

**ROSWELL PARK CANCER INSTITUTE CORPORATION
AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

A meeting of the Audit Committee of the Board of Directors of Roswell Park Cancer Institute Corporation was held on Thursday, October 5, 2017 at 8:30 a.m. in the Patrick Lee Conference Room, 9th Floor of the Scott Bieler Clinical Science Center.

Present: Dennis Szefel, Chairman
Candace S. Johnson, PhD., President & CEO
Mark Kercher (telephonically)
Gail Mitchell, Esq.

Excused: Anne Gioia
Frank Ewing
Michael L. Joseph, Chairman of the Board (telephonically)

**Present by
Invitation:** Eugene Cullen, VP Internal Audit and Advisory Services (IAAS)
Victor Filadora, MD, Chief of Clinical Services
Anne Gross, Senior Auditor (IAAS)
Deborah Kassirer, Manager (IAAS)
Kerry Kerlin, Chief Information Officer
Gregory McDonald, Chief Financial Officer
Jon Neumeister, Executive Director, Clinical Revenue Cycle &
Clinical Practice Plan
Michael Sexton, Esq., Chief Institute Operations Officer & General Counsel

**Special
Invitation:** Patricia Czamara
Stephen Edge, M.D.

I. OPENING

Mr. Szefel opened the meeting and welcomed Committee members and guests.

II. AUDIT COMMITTEE ITEMS REQUIRING APPROVAL

A motion to approve the June 14, 2017 minutes was made by Ms. Mitchell; seconded by Dr. Johnson; and unanimously approved.

The meeting was turned over to Anne Gross for a review of the internal audit plan status. Ms. Gross gave an update on the current status of the audits contained in the current Fiscal Year 2018 audit plan. After her review, *a motion was made, seconded and unanimously carried to move Audit 18-13 to the Fiscal Year 2019 Audit Plan.*

III. STATUS REPORT AND AUDIT OPEN ITEMS

The status of continuing audits from Fiscal Year 2017 were also reviewed including the malpractice and contract follow-up audits. These will be presented in final form at the next meeting.

Mr. Cullen then introduced Dr. Stephen Edge and Ms. Patricia Czamara who gave a presentation on Roswell Park's utilization management program. Dr. Edge is the Chair of the Utilization Review Committee. Ms. Czamara reviewed the utilization review process and oversight including providing data on readmission rates for Fiscal Year 2016, avoidable days year to date for Fiscal Year 2017 and length of stay data for Fiscal Year's 2016 and 2017. The data shows improvement in length of stay and that retrospective denials are decreasing.

Dr. Edge gave a review on mortality data including in-house death and palliative care data.

Mr. Sexton gave a brief summary of the results of the utilization management audit that was conducted by an outside firm during the first quarter of calendar year 2017. It showed 97% compliance with medical necessity requirements.

IV. INTERNAL AUDITS AND PROJECTS

Ms. Kassirer gave a review on the revenue cycle selection assessment. The RFP process has been completed and there did not appear to be major problems. There was also a brief discussion as to the potential community-wide EMR system that is in discussions. Once a decision is reached on the community project, a decision recommendation will be submitted to the Board of Directors regarding the revenue cycle RFP.

Mr. Kerlin updated on the governance structure and cost structure for the community-wide EPIC proposal. This is a large project that could involve as many as 156 staff members. The RPCI revenue cycle project is moving in parallel with the community discussions. By the end of October, it is expected a go/no-go decision will be made on the community model. A question was asked as to whether the CEO change at the Catholic Health System could have a negative impact on the community project. It was believed that the pending CEO change will not negatively affect the project. New York State is also extremely supportive of the community wide project.

Ms. Kassirer gave a review of the ERP selection process. This is a system that will include Human Resources, Finance, Grants Management and Employee Benefits. The selection process for the new system has been ongoing. RPCI hired KPMG to assist in the vendor selection. The current Lawson system will be supported until June, 2022. The selection process appears satisfactory and transparent. Internal Audit recommends that the process used on the ERP project be utilized in a template format for future large purchases.

Mr. Cullen gave the legal services procurement audit report. He noted that the procurement policies that are in place are good and reasonable providing a reasonable framework for procurement. He noted that the audit has disclosed that the procurement of legal services has not complied with the procurement policies in all cases. Deficiencies were reviewed. A remediation plan agreed to by management was presented and submitted for approval. *On motion by Ms.*

Mitchell; seconded by Dr. Johnson; the Legal Services Procurement Audit and Management's remediation plan was unanimously approved.

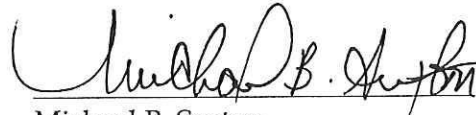
Mr. Cullen discussed his proposal to conduct a Third Party Risk Management Audit in the coming year. He noted that half of all data breaches come through third party vendors. He proposes that internal audit assess many of the third party vendors that are used by Roswell Park. They will audit the relationship and HIPAA compliance and data storage safe guards. Vendors will be selected for audit based upon the amount of risk presented to the organization. This assessment will be based upon cost, the type of data involved and the financial status of the vendor.

V. FINANCE UPDATE

Mr. McDonald reported on non-audit services by the outside auditors, Freed Maxick. The scope of three retainers were submitted for approval. *On motion by Ms. Mitchell, seconded by Mr. Szefel and unanimously carried; those scopes were approved.*

There being no further business, a motion to adjourn was made by Ms. Mitchell; seconded by Dr. Johnson; and unanimously carried.

Respectfully submitted,



Michael B. Sexton
Secretary