891	(1,606)	(16.2%)	Insurance	52,787	61,193	8,406	13.7%	59,381	6,594	11.1%	
3,750,593	3,395,990	(354,603)	(10.4%)	3,379,492	(371,101)	(11.0%)	Total Operational Expenses	18,639,027	18,364,811	(274,216)	(1.5%)	16,606,555	(2,032,472)	(12.2%)	
Net Performance before Depreciation & Overhead Allocations															
(1,551,000)	(1,108,066)	(442,934)	40.0%	(1,371,674)	(179,327)	13.1%		(7,538,010)	(6,425,335)	(1,112,675)	17.3%	(6,258,794)	(1,279,216)	20.4%	

Lakeside Medical Center
Statistical Information

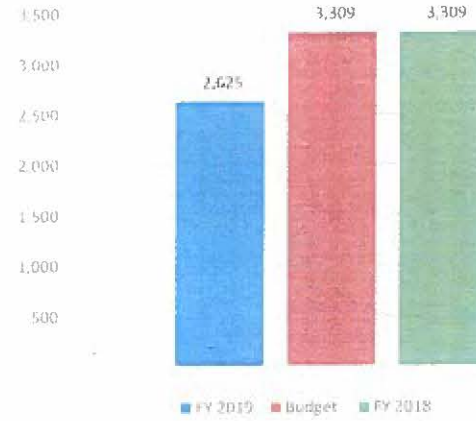
	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Current Year Total	YTD Budget Total	% Var to Budget	Prior YTD Total
Admissions																
Newborn	28	22	28	21	19	-	-	-	-	-	-	-	118	194	(39.3%)	198
Pediatrics	20	18	13	16	13	-	-	-	-	-	-	-	80	104	(22.8%)	102
Adult	111	130	152	144	128	-	-	-	-	-	-	-	665	744	(10.6%)	708
Total	159	170	193	181	160	-	-	-	-	-	-	-	863	1,042	(17.2%)	1,008
Adjusted Admissions	457	454	480	462	399								2,252	2,314	(2.7%)	2,305
Patient Days																
Med Surg 2nd and 3rd Floor (14 beds)	88	94	75	69	80	-	-	-	-	-	-	-	406	578	(29.7%)	571
Pediatrics (12 beds)	56	79	54	45	54	-	-	-	-	-	-	-	288	378	(23.8%)	378
Telemetry (22 beds)	190	243	275	287	270	-	-	-	-	-	-	-	1,263	1,443	(12.4%)	1,450
ICU (6 beds)	73	73	49	78	66	-	-	-	-	-	-	-	339	398	(14.8%)	398
Obstetrics (16 beds)	72	66	80	58	51	-	-	-	-	-	-	-	327	512	(36.1%)	512
Total (70 beds)	479	555	533	537	521	-	-	-	-	-	-	-	2,625	3,309	(20.7%)	3,309
Adjusted Acute Patient Days	1,378	1,482	1,326	1,371	1,298								6,855	7,544	(9.1%)	7,543
Other Key Inpatient Statistics																
Occupancy Percentage	22%	26%	25%	25%	27%	-	-	-	-	-	-	-	25%	31%	(20.7%)	31%
Average Daily Census (excl. newborns)	15.5	18.5	17.2	17.3	18.6	-	-	-	-	-	-	-	17.4	21.9	(20.4%)	21.9
Average Daily Census (incl. newborns)	17.7	20.3	19.6	18.7	20.1	-	-	-	-	-	-	-	19.3	24.9	(22.5%)	24.9
Average Length of Stay (excl newborns)	3.66	3.75	3.23	3.36	3.70	-	-	-	-	-	-	-	2.80	3.90	(28.3%)	4.08
Average Length of Stay (incl newborns)	3.45	3.58	3.15	3.21	3.52	-	-	-	-	-	-	-	2.68	3.60	(25.8%)	3.72
Case Mix Index- Medicare	1.7578	1.4420	1.6109	1.5723	1.2628	-	-	-	-	-	-	-	1.5335			1.4113
Case Mix Index- Medicaid	0.7119	1.3270	0.5277	0.4226	0.4350	-	-	-	-	-	-	-	0.7940			0.9102
Case Mix Index- All Payers	0.9851	1.1229	1.0046	1.0943	1.0419	-	-	-	-	-	-	-	1.0549			1.0920
Emergency Room and Outpatients																
ER Admissions	127	108	113	131	130	-	-	-	-	-	-	-	609	554	9.9%	554
ER Visits	2,103	1,950	1,983	1,949	2,020	-	-	-	-	-	-	-	10,005	9,907	1.0%	9,905
Outpatient Visits	585	546	417	503	373	-	-	-	-	-	-	-	2,424	3,493	(30.6%)	3,493
ER and Outpatient Visits	2,688	2,496	2,400	2,452	2,393	-	-	-	-	-	-	-	12,429	10,646	16.7%	13,134
Observation Patient Stays	196	163	175	182	218	-	-	-	-	-	-	-	934	739	26.4%	739
Surgery and Other Procedures																
Inpatient Surgeries	39	34	45	33	34	-	-	-	-	-	-	-	185	212	(12.7%)	212
Outpatient Surgeries	4	1	1	2	1	-	-	-	-	-	-	-	9	87	(89.7%)	87
Endoscopies	6	4	5	8	14	-	-	-	-	-	-	-	37	82	(54.9%)	82
Radiology Procedures	2,423	2,377	2,313	2,522	2,269	-	-	-	-	-	-	-	11,904	11,011	8.1%	11,004
Lab Charges	15,226	14,356	15,018	15,888	14,924	-	-	-	-	-	-	-	75,412	70,285	7.3%	70,285
Staffing																
Paid FTE	293.02	286.65	284.62	300.71	298.00	-	-	-	-	-	-	-	292.60	288.87	1.3%	285.95
Paid FTE per Adjusted Occupied Bed	18.96	15.49	16.55	17.36	16.02	-	-	-	-	-	-	-	16.80	5.94	182.6%	5.72
Operational Performance																
Gross Revenue Per Adj Pat Day	8,199	7,285	8,248	8,535	8,724	-	-	-	-	-	-	-	8,198	7,145	14.7%	7,248
Net Revenue Per Adj Pat Day	1,791	1,193	1,990	1,398	2,355	-	-	-	-	-	-	-	1,745	1,559	11.9%	1,359
Salaries & Benefits as % of Net Pat Revenue	86%	114%	73%	106%	62%	-	-	-	-	-	-	-	84%	88%	(3.8%)	97%
Labor Cost per Adj Pat Day	1,538	1,385	1,445	1,481	1,468	-	-	-	-	-	-	-	1,459	1,367	6.7%	1,310
Total Expense Per Adj Pat Day	2,457	2,734	3,126	2,523	2,814	-	-	-	-	-	-	-	2,731	2,438	12.0%	2,210

LAKESIDE MEDICAL CENTER Inpatient

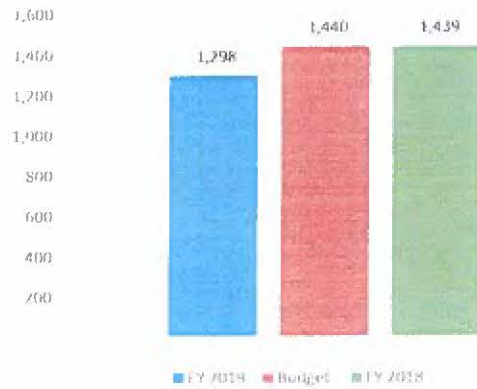
Patient Days February



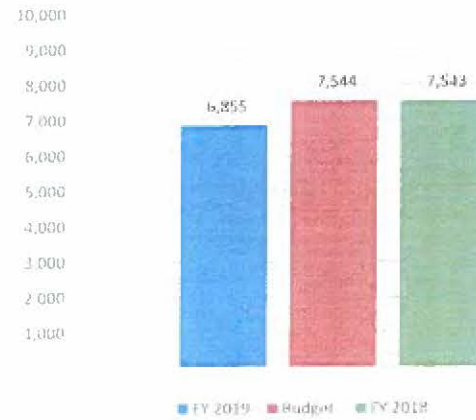
Patient Days YTD



Adjusted Patient Days February

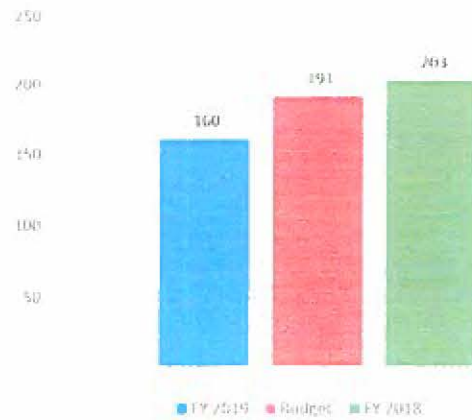


Adjusted Patient Days YTD



LAKESIDE MEDICAL CENTER Inpatient

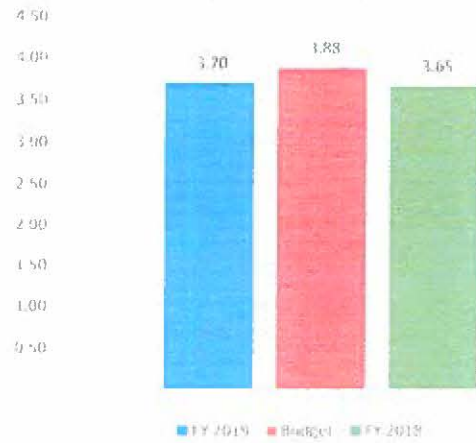
Admissions February



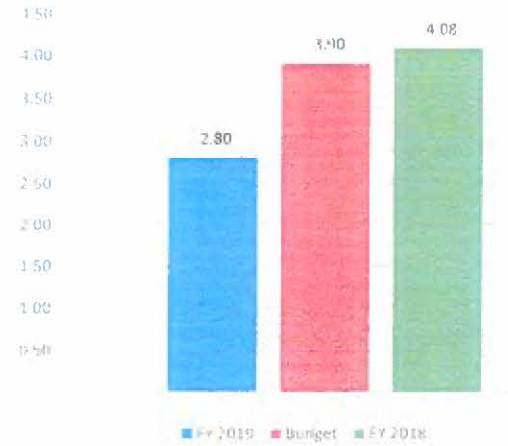
Admissions YTD



Average Length of Stay February



Average Length of Stay YTD



LAKESIDE MEDICAL CENTER Outpatient

Outpatient Visits February



Outpatient Visits YTD



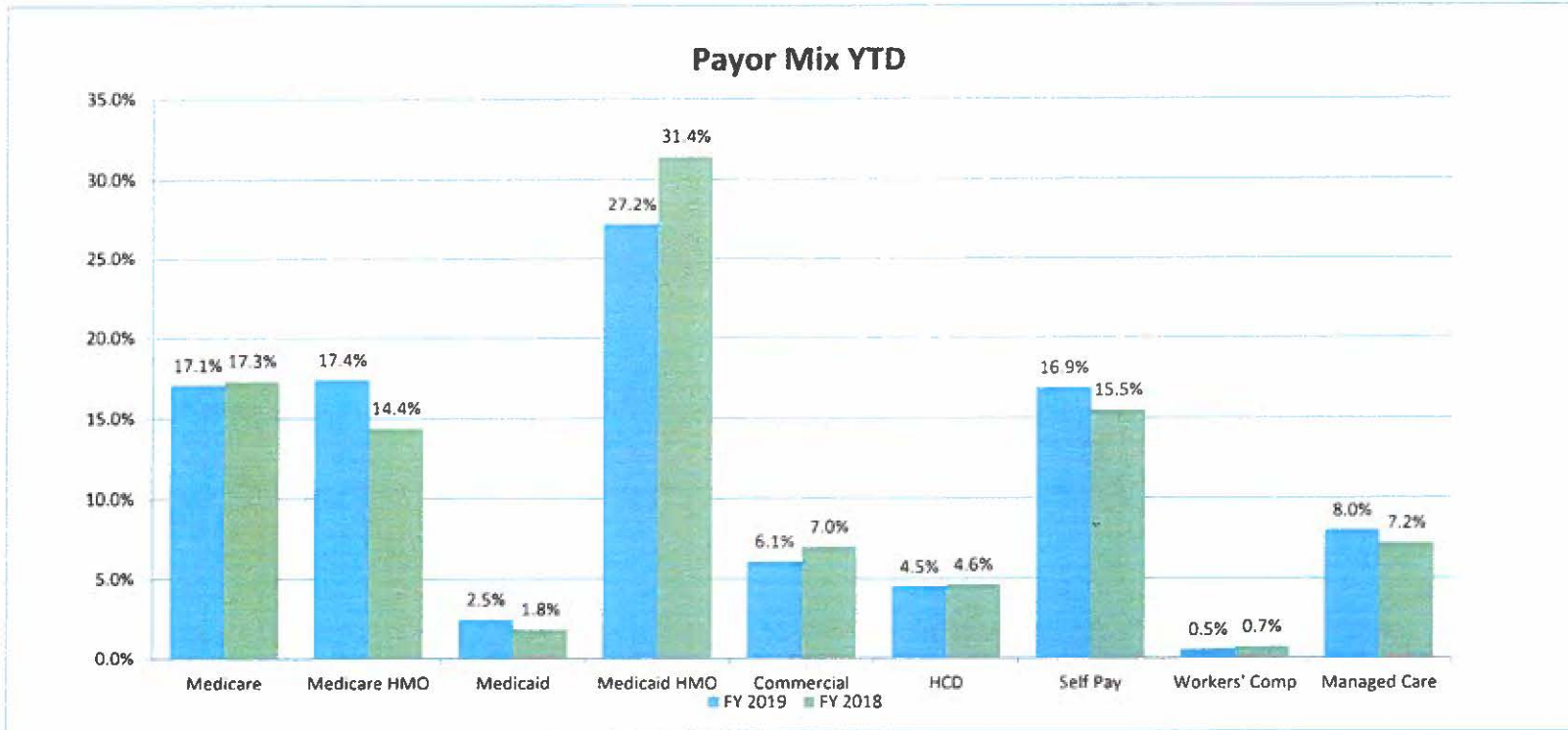
ER Visits February



ER Visits YTD



LAKESIDE MEDICAL CENTER
Revenue





Health Care District
PALM BEACH COUNTY

SUPPLEMENTAL INFORMATION

HEALTHY PALM BEACHES



SUPPLEMENTAL INFORMATION

PRIMARY CARE CLINICS

Primary Care Clinics Statement of Revenues and Expenses

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date						
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%
1,905,360	2,013,215	(107,855)	(5.4%)	1,901,243	4,117	0.2%	8,996,438	9,518,963	(522,525)	(5.5%)	9,061,195	(64,757)	(0.7%)
Gross Patient Revenue							Gross Patient Revenue						
704,192	473,052	(231,140)	(48.9%)	555,200	(148,992)	(26.8%)	3,682,594	2,276,201	(1,406,393)	(61.8%)	2,018,185	(1,664,409)	(82.5%)
541,362	773,592	232,230	30.0%	2,463	(538,900)	(21.8833%)	2,194,151	3,630,858	1,436,707	39.6%	446,388	(1,747,763)	(391.5%)
224,566	199,489	(25,077)	(12.6%)	156,052	(68,514)	(43.9%)	865,160	936,309	71,149	7.6%	878,794	13,634	1.6%
1,470,121	1,446,133	(23,988)	(1.7%)	713,715	(756,406)	(106.0%)	6,741,904	6,843,368	101,464	1.5%	3,343,367	(3,398,537)	(101.7%)
478,512	237,340	241,172	101.6%	21,861	456,651	2,088.9%	2,850,413	1,186,700	1,663,713	140.2%	174,888	2,675,526	1530%
913,751	804,422	109,329	13.6%	1,209,390	(295,638)	(24.4%)	5,104,948	3,862,295	1,242,653	32.2%	5,892,716	(787,769)	(13.4%)
47.96%	39.96%			63.61%			56.74%	40.57%		65.03%			
1,355,777	737,532	618,245	83.8%	646,404	709,374	109.7%	4,843,264	3,756,812	1,086,452	28.9%	3,103,005	1,740,258	56.1%
3,627	15,821	(12,194)	(77.1%)	2,486	1,140	45.9%	48,009	79,105	(31,096)	(39.3%)	119,835	(71,826)	(59.9%)
1,359,404	753,353	606,051	80.4%	648,890	710,514	109.5%	4,891,273	3,835,917	1,055,356	27.5%	3,222,840	1,668,433	51.8%
2,273,156	1,557,775	715,381	45.9%	1,858,280	414,876	22.3%	9,996,220	7,698,212	2,298,008	29.9%	9,115,556	880,664	9.7%
Total Revenues							Total Revenues						
<i>Direct Operational Expenses:</i>													
1,197,291	1,261,616	64,325	5.1%	1,203,702	6,411	0.5%	6,305,527	6,494,416	188,889	2.9%	5,881,425	(424,101)	(7.2%)
347,313	358,121	10,808	3.0%	334,301	(13,013)	(3.9%)	1,690,643	1,844,323	153,680	8.3%	1,589,578	(101,065)	(6.4%)
51,993	65,216	13,223	20.3%	40,481	(11,511)	(28.4%)	318,498	325,326	6,828	2.1%	220,216	(98,283)	(44.6%)
46,174	44,296	(1,878)	(4.2%)	65,137	18,962	29.1%	159,081	206,211	47,130	29.9%	211,679	52,598	24.8%
36,989	30,480	(6,509)	(21.4%)	14,369	(22,620)	(157.4%)	106,049	163,272	57,223	35.0%	40,987	(65,061)	(158.7%)
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	15,355	15,355	100.0%
78,155	62,093	(16,062)	(25.9%)	-	(78,155)	0.0%	181,577	290,340	108,763	37.5%	-	(181,577)	0.0%
37,448	51,764	14,316	27.7%	48,344	10,896	22.5%	190,096	241,925	51,829	21.4%	246,546	56,450	22.9%
31,031	6,667	(24,364)	(365.4%)	48,891	17,860	36.5%	160,604	65,125	(95,479)	(146.6%)	198,863	38,259	19.2%
108,872	108,225	(647)	(0.6%)	117,865	8,993	7.6%	541,183	545,776	4,593	0.8%	557,614	16,430	2.9%
4,092	6,251	2,159	34.5%	5,756	1,664	28.9%	26,435	31,255	4,820	15.4%	30,147	3,712	12.3%
23,732	22,060	(1,672)	(7.6%)	22,501	(1,230)	(5.5%)	86,250	136,873	50,623	37.0%	112,709	26,459	23.5%
2,170	2,366	196	8.3%	1,417	(753)	(53.2%)	11,104	12,139	1,035	8.5%	7,805	(3,299)	(42.3%)
1,965,259	2,019,155	53,896	2.7%	1,902,763	(62,496)	(3.3%)	9,777,048	10,356,981	579,933	5.6%	9,112,924	(664,123)	(7.3%)
Total Operational Expenses							Total Operational Expenses						
Net Performance before Depreciation & Overhead Allocations													
307,896	(461,380)	769,276	(166.7%)	(44,484)	352,380	(792.2%)	219,173	(2,658,769)	2,877,942	(108.2%)	2,632	216,541	8,226.8%

Primary Care Clinics Statement of Revenues and Expenses

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date						
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%
13,157	20,384	7,227	35.5%	16,992	3,835	22.6%	66,051	104,068	38,017	36.5%	84,960	18,908	22.3%
<i>Overhead Allocations</i>													
1,744	12,715	10,971	86.3%	9,774	8,030	82.2%	20,073	63,575	43,502	68.4%	48,481	28,408	58.6%
94,850	91,067	(3,783)	(4.2%)	49,552	(45,298)	(91.4%)	504,095	455,335	(48,760)	(10.7%)	239,213	(264,882)	(110.7%)
5,222	5,559	337	6.1%	1,967	(3,255)	(165.4%)	25,702	27,795	2,093	7.5%	2,552	(23,150)	(907.0%)
19,430	20,787	1,357	6.5%	41,731	22,301	53.4%	92,271	103,935	11,664	11.2%	124,658	32,387	26.0%
23,790	24,923	1,133	4.5%	30,666	6,876	22.4%	122,818	124,615	1,797	1.4%	134,814	11,995	8.9%
32,527	34,245	1,718	5.0%	21,563	(10,965)	(50.9%)	173,820	171,225	(2,595)	(1.5%)	119,498	(54,322)	(45.5%)
15,627	12,733	(2,894)	(22.7%)	13,576	(2,050)	(15.1%)	76,949	63,665	(13,284)	(20.9%)	48,659	(28,289)	(58.1%)
5,239	8,444	3,205	38.0%	10,058	4,819	47.9%	30,934	42,220	11,286	26.7%	27,784	(3,149)	(11.3%)
4,168	11,698	7,530	64.4%	6,895	2,727	39.6%	27,028	58,490	31,462	53.8%	33,485	6,456	19.3%
426	1,428	1,002	70.1%	1,111	685	61.6%	5,582	7,140	1,558	21.8%	6,391	810	12.7%
23,194	34,893	11,699	33.5%	24,201	1,006	4.2%	142,490	174,465	31,975	18.3%	119,787	(22,704)	(19.0%)
7,077	13,149	6,072	46.2%	13,328	6,250	46.9%	35,723	65,745	30,022	45.7%	39,354	3,632	9.2%
82,158	99,679	17,521	17.6%	76,905	(5,253)	(6.8%)	416,117	498,395	82,278	16.5%	401,788	(14,329)	(3.6%)
-	-	-	0.0%	84	84	100.0%	-	-	-	0.0%	9,747	9,747	100.0%
2,015	2,714	699	25.8%	2,776	761	27.4%	14,506	13,570	(936)	(6.9%)	15,778	1,273	8.1%
3,234	5,764	2,530	43.9%	15,408	12,174	79.0%	17,389	28,820	11,431	39.7%	34,265	16,876	49.3%
320,701	379,798	59,097	15.6%	319,593	(1,108)	(0.3%)	1,705,497	1,898,990	193,493	10.2%	1,406,254	(299,243)	(21.3%)
2,299,117	2,419,337	120,220	5.0%	2,239,348	(59,769)	(2.7%)	11,548,595	12,360,039	811,444	6.6%	10,604,138	(944,458)	(8.9%)
\$ (25,961)	\$ (861,562)	\$ 835,601	(97.0%)	\$ (381,068)	\$ 355,107	(93.2%)	\$ (1,552,375)	\$ (4,661,827)	\$ 3,109,452	(66.7%)	\$ (1,488,581)	\$ (63,794)	(4.3%)
1,752	203,615	201,863	99.1%	-	(1,752)	0.0%	1,752	1,018,075	1,016,323	99.8%	-	(1,752)	0.0%
\$ -	\$ 1,087,500	\$ 1,087,500	100.0%	\$ -	\$ -	0.0%	\$ 2,627,860	\$ 5,437,500	\$ 2,809,640	51.7%	\$ -	\$ (2,627,860)	0.0%

Primary Care Clinics Statement of Revenues and Expenses by Month

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Year to Date
Gross Patient Revenue	1,946,640	1,491,722	2,006,898	1,645,818	1,905,360	-	-	-	-	-	-	-	8,996,438
Contractual Allowances	629,927	523,761	955,352	869,362	704,192	-	-	-	-	-	-	-	3,682,594
Charity Care	522,280	370,440	411,855	348,213	541,362	-	-	-	-	-	-	-	2,194,151
Bad Debt	209,421	136,222	182,946	107,004	224,566	-	-	-	-	-	-	-	865,160
Other Patient Revenue	185,546	460,636	346,606	1,379,115	478,512	-	-	-	-	-	-	-	2,850,413
Net Patient Revenue	770,557	921,934	798,350	1,700,355	913,751	-	-	-	-	-	-	-	5,104,948
Collections %	39.58%	61.80%	39.78%	103.33%	47.96%	-	-	-	-	-	-	-	56.74%
Grant Funds	574,778	606,454	690,034	1,616,271	1,355,777	-	-	-	-	-	-	-	4,843,264
Other Revenue	4,645	8,821	24,768	6,149	3,627	-	-	-	-	-	-	-	48,009
Total Other Revenues	579,423	615,275	714,802	1,622,369	1,359,404	-	-	-	-	-	-	-	4,891,273
Total Revenues	1,349,980	1,537,209	1,513,151	3,322,725	2,273,156	-	-	-	-	-	-	-	9,996,220
<i>Direct Operational Expenses:</i>													
Salaries and Wages	1,387,450	1,190,417	1,317,029	1,213,339	1,197,291	-	-	-	-	-	-	-	6,305,527
Benefits	339,645	322,045	314,881	366,759	347,313	-	-	-	-	-	-	-	1,690,643
Purchased Services	65,028	68,614	50,770	82,094	51,993	-	-	-	-	-	-	-	318,498
Medical Supplies	41,828	27,305	14,573	29,201	46,174	-	-	-	-	-	-	-	159,081
Other Supplies	34,148	3,947	2,672	28,292	36,989	-	-	-	-	-	-	-	106,049
Contracted Physician Expense													
Medical Services	58,809	(461)	19,144	25,930	78,155	-	-	-	-	-	-	-	181,577
Drugs	47,555	37,534	36,129	31,431	37,448	-	-	-	-	-	-	-	190,096
Repairs & Maintenance	79,881	36,555	32,150	30,986	31,031	-	-	-	-	-	-	-	160,604
Lease & Rental	109,171	104,594	104,526	114,071	108,877	-	-	-	-	-	-	-	541,183
Utilities	4,568	6,558	5,313	5,904	4,092	-	-	-	-	-	-	-	26,435
Other Expense	15,526	(576)	24,682	22,887	23,732	-	-	-	-	-	-	-	86,250
Insurance	2,425	2,170	2,170	2,170	2,170	-	-	-	-	-	-	-	11,104
Total Operational Expenses	2,136,034	1,798,702	1,924,039	1,953,014	1,965,259	-	-	-	-	-	-	-	9,777,048
Net Performance before Depreciation & Overhead Allocations	(786,055)	(261,492)	(410,887)	1,369,711	307,896	-	-	-	-	-	-	-	219,173
Depreciation	17,256	17,256	5,158	13,224	13,157	-	-	-	-	-	-	-	66,051
<i>Overhead Allocations:</i>													
Risk Mgt	9,302	16,111	8,246	(15,331)	1,744	-	-	-	-	-	-	-	20,073
Rev Cycle	86,904	98,059	124,187	100,095	94,850	-	-	-	-	-	-	-	504,095
Internal Audit	5,120	5,120	5,120	5,120	5,222	-	-	-	-	-	-	-	25,702
Palm Springs Facility	17,032	16,269	16,141	23,398	19,430	-	-	-	-	-	-	-	92,271
Administration	24,974	26,124	21,164	26,766	23,790	-	-	-	-	-	-	-	122,818
Human Resources	33,486	34,265	34,863	38,678	32,527	-	-	-	-	-	-	-	173,820
Legal	6,468	11,903	8,094	34,857	15,627	-	-	-	-	-	-	-	76,949
Records	6,520	6,452	6,067	6,656	5,239	-	-	-	-	-	-	-	30,934
Compliance	5,776	7,197	3,605	6,283	4,168	-	-	-	-	-	-	-	27,028
Planning/Research	1,340	1,281	1,209	1,325	426	-	-	-	-	-	-	-	5,582
Finance	24,095	32,875	22,630	39,695	23,194	-	-	-	-	-	-	-	142,490
Public Relations	6,478	6,365	8,336	7,466	7,077	-	-	-	-	-	-	-	35,723
Information Technology	80,379	69,273	97,329	86,977	82,158	-	-	-	-	-	-	-	416,117
Budget & Decision Support	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Quality	3,986	3,764	2,150	2,591	2,015	-	-	-	-	-	-	-	14,506
Managed Care Contract	3,421	4,019	3,039	3,676	3,234	-	-	-	-	-	-	-	17,389
Total Overhead Allocations	315,282	339,079	362,180	368,255	320,701	-	-	-	-	-	-	-	1,705,497
Total Expenses	2,468,573	2,155,037	2,291,377	2,334,492	2,299,117	-	-	-	-	-	-	-	11,548,595
Net Margin	\$ (1,118,593)	\$ (617,827)	\$ (778,226)	\$ 988,232	\$ (25,961)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,552,375)
Capital			(13,581)	13,581	1,752								1,752
General Fund Support/ Transfer In	1,101,337	596,437	930,086										\$ 2,627,860

Primary Care Clinics- Medical Statement of Revenue and Expenses

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date						
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%
1,586,590	1,648,833	(62,243)	(3.8%)	1,584,283	2,306	0.1%	7,446,254	7,808,721	(362,467)	(4.6%)	7,453,362	(7,108)	(0.1%)
615,972	396,978	(218,994)	(55.2%)	553,007	(62,965)	(11.4%)	3,261,340	1,919,145	(1,342,195)	(69.9%)	2,140,563	(1,120,777)	(52.4%)
409,552	604,238	194,686	32.2%	(15,164)	(424,716)	2,800.8%	1,507,913	2,835,998	1,328,085	46.8%	329,586	(1,178,328)	(357.5%)
210,491	183,546	(26,945)	(14.7%)	165,530	(44,962)	(27.2%)	831,617	861,476	29,859	3.5%	841,592	9,975	1.2%
1,236,016	1,184,762	(51,254)	(4.3%)	703,372	(532,643)	(75.7%)	5,600,870	5,616,619	15,749	0.3%	3,311,741	(2,289,129)	(69.1%)
412,976	148,099	264,877	178.9%	21,861	391,115	1,789.1%	2,026,050	740,495	1,285,555	173.6%	174,888	1,851,163	1,058.5%
763,550	612,170	151,380	24.7%	902,772	(139,222)	(15.4%)	3,871,434	2,932,597	938,837	32.0%	4,316,509	(445,075)	(10.3%)
48.13%	37.13%			56.98%			51.99%	37.56%		57.91%			
1,119,120	560,993	558,127	99.5%	511,981	607,139	118.6%	4,034,959	2,804,965	1,229,994	43.9%	2,547,919	1,487,040	58.4%
3,627	12,988	(9,361)	(72.1%)	2,486	1,140	45.9%	47,776	64,940	(17,164)	(26.4%)	119,835	(72,059)	(60.1%)
1,122,747	573,981	548,766	95.6%	514,467	608,280	118.2%	4,082,735	2,869,905	1,212,830	42.3%	2,667,754	1,414,982	53.0%
1,886,297	1,186,151	700,146	59.0%	1,417,239	469,057	33.1%	7,954,169	5,802,502	2,151,667	37.1%	6,984,263	969,907	13.9%
<i>Direct Operational Expenses</i>													
984,555	1,028,755	44,200	4.3%	1,009,209	24,654	2.4%	5,150,898	5,295,696	144,798	2.7%	4,812,592	(438,306)	(7.0%)
283,353	290,477	7,124	2.5%	271,217	(12,136)	(4.5%)	1,364,256	1,495,956	131,700	8.8%	1,272,663	(91,593)	(7.2%)
42,892	53,226	10,334	19.4%	24,027	(18,865)	(78.5%)	273,035	262,333	(10,702)	(4.1%)	172,518	(100,518)	(58.3%)
18,325	18,474	149	0.8%	14,710	(3,615)	(24.6%)	66,624	86,341	19,717	22.8%	78,229	11,606	14.8%
26,988	19,715	(7,273)	(36.9%)	8,613	(18,375)	(213.3%)	68,559	108,535	39,976	36.8%	33,092	(35,466)	(107.2%)
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	15,355	15,355	100.0%
78,155	62,093	(16,062)	(25.9%)	-	(78,155)	0.0%	181,577	290,340	108,763	37.5%	-	(181,577)	0.0%
36,868	49,961	13,093	26.2%	46,155	9,286	20.1%	188,903	233,555	44,652	19.1%	238,377	49,474	20.8%
25,822	4,758	(21,064)	(442.7%)	43,815	17,993	41.1%	138,320	41,174	(97,146)	(235.9%)	175,647	37,326	21.3%
81,662	80,781	(881)	(1.1%)	89,554	7,892	8.8%	402,264	408,556	6,292	1.5%	422,023	19,759	4.7%
3,189	5,503	2,314	42.1%	4,887	1,698	34.7%	22,003	27,515	5,512	20.0%	26,257	4,254	16.2%
19,810	19,035	(775)	(4.1%)	20,205	395	2.0%	77,424	119,665	42,241	35.3%	99,554	22,129	22.2%
2,105	2,307	202	8.8%	1,331	(774)	(58.2%)	10,769	11,844	1,075	9.1%	7,332	(3,437)	(46.9%)
1,603,724	1,635,085	31,361	1.9%	1,533,723	(70,001)	(4.6%)	7,944,633	8,381,510	436,877	5.2%	7,353,638	(590,995)	(8.0%)
<i>Net Performance before Depreciation & Overhead Allocations</i>													
282,573	(448,934)	731,507	(162.9%)	(116,483)	399,057	(342.6%)	9,537	(2,579,008)	2,588,545	(100.4%)	(369,375)	378,912	(102.6%)

Primary Care Clinics- Medical Statement of Revenue and Expenses

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date							
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%	
9,787	6,072	(3,715)	(61.2%)	4,517	(5,270)	(116.7%)	Depreciation	48,864	30,360	(18,504)	(60.9%)	22,587	(26,278)	(116.3%)
<i>Overhead Allocations</i>														
1,402	10,221	8,819	86.3%	7,667	6,266	81.7%	Risk Mgt	16,137	51,105	34,968	68.4%	38,033	21,896	57.6%
75,194	72,195	(2,999)	(4.2%)	38,405	(36,789)	(95.8%)	Rev Cycle	399,632	360,975	(38,657)	(10.7%)	185,403	(214,230)	(115.5%)
4,198	4,469	271	6.1%	1,543	(2,655)	(172.0%)	Internal Audit	20,663	22,345	1,682	7.5%	2,002	(18,661)	(932.0%)
17,285	18,493	1,208	6.5%	35,723	18,437	51.6%	Palm Springs Facility	82,087	92,465	10,378	11.2%	106,710	24,623	23.1%
19,125	20,036	911	4.5%	24,058	4,932	20.5%	Administration	98,738	100,180	1,442	1.4%	105,763	7,026	6.6%
26,068	27,444	1,376	5.0%	16,272	(9,795)	(60.2%)	Human Resources	139,301	137,220	(2,081)	(1.5%)	90,181	(49,120)	(54.5%)
12,563	10,236	(2,327)	(22.7%)	10,651	(1,912)	(18.0%)	Legal	61,862	51,180	(10,682)	(20.9%)	38,174	(23,688)	(62.1%)
4,212	6,789	2,577	38.0%	7,890	3,679	46.6%	Records	24,868	33,945	9,077	26.7%	21,797	(3,071)	(14.1%)
3,350	9,404	6,054	64.4%	5,409	2,058	38.1%	Compliance	21,729	47,020	25,291	53.8%	26,269	4,540	17.3%
343	1,148	805	70.1%	872	529	60.7%	Planning/Research	4,487	5,740	1,253	21.8%	5,014	527	10.5%
18,647	28,051	9,404	33.5%	18,986	339	1.8%	Finance	114,553	140,255	25,702	18.3%	93,974	(20,578)	(21.9%)
5,690	10,572	4,882	46.2%	10,456	4,766	45.6%	Public Relations	28,718	52,860	24,142	45.7%	30,874	2,155	7.0%
66,050	80,135	14,085	17.6%	60,333	(5,717)	(9.5%)	Information Technology	334,529	400,675	66,146	16.5%	315,208	(19,321)	(6.1%)
-	-	-	0.0%	66	66	100.0%	Budget & Decision Support	-	-	-	0.0%	7,646	7,646	100.0%
1,620	2,181	561	25.7%	2,178	558	25.6%	Corporate Quality	11,661	10,905	(756)	(6.9%)	12,378	717	5.8%
2,564	4,569	2,005	43.9%	11,942	9,378	78.5%	Managed Care Contract	13,786	22,845	9,059	39.7%	26,557	12,772	48.1%
258,310	305,943	47,633	15.6%	252,451	(5,859)	(2.3%)	Total Overhead Allocations	1,372,751	1,529,715	156,964	10.3%	1,105,985	(266,767)	(24.1%)
1,871,821	1,947,100	75,280	3.9%	1,790,691	(81,130)	(4.5%)	Total Expenses	9,366,248	9,941,585	575,337	5.8%	8,482,209	(884,039)	(10.4%)
\$ 14,476	\$ (760,949)	\$ 775,425	(101.9%)	\$ (373,452)	\$ 387,928	(103.9%)	Net Margin	\$ (1,412,079)	\$ (4,139,083)	\$ 2,727,004	(65.9%)	\$ (1,497,947)	\$ 85,867	5.7%
-	75,000	75,000	100.0%	-	-	0.0%	Capital	-	375,000	375,000	100.0%	-	-	0.0%
\$ -	\$ 1,087,500	\$ 1,087,500	100.0%	\$ -	\$ -	0.0%	General Fund Support/ Transfer In	\$ 2,627,860	\$ 5,437,500	\$ 2,809,640	51.7%	\$ -	\$ (2,627,860)	0.0%

Primary Care Clinics- Dental Statement of Revenues and Expenses by Location

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

	Dental Clinic Administration	West Palm Beach Dental Clinic	Lantana Dental Clinic	DeFray Dental Clinic	Belle Glade Dental Clinic	Total
Gross Patient Revenue	-	550,792	424,244	390,472	184,677	1,550,185
Contractual Allowances	-	161,573	96,970	107,499	55,262	421,254
Charity Care	-	204,810	217,242	194,915	69,272	686,237
Bad Debt	-	4,765	17,586	6,872	4,820	33,543
Total Contractual Allowances and Bad Debt	-	370,597	331,797	309,285	129,354	1,141,034
Other Patient Revenue	-	275,151	227,286	214,756	107,168	824,363
Net Patient Revenue	-	455,348	319,733	295,943	162,491	1,233,514
Collection %	-	82.67%	75.17%	75.79%	87.99%	79.57%
Grant Funds	75,224	261,034	194,459	176,814	100,773	808,304
Other Revenue	-	-	-	-	233	233
Total Other Revenues	75,224	261,034	194,459	176,814	101,006	808,537
Total Revenues	75,224	716,382	514,192	472,757	263,496	2,042,051
<i>Direct Operational Expenses:</i>						
Salaries and Wages	116,756	371,343	284,701	255,252	126,576	1,154,629
Benefits	24,079	112,808	72,629	78,834	38,037	326,387
Purchased Services	-	10,241	8,699	8,197	18,176	45,463
Medical Supplies	-	29,113	26,415	20,654	16,276	92,457
Other Supplies	(17)	15,833	13,712	6,695	1,763	37,490
Contracted Physician Expense	-	-	-	-	-	-
Medical Services	-	-	-	-	-	-
Drugs	-	39	400	615	240	1,194
Repairs & Maintenance	-	5,105	6,771	5,964	4,043	22,284
Lease & Rental	-	49,354	29,829	28,567	31,170	138,920
Utilities	-	641	1,910	713	1,167	4,432
Other Expense	1,212	3,321	2,812	(986)	2,467	8,826
Insurance	-	-	-	-	335	335
Total Operational Expenses	142,035	597,798	446,778	404,706	241,098	1,832,415
Net Performance before Depreciation & Overhead Allocations	(66,811)	118,584	67,415	68,051	22,398	209,636
Depreciation	-	6,148	2,722	4,257	4,061	17,187
<i>Overhead Allocations:</i>						
Risk Mgt	255	1,239	1,087	840	515	3,936
Rev Cycle	-	35,158	30,863	23,837	14,605	104,463
Internal Audit	327	1,586	1,392	1,075	659	5,039
Palm Springs Facility	10,183	-	-	-	-	10,183
Administration	1,562	7,579	6,653	5,139	3,148	24,081
Human Resources	1,438	10,787	10,068	7,911	4,315	34,519
Legal	978	4,748	4,168	3,219	1,973	15,087
Records	393	1,909	1,676	1,294	793	6,065
Compliance	344	1,668	1,464	1,131	693	5,299
Planning/Research	71	344	302	234	143	1,094
Finance	1,812	8,793	7,719	5,962	3,653	27,938
Public Relations	454	2,204	1,935	1,495	916	7,004
Information Technology	5,291	25,678	22,542	17,410	10,667	81,588
Budget & Decision Support	-	-	-	-	-	-
Corporate Quality	184	895	786	607	372	2,844
Managed Care Contract	-	1,213	1,065	822	504	3,604
Total Overhead Allocations	23,292	103,802	91,721	70,974	42,955	332,745
Total Expenses	165,328	707,748	541,221	479,936	288,114	2,182,347
Net Margin	\$ (90,104)	\$ 8,634	\$ (27,028)	\$ (7,180)	\$ (24,618)	\$ (140,296)
Capital	-	-	-	-	1,752	1,752
General Fund Support/ Transfer In	-	-	-	-	\$	-

Primary Care Clinics- Dental Statement of Revenues and Expenses

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date						
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%
318,771	364,382	(45,612)	(12.5%)	316,960	1,811	0.6%	1,550,185	1,710,242	(160,058)	(9.4%)	1,607,833	(57,649)	(3.6%)
88,220	76,074	(12,146)	(16.0%)	2,194	(86,027)	(3,921.4%)	421,254	357,056	(64,198)	(18.0%)	(122,378)	(543,632)	444.2%
131,810	169,354	37,544	22.2%	17,627	(114,184)	(647.8%)	686,237	794,860	108,623	13.7%	116,802	(569,435)	(487.5%)
14,074	15,943	1,869	11.7%	(9,478)	(23,552)	248.5%	33,543	74,833	41,290	55.2%	37,202	3,659	9.8%
234,105	261,371	27,266	10.4%	10,342	(223,762)	(2,163.5%)	1,141,034	1,226,749	85,715	7.0%	31,626	(1,109,408)	(3,507.9%)
65,536	89,241	(23,705)	(26.6%)	-	65,536	0.0%	824,363	446,205	378,158	84.7%	-	824,363	0.0%
150,202	192,252	(42,050)	(21.9%)	306,618	(156,416)	(51.0%)	1,233,514	929,698	303,816	32.7%	1,576,208	(342,694)	(21.7%)
47.12%	52.76%			96.74%			79.57%	54.36%		98.03%			
236,657	176,539	60,118	34.1%	134,423	102,235	76.1%	808,304	951,847	(143,543)	(15.1%)	555,086	253,218	45.6%
-	2,833	(2,833)	(100.0%)	-	-	0.0%	233	14,165	(13,932)	(98.4%)	-	233	0.0%
236,657	179,372	57,285	31.9%	134,423	102,235	76.1%	808,537	966,012	(157,475)	(16.3%)	555,086	253,451	45.7%
386,859	371,624	15,235	4.1%	441,040	(54,182)	(12.3%)	2,042,051	1,895,710	146,341	7.7%	2,131,294	(89,242)	(4.2%)
<i>Direct Operational Expenses</i>													
212,736	232,861	20,125	8.6%	194,492	(18,244)	(9.4%)	1,154,629	1,198,720	44,091	3.7%	1,068,834	(85,795)	(8.0%)
63,961	67,644	3,683	5.4%	63,084	(877)	(1.4%)	326,387	348,367	21,980	6.3%	316,915	(9,472)	(3.0%)
9,101	11,990	2,889	24.1%	16,455	7,354	44.7%	45,463	62,993	17,530	27.8%	47,698	2,235	4.7%
27,849	25,822	(2,027)	(7.9%)	50,427	22,577	44.8%	92,457	119,870	27,413	22.9%	133,450	40,993	30.7%
10,001	10,765	764	7.1%	5,756	(4,245)	(73.7%)	37,490	54,737	17,247	31.5%	7,895	(29,595)	(374.8%)
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%	-	-	0.0%
580	1,803	1,223	67.9%	2,190	1,610	73.5%	1,194	8,370	7,177	85.7%	8,169	6,976	85.4%
5,210	1,909	(3,301)	(172.9%)	5,076	(134)	(2.6%)	22,284	23,951	1,667	7.0%	23,217	933	4.0%
27,210	27,444	234	0.9%	28,311	1,101	3.9%	138,920	137,220	(1,700)	(1.2%)	135,591	(3,329)	(2.5%)
903	748	(155)	(20.7%)	869	(34)	(3.9%)	4,432	3,740	(692)	(18.5%)	3,890	(542)	(13.9%)
3,921	3,025	(896)	(29.6%)	2,296	(1,625)	(70.8%)	8,826	17,208	8,382	48.7%	13,155	4,330	32.9%
65	59	(6)	(9.9%)	86	21	24.4%	335	295	(40)	(13.4%)	473	138	29.2%
361,536	384,070	22,534	5.9%	369,041	7,505	2.0%	1,832,415	1,975,471	143,056	7.2%	1,759,286	(73,129)	(4.2%)
Net Performance before													
25,323	(12,446)	37,769	(303.5%)	72,000	(46,677)	(64.8%)	209,636	(79,761)	289,397	(362.8%)	372,007	(162,371)	(43.6%)
Depreciation & Overhead Allocations													

Primary Care Clinics- Dental Statement of Revenues and Expenses

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month							Fiscal Year To Date						
Actual	Budget	Variance	%	Prior Year	Variance	%	Actual	Budget	Variance	%	Prior Year	Variance	%
3,369	14,312	10,943	76.5%	12,475	9,105	73.0%	17,187	73,708	56,521	76.7%	62,373	45,186	72.4%
<i>Overhead Allocations.</i>													
							3,936	12,470	8,534	68.4%	10,448	8,512	62.3%
342	2,494	2,152	86.3%	2,106	1,764	83.8%	104,463	94,360	(10,103)	(10.7%)	53,810	(50,653)	(94.1%)
19,656	18,872	(784)	(4.2%)	11,147	(8,509)	(76.3%)	5,039	5,450	411	7.5%	550	(4,489)	(816.3%)
1,024	1,090	66	6.1%	424	(600)	(141.5%)	10,383	11,470	1,287	11.2%	17,948	7,765	43.3%
2,144	2,294	150	6.5%	6,008	3,864	64.3%	24,081	24,435	354	1.4%	29,051	4,970	17.1%
4,664	4,887	223	4.6%	6,608	1,944	29.4%	34,519	34,005	(514)	(1.5%)	29,317	(5,202)	(17.7%)
6,460	6,801	341	5.0%	5,290	(1,170)	(22.1%)	15,087	12,485	(2,602)	(20.8%)	10,485	(4,602)	(43.9%)
3,064	2,497	(567)	(22.7%)	2,926	(138)	(4.7%)	6,065	8,275	2,210	26.7%	5,987	(78)	(1.3%)
1,027	1,655	628	37.9%	2,167	1,140	52.6%	5,299	11,470	6,171	53.8%	7,216	1,916	26.6%
817	2,294	1,477	64.4%	1,486	669	45.0%	1,094	1,400	306	21.8%	1,377	283	20.5%
84	280	196	70.1%	239	156	65.1%	27,938	34,210	6,272	18.3%	25,812	(2,126)	(8.2%)
4,548	6,842	2,294	33.5%	5,215	667	12.8%	7,004	12,885	5,881	45.6%	8,480	1,476	17.4%
1,388	2,577	1,189	46.2%	2,872	1,484	51.7%	81,588	97,720	16,132	16.5%	86,580	4,992	5.8%
16,109	19,544	3,435	17.6%	16,572	463	2.8%	-	-	-	0.0%	2,100	2,100	100.0%
-	-	-	0.0%	18	18	100.0%	2,844	2,665	(179)	(6.7%)	3,400	556	16.4%
395	533	138	25.9%	598	203	34.0%	3,604	5,975	2,371	39.7%	7,708	4,104	53.2%
670	1,195	525	43.9%	3,466	2,796	80.7%	332,745	369,275	36,530	9.9%	300,269	(32,476)	(10.8%)
62,391	73,855	11,464	15.5%	67,142	4,751	7.1%	2,182,347	2,418,454	236,107	9.8%	2,121,929	(60,419)	(2.8%)
62,391	73,855	11,464	15.5%	67,142	4,751	7.1%	2,182,347	2,418,454	236,107	9.8%	2,121,929	(60,419)	(2.8%)
427,296	472,237	44,941	9.5%	448,657	21,361	4.8%	\$ (40,437)	\$ (100,613)	\$ 60,176	(59.8%)	\$ (7,617)	\$ (32,820)	430.9%
\$ (40,437)	\$ (100,613)	\$ 60,176	(59.8%)	\$ (7,617)	\$ (32,820)	430.9%	\$ (140,296)	\$ (522,744)	\$ 382,448	(73.2%)	\$ 9,365	\$ (149,661)	(1,598.1%)
1,752	128,615	126,863	98.6%	-	(1,752)	0.0%	1,752	643,075	641,323	99.7%	-	(1,752)	0.0%
\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%

Clinic Visits - Adults and Pediatrics	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Current Year	Current YTD	%Var to	Prior Year
													Total	Budget	Budget	Total
West Palm Beach	1,661	1,289	1,312	1,734	1,628								7,624	7,622	0.0%	7,990
Delray	1,355	1,167	1,134	1,180	1,717								6,043	7,032	(14.1%)	7,137
Lantana	1,411	1,309	1,261	1,314	1,409								6,704	7,335	(8.6%)	6,490
Belle Glade	1,030	790	839	934	806								4,399	3,825	15.0%	4,348
Jerome Golden Center	-	-	-	-	-								-	-	0.0%	1,191
Lewis Center	267	233	229	239	246								1,214	1,064	14.1%	940
Lake Worth & Women's Health Care	1,608	1,153	1,104	1,214	1,130								6,209	7,665	(19.0%)	7,549
Jupiter Clinic	421	457	418	467	483								2,246	2,562	(12.3%)	2,417
West Boca & Women's Health Care	1,009	861	781	923	815								4,389	3,377	30.0%	2,410
Mobile Van	239	186	119	201	200								945	887	6.5%	-
Suboxone	361	289	222	301	415								1,588	1,406	12.9%	1,206
Total Clinic Visits	9,362	7,729	7,419	8,507	8,344								41,361	42,775	(3.3%)	41,673
Dental Visits																
West Palm Beach	918	722	704	800	792								3,936	4,340	(9.3%)	4,500
Lantana	653	508	468	616	630								2,875	4,177	(31.2%)	3,611
Delray	676	522	446	503	535								2,682	3,318	(19.2%)	3,360
Belle Glade	406	260	230	259	275								1,430	1,787	(20.0%)	1,806
Total Dental Visits	2,653	2,012	1,848	2,178	2,232								10,923	13,622	(19.8%)	13,277
Total Medical and Dental Visits	12,015	9,741	9,267	10,685	10,576								52,284	56,397	(7.3%)	54,950
Mental Health Counselors (non-billable)																
West Palm Beach	124	100	103	135	117								579	406	42.6%	403
Delray	137	118	102	117	106								580	402	44.3%	437
Lantana	467	414	368	433	383								2,065	1,104	87.0%	731
Belle Glade	17	21	22	26	18								104	70	48.6%	69
Lewis Center	268	219	192	235	232								1,146	459	149.7%	426
Lake Worth	173	99	73	190	98								633	592	6.9%	541
Jupiter	-	-	-	-	-								-	140	(100.0%)	138
West Boca	-	-	-	-	-								-	95	(100.0%)	91
Mobile Van	-	-	-	16	40								56	-	100.0%	-
Total Mental Health Screenings	1,186	971	860	1,152	994								5,163	3,268	58.0%	2,836



Health Care District
PALM BEACH COUNTY



SUPPLEMENTAL INFORMATION

MEDICAID MATCH FUND

Medicaid Match Statement of Revenues and Expenditures

FOR THE FIFTH MONTH ENDED FEBRUARY 28, 2019

Current Month								Fiscal Year To Date							
Actual	Budget	Variance	%	Prior Year	Variance	%		Actual	Budget	Variance	%	Prior Year	Variance	%	
\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	Patient Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	
491,667	491,667	-	0.0%	491,667	-	0.0%	PBC Interlocal	2,458,333	2,458,333	-	0.0%	2,458,333	-	0.0%	
33	414	(381)	(92.1%)	305	(272)	(89.2%)	Other revenue	2,198	2,071	127	6.1%	2,168	30	1.4%	
491,700	492,081	(381)	(0.1%)	491,972	(272)	(0.1%)	Total Revenue	2,460,531	2,460,404	127	0.0%	2,460,502	30	0.0%	
							<i>Direct Operational Expenses:</i>								
			0.0%			0.0%	Salaries and Wages				0.0%			0.0%	
			0.0%			0.0%	Benefits				0.0%			0.0%	
			0.0%			0.0%	Purchased Services				0.0%			0.0%	
			0.0%			0.0%	Medical Supplies				0.0%			0.0%	
			0.0%			0.0%	Other Supplies				0.0%			0.0%	
			0.0%			0.0%	Contracted Physician Expense				0.0%			0.0%	
			0.0%			0.0%	Medical Services				0.0%			0.0%	
			0.0%			0.0%	Drugs				0.0%			0.0%	
			0.0%			0.0%	Repairs & Maintenance				0.0%			0.0%	
			0.0%			0.0%	Lease & Rental				0.0%			0.0%	
			0.0%			0.0%	Utilities				0.0%			0.0%	
1,441,591	1,441,591	-	0.0%	1,415,952	(25,638)	(1.8%)	Other Expense	7,207,953	7,207,953	-	0.0%	7,079,762	(128,191)	(1.8%)	
			0.0%			0.0%	Insurance				0.0%			0.0%	
1,441,591	1,441,591	-	0.0%	1,415,952	(25,638)	(1.8%)	Total Operational Expenses	7,207,953	7,207,953	-	0.0%	7,079,762	(128,191)	(1.8%)	
							Net Performance before Overhead								
(949,891)	(949,510)	(381)	0.0%	(923,980)	(25,911)	2.8%	Allocations	(4,747,421)	(4,747,548)	127	(0.0%)	(4,619,260)	(128,161)	2.8%	
							<i>Overhead Allocations:</i>								
			0.0%			0.0%	Risk Mgt				0.0%			0.0%	
			0.0%			0.0%	Rev Cycle				0.0%			0.0%	
			0.0%			0.0%	Internal Audit				0.0%			0.0%	
			0.0%			0.0%	Legislative Affairs				0.0%			0.0%	
			0.0%			0.0%	Administration				0.0%			0.0%	
			0.0%			0.0%	Human Resources				0.0%			0.0%	
			0.0%			0.0%	Legal				0.0%			0.0%	
			0.0%			0.0%	Records				0.0%			0.0%	
			0.0%			0.0%	Compliance				0.0%			0.0%	
			0.0%			0.0%	Finance				0.0%			0.0%	
			0.0%			0.0%	Communications				0.0%			0.0%	
			0.0%			0.0%	Information Technology				0.0%			0.0%	
			0.0%			0.0%	Total Overhead Allocations				0.0%			0.0%	
1,441,591	1,441,591	-	0.0%	1,415,952	(25,638)	(1.8%)	Total Expenses	7,207,953	7,207,953	-	0.0%	7,079,762	(128,191)	(1.8%)	
(949,891)	(949,510)	(381)	0.0%	(923,980)	(25,911)	2.8%	Net Margin	(4,747,421)	(4,747,548)	127	(0.0%)	(4,619,260)	(128,161)	(2.8%)	
949,891	949,510	381	0.0%	923,980	25,911	2.8%	General Fund Support	4,747,421	4,747,548	(127)	(0.0%)	4,619,260	(128,161)	(2.8%)	
\$ 949,891	\$ 949,510	\$ 381	0.0%	\$ 923,980	\$ 25,911	2.8%	Total Transfers In	\$ 4,747,421	\$ 4,747,548	\$ (127)	(0.0%)	\$ 4,619,260	\$ 128,161	2.8%	

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Description: Aeromedical Program Dashboard

2. Summary:

The Aeromedical Program Dashboard is presented for Finance and Audit Committee review.

3. Substantive Analysis:

Based on the Committee's request at its meeting on January 29, 2019, Management is providing statistical information on the Aeromedical Program. The dashboard includes flight statistics, financial data, payor sources, and a summary of full time equivalent positions.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

N/A

Committee or Board

Date Reviewed

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

6. Recommendation:

Staff recommends that the Finance & Audit Committee receive and file the Aeromedical Program Dashboard.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn Richards
VP & Chief Financial Officer

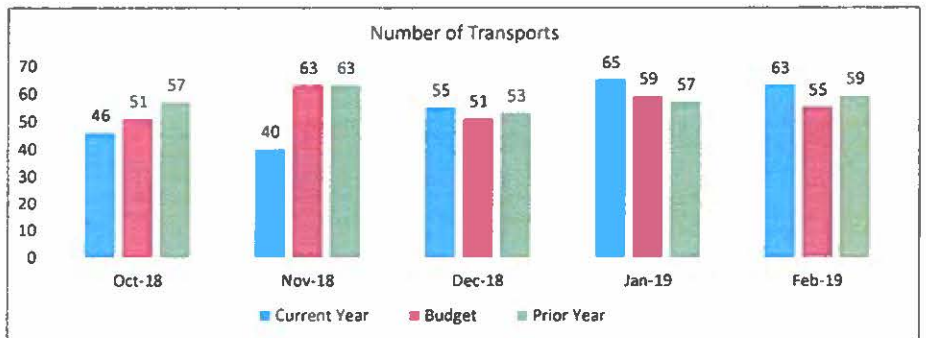
Aeromedical Program Statistics - Fiscal YTD February 2019

Flight Data				
Flight Type	Aircraft	# Flights	# Miles	# Hours
Interhospital	N276TH	59	6,142.1	42.4
	N911PB	47	5,211.7	36.2
Total		106	11,353.8	78.6
Maintenance Flight	N276TH	28	266.3	2.3
	N911PB	30	496.7	4.4
Total		58	763.0	6.7
On Scene	N276TH	91	4,335.5	35.4
	N911PB	72	3,728.2	30.0
Total		163	8,063.7	65.4
Public Education Flight	N276TH	4	96.0	0.9
	N911PB	1	8.8	0.1
Total		5	104.8	1.0
Training Flight	N276TH	12	941.5	8.6
	N911PB	11	1,147.9	9.7
Total		23	2,089.4	18.3
Other	N276TH	137	193.9	1.4
	N911PB	119	54.9	0.3
Total		256	248.8	1.7
Grand Total *		611	22,623.5	171.7

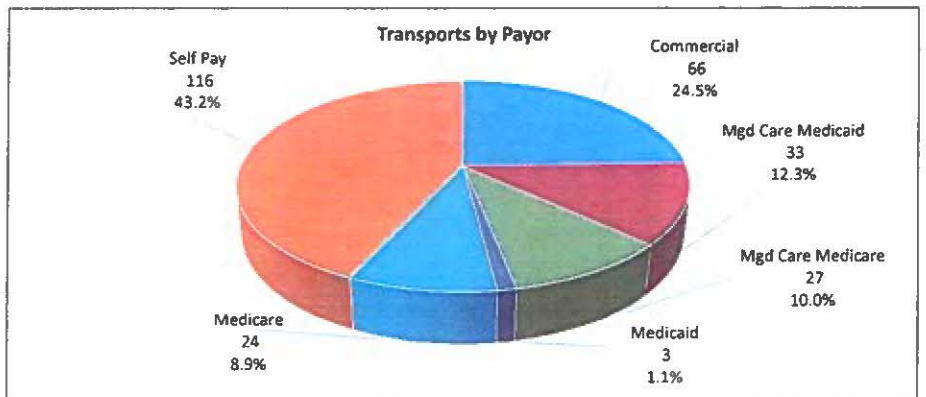
* Includes 21 flights where both helicopters were simultaneously transporting patients.

FTE Date			
Position	Authorized	Filled	Vacant
Director, Aviation Operations	1.00	1.00	-
Director, Safety	1.00	-	1.00
Maintenance Manager	1.00	1.00	-
EMS Helicopter Pilot/ Ground Instructor	1.00	1.00	-
EMS Helicopter Pilot	9.10	8.00	1.10
EMS Helicopter Mechanic	2.00	2.00	-
Aircraft Mechanic Electrical	1.00	1.00	-
Facilities Maintenance Tech	1.00	1.00	-
Sr Administrative Assistant	1.00	1.00	-
Total	18.10	16.00	2.10

Financial Data			
	YTD	Act Per Transport	Bud Per Transport
Gross Revenue	\$ 5,621,765	\$ 20,899	\$ 20,213
Net Revenue	\$ 826,352	\$ 3,072	\$ 4,852
Total Operating Expenses	\$ 2,918,784	\$ 10,850	\$ 11,525



Other Flight Type	# Flights	# Miles	# Hours
Abort, WX, Fog	1	8.0	-
Aborted by Referring Agency	7	69.8	0.5
Aborted, Pt. Expired	2	50.3	0.4
Cancelled by Referring Agency	12	-	-
Cancelled, Pt. Expired	3	-	-
Missed Admin	1	-	-
Missed County Coverage	3	-	-
Missed, No Backup	2	-	-
Missed, Simultaneous Flight	2	-	-
Missed, WX below IFR min	2	-	-
Missed, WX below VFR min	12	-	-
Missed, WX, Fog	6	-	-
Missed, WX, Thunderstorms	10	-	-
Standdown	191	-	-
Abort, WX, Thunderstorms	1	120.7	0.8
Missed our MD Decision	1	-	-
Total	256	248.8	1.7



**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

1. Item Description: Amendment to the Finance and Audit Committee Charter

2. Summary:

This item presents a proposed amendment to the Finance and Audit Committee Charter.

3. Substantive Analysis:

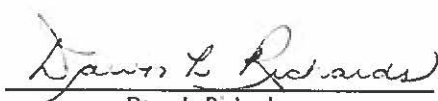
The charter was last updated on September 25, 2018. The District proposes amending the Section titled, Meetings. The new language specifies the presence of a majority of the appointed committee members shall be necessary at any meeting to constitute a quorum or to transact business, rather than a set number of members. Attached for your review is the following document:

- Updated version of the charter showing the proposed amendments; and,
- A clean version of the charter to be adopted.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:


 Dawn L. Richards
 VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

N/A

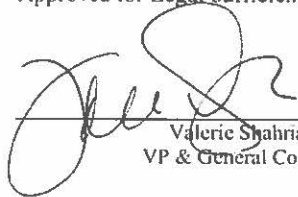
Committee or Board

Date Reviewed


**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
March 26, 2019**

Staff recommends that the Finance & Audit Committee review the Finance and Audit Committee Charter and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahrian
VP & General Counsel



Dawn Richards
VP & Chief Financial Officer

FINANCE AND AUDIT COMMITTEE CHARTER

PURPOSE

The purpose of the Finance and Audit Committee, a standing committee of the Board of Commissioners of the Health Care District of Palm Beach County is to assist the Board in fulfilling its responsibility to oversee and monitor the District's financial statements, annual budget, investments, internal controls and other matters of a financial nature.

COMPOSITION OF COMMITTEE

The Committee shall have at least five (5) but no more than nine (9) members. A minimum of two (2) Board members shall be appointed to the Committee, one of which will chair the Committee. One (1) Committee member shall represent the Glades community and one (1) Committee member shall serve on the District Clinic Board. The Board shall appoint Committee members to a four (4) year term with Committee membership limited to two (2) full terms. The composition of the Committee shall be regularly reviewed to ensure that each member meets the requirements set forth by the Board for the Committee. Each member of the Committee shall have expertise and experience in economic, financial, business and such other matters as the Board may deem appropriate.

MEETINGS

Regular meetings of the Committee shall be conducted every other month. Public notice of each meeting and the date, time and location of same shall be made as required by law. The Chief Executive Officer may cancel and/or reschedule a Regular meeting, upon proper notice to Committee members and the public, if it is determined that a quorum will not be present or for other reasons in consultation with the Chair.

There shall be an agenda for every meeting of the Committee. However, the Committee is not prohibited from discussing and/or taking action on an item or matter not specified in the agenda. Minutes of each meeting shall be accurately taken, preserved and provided to members.

Regular attendance shall be expected for all Committee members. If a member misses more than twenty-five percent (25%) of the Regular Committee meetings during the twelve (12) month calendar period, the Chair shall advise the Board.

The presence of a majority of the appointed ~~five (5)~~ Committee members shall be necessary at any meeting to constitute a quorum or to transact business. The Board shall promulgate rules of order for the conduct of all Committee meetings. All procedural matters not addressed in said rules of order, by this Charter, or by the HCD Board Bylaws, shall be governed by the latest edition of "Roberts Rules of Order".

POWERS AND DUTIES

The following functions shall be the common recurring functions of the Committee in carrying out its oversight role.

1. **Financial Plans.** The Committee shall review the long-range financial plans of the District, and make such recommendations, as it deems appropriate to the Board regarding the projected use of District funds.
2. **Financial Statements.** The Committee shall review the District's monthly and annual financial statements.
3. **Budgets.** The Committee shall review the annual capital and operating budgets, including amendments thereto, and make such recommendations, as it deems appropriate to the Board regarding the sources and uses of District funds.
4. **Investment of Funds.** The Committee shall review the District Investment Plan and portfolio, at least annually, and make such recommendations, as it deems appropriate to the Board for action regarding the investment of District funds and reserves.
5. **Grant Compliance.** The Committee shall provide oversight of the District's fiscal activities as they relate to applying for and receiving grant awards.
6. **Insurance.** The Committee shall review the District's fiscal activities as they relate to insurance coverage of District operations and employees.

7. ***Building Construction Contracts and Leases.*** The Committee shall review building construction contracts and all agreements, including leases, for the sale and/or acquisition of real property to insure the same are at arms-length, negotiated in compliance with the District Real Property Sale and/or Acquisition Policy.
8. ***Revenue cycle.*** The Committee shall provide oversight for the District's revenue cycle process, including charge structure, billing, collections and management of accounts receivable.
9. ***Physician compensation.*** The Committee shall review the District's policies and practices related to the setting of physician compensation and benefits to insure such payments meet fair market value requirements.
10. ***Employee Compensation and Benefits.*** The Committee shall review the Employee Compensation Benefit plan, and make such recommendations, as it deems appropriate to the Board for action regarding compensation studies and benefit administration.
11. ***Competitive Bidding.*** Upon final vendor selection, the Committee shall review competitive purchasing solicitations which are anticipated to exceed \$250,000 and make recommendations for approval to the Board
12. ***Internal Audit.*** The Committee shall provide oversight of the internal audit function including but not limited to: reviewing the annual budget; making recommendations on department structure and staffing; approving the annual audit plan; and receiving audit reports. The Chief Financial Officer is responsible for directing the day-to-day operations of the assigned staff. The Chair of the Committee is responsible for making decisions related to hiring, firing, performance review, and outsourcing of the Audit function.
13. ***Annual External Financial Audit.*** The Committee will review the results of the annual financial audit and make recommendations for approval to the Board.
14. ***Auditor Selection.*** The Committee will have oversight over the external auditor selection process and will make recommendations for engagement, including contract terms or termination to the Board.

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**

1. Description: Controlled Substance Audit – Primary Care Clinic Pharmacies.

2. Summary:

This agenda item provides the Controlled Substance Audit – Primary Care Clinic Pharmacies report for committee review

3. Substantive Analysis:

Crowe completed the Controlled Substance Audit – Primary Care Clinic Pharmacies, which resulted in 5 findings, 1 moderate risk and 4 low risk. Management responded with an action plan for each issue. The report is included in the Finance and Audit Committee package.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

Finance and Audit Committee

Committee or Board

March 26, 2019

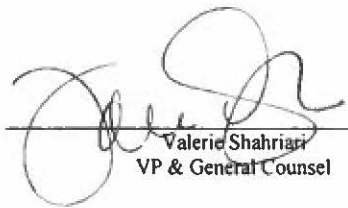
Date Reviewed

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**

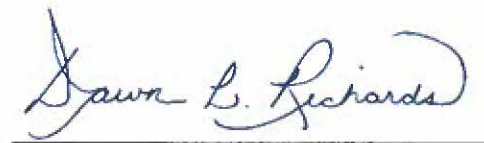
6. Recommendation:

Staff recommends that the Finance & Audit Committee review the Controlled Substance Audit – Primary Care Clinic Pharmacies report and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriri
VP & General Counsel



Dawn Richards
VP & Chief Financial Officer

Healthcare District of Palm Beach County Controlled Substance Audit - Primary Care Clinic Pharmacies

Date: January 25, 2019

Location: Health Care District of Palm Beach County



OBJECTIVES

- Tested whether controls over Drug Enforcement Administration (DEA) files and record retention were functioning as Management intended
- Tested whether controls existed and were functioning to monitor, prevent and detect diversion of controlled substances.

SCOPE

The scope of the engagement included testing the handling, stocking, disposal and security of controlled substances and related records through site visits at the four Clinic Retail Pharmacies that order controlled substances. In addition, pharmacy system user access was tested for terminated employees.

Location: Primary Care Clinic Pharmacies - Lantana, Delray Beach, West Palm Beach and Belle Glade

Time Period: October 1, 2017 through November 8, 2018

Key Information System(s): Pharmacy Logistics

Scope Exclusions: The scope did not include testing of the controlled substance process in place at the Healthcare District of Palm Beach Lakeside Medical Center.

CONCLUSION

The internal controls surrounding the security of controlled substances in the Primary Care Clinic Pharmacies appeared to be in place and were generally functioning as Management intended. The Pharmacies' inventory management practices appeared mature, requiring perpetual controlled substance inventory counting during receiving, stocking and the filling processes.

However, through testing and observation of the daily processes, opportunities for improvement include establishing detective controls for diversion opportunities in their receiving, stocking and expiring of controlled substances. Other opportunities include improving their DEA record keeping quality review processes to validate compliance with DEA and Florida State Board of Pharmacy (BOP) record keeping regulations.

Pharmacy leadership has developed action plans to address these opportunities in an effort to improve internal controls to mitigate the ongoing risks of controlled substance diversion and improve record keeping requirements. Management has committed to implementing action plans by June 1, 2019.

SUMMARY OF ISSUE RISKS



Healthcare District of Palm Beach County Controlled Substance Audit - Primary Care Clinic Pharmacies



Date: January 25, 2019

Location: Health Care District of Palm Beach County

ISSUE 1: Controlled Substance Inventory Management Lacked Effective Diversion Controls

WHAT IS CAUSING THE ISSUE?

- **Procedures:** Healthcare District of Palm Beach County (HDPBC) pharmacies did not have procedures in place to prevent and detect diversion of controlled substances during receipt, stocking and expiring of controlled substances.
- **Supervision:** There was no supervisory oversight process requiring a monthly reconciliation of inventory received and inventory stocked to detect if a diversion occurred.
- **Procedures:** Expired controlled substance inventory reductions were based on what the Pharmacy indicated was provided to the reverse distributor and not on what was reported as removed for destruction by the reverse distributor's report.
- **Resource Alignment:** Due to limited personnel and resources (i.e., limited number of pharmacist and tech at each location), the pharmacies did not have enough staff to separate responsibilities, therefore, segregation of duties are not always feasible.

WHAT IS EXPECTED?

The Office of Diversion Control Division's Controlled Substances Security Manual requires all registrants to have effective physical security controls and operating procedures to guard against theft and diversion of controlled substances.

WHAT ARE THE FINDINGS?

HDPBC pharmacies lack effective preventative and detective controls in their receiving and stocking of controlled substances. Since detective reconciliation control procedures were not in place, a diversion could go undetected if a diverter knew to send a copy of the controlled substance

ISSUE RISK

Moderate Risk

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Prevent and detect diversion of controlled substances.

WHAT ACTIONS WILL MANAGEMENT TAKE?

- **Develop a monthly process for reconciling controlled substance purchases (Cardinal summary report) to controlled substances stocked into McKesson inventory. The reconciliations will be signed off demonstrating performance of the reconciliation and maintained on file for internal quality assurance reviews.** 04/01/2019
Hyla Fritsch - Director, Pharmacy
- **The clinic pharmacies will develop a reconciliation process requiring a reconciliation between the inventory adjustments recorded in McKesson to the reports provided by the reverse distributor when they pick up expired controlled substance inventory.** 04/01/2019
Hyla Fritsch - Director, Pharmacy

Healthcare District of Palm Beach County Controlled Substance Audit - Primary Care Clinic Pharmacies

Date: January 25, 2019

Location: Health Care District of Palm Beach County



invoice to Accounts Payable and indicate in the inventory system that a zero quantity was received.

Additionally, Crowe noted one expired controlled substance, picked up by the reverse distributor, that was incorrectly adjusted to inventory by two pills. Due to the lack of detective reconciliation control procedures, the error was not detected by Pharmacy Management.

- Develop a formal written procedure requiring a reconciliation between McKesson inventory adjustments and the reverse distributor reports.

04/01/2019
Hyla Fritsch - Director, Pharmacy

Employee training will be conducted and a quality assurance review process will be established to validate the procedures are being followed.

Healthcare District of Palm Beach County Controlled Substance Audit - Primary Care Clinic Pharmacies



Date: January 25, 2019

Location: Health Care District of Palm Beach County

ISSUE 2: Pharmacy Record Keeping is Non-Compliant with DEA Requirements

WHAT IS CAUSING THE ISSUE?

Supervision: No monitoring process to oversee and enforce required procedures to maintain that DEA files are complete, accurate, centralized and separated between Schedule II and Schedule III-V.

WHAT IS EXPECTED?

Title 21 Code of Federal Regulation (CFR) Part 1304.04 indicates: (1) Inventories and records of controlled substances listed in Schedules I and II shall be maintained separately from all of the records of the registrant; and (2) Inventories and records of controlled substances listed in Schedules III through V shall be maintained either separately from all other records of the registrant or in such form that the information required is readily retrievable from the ordinary business records of the registrant.

Title 21 CFR Part 1304.21 requires recording the date of receipt which is the date which the controlled substances are actually received will be used as the date of receipt (e.g., invoices or packing slips, or DEA Form 41).

Title 21 CFR Part 1311.60 indicates Controlled Substance Ordering System (CSOS) certificate holders must maintain a copy of the subscriber agreement that the Certification Authority provides for the life of the certificate.

The framework of the Controlled Substance Act (CSA) requires that all controlled substance transactions are to take place within a "closed system" of distribution. Within this "closed system" strict accounting for all controlled substance transactions must be maintained.

Having a DEA and State Board of Pharmacy file system is considered a leading practice to assist Facilities in complying with regulatory record keeping requirements.

ISSUE RISK

Low Risk

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Prevent and detect diversion of controlled substances.

WHAT ACTIONS WILL MANAGEMENT TAKE?

- Pharmacy Management will develop a DEA filing system ("DEA File") to maintain the following information, segregated by Schedule I, II and III through V's: 06/01/2019
Hyla Fritsch - Director, Pharmacy
 - Unused and executed DEA 222 Forms will be secured and filed in chronological order (if DEA file is not secure, a placeholder to the location will be added)
 - Dated controlled substance invoices
 - Biennial inventories
 - DEA registrant license certification
 - Power of Attorney (POA) Forms used to delegate the ordering of Schedule II controlled substances
 - DEA 106 Forms for theft or loss of controlled substances (as applicable)
 - DEA 41 Forms for registrant record of controlled substances destroyed (as

Healthcare District of Palm Beach County Controlled Substance Audit - Primary Care Clinic Pharmacies

Date: January 25, 2019

Location: Health Care District of Palm Beach County



WHAT ARE THE FINDINGS?

Crowe noted instances where controlled substance invoices were not maintained accurately, complete, separated between Schedule II and Schedule III-V and in a centralized area. The following non-compliance with DEA regulations was noted:

- Two locations had a total of 26 controlled substance invoices (19 at Bell Glade and 7 at Delray) that were not dated by the pharmacist upon receipt.
- One location did not have their controlled substance records separated between Schedule II and Schedule III-V.
- One location had invalid DEA 222 Forms that were not returned to the DEA and were filed with their valid DEA 222 Forms.
- A required CSOS Subscriber Agreement was not maintained at all the locations.

Additionally, Crowe noted that at each pharmacy there was no centralized location for controlled substance records, nor a quality assurance program to validate compliance to Florida BOP and DEA record keeping requirements.

- applicable)
- Records of controlled substances transferred to another DEA registrant (as applicable)
- Expired controlled substance records
- Provider prescriptions (or placeholder to location)
- Signed Schedule II CSOS subscriber agreement

-
- Develop a checklist process to monitor the DEA File by validating all controlled substance records are current, complete and include all records for a closed loop system. 06/01/2019
Hyla Fritsch - Director, Pharmacy

-
- Pharmacy Management returned the invalid DEA 222 Forms to the local DEA field office. Complete
Hyla Fritsch - Director, Pharmacy

Healthcare District of Palm Beach County Controlled Substance Audit - Primary Care Clinic Pharmacies



Date: January 25, 2019

Location: Health Care District of Palm Beach County

ISSUE 3: Controlled Substances Not Secured

ISSUE RISK

Low Risk

WHAT IS CAUSING THE ISSUE?

Accountability: Belle Glade did not secure their expired controlled substance in a locked secure area (i.e., drawer or cabinet).

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Prevent and detect diversion of controlled substances.

WHAT IS EXPECTED?

Title 21 CFR Part 1301.71 requires that all registrants provide effective controls and procedures to guard against theft and diversion of controlled substances.

HDPBC Procedures require that all controlled substances, including expired medication, be physically secured.

WHAT ACTIONS WILL MANAGEMENT TAKE?

Pharmacy Management provided additional training and developed a quality review process to review proper security of all controlled substances.

Complete
Hyla Fritsch - Director, Pharmacy

Coaching was provided to individuals on the importance of securing controlled substances at all time.

The expired controlled substances that were left unsecured were locked up in a secured drawer or cabinet.

WHAT ARE THE FINDINGS?

The Belle Glade Pharmacy did not comply with HDPBC Procedures on securing all controlled substances. Crowe noted that expired controlled substances were maintained in a cardboard box in an unsecured area.

Healthcare District of Palm Beach County Controlled Substance Audit - Primary Care Clinic Pharmacies

Date: January 25, 2019

Location: Health Care District of Palm Beach County



ISSUE 4: Two Perpetual Inventory Management Systems Utilized

ISSUE RISK

Low Risk

WHAT IS CAUSING THE ISSUE?

Procedures: Pharmacy Management procedures require staff to maintain two controlled substance inventory systems.

WHAT IS EXPECTED?

HDPBC uses an automated perpetual inventory management system, McKesson, that maintains controlled substance inventory updated real time with controlled substance inventory transactions such as purchase orders, receipts, prescriptions filled, and a multitude of other tracking information.

The framework of the CSA requires that all controlled substance transactions are to take place within a "closed system" of distribution. Within this "closed system", strict accounting for all controlled substance transactions must be maintained.

WHAT ARE THE FINDINGS?

HDPBC Retail Pharmacies are currently maintaining two controlled substance perpetual inventory systems. Even though the McKesson automated system is fully functional, HDPBC has continued to use a manual perpetual log system (simultaneously with the automated system). Having two inventory systems to maintain, can lead to inefficiencies, duplication of efforts, and human error when using the manual system.

Crowe noted two examples where the manual controlled substance inventory records were not accurate and did not reconcile to the automated inventory system.

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Prevent and detect diversion of controlled substances.

WHAT ACTIONS WILL MANAGEMENT TAKE?

Pharmacy Management eliminated the manual perpetual inventory system and solely uses the electronic McKesson inventory management system.	Complete Hyla Fritsch - Director, Pharmacy
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Healthcare District of Palm Beach County Controlled Substance Audit - Primary Care Clinic Pharmacies



Date: January 25, 2019

Location: Health Care District of Palm Beach County

ISSUE 5: Inventory Not Recorded in Finished Form

WHAT IS CAUSING THE ISSUE?

Training: Employees recording inventory counts did not receive training/education on all the DEA inventory requirements.

WHAT IS EXPECTED?

Title 21 CFR Part 1304.03 states that controlled substances to be recorded in "finished form" includes the number of commercial containers of each such finished form (e.g. four 100-tablet bottles or six 3-milliliter vials).

WHAT ARE THE FINDINGS?

Crowe noted that during the last inventory counts performed at all the pharmacies (September 2018) the inventory count sheets listed controlled substances by the number of tablets, but did not indicate the number in each finished form. For example, HDPBC should add "four 100-tablet bottles" to the already stated 400 pill inventory count.

ISSUE RISK

Low Risk

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Controlled substance security, record keeping, tracking and monitoring processes are established to comply with DEA, State Board of Pharmacy and other regulatory standards.

WHAT ACTIONS WILL MANAGEMENT TAKE?

The Pharmacy Procedures Manual will be revised to include the 'finished form' requirement and the inventory count sheets will be revised to include the "finished form" format. Management provided staff with training and also revised written procedures to record inventory counts in finished form.

10/01/2019
Hyla Fritsch - Director, Pharmacy

Additionally, Pharmacy Management will provide education to pharmacy staff to record inventory counts in finished form. The next annual inventory is scheduled for September 30, 2019.

Healthcare District of Palm Beach County Controlled Substance Audit - Primary Care Clinic Pharmacies



Date: January 25, 2019

Location: Health Care District of Palm Beach County

CONTEXT

A November 2017 report by the President's Commission on Combating Drug Addiction and Opioid Crisis noted that "the crisis in opioid overdose deaths has reached epidemic proportions in the United States and currently exceeds all other drug-related deaths or traffic fatalities." Additionally, the Centers for Disease Control and Prevention reported that the annual number of drug overdose deaths involving prescription opioids (such as hydrocodone, oxycodone, fentanyl and methadone) has more than quadrupled since 1999.

In efforts to control the epidemic and combat the crisis, the DEA Diversion Control Division, responsible for administering and enforcing CSA, continues extensive monitoring and enforcement of DEA regulations. DEA statues house strict record-keeping requirements which are designed to prevent prescription pain killers, like oxycodone, from ending up on our streets. The federal statute governs the manufacture, distribution, and use of prescription and illicit opioids. DEA licensees/registrants who refuse or negligently fail to comply with the strict requirements of the controlled substance laws are subject to civil and criminal penalties. Fines may include \$10,000 for each violation, suspension or revocation of a controlled substance practitioner license and/or research registration and prison sentence.

The HDPBC provides healthcare care services, including a hospital, to all Palm Beach County residents, in Adult and Pediatric medicine. In 2013, the primary care clinics began operating at 6 locations in the areas of Delray Beach, West Palm, Lantana, Bell Glade, Lake Worth, and Jupiter. The clinics also have a pharmacy program operating as an in-house pharmacy providing prescription medications, including controlled substances, to patients who utilize the Primary Care Clinics. There is also a distribution center located in Boynton Beach. Patients benefit by being able to fill their prescriptions at the same location where they receive their primary care. All locations, except for Jupiter, have a DEA license and, therefore, can fill controlled substance prescriptions. The pharmacies have a limited formulary which does not include many of the high diverting controlled substances such as Fentanyl, OxyContin and Morphine. The Primary Care Clinics also have a Medication Assisted Treatment Program, to address the growing opioid crisis in Palm Beach County.

The Health Care District Palm Beach Primary Care Clinic pharmacies filled a total of 1,785 controlled substance prescriptions during the 6 month period ended November 6, 2018. A total of 159 of those prescriptions were Schedule II and 1,626 were Schedule III-V.

OTHER OBSERVATIONS

HDPBC Pharmacies lack an Opioid Stewardship Program.

The CDC has communicated guidelines for prescribing opioids. Many retail pharmacies, such as CVS, have implemented an opioid stewardship program to limit the quantity of days opioids are prescribed for certain conditions and has implemented system flags to stop any opioid and benzodiazepine combinations. HDPBC Pharmacy Management may want to consider similar opioid stewardship programs. CDC guidelines indicates the following recommendations:

Healthcare District of Palm Beach County Controlled Substance Audit - Primary Care Clinic Pharmacies



Date: January 25, 2019

Location: Health Care District of Palm Beach County

- Opioid prescriptions should only be for acute pain and for the expected duration of pain severe enough to need opioids.
- A prescription for opioids should be for three days or less (studies have shown that taking an opioid for more than three days, even at a low dose, increases the risk of addiction by 15 times).
- Avoid concurrent opioid and benzodiazepine prescriptions as patients with concurrent use are five times more likely to overdose on opioids.

ISSUE RISK DEFINITIONS

In determining whether the issue risk was High, Moderate or Low, Crowe Healthcare Risk Consulting LLC considered a variety of factors, including the following, as applicable: significance of potential financial losses; risks to achieving business objectives; potential impact on care delivery quality; the potential for reputational damage; regulatory impact; and the potential for compromised data integrity. This list is not all-inclusive.

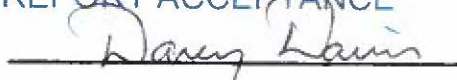
Healthcare District of Palm Beach County Controlled Substance Audit - Primary Care Clinic Pharmacies

Date: January 25, 2019

Location: Health Care District of Palm Beach County



REPORT ACCEPTANCE



Darcy Davis, Chief Executive Officer

3-20-19

Date



Dawn Richards, VP & Chief Financial Officer

3/19/2019

Date

COPIES

Val Shahriari, VP & General Counsel

Belma Andric, MD, VP & Chief Medical Officer

Hyla Fritsch, Director, Pharmacy

AUDITORS

Rosanna Coppola, Healthcare Risk Audit Manager

Tamara Mattox, Healthcare Risk Audit Senior Manager

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. This report and the information contained herein (the "Report") is intended solely for the use of the authorized employees of the client named herein for the purposes set forth herein. The Report is strictly confidential and shall under no circumstances be disclosed to any other party without the prior written consent of Crowe Healthcare Risk Consulting LLC ("Crowe").

Except for the permitted use of the Report by the authorized employees of the client named herein, Crowe hereby disclaims any and all responsibility and liability for the Report and the use thereof. No third party may rely on the Report or the information contained therein for any purpose, and Crowe makes no representation to any third party as to the accuracy, sufficiency or propriety of the information contained in the Report. Further, Crowe disclaims any obligation to update the Report.

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**

1. Item Description: PTO Benefits Audit.

2. Summary:

This agenda item provides the PTO Benefits Audit report for committee review.

3. Substantive Analysis:

Crowe completed the PTO Benefits Audit, which resulted in 3 findings, 1 moderate risk and 2 low risk. Management responded with an action plan for each issue. The report is included in the Finance and Audit Committee package.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

Finance and Audit Committee

Committee or Board

March 26, 2019

Date Reviewed

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**

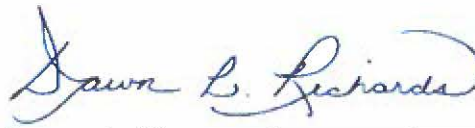
6. Recommendation:

Staff recommends that the Finance & Audit Committee review the PTO Benefits Audit report and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn L. Richards
VP & Chief Financial Officer

PTO Benefits Audit



Date: January 28, 2019

Location: Health Care District of Palm Beach County

OBJECTIVES

- Evaluated and tested processes to determine if Paid Time Off (PTO) balances were accumulated, requested, approved and processed consistently for all employees as Management intends.

SCOPE

The scope of the audit included all Health Care District PTO accruals, requests and approvals for the three-month period audited. Data analytics was used to test the entire population of PTO accruals.

Location: Health Care District of Palm Beach County (entity-wide)

Time Period: August 1, 2018 to October 31, 2018

Scope Exclusions: The scope of the audit did not include other payroll functions not related to PTO.

CONCLUSION

Overall, controls were found to be in place and working as Management intended. Specifically, testing was performed that confirmed the following controls were in place:

- Physicians PTO accrual rates conformed to District policy;
- PTO accruals were stopping at 400 hours per the Paid Time Off policy;
- PTO accruals were not overdrawn;
- PTO hours taken were appropriately deducted from PTO accruals for exempt employees;
- PTO was being appropriately approved by the correct manager;
- PTO corrections were appropriately documented;
- PTO was being appropriately taken in full day increments by exempt employees; and
- User access in the Finance Plus system was properly restricted for transactions affecting PTO accruals and balances

However, issues related to PTO accruing at higher rates and PTO hours being manually added were found. Management has developed action plans to address these issues. The action plans will be completed by March 31, 2019.

SUMMARY OF ISSUE RISKS



PTO Benefits Audit



Date: January 28, 2019

Location: Health Care District of Palm Beach County

ISSUE 1: PTO Accrued at Higher Rates due to Exceeding 80 Regular Hours

ISSUE RISK

Moderate Risk

WHAT IS CAUSING THE ISSUE?

Supervision: Management was not properly monitoring regular hours to make certain employees were not exceeding 80 regular hours when PTO, Sick Time, and Jury Duty hours were added.

WHAT BUSINESS OBJECTIVES ARE AT RISK?

- Administer an accurate and consistent process for the accrual and payment of PTO benefits for all employees.
- Maintain accurate PTO balances for all employees

WHAT IS EXPECTED?

Exceeding 80 regular hours could cause an employee to accrue PTO at a higher rate. The Kronos system utilized at the time of this audit did not let an employee enter more than 80 regular hours. However, PTO, Sick Time, and Jury Duty counted toward regular hours and could cause an employee to exceed 80 regular hours. The Kronos system did not correct for this. Therefore, it was up to each department manager to make certain that their employees regular hours did not exceed 80 regular hours when PTO, Sick Time, and Jury Duty hours were added to regular hours.

WHAT ACTIONS WILL MANAGEMENT TAKE?

- The Payroll Manager will educate department managers regarding the importance of making certain that employees do not exceed 80 regular hours. This education will be incorporated into the quarterly education session. 03/31/2019
Sabrina Thornton - Manager, Payroll and Accounts Payable
- The Payroll Manager will build a rule into the Kronos system which will comply with the PTO policy of employees not exceeding 40 regular hours per week. 03/31/2019
Sabrina Thornton - Manager, Payroll and Accounts Payable

WHAT ARE THE FINDINGS?

Testing revealed that 68 employees out of approximately 1,300 total employees had PTO accruals higher than their accrual rate per hour for one or more pay periods because their regular hours exceeded 80.

PTO Benefits Audit



Date: January 28, 2019

Location: Health Care District of Palm Beach County

ISSUE 2: PTO Accrued at Higher Rates Due to Incorrect Leave Anniversary Codes

ISSUE RISK

Low Risk

WHAT IS CAUSING THE ISSUE?

WHAT BUSINESS OBJECTIVES ARE AT RISK?

- Administer an accurate and consistent process for the accrual and payment of PTO benefits for all employees.
- Maintain accurate PTO balances for all employees

Training: Not all Human Resources employees were aware of the need to input the Leave Anniversary Code for rehired employees so that PTO accrued correctly.

WHAT IS EXPECTED?

WHAT ACTIONS WILL MANAGEMENT TAKE?

Per the Health Care District Paid Time Off policy, all employees should accrue PTO based on years of service. Upon hire, Human Resources should assign the correct years of service tier located in the Finance Plus system. For rehires, the Leave Anniversary Date and Code must be changed in the Finance Plus system for the employee to accrue PTO based on their rehire date. If entered correctly, the Finance Plus system should automatically adjust the PTO tiers based on years of service going forward.

- The Human Resources Assistant will correct the Leave Anniversary Code for the employees in the Finance Plus system so that PTO can accrue correctly going forward. The Human Resource Manager and Director will advise the employees affected by this change. 03/31/2019
Rosella Weymer - Human Resources Manager

WHAT ARE THE FINDINGS?

- The Payroll Manager will monitor Leave Anniversary Codes on a periodic basis to determine if correct based on years of service. 03/31/2019
Sabrina Thornton - Manager, Payroll and Accounts Payable

Testing revealed that two employees out of a total of eight rehired employees over the three-month period audited received a higher PTO accrual rate per hour. Both employees had been rehired and their Leave Anniversary Code had not been properly entered and therefore, these employees were accruing PTO based on their length of service calculated using their original hire date rather than the length of service calculated based on their rehire date.

- The Payroll Manager will educate Human Resources staff regarding inclusion of the correct Leave Anniversary Code for all rehired employees that is based on their rehire date. 03/31/2019
Sabrina Thornton - Manager, Payroll and Accounts Payable

PTO Benefits Audit

Date: January 28, 2019

Location: Health Care District of Palm Beach County



-
- The Payroll Manager will update existing procedure to include information for correctly establishing rehired employees in the Finance Plus system. This includes inclusion of the correct Leave Anniversary Date and Leave Anniversary Code based on their rehire date. The updated written procedure will be shared with Human Resources management. 03/31/2019
Sabrina Thornton - Manager,
Payroll and Accounts Payable

PTO Benefits Audit



Date: January 28, 2019

Location: Health Care District of Palm Beach County

ISSUE 3: PTO Hours Granted as an Award Entered Using Incorrect Process

ISSUE RISK

Low Risk

WHAT IS CAUSING THE ISSUE?

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Training: Human Resources management was not aware of the correct process for having PTO hours granted as an award entered into the Finance Plus system.

- Administer an accurate and consistent process for the accrual and payment of PTO benefits for all employees.
- Maintain accurate PTO balances for all employees

WHAT IS EXPECTED?

WHAT ACTIONS WILL MANAGEMENT TAKE?

In order to maintain proper segregation of duties, PTO hours granted as an award should be approved by Human Resources management and then forwarded to the Payroll Department for entry into the Finance Plus system.

- Human Resources management will oversee that education is provided on the correct process for awarding PTO hours. Specifically, the education will include that all PTO hours granted as awards should be routed to the Payroll Department for entry into the Finance Plus system. 03/31/2019 Steven Hurwitz - Vice President of HR and Communications
- The Payroll Manager will monitor PTO hours manually added in the Finance Plus system to determine if hours have been manually added and if the correct process for doing so has been followed. 03/31/2019 Sabrina Thornton - Manager, Payroll and Accounts Payable

WHAT ARE THE FINDINGS?

Testing revealed that Human Resources management added PTO hours for two employees as an award. The PTO hours award should have been forwarded to the Payroll Department for processing.

PTO Benefits Audit



Date: January 28, 2019

Location: Health Care District of Palm Beach County

CONTEXT

This audit was placed on the annual audit plan due to concerns that employed physicians were receiving PTO accrual rates per their contracts that were not the same as for regular employees. Physicians should accrue based on the same Years of Service tiers as regular employees. Crowe tested this and confirmed that all physicians are now accruing at the same years of service as regular employees. Other paid time off risks were discussed with Management during the opening meeting and included in the audit. Testing was based on the attributes contained in the Health Care District Paid Time Off policy. There were approximately 1,300 employees with the District at the time of this audit. Total payroll expense was approximately \$17.7 million during the three-month period tested.

OTHER OBSERVATIONS

Crowe noted during the performance of this audit that there was an electronic process available in the Kronos system for requesting and approving PTO. This electronic process was considered a leading practice because it had a time stamp for all PTO requests and approvals. PTO requests that were not approved were flagged by the payroll department for follow-up so that employees requesting PTO were always properly paid.

However, there were still departments found during the audit that were utilizing a manual paper process for requesting and approving PTO where PTO approvals were being entered manually by directors and managers after approving the PTO.

This process was not discontinued due to the need to remain flexible as an organization as long as PTO was being properly approved. Crowe, however, recommends that use of the electronic method for requesting and approving PTO should be followed whenever possible as it is a leading practice that makes certain employees requesting PTO are always paid properly and that PTO requests are never misplaced or misunderstood.

ISSUE RISK DEFINITIONS

In determining whether the issue risk was High, Moderate or Low, Crowe Healthcare Risk Consulting LLC considered a variety of factors, including the following, as applicable: significance of potential financial losses; risks to achieving business objectives; potential impact on care delivery quality; the potential for reputational damage; regulatory impact; and the potential for compromised data integrity. This list is not all-inclusive.



PTO Benefits Audit



Date: January 28, 2019

Location: Health Care District of Palm Beach County

REPORT ACCEPTANCE

 Darcy Davis, Chief/Executive Officer	<u>3-20-19</u> Date
 Dawn Richards, VP & Chief Financial Officer	<u>3/19/2019</u> Date

COPIES

Val Shahriari, VP & General Counsel
Steven Hurwitz, Vice President of HR and Communications
Rosella Weymer, Human Resources Manager
Sabrina Thornton, Manager, Payroll and Accounts Payable

AUDITORS

Angie Fearon, Healthcare Risk Audit Manager

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. This report and the information contained herein (the "Report") is intended solely for the use of the authorized employees of the client named herein for the purposes set forth herein. The Report is strictly confidential and shall under no circumstances be disclosed to any other party without the prior written consent of Crowe Healthcare Risk Consulting LLC ("Crowe").

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**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**

1. Item Description: Third Party Vendor Management Audit.

2. Summary:

This agenda item provides the Third Party Vendor Management Audit report for committee review.

3. Substantive Analysis:

Crowe completed the Third Party Vendor Management Audit, which resulted in 4 findings, 2 moderate risk and 2 low risk. Management responded with an action plan for each issue. The report is included in the Finance and Audit Committee package.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget	
Capital Requirements	N/A	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

Finance and Audit Committee

Committee or Board

March 26, 2019

Date Reviewed

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**


6. Recommendation:

Staff recommends that the Finance & Audit Committee review the Third Party Vendor Management Audit report and forward to the Board for approval.

Approved for Legal sufficiency:



Valenje Shahriari
VP & General Counsel



Dawn L. Richards
VP & Chief Financial Officer

Third Party Vendor Management Audit



Date: December 28, 2018

Location: Health Care District of Palm Beach County

OBJECTIVES

- Performed tests to assess whether or not management monitored contract performance in accordance with contract terms, business needs and compliance risks. Assessed if key performance requirements of the contracts were met
- Validated that the organization established processes to monitor, manage and oversee vendor performance
- Tested whether processes established to review vendor performance prior to contract renewal were functioning as Management intended
- Tested whether processes established to review work completion or contractor/vendor performance prior to payment release were functioning as intended
- Assessed controls in place were properly designed to monitor executed contracts for regulatory compliance. Tested that contractual terms related to training and background checks were completed

SCOPE

This audit assessed controls related to contract performance management and focused on vendors that provided consulting, IT/Software, operational and staffing services.

Location: The Health Care District of Palm Beach County (District)

Time Period: Fiscal Year End September 30, 2018

CONCLUSION

The overall contracting process is overseen and managed by the District's Legal department, who provides contract owners with guidance on the completion of an approved contract, necessary addendum and contract renewals. The District relies on department managers and contract owners to apply vendor oversight on executed contracts, in order to achieve the organizational objectives related to each agreement. Overall, controls were found to be in place and working as Management intended. Specifically, testing was performed that confirmed the following controls were in place:

- Contract Managers monitored contract performance, in accordance with contract terms and service level agreements (SLAs) documented within the contract.
- Formal processes existed to identify and notify Contract Managers of soon-to-expire agreements so that they are reviewed, updated and renewed in accordance with District policies and procedures.
- Payments made were consistent with overall organization policies and procedures and with the provisions within most of the contracts audited.

Opportunities were identified to improve the Third Party Vendor Management function to effectively realize the benefits from all vendor relationships. Management has identified action plans to mitigate the risks associated with the issues included in this report, including standardized procedures for vendor performance monitoring, improved performance monitoring of specific vendors and payment of vendor invoices in accordance with contract terms. These action plans have implementation dates through April 30, 2019. Upon effective implementation, these actions will help improve the District's internal controls over vendor performance management processes.

Third Party Vendor Management Audit



Date: December 28, 2018

Location: Health Care District of Palm Beach County

Sample Selected: A selection, based on history and complexity, of 25 key vendors that received payments between October 1, 2017 and June 30, 2018

The population of contracts subject to selection did not include agreements for legal services, facility repairs and maintenance, employee benefits, patient care, managed care physician contracts, supply contracts or vendor information technology (IT) security contracts.

Scope Exclusions: This audit did not include the following:

- Controls over the vendor selection process, such as requests for proposals, bidding and awarding of contracts
- Controls around key legal requirements, such as HIPAA Business Associate Agreements or regulatory standards

SUMMARY OF ISSUE RISKS



Third Party Vendor Management Audit



Date: December 28, 2018

Location: Health Care District of Palm Beach County

ISSUE 1: Security Officer Contract Performance Not Formally Monitored to Address Service Level Issues at Lakeside Medical Center (LMC)

WHAT IS CAUSING THE ISSUE?

Accountability: No formal performance management and monitoring procedures applied.

WHAT IS EXPECTED?

Monitoring vendor performance expectations timely, consistently and efficiently helps Management better understand if vendors deliver on key contract terms.

WHAT ARE THE FINDINGS?

Crowe noted that the G4S contract contained provisions around proper notification of changes of key personnel, selection and assignment of satisfactory security staff, contractor inspections over service performance, incident reporting and responsiveness of Contract Administrator. G4S was out of compliance with these provisions. Management is in corrective discussions with G4S with regards to this non-compliance. Crowe noted no formalized performance monitoring process existed to measure G4S service obligations to the contract.

ISSUE RISK

Moderate Risk

WHAT BUSINESS OBJECTIVES ARE AT RISK?

- Monitor and manage contracts in a manner that promotes acceptable, timely performance in accordance with contract terms, business needs and compliance risks (internal and regulatory).
- Third party vendor management strategy aligns with the overall business strategy to effectively realize the benefits from all third party vendor relationships.

WHAT ACTIONS WILL MANAGEMENT TAKE?

Management is discussing the service related issues identified with appropriate management over the Security Officer service agreement and will implement appropriate corrective actions.

04/30/2019
Stephanie Dardanello -
Hospital Administrator

Dennis Dzurovski -
Director of Facilities

Management will implement a formalized performance monitoring process which will include tools and procedures to address G4S compliance with contract requirements and provide effective oversight over the contract. Such tools will include verification of licensing requirements, notification of changes to vendor's key personnel, unsatisfactory personnel, minimum hiring standards, training expectations, scheduled and unscheduled inspections, reconciliation of service hours billed, communication of incident reports and resolving performance issues in a timely manner. Management will also apply action plan items to other business units serviced by G4S.

Third Party Vendor Management Audit



Date: December 28, 2018

Location: Health Care District of Palm Beach County

ISSUE 2: Improve Performance Management Procedures for LMC Cafeteria Services

WHAT IS CAUSING THE ISSUE?

Accountability: Performance management and monitoring procedures applied are not adequate

WHAT IS EXPECTED?

Monitoring vendor performance expectations timely, consistently and efficiently helps Management better understand if vendors deliver on key contract terms.

WHAT ARE THE FINDINGS?

Crowe noted that the monthly operational reports the cafeteria service vendor provides to Management does not include all topics in the Account Management section of the contract. Also, an annual business plan submitted by the vendor did not include quality monitoring and process improvement results as required in the contract.

Established within the contract are financial summaries provided in the monthly operational reports. Management did not have a formal process to analyze financial results related to the cafeteria transactions and activities and follow-up on significant trends or variances that fall outside of baseline expectations.

ISSUE RISK

Moderate Risk

WHAT BUSINESS OBJECTIVES ARE AT RISK?

- Monitor and manage contracts in a manner that promotes acceptable, timely performance in accordance with contract terms, business needs and compliance risks (internal and regulatory).
- Third party vendor management strategy aligns with the overall business strategy to effectively realize the benefits from all third party vendor relationships.

WHAT ACTIONS WILL MANAGEMENT TAKE?

Management will implement tools and procedures to facilitate contract performance monitoring. In accordance with quality monitoring and process improvement goals included in the contract, LMC will develop a patient/customer satisfaction tool to survey patient/customer satisfaction with cafeteria services. Additionally, LMC will survey Nutrition Services staff semi-annually to gauge strengths and weaknesses of the department and management. The results of these surveys will be included in the annual business plan. Management will also make sure that the annual business plan details all of the elements provided in the contract requirements, such as Goals and Objectives to be attained over the

04/30/2019
Stephanie Dardanella - Hospital Administrator

Third Party Vendor Management Audit



Date: December 28, 2018

Location: Health Care District of Palm Beach County

following operational year.

Additionally, management will require contractor to provide a monthly operational report that details all the relevant topics noted in the contract terms. Finally, Management will work with appropriate contractor personnel to develop a Quarterly Business Review packet that provides management appropriate insight to analyze financial results and operations of the cafeteria services provided by the vendor. The information in the Quarterly Business Review should include sufficient level detail to allow management to observe and follow up on significant trends and/or variances. Management will meet with vendor quarterly to discuss performance issues and any necessary corrective actions.

Third Party Vendor Management Audit



Date: December 28, 2018

Location: Health Care District of Palm Beach County

ISSUE 3: Establish Procedures Around Vendor Performance Monitoring

WHAT IS CAUSING THE ISSUE?

Policies and Procedures: Procedures to evaluate performance of key vendors were not in place.

WHAT IS EXPECTED?

Parameters for contract monitoring and feedback are established and formalized by written procedures. The ability to accurately, consistently, efficiently and timely monitor vendor performance, both at an individual contract level as well as on an overall performance basis, is part of an effective control environment around outsourcing. Written guidelines that detail management expectations and provide specific direction on contractor performance, dispute resolution and financial remedies help an organization better manage contractors and improves alignment of overall vendor performance with organizational goals. Solid vendor performance monitoring also puts the healthcare organization in a stronger negotiating position near current contract end or rebid, because the organization has captured and therefore can speak/negotiate from specifics about the level of vendor performance.

WHAT ARE THE FINDINGS?

There were no District-wide procedures around vendor performance monitoring. The vendor performance monitoring and management process was decentralized, and responsibility for monitoring vendor performance resided with department managers. The District can enhance organizational objectives when outsourcing critical functions through written procedures which communicate Management's expectations for effective vendor management to department managers and contract owners.

ISSUE RISK

Low Risk

WHAT BUSINESS OBJECTIVES ARE AT RISK?

- Third party vendor management strategy aligns with the overall business strategy to effectively realize the benefits from all third party vendor relationships.
- Monitor and manage contracts in a manner that promotes acceptable, timely performance in accordance with contract terms, business needs and compliance risks (internal and regulatory).

WHAT ACTIONS WILL MANAGEMENT TAKE?

Vendor performance monitoring and management procedures consists of a Vendor Risk Assessment, Vendor Due Diligence, Vendor Contract Management and Vendor Supervision. Management will develop a Vendor Risk Rating Matrix to assign a Vendor Risk Rating of Low, Medium or High Risk which is managed by an assigned contract supervisor for each department. Exceptions to the assigned risk rating may be granted as noted by the Risk Rating Matrix.

04/30/2019

Dawn Richards - VP
& Chief Financial
Officer

The Rating is an indicator of the level of due diligence the organization requires for each vendor. Risk assessments will be reviewed as part of contract renewal or anytime its scope changes significantly. Medium and high-risk vendor contracts, including renewals, will be executed by the business unit senior leader or above. The assigned contract supervisor will complete the vendor risk analysis, vendor due diligence review, maintain vendor files and act as vendor liaison.

Third Party Vendor Management Audit



Date: December 28, 2018

Location: Health Care District of Palm Beach County

ISSUE 4: Pre-paid Service Fees Not Supported by Agreement

WHAT IS CAUSING THE ISSUE?

Supervision: Personnel processing the payments misunderstood the contract's payment terms.

WHAT IS EXPECTED?

Contract fees should be paid in accordance with terms specified in the agreement.

WHAT ARE THE FINDINGS?

In May 2018, the District completed and signed a 3-year subscription service agreement to provide telehealth software service at the Clinics. The agreement specifies monthly fees of \$300 over the three-year term. In May 2018, the District pre-paid all 3 years of service, a total of \$11,800, even though services had not yet begun.

The pre-payment of fees prevents the District from applying service credits which may be earned during the contract term. The contract terms specify that service credits can be applied only to outstanding or future payments; no refunds or payments against service credits are allowed.

ISSUE RISK

Low Risk

WHAT BUSINESS OBJECTIVES ARE AT RISK?

Make contract payments in accordance with contract terms and management authorization.

WHAT ACTIONS WILL MANAGEMENT TAKE?

- Management will reach out to vendor and determine if a refund can be obtained under the agreement or if an addendum can be negotiated to account for future service credits as refundable to the District. Discussions will also include input from the District's Finance and Legal departments. 03/31/2019
Terry Megiveron - Director, Practice Operations
- Management will work with the Legal department to develop a standard template which defines the specific payment terms under the agreement and include in contracts going forward.
- Management will reinforce procedures to compare invoices received to the contract terms prior to submitting for payment.

Third Party Vendor Management Audit



Date: December 28, 2018

Location: Health Care District of Palm Beach County

CONTEXT

The use of third party vendors can provide benefits for Healthcare systems, such as cost savings or expertise. However, the use of third parties to provide core services is not without risk. Some risks that could occur in outsourced services include: failure to meet performance requirements as outlined in the contract, failure to meet financial terms in accordance with contract provisions, billing for services not provided and potential compliance risks.

Management oversight of the Third Party Vendor Management processes is critical to minimize the risks of outsourcing. Strong oversight also promotes alignment with overall business strategies and facilitates achievement of business objectives related to operational, financial, clinical, legal functions and regulatory requirements.

OTHER OBSERVATIONS

Hospitals that use Joint Commission accreditation must adhere to accreditation standards and assure that care, treatment and services provided through contractual agreement are provided safely and effectively. As discussed in our sample, two contracts for medical services provided at the Lakeside Medical Services did not include service indicators and overall performance metrics. The Joint Commission had previously noted this issue in its unannounced survey in September 2018, and the District has an action plan to establish specific contract performance expectations (Key Performance Indicators).

ISSUE RISK DEFINITIONS

In determining whether the issue risk was High, Moderate or Low, Crowe Healthcare Risk Consulting LLC considered a variety of factors, including the following, as applicable: significance of potential financial losses; risks to achieving business objectives; potential impact on care delivery quality; the potential for reputational damage; regulatory impact; and the potential for compromised data integrity. This list is not all-inclusive.

Third Party Vendor Management Audit



Date: December 28, 2018

Location: Health Care District of Palm Beach County

REPORT ACCEPTANCE

 _____	<u>3-20-19</u> _____
Darcy Davis, Chief Executive Officer	Date
 _____	<u>3/19/2019</u> _____
Dawn Richards, VP & Chief Financial Officer	Date

COPIES

- Val Shahriari, VP & General Counsel
- Belma Andric, MD, VP & Chief Medical Officer
- Karen Harris, Vice President of Field Operations
- Stephanie Dardanella, Hospital Administrator
- Terry Megiveron, Director, Practice Operations
- Dennis Dzurovski, Director of Facilities

AUDITORS

Harry Torres, Healthcare Risk Audit Senior Manager

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. This report and the information contained herein (the "Report") is intended solely for the use of the authorized employees of the client named herein for the purposes set forth herein. The Report is strictly confidential and shall under no circumstances be disclosed to any other party without the prior written consent of Crowe Healthcare Risk Consulting LLC ("Crowe").

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**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**

1. Item Description: Revenue Charge Capture Controls Assessment.

2. Summary:

This agenda item provides the Revenue Charge Capture Controls Assessment report for committee review.

3. Substantive Analysis:

Crowe completed the Revenue Charge Capture Controls Assessment, which resulted in no reportable findings. The report is included in the Finance and Audit Committee package.

4. Fiscal Analysis & Economic Impact Statement:

	Amount	Budget
Capital Requirements	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Net Revenue	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>
Annual Expenditures	N/A	Yes <input type="checkbox"/> No <input type="checkbox"/>

Reviewed for financial accuracy and compliance with purchasing procedure:



Dawn L. Richards
VP & Chief Financial Officer

5. Reviewed/Approved by Committee or Subsidiary Board:

Finance and Audit Committee

Committee or Board

March 26, 2019

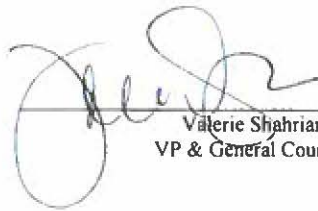
Date Reviewed

**HEALTH CARE DISTRICT
FINANCE AND AUDIT COMMITTEE
MARCH 26, 2019**


6. Recommendation:

Staff recommends that the Finance & Audit Committee review the Revenue Charge Capture Controls Assessment report and forward to the Board for approval.

Approved for Legal sufficiency:



Valerie Shahriari
VP & General Counsel



Dawn L. Richards
VP & Chief Financial Officer

Revenue Charge Capture Controls Assessment-Health Care District



Date: January 31, 2019

Location: Health Care District of Palm Beach County

OBJECTIVES

- Identified key controls and procedures over capturing and recording revenue for all chargeable services performed and medical supplies provided in selected departments and business units
- Performed a controls assessment of existing charge capture activities and evaluated that controls in place were designed as management intended

SCOPE

Assessment of controls around revenue charge capture was documented for the following business units/departments:

- Lakeside Medical Center (LMC) - Operating Room, Emergency Services, Medical/Surgery 2nd Floor, Central Supply, Clinical Laboratory and Cat Scan. These departments represent 50% of more of total revenue and volume at LMC.
- Primary Care Clinics - West Palm Beach clinic (Medical and Dental)
- Healey Rehab Center
- Aeromed

Time Period: As of December 1, 2018

Scope Exclusions: This controls assessment did not include the following: evaluation of medical necessity, maintenance and updates of the Charge Description Master (CDM), or coding accuracy. The assessment also did not include any tests of control activities for effectiveness.

CONCLUSION

Controls over the charge entry process were in place and designed to support the District's charge capture objectives. Each business unit and hospital department acts independently to determine that their charges are accurate, timely and complete and relies on the functionality of its Electronic Health Record system (EHR) to meet revenue charge capture objectives. **See Attachment A** for further details regarding the key controls in place at each business unit/department.

Revenue Charge Capture Controls Assessment-Health Care District



Date: January 31, 2019

Location: Health Care District of Palm Beach County

CONTEXT

Charge capture procedures need to support revenue recognition goals. Despite the use of Electronic Health Records (EHR's) and employment of ICD10 certified coders, concerns have arisen around accuracy and timeliness of capturing patient charges. At the hospital, difficulties were encountered around charging patients for supplies used at the time of service and the Clinics implemented a new EHR in the past year. Crowe performed a controls assessment to evaluate the design of controls established over the completeness, timeliness and accuracy of charges.

OTHER OBSERVATIONS

Medical supply inventory is transferred from Central Supply to a storage room for the various hospital departments at LMC, when needed. When a supply item is removed from the storage room for patient use, personnel in each department use the workstation in each room to scan the item bar code, which allows the inventory system to release the supply item from inventory records and properly record the expense to the department. Crowe noted the process of scanning bar codes when removing inventory items did not occur in the Emergency Department. The charges for medical supplies used for a patient are captured in the patient's medical chart and ultimately included on the patient account, but because the inventory items are not scanned when removed from the Emergency Department storage rooms, the expense will not be properly charged to the hospital department that used it. Further, the item used remains in the inventory records until an inventory count is performed and an adjustment posted.

REPORT ACCEPTANCE

Darcy Davis

Darcy Davis, Chief Executive Officer

Date

3/19/2019

Dawn B. Richards

Dawn Richards, VP & Chief Financial Officer

Date

Revenue Charge Capture Controls Assessment-Health Care District



Date: January 31, 2019

Location: Health Care District of Palm Beach County

COPIES

Val Shahriari, VP & General Counsel

Marcia Young, Director Revenue Cycle Management

Stephanie Dardanella, Hospital Administrator

Kenneth Healy, Finance Manager

Karen Harris, Vice President of Field Operations

Shelly-Ann Lau, Administrator Healey Center

AUDITORS

Harry Torres, Healthcare Risk Audit Senior Manager

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Health Care District of Palm Beach County
 Revenue Charge Capture Controls Assessment
 Summary of Processes and Key Controls in Place

Business Unit/Department	Key Controls
<p>Aeromedical</p>	<p>PROCESS: Completed transportation events are captured in the Aeromedical medic and pilot systems daily. Aeromedical personnel manually enter the flight information, mileage and patient demographic data in each system into an Excel file daily.</p> <p>CONTROL-1: Flight information captured daily is compared to the information entered into the Golden Hour system, they system provided by the Aeromedical billing and collections vendor. Discrepancies in any of the systems are addressed and resolved prior to final billing.</p> <p>CONTROL-2: Monthly reports, with total transports, provided by Golden Hour are reconciled to the running total of completed flights each month.</p>
<p>Healey Rehab Center</p>	<p>PROCESS: The charge capture process at Healey primarily consists of:</p> <p>Room and Board - Charges are captured through a daily resident census and midnight headcount.</p> <p>Physical Therapy – Charges are captured daily from the services scheduled through the Physical Therapy department’s portal and billed monthly after charges are transferred to Matrixcare, the Resident Management System.</p> <p>Ancillary Services - Charges are captured through service logs, which are provided to the Billing Office Manager for review and entry into the Matrixcare system.</p> <p>Pharmacy Drugs, Clinical Laboratory and Radiology - These charges are captured when an invoice is received from the service provider.</p> <p>CONTROL-1: The Billing Office Manager reviews the Census Reports daily for accuracy/completeness or room and board charges.</p> <p>CONTROL-2: The Billing Office Manager reviews physical therapy charges monthly for missing codes/charges.</p> <p>CONTROL-3: The Billing Office Manager reviews the monthly service log for ancillary service charges to validate residents have authorized the services, prior to entering into Matrix. Any issues or discrepancies noted are researched and resolved prior to billing.</p> <p>CONTROL-4: The Billing Office Manager reviews the invoices for outside services provided to residents when received, validating that treatment/services are included in the resident’s medical records.</p>

Business Unit/Department	Key Controls
Primary Care Clinics (Medical and Dental)	<p>PROCESS: Patient service charges at the Clinics (Medical and Dental) are captured through the Patient Management Systems Athena and Dentrix. These systems provide visibility into missing charges or inaccuracies through error reports, system alerts and dashboards.</p> <p>CONTROL-1: The EHRs, Athena and Dentrix, are configured to automatically capture service charges and supplies for procedures at the Clinics (Medical and Dental).- IT Automated System Control</p> <p>CONTROL-2: Clinic providers review patient charts in Athena and Dentrix for completeness and accuracy prior to dropping charges for billing.</p> <p>CONTROL-3: The Clinic's Patient Financial Counselor reviews charges daily and compares to the provider's notes to identify errors in the charges dropped in Dentrix.</p> <p>CONTROL-4: Coders review charges daily and compare to the provider's notes to identify errors in the charges dropped for billing, and work with providers to resolve issues around charge capture prior to billing.</p>
LMC (Surgery)	<p>PROCESS: Surgeries are scheduled through the hospital's EHR Perioperative Information Management System (PIMS). Once the schedule is complete, a Preference Card is generated. The Preference Cards define the list of equipment, instruments, supplies and implants for each surgical procedure. Nurses are able to correct or resolve any issues with the charges entered and reviewed prior to bill drop.</p> <p>CONTROL-1: The EHR is configured to automatically capture service charges and supplies for most procedures. - IT Automated System Control</p> <p>CONTROL-2: For scheduled surgeries, the nurse reviews that supplies noted for the procedure are accurate or added to the patient's chart, if missing.</p> <p>CONTROL-3: At the end of each surgical case the nurse will confirm all supplies/implants used with the Surgical Tech and confirm they are included in the Preference Card for accurate billing and also verify that charges agree to clinical documentation.</p> <p>CONTROL-4: Twice per week, the Surgery Nurse Manager pulls the Surgery Log report of recently completed surgeries and reviews it to make sure charge activity is complete and accurate and agrees to charge sheets, prior to submitting to billing.</p>
LMC (Emergency Department)	<p>PROCESS: Most patient charges from the Emergency Department (ED) are automatically captured through its Emergency Department Information System (EDIS). Charges not captured automatically are added manually after nurse reviews system edit reports and patient charts.</p>

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	<p>CONTROL-1: The Emergency Department's EHR is configured to automatically capture charges for most procedures. - IT Automated System Control</p> <p>CONTROL-2: Daily, staff queries the EDIS to validate that daily charges captured agrees with completed Emergency Room visits recorded by the Admitting department.</p> <p>CONTROL-3: Nurse management review daily alert reports for missing charges and supplies, which includes review of physician charts and nursing documentation to validate all chargeable procedures and supplies are included.</p> <p>CONTROL-4: Patient Access personnel reconcile the accommodation status code in MedHost to the Physician order for patients admitted as in-patient through the Emergency Department and apply the appropriate charges.</p> <p>CONTROL-5: The hospital coder reviews the patient medical record and procedures charged for accuracy and completeness and can capture missing charges if any are noted.</p>
<p>LMC (Clinical Laboratory)</p>	<p>PROCESS: Laboratory orders are received from hospital physicians through the Laboratory Information System (LIS), a subsystem of the Medical Center's MedHost EHR system. When orders are completed and results verified, the charges are automatically dropped for billing in MedHost.</p> <p>CONTROL-1: The Laboratory's EHR is configured to automatically capture service charges for completed laboratory tests.- IT Automated System Control</p> <p>CONTROL-2: Lab Technicians and Supervisors review system work lists to confirm orders from prior day were completed and verify no open lab orders have been missed and that all charges are captured.</p> <p>CONTROL-3: The Laboratory Manager also performs a bi-weekly quality assurance review of all orders to verify charges are accurate and results agree with patient records.</p>
<p>LMC (Radiology)</p>	<p>PROCESS: Radiology orders are entered through MedHost. Radiology Staff prints out the order and manually enters it into MedQ an enterprise radiology information systems. The Radiology Technologist completes the procedure and matches the image to the order before providing to Radiologist to dictate results.</p> <p>CONTROL-1: Technologist reviews the order received and matches to physician prescription to validate diagnosis is appropriate for the order.</p>

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	<p>CONTROL-2: Director of Radiology and/or Radiology Manager review charges daily to compare the finalized orders in MedHost to the stored images and provider notes, to validate charges are complete and accurate. Charges for supplies are embedded into the procedure charge for this department.</p>
<p>LMC (Central Supply)</p>	<p>PROCESS: LMC's Materials Management group processes all supply requests for use in the hospital and also manages the request for new supply items to be added to the Charge Description Master (CDM). Supplies are received at the receiving warehouse and then transferred to a stock room for the respective hospital departments to use. Chargeable supplies are included in the patient charges when medical procedures are performed and can only be charged based on a physician order.</p> <p>CONTROL: The Change Master Request Form requires approval from the requesting Department Manager, Purchasing Supervisor, Revenue Cycle Manager and Charge Master Coordinator before updating the CDM with a charge master code for new supply items.</p>
<p>LMC (General)</p>	<p>PROCESS: The Admitting department captures Inpatient room and board charges daily. The "head in bed" service code per the census report is compared to the patient's Hospital Service Code in MedHost. When the codes are matched, the appropriate charge is captured. LMC has a (3)-day bill hold policy. Charges posted to patient accounts after the 3-day bill hold are considered late charges.</p> <p>CONTROL-1: The Admitting department performs a reconciliation of room and board charges to daily census for LMC in-patients, by comparing the "head in bed" service code per the census report to the patient's Hospital Service Code in MedHost.</p> <p>CONTROL-2: The Finance department reviews the reconciliation performed by Admissions and any discrepancies noted to patient charges are addressed and resolved in MedHost.</p> <p>CONTROL-3: To support the identification and communication of late charges, the Billing Office reviews the bill hold reports at LMC, Coders and Practice Managers identify clinical encounters not closed by the providers at Clinics.</p>

