Parkland

Audit Committee Agenda

Committee Members
Chair: Todd Furniss, JD
Vincent Hall
Ramon Miguez, PE
Elizabeth Palacios, MD

Agenda for the ***Audit Committee*** meeting of the Dallas County Hospital District ("DCHD") is scheduled for ***Wednesday, April 16, 2025 at 10:00 AM***, at 5200 Harry Hines Blvd (WISH Building) Dallas, TX 75235, Executive Conference Room 02-175. (If assistance is needed in locating the room, please see the Administration receptionist on the 4th floor, 04-131.) A quorum will be physically present at the location of the meeting. Videoconferencing access is also possible via WebEx. That application is available at https://www.webex.com/downloads.html. Teleconferencing access is possible by calling +1-415-655-0001. Both virtual access forms require inputting (meeting number: 2304 786 6904; meeting password: 1234) to join the meeting. The ***Audit Committee*** reserves the right to exercise discretion and may convene in Executive Session as permitted by Texas Government Code §§551.071 (consultation with attorney), 551.072 (deliberations regarding real estate), 551.074 (personnel matters), 551.076 (deliberations regarding security devices or security audits), 551.078 and/or 551.0785 (deliberations by medical committee or by governmental body that administers a public insurance, health or retirement plan regarding individuals' medical or psychiatric records), 551.085 (deliberation by governing board of certain providers of health care services), 551.087 (deliberation regarding economic development negotiations), 551.088 (deliberation regarding test item); Texas Government Code §418.183 (deliberation of information under §§418.175 – 418.182 for purposes of disaster management or disaster planning); Texas Health & Safety Code §161.032 (medical committee or medical peer review committee records, information or reports; and/or medical committee or medical peer review committee proceedings under Tex. Health & Safety Code Chapter 161 and/or Tex. Occ. Code Chapters 151 and 160); and/or as otherwise authorized by law on any item listed below. The ***Audit Committee*** may consider any of the agenda items in open or executive session and may continue the meeting as necessary to accomplish the business at the time and place designated by the Chair to reconvene.

	PAGE	TIME (MIN)	PRESENTER(S)
I. Opening/Call to Order/Declare a Quorum Present/Mission Statement/Opening Remarks ***Advance Wellness | Relieve Suffering | Develop and Educate*** **I CARE** **I**ntegrity **C**ompassion and Collaboration **A**ccountability **R**espect **E**quity This agenda has been developed by the Chief Governance Officer in consultation with the Board Chair, CEO, and reviewed and affirmed by Counsel.			Chair
II. Public Comments Regarding Agenda Items *See public comment registration information and rules at https://www.parklandhospital.com/board-of-managers*			Chair
III. Audit Committee Key Takeaways	*4*	05 mins	Amy LaBarge
IV. Reports Requiring Deliberation(s) or Approval(s)			
A. Open Session Summary to discuss following topics:	*5*	15 mins	Amy LaBarge
i. Fiscal Year 2025 Audit Plan Progress			

		PAGE	TIME (MIN)	PRESENTER(S)
	ii. Role Based Access Audit, Report No. 24-09 *Presentation regarding appropriate, minimum necessary, access to EPIC and hospital locations.*			
	iii. Cigna Audit, Report No. 24-13 *Presentation regarding accurate, timely settlement of employee medical and pharmacy claims.*			
	iv. Construction Project Review, Report No. 25-02 *Presentation regarding accurate, timely billing and payment for the hospital demolition project.*			
	v. Follow-Up Report Status – Open Session *Update on corrective action plans for audits presented in prior open session Audit Committee meetings*			
	vi. Assurance Organization Survey *Discussion regarding a survey to assess gaps or overlaps to refine the scope of Parkland's assurance functions.*			Todd Furniss, JD
V.	**Executive Session**			
	A. Executive Session Summary to discuss following topics: *Tex. Health & Safety Code* §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007.	*12*	15 mins	Amy LaBarge
	i. Follow-up Report Status – Executive Session *Update on corrective action plans for audits presented in prior executive session Audit Committee meetings*			
	ii. Requested Update on Plans for UT Audits – Executive Session			
	B. Discussion regarding report and/or information provided by the Chief Audit Executive and related items on this agenda. *Tex. Health & Safety Code* §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007.		05 mins	Chair
	C. Consultation with Attorney. Tex Gov't Code § 551.071.		15 mins	Steven Roth
	i. Review Open Litigation, Claims, and Settlements. (See attached list)	*14*		
	ii. Update on Legal Issues Related to Contract Labor			
VI.	**Action Items**			
	A. Committee may take action on any agenda item(s) above			Chair
VII.	**Closing Remarks**			Chair
VIII.	**Possible Deliberation Regarding Documents Received by the Committee**			

		PAGE	TIME (MIN)	PRESENTER(S)
A.	Role Based Access Audit, Report No. 24-09	*18*		
B.	Cigna Audit, Report No. 24-13	*25*		
C.	Construction Project Review, Report No. 25-02	*31*		
D.	Open Session Audit Follow-up Reports	*37*		
IX.	**Possible Deliberation Regarding Executive Session Documents Received by the Committee**			
A.	Executive Session Audit Follow-up Reports *Tex. Health & Safety Code* §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007.	*44*		
X.	**Adjourn**			Chair

Active Litigation Matters, April 2025:

Construction Cleaning, Inc. v. Dallas County Hospital District, Cause No. CC-24-02035-C, In the County Court at Law No. 4, Dallas County, Texas

DCHD v. Morgan McAnelly, et.al., Cause No. DC-22-02879, In the 44th District Court, Dallas County, Texas. On appeal to the 5th Court of Appeals, Dallas, Texas, Cause No. 05-23-01295-CV

Dallas County Hospital District v. Goldwire, et. al., Cause No. DC-23-01996, In the 68th District Court, Dallas County, Texas

Dallas County Hospital District v. Haley Burr, et. al., Cause No. DC-23-20781, In the 101st District Court, Dallas County, Texas

Paul Aaron French a.k.a. Michael Vega v. Dallas County, et al., Cause No. 3:22-CV-02702-E, In the US District Court, Northern District of Texas, Dallas Division

Shamond Lewis v. Dallas County, et al., Cause No. 3:23-CV-00381-D, In the US District Court, Northern District of Texas, Dallas Division

Oludele Oladoja v. Dr. Zia Rehman, Cause No. 3:24-CV-02709-K-BN, In the US District Court, Northern District of Texas, Dallas Division

Dallas County Hospital District v. BARA, a Joint Venture, Cause No. DC-24-01577, In the 192nd District Court, Dallas County, Texas

Angelica Reyna v. Parkland Health & Hospital System, Cause No. CC-24-08766-C, In the County Court at Law No. 3, Dallas County, Texas

Brandon Norwood v. Dallas County Hospital District, Cause No. 3:23-CV-01490-S, In the US District Court, Northern District of Texas

Alvah Johnson, Michael Pierce and Theodore Bramble v. Dallas County Hospital District, Cause No. 3:23-CV-01574-N, In the US District Court, Northern District of Texas

Edrise Newton v. Dallas County Hospital District d/b/a Parkland Health & Hospital District, Cause No. 3:24-CV-3008, In the US District Court, Northern District of Texas, Dallas Division

Mitzi Errett v. Parkland Health and Hospital System, Cause No. CC-22-05572-A, In the County Court at Law No. 1, Dallas County, Texas

Kiana Johnson v. Dallas County Hospital District, Cause No. CC-24-01307-B, In the County Court at Law No. 2, Dallas County, Texas

Michelle Cummings v. Dallas County Hospital District, DC-24-06306, In the 14th District Court, Dallas County, Texas

Giovonni Shelton v. Parkland Health, Cause No. 3:24-CV-2190, In the US District Court, Northern District of Texas, Dallas Division

Patricia Erving v. Parkland Hospital, et al., Cause No. DC-24-21415, In the 162nd District Court, Dallas County, Texas

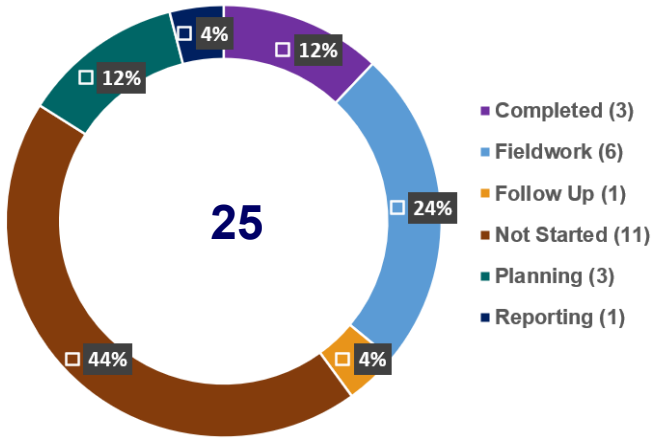
Shadai Turner v. Parkland Hospital, Cause No. DC-24-18147, In the 68th District Court, Dallas County, Texas

Sir Gregory P. Jackson v. Parkland Memorial Hospital, Cause No. DC24-19670, In the 14th District Court, Dallas County, Texas

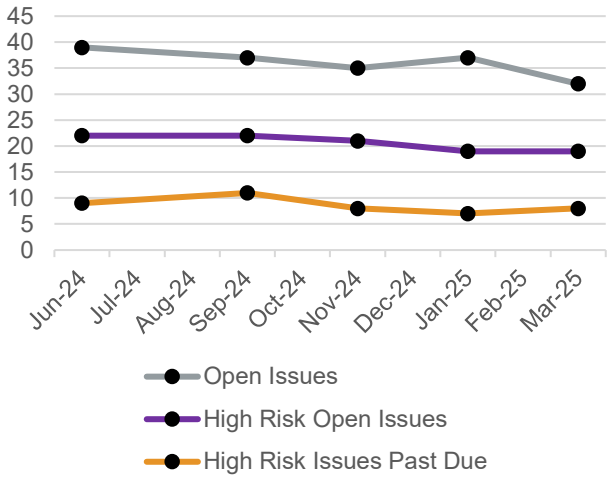
Leticia Moreno, Individually and as Representative of the Estate of Juan Valenzuela, Deceased, and as Next Friend of D.V.M., vs. Dallas County Hospital District d/b/a Parkland Health and The University of Texas Southwestern Medical Center, Cause No. DC-24-21234, In the 116th District Court, Dallas County, Texas

April 2025 – Key Takeaways at-a-Glance*

Audit Plan Progress



Follow Up Issues



Audit Plan Status

No changes or updates are requested currently. See slide for audit plan progress.

Issues Identified

Role-Based Access: (Page 8)
- Governance structure and ownership needed to establish and monitor policies
- Compounding access rights for transferred employees need to be corrected
- Badging interface and inappropriate access to sensitive areas require review

Cigna: (Page 9)
- Review pharmacy out of pocket maximums for alignment with the plan intentions
- Ensure accurate processing of medical claims

Construction: (Page 10)
- Improve processes to ensure timely payments to contractors
- Consider including lien waivers for architects and environmental vendors

Follow-up

Closed 9 issues. This completed the follow-up for 1 audit. A due date change was requested on 5 issues.

Further details are available in the reference section.

* Excludes items to be discussed in Executive Session

INTERNAL AUDIT

OPEN SESSION SUMMARY

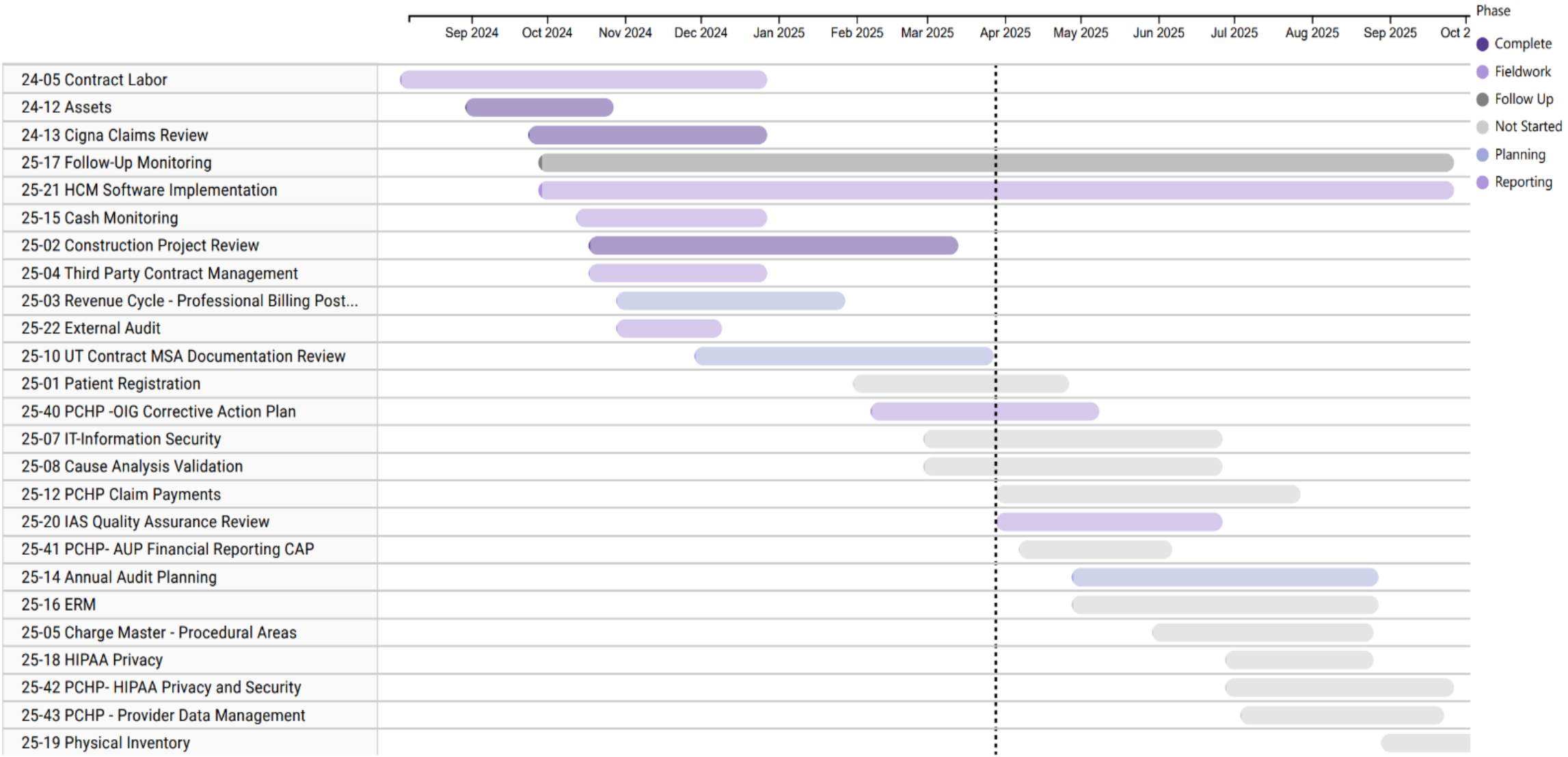
AUDIT COMMITTEE

APRIL 9, 2025

Presented by: Amy LaBarge, Interim Senior Vice President of Internal Audit

Parkland | *Care. Compassion. Community.*

FY 2025 Audit Plan Progress - April



FY 2025 Audit Plan

2024 Carry Forward

- ~~Assets~~
- Contract Labor – New Process
- ~~Cigna – Claims Review~~

Annual

- Cash Monitoring (Fraud)
- HIPAA Privacy (Collaboration with Compliance)
- Physical Inventory
- External Audit (Interim & Final)
- Follow-up Monitoring
- Annual Audit Plan
- Enterprise Risk Management (ERM)
- IAS Quality Assurance Review
- Software Implementation - Finalize

Affiliate

- PCHP – Claims Payment
- PCHP – OIG Corrective Action Plan
- PCHP – AUP Financial Reporting CAP
- PCHP – HIPAA Privacy and Security Collaboration
- PCHP – Provider Data Management

Projects

- Patient Registration
- ~~Construction Project Review~~
- Revenue Cycle – Professional Billing
- Third-Party Contract Management
  (expanded to include PCHP-specific topics)
- Charge Master – Procedural Areas
- Information Security (Cyber, Risk, Collaboration with IT)
- Cause Analysis Validation (TBD – collaboration with Quality)
- UT Contract (Risk, MSA Documentation Review)

Audit Report: Role Based Access Audit, No. 24-09

Overall, the results of this audit demonstrated that while some controls exist and work effectively, there were opportunities for improvement in access control governance for Epic roles, Epic access management for transferred employees and badge access provisioning.

Reason for Audit

As part of the FY24 annual audit plan, Internal Audit Services conducted a Role-Based access review for employees and Persons of Interest (POIs) to ensure authorized individuals have the necessary access for their roles, while identifying any unauthorized or excessive access that could pose security risks or compromise patient safety.

Results

- Inadequate Access Control Governance
- Deficient Access Management for Transfer Employees.
- Inconsistent Badge Access Control synchronization and monitoring deficiency

Recommendation/Action Plan

- Establish a robust governance framework for access control including accountability for role ownership, enforcement of policies, and performing regular role alignment reviews.
- Implement enhanced controls and regular reviews to update access for transferred employees and deactivate student accounts promptly.
- Review and update badge access, synchronize job codes, and evaluate automation between systems to prevent mismatches.

Audit Report: Cigna Audit, No. 24-13

Overall, settlement of employee health claims is in accordance with the purpose and benefits contained in Parkland's Employee Health Summary; however, a few inconsistencies in application of coverage criteria and incorrect plan parameters in the Cigna claims system allow for errors.

Reason for Audit

Internal Audit Services performed a claims review of the Parkland Employee Health plan, as collaboratively requested by the Office of Talent Management (OTM) and as part of the annual audit plan. The review was conducted to determine if employee claims are settled in accordance with the Benefit Summary.

Results

- The Pharmacy Out of Pocket Max threshold for the Open Access Plan, Tier 2 is incorrect in Cigna's claim system.
- Medical claim payments are not always settled in accordance with Parkland's Benefit Plan.

Recommendation/Action Plan

- Ensure coverage parameters in the Pharmacy claims system are consistent with Parkland's Schedule of Pharmacy benefits. Determine the impact of the threshold error and continue to monitor for problems.
- Ensure medical claims are settled in compliance with Parkland's Schedule of Medical benefits. Continue to hold bi-weekly meetings with Cigna, OTM, Pharmacy, Employee Health Center, and PFS to discuss Claims reviews and monitor the log of issues until resolved.

Audit Report: Construction Project Review, No. 25-02

Overall, the control environment is functioning as intended for the Former Parkland Campus Demolition Construction Project. Results from the review indicate that payment applications and change orders are materially accurate. Improvements are needed to ensure timely payments and appropriate collection of lien waivers.

Reason for Audit

Internal Audit Services conducted a construction project review with a focus on the Former Parkland Campus Demolition Construction Project as part of the annual audit plan. The review was performed to determine whether processes support the accuracy of payment applications, change orders, and adherence to contract terms.

Results

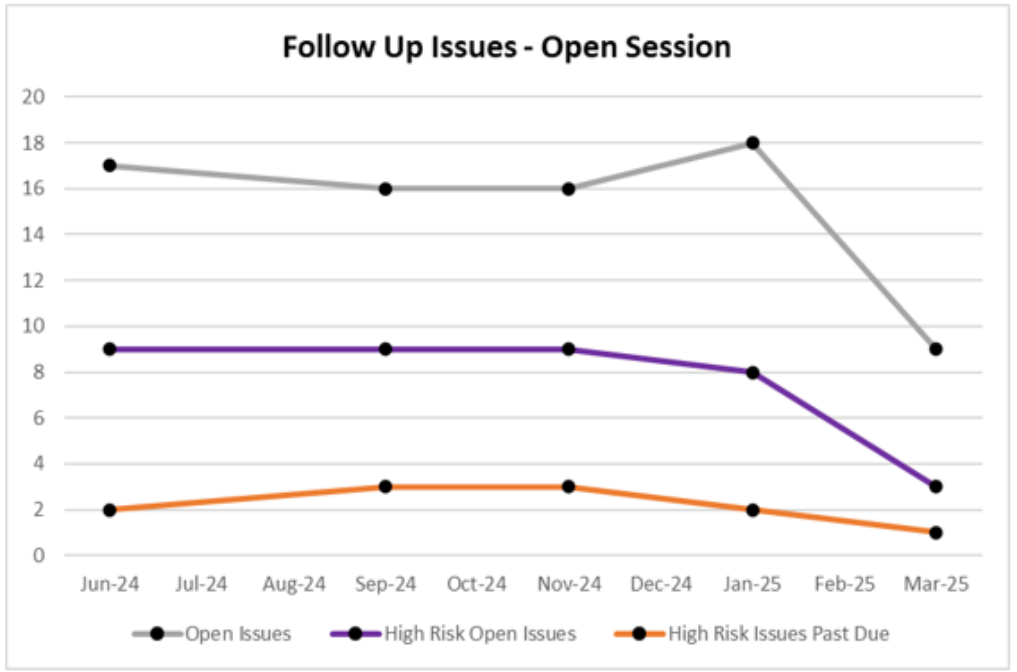
- Construction project payment applications/invoices were not consistently paid on time, in accordance with contract payment terms.
- Lien waivers were not obtained for 3 of 30 subcontractors/consultants because PD&C was unaware of a recent change in Texas lien laws that now includes architecture and environmental firms.

Recommendation/Action Plan

- Improve methods of monitoring timeframes to ensure contract requirements are met.
- Consider obtaining lien waivers for all subcontractors including architects and environmental vendors to protect Parkland against any potential claims.

Follow-Up Report Status – Open Session

- **Nine closed issues resulted in closing out one audit. Three action due date change requests were received.**
  - 22-06 Talent Acquisition (Closed)
    - Inadequate retention and preservation of Signed Application Disclosure and Authorization Forms for Background Checks
  - 23-21 Patient Property
    - Exclusion of Soiled Cash from Unclaimed Property Payment to Comptroller
    - Illegible Signature on Patient Valuable Envelope
    - No ID Provided When Picking Up Patient Valuables
    - Ineffective Property Management
    - Inaccurate Property Documentation - ED
  - 23-14 Vehicles
    - Invoices and Payments for Repair Work on Vehicles
  - 24-07 Patient Scheduling
    - No Documentation That Patients Were Notified of Cancelled Surgeries
    - Untimely Financial Clearance Activities for Surgeries
- **See Closure Report in Reference Section**
- **See the full Follow-Up Report in Reference Section**



Prepared By
Amy LaBarge

Prepared For
Audit Committee Meeting
April 2025

Audit Title	24-09 Role Based Access
Performance Rating - Importance Rating	Medium - High
Audit Group	Internal Audit
Audit Start Date	04/12/2024
Audit End Date	04/09/2025
Auditors	Kemi Adepoju, Sr. Information Systems Auditor
Audit Type	Annual Audit Plan

Distribution List

Frederick Cerise, MD	President and Chief Executive Officer
Edmundo Castañeda, FACHE	Executive Vice President and Chief Operating Officer
Richard Humphrey	Executive Vice President and Chief Financial Officer
Joseph Longo	Senior Vice President and Chief Digital & Information Officer
John Raish	Senior Vice President, Support Services
Bruce McDaniels	Vice President and Chief Information Security Officer
LeMar Oleson	Vice President, Enterprise Technology
Geoffrey Camp	Vice President, Operations Support
Marlin Suell	Chief of Police
Kristi Tillery	Police Captain

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Background

Parkland is required to adhere to several regulatory access control standards, including the HIPAA Security Rule, Joint Commission Standards, the Texas Medical Records Privacy Act, and CMS Minimum Security Requirements. These regulations ensure healthcare organizations maintain continuity of patient care while safeguarding patient data during disasters or emergencies. To comply with these requirements, Parkland has implemented Role-Based Access Control (RBAC), a critical security measure that restricts network access based on job roles and responsibilities.

RBAC at Parkland is designed to control access to both logical and physical resources, using employee and Persons of Interest (POIs) data identified in the Office of Talent Management (OTM) PeopleSoft Human Capital Management (HCM) system. This system ensures that access is granted based on the principle of least privilege, providing users with only the necessary permissions for their roles. This approach reduces security risks and prevents unauthorized access, thereby maintaining the security of sensitive data and systems within the organization.

Given the critical role RBAC plays in protecting Parkland's sensitive data and systems, a Role-Based Access Audit was conducted to assess the effectiveness, compliance, and security of the EPIC Electronic Health Records (EHR) system's RBAC provisioning and deprovisioning processes. Internal Audit services focused on reviewing user access controls within EPIC and evaluating procedures for managing badge access to both restricted and non-restricted physical areas. This audit underscores the importance of robust access controls in maintaining patient data security and ensuring organizational compliance.

Audit Purpose/Rationale

The primary objective of the Role-Based Access audit at Parkland is to ensure that both employees and Persons of Interest (POIs) have the correct access levels aligned with their specific roles and responsibilities. This process verifies that each individual has the necessary access to perform their tasks efficiently while maintaining a secure and safe environment. In addition, the audit plays a crucial role in safeguarding patient and employee safety by ensuring that only authorized personnel have access to sensitive areas and information. It also aims to identify any instances of unauthorized or excessive access that could pose security risks, compromise patient safety, or breach internal access policies and regulatory standards. By managing access levels effectively, the audit helps mitigate potential security threats and supports a safe and compliant environment for both patients and staff.

Performance Risk Rating: **Medium**

This audit received a medium-risk rating for performance due to some controls not being fully implemented as intended. Additionally, there were instances of excessive access granted to employees and POIs, and access was not properly updated when employees transferred departments.

Importance Risk Rating: **High**

This audit was assigned a high-risk rating due to mandates for healthcare organizations to protect patient information from unauthorized access. Non-compliance with regulations could lead to significant legal and financial penalties, as well as harm to the organization’s reputation

Risk Rating Legend

Top Performance	• Controls are functioning as intended • Corrective action plan, if any, is simple	99-100
Low Risk	• Zero or minor weaknesses identified • Controls are functioning with minor errors or gaps identified • Corrective action plan, if any, is straightforward	95-98
Medium Risk	• Controls are present, but not yet effective or sufficient and major issues noted that could jeopardize the accomplishment of business objectives • May include a pattern of multiple minor weaknesses or newly identified findings • Corrective action plan to remediate will be moderately complex	90-94
High Risk	• Controls not yet identified, not yet implemented, ineffective or insufficient; not functioning as intended and is a contributing factor to non-achievement of business objectives • May include a pattern of moderate or significant weakness such as “second generation” findings • Corrective action plan to remediate will be complex	Below 90

Audit Conclusion

Overall, the results of this audit demonstrated that while some controls exist and work effectively, there were opportunities for improvement in role-based access control in instances where there was inadequate access control governance, deficient access management for transferred employee and excessive physical access provisioned. The review highlighted concerns such as inappropriate access levels provisioned due to lack of sufficient monitoring and governance, failure to terminate accounts in a timely manner, and weaknesses in system synchronization. Areas where controls function as intended include the following:

Top Performance

- Enforcement of multi-factor authentication (MFA) to prevent unauthorized access by requiring multiple forms of verification.
- Availability of access logs and audit trails that enables the validation of access events.
- Implementation of automated user provisioning and deprovisioning.

Issues/Findings

Issue 1: Inadequate Access Control Governance and Ownership of Roles
Risk Rating: Medium
Risk: Insufficient governance around access provisioning and deactivation processes increases the risk of unauthorized access to sensitive health data This could lead to data breaches, financial penalties, and reputational damage. Additionally, the lack of governance and ownership causes inefficiencies and increases the need for manual interventions.

- There is no governance structure that addresses standardized roles that each job should receive. This is causing variations in access for employees in the same or similar roles, including instances of inappropriate access ability.

- Roles have inappropriate access rights for an extended period of time due to the manual workarounds and lack of policies for unique access needs. The maintenance of the employee roles is compounded by this lack of structure and review.

- The deactivation process for EPIC accounts with inactivity is not standardized across the organization. This lack of clarity and consistency in the deactivation period means that there is no clear standard to enforce, making it difficult to validate compliance and potentially allowing inactive accounts to remain active for much longer than intended.

Recommendation

Establish a robust governance framework to enforce access control protocols across all employee roles. Strengthen the automated deactivation process for inactive accounts and establish clear policy for account deactivations due to inactivity. In addition, conduct regular reviews to ensure employee access aligns with their current roles and responsibilities.

Management Response

Bruce McDaniels | Vice President and Chief Information Security Officer

We acknowledge Internal Audit's recommendation and remain committed to strengthening our access governance framework. Parkland Hospital previously initiated efforts to establish a Role-Based Access Control (RBAC) governance program in 2021; however, progress was hindered by the lack of adequate tools for automation and monitoring, as well as limited departmental engagement in defining and maintaining role structures.

Since then, we have prioritized building the foundational components of RBAC, ensuring system integration, and improving stakeholder collaboration. As part of our phased approach, we will conduct a proof of concept for access reviews in the second half of 2025, followed by a full implementation in the first half of 2026.

Additionally, we will enhance automation to streamline inactive account deactivation and enforce well-defined deactivation policies. These initiatives will strengthen security, improve compliance, and align employee access with their current roles and responsibilities.

Action Plan

- Create an organizational RBAC workgroup reporting to the Information Privacy & Security Subcommittee which will be responsible for recommending improvements to Parkland's overall RBAC strategy.
- Develop and implement a formal access review process.
- Identify and operationalize automation opportunities to improve the provisioning/deprovisioning process.

Target Completion Date: March 2026

Issue 2: Deficient Access Management for Transfer Employees
Risk Rating: Medium
Risk: Failure to properly manage access for transfer employee could result in unauthorized access to sensitive data, non-compliance with regulatory requirements, privilege creep, and increased vulnerability to insider threat and former employees creates significant security risks.

- Transfer employees were found to retain both their old and new access templates, leading to excessive privileges not aligned with their current job roles.

- Dual secondary EPIC accounts for former students, which should have been deactivated, remained active after their student status ended.

Recommendation

Implement enhanced controls and timely reviews to ensure that access for transfer employees is adequately updated. Review and update procedures for managing access for transferred employees to ensure that only necessary privileges are granted based and retained on their current role. Deactivate student accounts for former students immediately upon termination of student status.

Management Response

Bruce McDaniels | Vice President and Chief Information Security Officer

We recognize the importance of ensuring that access for transferred employees is promptly updated and that former student accounts are deactivated immediately upon termination of student status. These are essential components of our broader effort to enhance Role-Based Access Control (RBAC) maturity and strengthen identity governance.

As part of our ongoing RBAC implementation, we will conduct a proof of concept for access reviews, followed by a full rollout. Additionally, we will enhance automation to ensure timely updates for transferred employees, reinforce deactivation protocols for former students, and establish clearer policies to prevent unnecessary privilege retention. These efforts will further align access controls with security best practices and regulatory requirements.

Action Plan

- Identify and document all use-cases for transfers and student accounts.
- Develop and implement manual review processes to ensure all use cases are being periodically reviewed.
- Enhance automation for all use cases, where possible.

Target Completion Date: January 2026

Issue 3: Badge Access Control synchronization and monitoring deficiency
Risk Rating: Medium
Risk: Weaknesses in badge access control monitoring could lead to improper access being granted, allowing personnel to enter areas or access systems for which they are no longer authorized. This can result in potential security vulnerabilities, inefficiencies, and compliance issues.

- Excessive badge access was granted in two restricted areas: Lew Starrett Narc Vault and Hatcher Pharmacy Vault, to personnel without a legitimate, role-based need for access.

- Synchronization issues between the employee profile in PeopleSoft and the OnGuard badging system have led to discrepancies in job codes and badge access for transferred employees, resulting in incorrect access privileges.

Recommendation

Review and update badge access for transferred personnel to ensure it aligns with their current job roles and responsibilities. Job codes in PeopleSoft and the OnGuard badging system should be synchronized, correcting any discrepancies identified. Additionally, the automation between PeopleSoft and OnGuard should be evaluated to ensure proper configuration and synchronization, preventing future mismatches. Implement periodic access reviews to maintain ongoing compliance, including monitoring access to restricted areas.

Management Response

Bruce McDaniels | Vice President and Chief Information Security Officer

We concur with Internal Audit's findings and are committed to ensuring that badge access accurately reflects employees' current roles and responsibilities. To achieve this, we will synchronize job codes between PeopleSoft and the OnGuard badging system, resolve any discrepancies, and assess the automation between the two systems to ensure proper configuration and prevent future mismatches.

As part of our broader Role-Based Access Control (RBAC) enhancements, we will develop and implement improved automation for provisioning and deprovisioning access. Additionally, we will establish periodic access reviews, including monitoring access to restricted areas, to strengthen security controls and maintain ongoing compliance with access management policies.

Action Plan

- Implement manual review processes to ensure badge access is being properly assigned.
- Implement automation enhancements to increase overall compliance, especially for restricted access areas.

Target Completion Date: January 2026

Prepared By
Amy LaBarge

Prepared For
Audit Committee Meeting
April 2025

Audit Title	24-13 Cigna Audit
Performance Rating - Importance Rating	Low - High
Audit Group	Internal Audit
Audit Start Date	10/21/2024
Audit End Date	04/09/2025
Auditors	D'Les Jones, Sr. Compliance Auditor
Audit Type	Annual Audit Plan

Distribution List

Frederick Cerise, MD	President and Chief Executive Officer
Edmundo Castañeda, FACHE	Executive Vice President and Chief Operating Officer
Richard Humphrey	Executive Vice President and Chief Financial Officer
Felicia Miller	Executive Vice President and Chief Talent Officer
DeLancey Johnson, DBA	Senior Vice President and Associate Chief Talent Officer
Tawana McCullough	Senior Director Shared Services and Benefits

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Background

Parkland Health (Parkland) contracts with Cigna, Parkland's Third-Party Administrator (TPA) for management and settlement of employee health and pharmacy claims. The Cigna contract became effective January 1, 2024. Cigna contracts with various providers and pharmacies for the purpose of providing covered benefits to eligible members and is responsible for settling claims in accordance with Parkland's Medical and Pharmacy schedule of benefits.

Parkland offers benefits under a High Deductible plan and an Open Access Plan (OAP) and based on a Three-Tiered coverage level program: Tier 1- services provided at a Parkland Health Network location (includes Children's Medical Center), Tier 2- services provided at a participating Open Access Plus location and Tier 3 – services provided at an Out-of-Network location. Coverage level of services is directed by the tier accessed and may be subject to deductibles, copays, and prior authorization, depending on the type of service provided.

Audit Purpose/Rationale

Internal Audit Services (IAS) performed a claims review of the Parkland Employee Health plan, as a requested review by the Office of Talent Management (OTM) and as part of the annual audit plan. The review was conducted to determine if employee claims are settled in accordance with the Benefit Summary.

IAS performed a review of claim payments for the period covering January 2024 through September 2024. A random stratified sample of 70 health claims was selected to ensure settlement adhered to the Parkland Health Benefit Summary. Similarly, all Pharmacy claims for the same period were reviewed to ensure the member's portion of the claim settlement adhered to the Parkland Pharmacy Benefit Summary. Note: Cigna's negotiated payment rate with providers and drug manufacturers was not disclosed for the audit. As such, IAS's review of payments was limited to validation of the provider's payment in relation to the member's portion, when applicable.

IAS reviewed for the following attributes:

A. Member Eligibility
B. Timely submission of claims
C. Timely payment of claims
D. Prior Authorization, when applicable
E. Accuracy of claim payments

Performance Risk Rating: **Low**

This audit received a low-risk rating for performance due to a few inconsistencies in compliance with Parkland's coverage criteria for settling medical claims. Additionally, Out-of-pocket (OOP) Max thresholds set up in Cigna's Pharmacy claims system did not align with Parkland's Benefit Summary.

Importance Risk Rating: **High**

This area received a high-risk rating for importance due to the financial impact of the employee health plan to the district and the added value Benefits provide to the employee experience.

Risk Rating Legend

Top Performance	• Controls are functioning as intended • Corrective action plan, if any, is simple	99-100
Low Risk	• Zero or minor weaknesses identified • Controls are functioning with minor errors or gaps identified • Corrective action plan, if any, is straightforward	95-98
Medium Risk	• Controls are present, but not yet effective or sufficient and major issues noted that could jeopardize the accomplishment of business objectives • May include a pattern of multiple minor weaknesses or newly identified findings • Corrective action plan to remediate will be moderately complex	90-94
High Risk	• Controls not yet identified, not yet implemented, ineffective or insufficient; not functioning as intended and is a contributing factor to non-achievement of business objectives • May include a pattern of moderate or significant weakness such as “second generation” findings • Corrective action plan to remediate will be complex	Below 90

Audit Conclusion

Overall, settlement of employee health claims is in accordance with the purpose and benefits contained in Parkland’s Employee Health Summary; however, a few inconsistencies in application of coverage criteria and incorrect plan parameters configured in Cigna’s claims system allowed for errors in claim settlement. Areas where controls are not functioning as intended include the following:

- Pharmacy claims in which the member showed to have met their OOP Max threshold incorrectly and thus received drugs at no charge for the remainder of the benefit year. This is due to an incorrect OOP Max amount entered into Cigna’s claims system for OAP Plan Tier 2.
- Medical claims were not always settled consistently with plan coverage criteria applicable to the Tier accessed and services rendered.

Areas where controls function as intended include the following:

Top Performance

- Validation of member eligibility
- Prior Authorization obtained for Inpatient services, when applicable
- Timely submission of claims
- Timely payment of claims

Issues/Findings

Issue 1: Pharmacy Out of Pocket Max threshold incorrect for Open Access Plan Tier 2
Risk Rating: Low
Risk: Claims maybe settled at an incorrect amount impacting both Plan expense and Member responsibility

The Cigna Pharmacy claims system cannot accommodate more than one OOP Max threshold. Per Parkland's Employee Benefit Summary, the OAP plan Individual OOP Max threshold is $2500 for Tier 1 and $6000 for Tier 2. Due to a claims system limitation, the OOP Max was set at $2500 for both Tiers. Once a patient obtaining services from a Tier 2 Pharmacy meets the $2500 threshold, all remaining claims for the year are covered 100% by the Plan.

Note: this is not an issue for the High Deductible plan due to the OOP Max amount of $7000 is the same for both Tier 1 and Tier 2.

Recommendation

Ensure coverage parameters in the Pharmacy claims system are consistent with Parkland's Schedule of Pharmacy benefits. Determine the impact of the threshold error and continue to monitor for problems.

Management Response

DeLancey Johnson, DBA | Senior Vice President and Associate Chief Talent Officer

OTM provided Summary Plan Descriptions and benefits brochures to ensure Cigna had all the necessary documents to adhere to the plan design. Cigna was asked to confirm that their system adhered to the documents provided and would support the plan design. In addition, Cigna further confirmed by producing the required documentation that included information on both out-of-pocket maximums to ensure clear communication for members. This included the Benefits Summary, which received approval from Cigna.

The recent audit determined that Cigna was not administering the plan as confirmed regarding the Tier 2 pharmacy out-of-pocket maximum due to system limitations. Cigna operates under a unified out-of-pocket maximum for Tier 1 and 2 pharmacy expenses. Cigna confirmed no one met their Rx OOP alone. So, – there was no impact.

Action Plan

Based on a financial review conducted by Cigna, no financial impacts exist. Parkland collaborated with Cigna and updated the Benefits Summary. In addition, OTM will continue to partner with Pharmacy, Employee Health Center, and PFS and hold bi-weekly meetings with Cigna to review claim experience and address any issues. Additionally, we will maintain a log of issues and their issues, problems, and resolutions.

Target Completion Date: April 30, 2025

Issue 2: Medical claim payments are not always settled in accordance with Parkland's Benefit Plan
Risk Rating: Low
Risk: Claims maybe settled at an incorrect amount impacting both Plan expense and Member responsibility

In review of claims, the Plan portion and Member responsibility did not always align with Parkland's Benefit Plan. Six of 70 claims (9%) were noted where settlement was incorrect due to misapplication of deductible or settled at the wrong coverage level for the Plan, Tier, Setting and Type of service.

Recommendation

Ensure medical claims are settled in compliance with Parkland's Schedule of Medical benefits. Continue to hold bi-weekly meetings with Cigna, OTM, Pharmacy, Employee Health Center, and PFS to discuss Claims reviews and monitor the log of issues until resolved.

Management Response

DeLancey Johnson, DBA | Senior Vice President and Associate Chief Talent Officer

In collaboration with leadership representation from Parkland Pharmacy, Employee Health Center, and PFS, OTM will continue to hold bi-weekly meetings with Cigna to review claim experience and address any issues until a resolution is in place.

Action Plan

Parkland will partner with Cigna to conduct quarterly claims reviews to ensure compliance with the 95% performance guarantee outlined in the agreement. In addition, OTM, in collaboration with leadership representation from Parkland Pharmacy, Employee Health Center, and PFS, will continue to hold bi-weekly meetings with Cigna to review claim experience and address any issues.

Target Completion Date: July 1, 2025

Prepared By
Amy LaBarge

Prepared For
Audit Committee Meeting
April 2025

Audit Title	25-02 Construction Project Review
Performance Rating - Importance Rating	Medium - High
Audit Group	Internal Audit
Audit Start Date	10/22/2024
Audit End Date	04/09/2025
Auditors	Dora Vasquez, Senior Internal Auditor
Audit Type	Annual Audit Plan

Distribution List

Frederick Cerise, MD	President and Chief Executive Officer
Edmundo Castañeda, FACHE	Executive Vice President and Chief Operating Officer
Richard Humphrey	Executive Vice President and Chief Financial Officer
Lance Mendiola	Vice President Construction Facilities Real Estate - Operations Administration
John Wilson	Director, Planning, Design & Construction Services

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Background

The Parkland Facilities Committee report dated September 2024 indicated Parkland was active in sixteen construction projects. The total commitment, for projects valued at over $200,000, equated to $73,915,150. As supported by Parkland management, this level of investment/activity justified periodic monitoring and inclusion to the Internal Audit Services audit plan.

A major project listed in the report was the Former Parkland Campus Demolition Construction Project. The project was based on obsolete former campus facilities and buildings consuming significant Parkland resources in their idle and unoccupied state. The project was a complex major leveling endeavor involving a 1.5 million square foot building consisting of eleven multi-level floors, mechanical, electrical, and plumbing (MEP) engineering technicalities/intricacies, and consideration of adjacent hospital district facilities. The Facilities Committee report indicated a budget value of $39,505,800. The project's total Guaranteed Maximum Price value was reflected as $37,357,880. The building was demolished at the audit date and Facilities' board information reported the project to be in groundwork activities through February 2025.

Audit Purpose/Rationale

The 25-02 Construction Project Review is a risk-based audit included in the FY25 audit plan. The scope of the review includes the Former Parkland Campus Demolition Construction Project. The purpose of the audit is to review Payment Applications (PA) (including invoices and change orders) to ensure accuracy and consistency with PD&C processes and contract requirements.

Performance Risk Rating: **Medium**

The Performance risk rating is medium. While results indicated material accuracy of payment applications reviewed, timeliness of payments is needed to meet contract requirements. Additionally, lien waivers were not obtained for all subcontractors.

Importance Risk Rating: **High**

The importance risk rating is high due to significant construction project costs and the use of contracting companies to perform the work. Total budget for this project was $39,505,800.

Risk Rating Legend

Top Performance	• Controls are functioning as intended • Corrective action plan, if any, is simple	99-100
Low Risk	• Zero or minor weaknesses identified • Controls are functioning with minor errors or gaps identified • Corrective action plan, if any, is straightforward	95-98
Medium Risk	• Controls are present, but not yet effective or sufficient and major issues noted that could jeopardize the accomplishment of business objectives • May include a pattern of multiple minor weaknesses or newly identified findings • Corrective action plan to remediate will be moderately complex	90-94
High Risk	• Controls not yet identified, not yet implemented, ineffective or insufficient; not functioning as intended and is a contributing factor to non-achievement of business objectives • May include a pattern of moderate or significant weakness such as "second generation" findings • Corrective action plan to remediate will be complex	Below 90

Audit Conclusion

Overall, the control environment is functioning as intended for the Former Parkland Campus Demolition Construction Project. Results from the items reviewed indicate that construction project payment applications and change orders are materially accurate. However, improvements are needed to ensure payments are made timely and to the terms of the contract. Additionally, lien waivers were not obtained for all subcontractors.

Top Performance

Strengths noted during the review of payment application and change order processes:

- Internal control processes exist to ensure that payment applications/invoices are reviewed and approved prior to payment.
- Several layers of review exist. Three members of the PD&C team review payment applications.
- A control review document notates/documents specific PA items for follow-up and resolution.
- PD&C staff are knowledgeable and experienced in construction project processes.
- PD&C is working to implement PM Web, a new software solution which, per client, will allow integration with Parkland's Infor system and facilitate the Construction Project program by allowing more automation to construction project processes.
- PD&C works closely with Parkland's Legal and Contracts Management departments.
- PD&C is working towards completion of a Project Manual.
- Contract also includes a clause for accessing and auditing construction project records.

Issues/Findings

Issue 1: Untimely payments to contractors.
Risk Rating: Medium
Risk: Delayed payments may result in non-compliance with the contract and in a less favorable relationship between the owner and builder.

Payment applications were not consistently paid according to contractually required timeframes. Of 22 payment applications reviewed, 20 payments (91%) were not made within timeframes stipulated by the contract. Per the contract, a contractor payment application submission dated on the 25th of the month or prior should be paid by Parkland within 20 days. Contractor payment application submissions after the 25th should be paid by Parkland within 30 days.

PD&C provided reasons for the delays and noted that the average number of days for payment application review/resolution was 35 days. PD&C also shared that Parkland's Infor system is not configured to process and account for multi-term transactions, therefore the reason in not meeting the "20-day" payment timeframe when applications are submitted by the 25th day of the month.

Recommendation

Improve methods of monitoring timeframes to ensure contract requirements are met.

Management Response

Lance Mendiola | VP Construction Facilities Real Estate – Operations Administration

PD&C Management acknowledges that timely contractor payments are vital to a project's success and is committed to improving processes and procedures to meet contract terms. PD&C studied the payment applications that were reviewed by Internal Audit and found these key statistics. Of the 22 payment applications sampled 18 of them (82%) were received after the 25th of the month which meant

30-day payment terms were applicable to a large majority of the contractor's applications. Per paragraph 13.1.3.2 of the contract, payment applications received after the 25th of the month were payable by the District within 30 days of the date of submission. Further PD&C analysis revealed the following average durations:

- The average duration from received date to payment date was 35 days.
- Of the Average duration of 35 days (Received Date to Payment Date) the invoice was submitted 6 days after the invoice date, PD&C review on average took 20 days, the contractor on average took 4 days to return all revisions, and payment took an average of 5 days to pay after posting the invoice.
- Of the 35-day average payment duration 15 days (43%) were outside of PD&C's control.

Action Plan

PD&C Management will work with Parkland's legal department to review and identify areas of improvement that can be made to the contractor payment terms in our existing Parkland construction contracts. The result of this joint effort will be to modify contract payment terms so that the required payment terms can be consistently met. Secondly PD&C Management has implemented a new project management software called "PM Web". PD&C will be training contractors to submit their payment applications directly into PM Web. Payment applications submitted directly into PM Web will help to increase the efficiency of the process and to monitor timeframes to ensure contract requirements are met.

Target Completion Date: September 30, 2025

Issue 2: Lien waivers were not always obtained.
Risk Rating: Medium
Risk: Without lien waivers, Parkland may not be protected against subsequent contractor/subcontractor claims.

Lien waivers were not available for three of thirty (10%) subcontractors/contractors/consultants reviewed. Lien waivers provide Parkland with additional assurance that all architects, subcontractors, and contractors are paid and to prevent additional requests for payment. Currently, PD&C's process requires obtaining lien waivers for every contractor/subcontractor payment application but does not include lien waivers from architects and environmental firms because they are professionals. Professionals, such as architects, are treated the same as construction contractors under Texas lien laws. Recent changes to the lien laws in 2022 (Property Code Sec 53.021) allow architects to file liens on a construction project even when they do not have a direct contract with the owner of the project. The 2022 changes to Property Code Sec 53 apply to contracts executed on or after January 1, 2022. The Former Parkland Campus Demolition project contract was executed March 23, 2022. Neither construction firms nor architects can file a lien against Dallas County Hospital District (DCHD) property since DCHD property is public; however, they could pursue other methods to obtain additional payments from Parkland if lien waivers are not signed.

Recommendation

Consider including architects and environmental firms with other contractors for lien waiver documentation.

Management Response

Lance Mendiola | VP Construction Facilities Real Estate – Operations Administration

PD&C Management was not previously aware of the change to the lien laws in 2022 (Property Code Sec 53.021) which allows architects to file liens on a construction project even when they do not have a direct contract with the owner of the project. PD&C acknowledges that neither construction firms nor

architects can file a lien against Dallas County Hospital District (DCHD) property since DCHD property is public; however, they could pursue other methods to obtain additional payments from Parkland if lien waivers are not signed. PD&C's standard procedure is to obtain a lien waiver for Contractors & Architects when there is a direct contract between Parkland and an Architect, this standard operating procedure will be updated per the below action plan.

Action Plan

PD&C Management will work with Parkland's legal department to identify and update contractual language to ensure contract requirements account for the updated Property Code Sec 53.021 regarding lien laws. Updating the lien waiver requirements in Parkland's Contracts will ensure all parties are aware and the required submission of lien waivers are met so that PD&C together with the contractor can work to eliminate any potential exposure. PD&C has requested that the contractor go back through and obtain lien waivers from all companies that are now eligible to file a lien per Property Code Sec 53.021 for the duration of the project.

Target Completion Date: September 30, 2025

Internal Audit Services

Audit Follow-up Report Summary
January 15, 2025 – March 31, 2025

	Overall					Current Period Activity		
Session Type	Number of Audits	Number of Audits Greater than a Year Old	Number of Issues Reported	Number of Issues Addressed to Date	Number of Open Issues	Audits Closed During Period	Number of Issues Addressed	Number of Issues Where Management Accepted the Risk
Open Session	**4**	**3**	**23**	**13**	**10**	**1**	**9**	**0**
Executive Session	**7**	**2**	**31**	**8**	**23**	**0**	**0**	**0**

Internal Audit Services
Closure Report

AUDIT COMMITTEE OPEN SESSION
April 9, 2025

Audit	Session Type	Issue	Action Detail	Actions Taken by Management
22-06 Talent Acquisition	Open	22-06 Inadequate retention and preservation of Signed Application Disclosure and Authorization Forms for Background Checks	22-06 Inadequate retention and preservation of Signed Application Disclosure and Authorization Forms for Background Checks	The Office of Talent Management - Talent Acquisition has demonstrated that they are able to obtain the Employee Authorization Forms from GroupOne post contract and are currently working with GroupOne to secure a contract to obtain historical Parkland Files. The file transfer will cost $7,500. GroupOne requires a written notification. Upon receipt of Parkland's written notification, GroupOne will have 30 business-day timeframe to send the Parkland File Transfer.
23-14 Vehicles	Open	23-14 Invoices and Payments for Repair Work on Vehicles	23-14 Invoices and Payments for Repair Work on Vehicles	When a vehicle is taken to the shop for repairs the invoice is sent to Accounts Payable (AP). The approval flow goes to the Senior Vice President/ Chief Supply Chain Officer and a link with the invoice is sent to the end-user via email to review and approve the charges. Once the end-user approves via email, the Senior Vice President Chief Supply Chain Officer approves payment. If there are any discrepancies the Operations Manager or a Supervisor from Supply Chain works with the department and vendor to resolve.
23-21 Patient Property	Open	23-21 Exclusion of Soiled Cash from Unclaimed Property Payment to Comptroller	23-21 Exclusion of Soiled Cash from Unclaimed Property Payment to Comptroller	Soiled cash amounts have been added to Unclaimed Property reports.
23-21 Patient Property	Open	23-21 No ID Provided When Picking Up Patient Valuables	23-21 No ID Provided When Picking Up Patient Valuables	Patient Financial Services (PFS) Management provided in-service education to the PFS staff on Parkland's Patient Valuables Release Process and Policy to ensure that the identities of individuals who withdraw valuables from the Cashier's Office are verified.
23-21 Patient Property	Open	23-21 Illegible Signature on Patient Valuable Envelope	23-21 Illegible Signature on Patient Valuable Envelope	Patient Financial Services (PFS) Management provided in-service education to the PFS staff on the Patient Valuables Process and Policy and provided a tip sheet on Parkland's patient valuables workflow.

Internal Audit Services
Closure Report

AUDIT COMMITTEE OPEN SESSION
April 9, 2025

Audit	Session Type	Issue	Action Detail	Actions Taken by Management
23-21 Patient Property	Open	23-21 Ineffective Property Management - ED, ED Behavioral Health and 17th Floor Inpatient Behavioral Health	23-21 Ineffective Property Management - ED, ED Behavioral Health and 17th Floor Inpatient Behavioral Health	Emergency Services, Behavioral Health Emergency Services and Behavior Health Inpatient Department have: Updated procedures and process workflows to align specific gaps identified in the audit, Nursing Management developed, documented, and provided comprehensive training to staff to address changes and best practices for patient belongings. Nursing Management also implemented a daily Patient Belongings Reconciliation Process. The process includes using a report to reconcile the EPIC documentation and the actual belongings in the storage space(s).
23-21 Patient Property	Open	23-21 Inaccurate Property Documentation - ED, ED Behavioral Health and 17th Floor Inpatient Behavioral Health	23-21 Inaccurate Property Documentation - ED, ED Behavioral Health and 17th Floor Inpatient Behavioral Health	Emergency Services, Behavioral Health Emergency Services and Behavior Health Inpatient Department have: Updated procedures and process workflows to align specific gaps identified in the audit, Nursing Management developed, documented, and provided comprehensive training to staff to address changes and best practices for patient belongings. Nursing Management also implemented a daily Patient Belongings Reconciliation Process. The process includes using a report to reconcile the EPIC documentation and the actual belongings in the storage space(s).

Internal Audit Services
Closure Report

AUDIT COMMITTEE OPEN SESSION
April 9, 2025

Audit	Session Type	Issue	Action Detail	Actions Taken by Management
24-07 Patient Scheduling Process	Open	24-07 No Documentation that Patients Were Notified of Cancelled Surgeries	24-07 No Documentation that Patients Were Notified of Cancelled Surgeries - Population Health, Specialty Clinics and Nursing Services	Navigator leadership completed the following corrective actions: Re-education was provided to the Nurse Navigators about documenting surgery cancellations in Epic in the patients' medical record. In September 2024, a smartphrase for case cancellation was created for the Ophthalmology clinic team; Between September 2024 - January 2025, weekly huddle reminders regarding phone call/encounter documentation occurred; and In November 2024, Nurse Navigator (NN) Leadership began monthly audits of canceled cases and the NN documentation. Individual offenders are notified, and action taken as warranted.
24-07 Patient Scheduling Process	Open	24-07 Untimely Financial Clearance Activities for Surgeries	24-07 Financial Clearance Activities for Surgeries - Patient Financial Service (PFS) and Specialty Clinics	Once a case is posted, the Patient Financial Service (PFS) Prior Authorization team processes authorization from a worklist. If the funded case is considered urgent (less than 7 days before surgery), the navigator will email the PFS Prior Authorization Team account to expedite the prior authorization. In addition, management has provided training and has implemented on-going monthly monitoring to ensure that Nurse Navigator consistently document canceled surgeries due to financial coverage with patients.

Internal Audit Services
Follow-Up Report

AUDIT COMMITTEE OPEN SESSION
April 9, 2025

Progress Trend Legend

↑ ***Ascend*** – significant progress, closure likely and approaching

↝ ***Forward*** – moderate progress in the right direction

⇆ ***Divergent*** – progress limited, at risk of descending

↓ ***Descend*** – no development, closure unlikely and risk may be accepted

Audit	Issue	Action Detail	Status	Action Needed	Risk to Parkland if Corrective Actions are Not Implemented
20-11 Consignment Process ↝	20-11 Pricing Inconsistencies Were Identified	Action: 20-11 Pricing Inconsistencies - Perioperative Services Action Owner: Amy LaBarge Executive: Richard Humphrey Action Due Date: 1/31/2024 **New Action Due Date: 5/31/2025 (1)** % Complete: 90	IAS is currently retesting.	Supply Chain - Needs to develop a system to ensure prices for consignment items are current and updated in INFOR, and to ensure current contract prices are reflected in INFOR. There is a flag in INFOR to ID consignment; however, Supply Chain is not currently using this flag. Supply Chain wants to implement a Perpetual Inventory System and work with INFOR to identify and separate Consignment from Parkland Owned supplies.	Failure to implement corrective actions could result in non-compliance with federal/state billing regulations and could subject Parkland to regulatory sanctions, civil and/or criminal penalties and negative publicity. If under billing it would result in lost revenue. Potential of co-mingling consignment with Parkland owned supplies. Potential of not being able to determine consignment expenditures if combined with Parkland owned inventory. Potential negative publicity associated with non-compliance with billing regulations.
	20-11 Tracking and Monitoring of Consignment Items Were Lacking	Action: 20-11 Tracking and Monitoring of Consignment Items were Lacking Action Owner: Amy LaBarge Executive: Richard Humphrey Action Due Date: 1/31/2024 **New Action Due Date: 5/31/2025 (1)** % Complete: 90	IAS is currently retesting.	Supply Chain needs to implement a Perpetual Inventory System and work with INFOR to identify and separate Consignment from Parkland Owned supplies.	Potential non-compliance with federal/state billing regulations could subject Parkland to regulatory sanctions, and civil and/or criminal penalties. Potential of over/under billing. Potential of co-mingling consignment with Parkland owned supplies. Potential of not being able to determine consignment expenditures if combined with Parkland owned inventory.
	20-11 The Recall Process Is Decentralized	Action: 20-11 The Recall Process Is Decentralized Action Owner: Michael Lane Executive: Joseph Chang Action Due Date: 6/30/2023 **New Action Due Date: 11/30/2024 (1)** % Complete: 70	IAS is waiting on the revised policy to be posted in Policy Manager before retesting.	Quality & Safety Operations, Safety & Clinical Risk Management and Supply Chain need to centralize the recall process and finalize the recall policy.	Potential patient safety if the identification of recall products are not identified and communicated to the affected providers and patients. Potential for inconsistent oversight, management, documentation of issues and corrective response. Potential negative publicity associated with non-compliance with patient safety recall communication and processes.
23-14 Vehicles ↑	23-14 Safe Driving	23-14 Safe Driving Action Owner: Jared Ginter Executive: Steven Roth Action Due Date: 1/31/2025 **New Action Due Date: 5/31/2025 (1)** % Complete: 95	1. As of 3/19/2025 Risk has completed procurement of the vendor and established enrollment protocol. 2. The Fleet Standard Operating Procedure (SOP) has been updated and edits are being reviewed by key process owners. 3. The Office of Talent Management (OTM) has recently verified licenses. This report has been shared with Internal Audit. 4. Risk Management and OTM working on updating procedures. 5. Risk Management and Parkland Communication working on information regarding the vehicle's safety program requirements, expectations and will initiate enrollment. 6. Risk Management working with OTM Training to establish on-going safe driving education for new hires and on a continuous basis. 7. Risk Management to begin enrollment in early April. 8. OTM conducting a 30-day assessment of all applicable policies to ensure driving compliance policy oversight. OTM will work with Risk Management on any identified gaps but stated on 3/18/2025 that they are okay with proceeding with enrollment.	Institutional Risk Management needs to work with departments overseeing drivers and driving responsibilities to enhance Parkland's driver safety program and ensure all drivers of Parkland vehicles are identified for inclusion in the program. When establishing driver safety program modifications, the following should be considered: annual driver's license and insurance reviews for Parkland drivers, driver safety training, and enhanced accident protocols such as driver behavior evaluation after accidents (as allowable by law and policy) and after-action reports. After the updated process is defined, Institutional Risk Management needs to work with Supply Chain to update the driver safety portions of the Fleet Management Standard Operating Procedure.	Driver's may not be properly licensed or trained to promote safe driving and accident avoidance with Parkland vehicles.

Internal Audit Services
Follow-Up Report

AUDIT COMMITTEE OPEN SESSION
April 9, 2025

Progress Trend Legend

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Audit	Issue	Action Detail	Status	Action Needed	Risk to Parkland if Corrective Actions are Not Implemented
23-21 Patient Property ↑	23-21 Incomplete Property Documentation	23-21 Organizational Project to Redesign Patient Property Workflow (Including Procedure Updates, Training, and Monitoring) Action Owners: David Garcia Executive: Edmundo Castaneda Action Due Date: 6/30/2024 **New Action Due Date: 6/30/2025 (2)** % Complete: 80	Nursing Services has revised the Patient Belongings Procedure. Learning and Development is building training modules in Pathways that will be validated by Nursing. Required training modules will be scheduled for a vast nursing population. **Storage Room** A potential business unit has been identified as one that will take ownership of the operations. The business unit and OPEX began working on the strategic plan and an expected start for June 2025.	1) Completion of the pathways training will take approximately 30 days. 2) Implementation of the new policy and flowsheet. 3) Stabilization period of approximately 30 days. 4) Re-Test Timeline -3/19/2025: Pathways Training: Completed -3/26/2025: Pathways Training Validation: Completed -3/31/2025: Start Education/Training: Started -4/7/2025: Post policy and flowsheet to production -4/31/2025: Education/Training Completion -6/2/2025: Internal Audit Retest **Storage Room Action Items** 1) Design Future State Process 2) Develop policy 3) Define EPIC access and training 4) Request PRC for an FTE 5) Handoff process 6) Ensure Patient Belongings are Labeled 7) Ensure if Patient Belongings are in Storage that the Patient is still admitted.	Incomplete documentation could result in property being left behind when patients transfer to different units or leave Parkland.
	23-21 Untimely Inventory of Patient Belongings	23-21 Organizational Project to Redesign Patient Property Workflow (Including Procedure Updates, Training, and Monitoring) Action Owners: David Garcia Executive: Edmundo Castaneda Action Due Date: 6/30/2024 **New Action Due Date: 6/30/2025 (2)** % Complete: 80	Nursing Services has revised the Patient Belongings Procedure. Learning and Development is building training modules in Pathways that will be validated by Nursing. Required training modules will be scheduled for a vast nursing population.	1) Completion of the pathways training will take approximately 30 days. 2) Implementation of the new policy and flowsheet. 3) Stabilization period of approximately 30 days. 4) Re-Test Timeline -3/19/2025: Pathways Training: Completed -3/26/2025: Pathways Training Validation: Completed -3/31/2025: Start Education/Training: Started -4/7/2025: Post policy and flowsheet to production -4/31/2025: Education/Training Completion -6/2/2025: Internal Audit Retest	Untimely inventories could result in patient belongings not being identified and inaccurate records.

Internal Audit Services
Follow-Up Report

AUDIT COMMITTEE OPEN SESSION
April 9, 2025

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Audit	Issue	Action Detail	Status	Action Needed	Risk to Parkland if Corrective Actions are Not Implemented
24-07 Patient Scheduling Process ↑	24-07 Follow-up Appointment Not Scheduled During Discharge	24-07 Reeducation of Clinical Staff on Appointment Scheduling Process Action Owner: James Perez Executive: Francesco Mainetti Action Due Date: 3/31/2025 % Complete: 40	Currently reviewing the consistency of the clinic-to-clinic Patient Follow-Up Process and to identify a standard workflow for all clinics.	Clinical Operations needs to schedule follow-up appointments (or place patients on recall lists) during the clinic discharge process.	Not scheduling follow-up appointments during discharge could lead to delays in accessing care.
	24-07 No Financial Clearance Prior to Appointments	24-07 Financial Clearance Activities for Outpatient Tests Action Owner: Gerry Baker Executive: Richard Humphrey Action Due Date: 5/31/2025 % Complete: 50	January 2025, Revenue Cycle, Ancillary Services, and IT developed and implemented a Workqueue for all Imaging Service Modalities. The Workqueue allows PFS to financially screen patients prior to scheduling. However, PFS did not have sufficient staffing to sustain the new process and the Workqueue has been temporarily taken down. Additional PFS staff has been approved by Senior Management. Recruitment and training are in progress.	Revenue Cycle needs to complete financial clearance activities prior to patients' arrival for outpatient tests.	Not financially clearing patients prior to outpatient tests could result in Parkland not receiving reimbursement for services provided
		24-07 Financial Clearance Activities for Outpatient Tests Action Owner: Jenni Burnes Executive: Edmundo Castaneda Action Due Date: 5/31/2025 % Complete: 50		Ancillary Services needs to schedule outpatient tests far enough in advance to allow time for financial clearance and prior authorization.	
	24-07 Appointment Reminders Not Sent to Patients	24-07 Education for Clinical Staff on Patient Communication Preferences and Phone Number Confirmation Action Owners: Patricia Shirey and James Perez Executive: Francesco Mainetti Action Due Date: 3/31/2025 % Complete: 60	Clinic Operations is providing additional education to Medical Practice Assistants on the importance of capturing the patients' preference of communication and confirming the phone number of the patient to ensure notifications are going to the correct number. The Epic SMS Hello World was implemented late January 2025.	Clinic Operations needs to research the reasons why automated appointment reminders are not sent to patients who want to receive them.	Not reminding patients of appointments could result in no-shows and unused appointment slots
	24-07 Inaccurate Information on Event Tracking Logs	24-07 Verification of Epic Logic for Time Element in Event Tracking Logs Action Owners: Patricia Shirey and James Perez Executive: Francesco Mainetti Action Due Date: TBD % Complete: 25	Clinic Operations will continue to monitor the situation and submit a work ticket to IT to help verify the EPIC logic associated with the capturing of the time element in the event tracking logs.	Clinic Operations needs to Enter accurate information into event tracking logs	Recording inaccurate information on event tracking logs presents a distorted view of patient wait times