

**UNIVERSITY OF CALIFORNIA, SAN FRANCISCO
AUDIT & ADVISORY SERVICES**

**Systemwide UC Health Affiliations Audit
Project #23-021**

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University of California
San Francisco

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SUBJECT: Systemwide UC Health Affiliations Audit

As a planned internal audit for Fiscal Year 2023, Audit & Advisory Services (“A&AS”) conducted an interim audit to assess the University’s progress implementing Regents Policy 4405 and the accompanying interim systemwide policy. This systemwide audit was completed in coordination with UCOP and other internal audit departments at all campuses with academic health centers using a standard systemwide audit program.

Our services were performed in accordance with the applicable International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors (the “IIA Standards”).

Our review was completed and the preliminary draft report was provided to department management in October 2023. The observations have been discussed and agreed upon with department management.

This report is intended solely for the information and internal use of UCSF management and the Ethics, Compliance and Audit Executive Committee, and is not intended to be and should not be used by any other person or entity.

Sincerely,

Irene McGlynn
Chief Audit Officer
UCSF Audit & Advisory Services



EXECUTIVE SUMMARY

I. BACKGROUND

As a planned audit for Fiscal Year 2023, Audit and Advisory Services (A&AS) conducted a review of University of California, San Francisco (UCSF) Healthcare Affiliation processes to evaluate controls are operating efficiently and effectively to implement the requirements in Regents Policy 4405 and the accompanying interim systemwide policy. This review was performed under the direction of the Office of Ethics, Compliance and Audit Services (ECAS) within UC Office of the President (UCOP), in coordination with the internal audit departments at all UC campuses with academic health centers, using a standard systemwide audit program.

In July 2021, the Board of Regents approved Regents Policy 4405: Policy on Affiliations with Healthcare Organizations that Have Adopted Policy-Based Restriction on Care¹, which governs affiliations between health care organizations that have policy-based restrictions on care and the University, including University of California Health's academic health centers and health professional schools. The Regents Policy requires that UC providers at affiliates with restrictive policies are able to offer patients a choice in reproductive and other types of care; expands and protects the options for UC providers and patients at covered affiliates; and gives UC providers and patients ways to address barriers to providing the full spectrum of evidence-based care that come from covered affiliate policy-based restrictions on care. The Regents Policy and an accompanying systemwide policy providing more detailed implementation direction are intended to protect the ability of UC clinicians and trainees working at those organizations to provide evidence-based, appropriate care to all patients.

The full text of Regents Policy 4405 is as follows:

1. Advancing the University's Public Mission. Prior to approving or executing any new or renewed affiliation with a health organization that has adopted policy-based restrictions on care (a "covered organization"), the sponsoring location must: (i) document the rationale for the affiliation, including any anticipated benefits or risks to the University's education, research, and service missions and to the broader patient community; and (ii) verify that access to policy-restricted services such as abortions, contraception, assisted reproductive technologies, gender-affirming care, and end of life care will be maintained or improved as a result of the affiliation. Under no circumstances may such an organization be granted responsibility or authority to operate or manage any University facility or program on behalf of the University.
2. Documenting Adherence to University Policies and Standards in all Affiliation Agreements. Agreements with covered health organizations must recite the University's role as a public entity and commitment to non-discrimination and evidence-based care; and must require all parties to comply with all federal and state anti-discrimination laws, including Cal. Civ. Code § 51 (prohibiting discrimination on the basis of sex [including pregnancy and childbirth as well as gender, gender identity, and gender expression], race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status), and to offer any procedure or

¹ <https://regents.universityofcalifornia.edu/governance/policies/4405.html>

service they choose to provide at their respective facilities or through their respective employees on a non-discriminatory basis. The University may not enter agreements with provisions that purport to require the University or its personnel or trainees to enforce or abide by policy-based restrictions on care including, but not limited to, religious directives, or that include any "gag clauses" interfering with their ability to counsel all patients on their treatment options. The University must retain the option to terminate such agreements if the University determines in its sole discretion that continued performance would be incompatible with its policies or values or that the affiliate has breached its promises to not restrict University providers' freedom to advise, refer, prescribe, or provide emergency items and services without restrictions, including any necessary items and services to any patient for whom referral or transfer to another facility would risk material deterioration to the patient's condition.

3. Strengthening Patient and Provider Protections. Each University location contracting with healthcare organizations that have adopted policy-based restrictions on care must develop and implement a process to inform UC patients, faculty, staff, and trainees: (i) about such restrictions at sites to which they may be referred or assigned; (ii) that such referrals or assignments are voluntary; and (iii) and that information about alternative sites for care, practice, and training will be provided upon request. Each location must also develop a process to transfer patients who need restricted services to a UC or other location where the services can be provided. Processes for receiving, evaluating, and resolving complaints or grievances must also be developed and implemented.
4. Ensuring Reporting and Transparency. Each University location (including the Office of the President with respect to systemwide or multi-campus agreements) must provide an annual report to the Regents Health Services Committee: (i) listing all new or renewed arrangements with covered organizations; (ii) summarizing complaints or grievances received from patients, students, faculty, and staff, as well as their resolution; (iii) providing quality monitoring data consistent with systemwide quality guidelines; and (iv) reporting on any identified noncompliance with the above standards. The first report, due in June 2022, must list all current arrangements with such institutions.
5. Implementation and Accountability. The President shall issue a systemwide policy to implement these requirements after consultation with the chancellors and representatives of the Academic Senate and UC Health. One year after implementation of that policy, the Office of Ethics, Compliance, and Audit Services shall conduct an audit of an appropriate sample of then-current contracts with covered affiliates to ensure their compliance with such policy. Thereafter, the frequency and scope of audits shall be determined by ECAS in consultation with the chairs of the Audit & Compliance Committee and the Health Services Committee. The University shall not enter into any new affiliation that fails to meet these requirements after July 1, 2021; any existing affiliation that does not meet these requirements must be amended to comply with this policy or phased out no later than December 31, 2023.

NO RIGHT OF ACTION

This policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the University of California or its Board of Regents, individual Regents, officers, employees, or agents.

On September 22, 2021, the Office of the President issued an interim systemwide policy to implement the requirements of Regents Policy 4405 (Interim Policy: Affiliations with Certain Healthcare Organizations²). This purpose of this policy was to establish standards for affiliation with organizations with policy-based restrictions on care that protect and advance the University's values, as well as its commitment to inclusion, diversity, equity, and accountability, and ensure such Affiliations do not compromise the University's commitment to evidence-based care for all patients.

II. AUDIT PURPOSE AND SCOPE

The scope of this review was to evaluate the adequacy of controls in place over Healthcare Affiliations processes and controls that have been implemented to date to facilitate compliance with Regents Policy 4405 and accompanying interim systemwide policy, including verification of required agreement language for any new affiliation agreements and existing affiliation agreements that have been amended as of the timing of audit fieldwork³. The final deadline to amend all agreements subject to Regents Policy 4405 is December 31, 2023. Accordingly, ECAS will conduct a follow up audit after this deadline to verify that all applicable agreements have been appropriately amended and to verify that all UC campuses, including UCSF management, has appropriately remediated the internal control deficiencies and opportunities for improvement identified in this interim audit.

Scope: The scope of this audit is from July 2021 – January 2023.

The areas of focus of this audit included an assessment of processes, controls and documentation associated with the following policy requirements:

- Due diligence, review and approval of affiliation agreements
- Required contract language
- Communication to UC patients, faculty, staff and trainees
- Processes for receiving, evaluating and resolving complaints or grievances
- Processes for transferring patients that require restricted services
- Annual report to the Regents Health Services Committee
- Joint clinical advisory committee

III. SUMMARY

UCSF Audit & Advisory Services (A&AS) selected ten judgmental samples from the list of agreements. A&AS reviewed the adequacy and effectiveness of internal controls over the Healthcare Affiliations operation and determined the following controls are in place and operating:

² <https://policy.ucop.edu/doc/5000698/AffiliationHealthcareOrganizations>

³ In anticipation of expected changes to the systemwide policy, the scope of this audit did not include affiliations with public organizations, such as Veterans Affairs and Indian Health Services.

- 1) Ten out of ten agreements had affiliation checklists in place and met all elements indicated in the checklists.
- 2) Rationale and impact were documented appropriately for all ten agreements. In addition, all ten agreements rationale were submitted and approved by the chancellor or designee prior to executions consistent with UCOP policy.
- 3) Ten out of ten agreements did not include any inappropriate language to grant responsibility or authority to operate or manage a UC facility or program on behalf of UC.
- 4) Nine out of ten agreements had language in place to ensure medical decisions made by its personnel are based on the University's evidence-based standards of care. The one agreement without the language was later determined to be not applicable as it was not for a relevant covered entity.
- 5) Nine out of ten agreements had language in place to ensure UC is entirely independent of political or sectarian influence in the administration of its affairs. The one agreement without the language was later determined to be not applicable as it was not for a relevant covered entity.
- 6) UCSF Health and Campus contract administrator personnel have established effective procedures for communication and cooperation to ensure all agreements are updated and have appropriate addendums for any changes consistent with UCOP policy.
- 7) UCSF Health and Campus took prompt action to review renewed and new agreements to ensure the language is consistent with the UCOP draft policy.
- 8) Draft documents are in place with content that conforms to current policy language and the systemwide template.
- 9) Local process documentation is in place for transferring patients who need access to restricted services to another location where the services were available.
- 10) Procedures are in place to monitor general contracting process.
- 11) A complaint process workflow is in place to address high level operations.

Opportunities for improvement exist in the areas of contracting and complaint processes (see following Section IV. Observations for details).

IV. OBSERVATIONS:

No.	Observation	Risk/Effect	Recommendation	Management Response
1	<p>The required checklist for one of the covered entity’s agreements was not signed off appropriately as per the Interim Policy for Affiliations with Certain Healthcare Organizations.</p> <p>One Covered Organization Affiliation Agreement Checklist used to provide quality assurance and/or exception documentation for deviation from policy requirements was not signed by the Chancellor or designee. However, the Contract Administrator personnel took immediate action to sign and maintain the checklist in the file for future reference.</p> <p>The Interim Policy for Affiliations with Certain Healthcare Organizations states that “Each UCH location must adopt the ... Affiliations Checklist and fully implement them in all current Affiliations with Covered Organizations no later than December 31, 2023. ...Agreements that use the standard language and meet all elements of the checklist must be reviewed by the appropriate local contracting office; any deviation from the standard language must be escalated to local health system counsel and the Vice Chancellor for Health Sciences or designee for further review to confirm that the non-standard language substantively adheres to all requirements of Regents Policy 4405 and this policy. On campuses without a Vice Chancellor for Health Sciences, the escalation shall be made to the Chancellor or Chancellor’s designee.”</p>	<p>Lack of complete/signed checklists can cause non-compliance with requirements and provisions of Regents Policy 4405.</p>	<p>The Contract Administrator personnel took immediate action to sign and maintain the checklist in the file for future reference.</p>	<p>The checklist was signed during the course of the review. No further action required.</p>
2	<p>Local contracting procedures do not address affiliations subject to Regent Policy 4405 and Interim Policy for Affiliations with Certain Healthcare Organizations.</p> <p>A general contract policy #100-10 is in place at UCSF regarding general contracting process. However, the general procedures in the general contract policy do not specifically address affiliations subject to Regents Policy 4405 and Interim Policy: Affiliations with Certain Healthcare Organizations.</p>	<p>Lack of adequate local policy or references can cause non-compliance with requirements and provisions of Regents Policy 4405 and Interim Policy: Affiliations with</p>	<p>Create a reference to the Regents Policy 4405 and UCOP Interim Policy: Affiliations with Certain Healthcare Organizations in existing UCSF policy and related</p>	<p>Collaboration with the Office of the Executive Vice Chancellor and Provost, as well as others, will be needed to update UCSF Policy 100-10 to include references to Regents Policy 4405 and Interim Policy:</p>

No.	Observation	Risk/Effect	Recommendation	Management Response
		Certain Healthcare Organizations.	contracting procedures to comply with UCOP requirements.	Affiliations with Certain Healthcare Organizations
3	<p>The complaint process workflow needs enhancement to address the level of detail required for Regents Policy 4005 and Interim Policy for Affiliations with Certain Healthcare Organizations.</p> <p>A complaint process workflow is in place. However, based on UCOP feedback to all UCH locations, this workflow needs to be enhanced to include detailed procedures (such as how the complaint will be identified, escalated and resolved). A University of California Health (UCH) covered affiliates complaint process document and template workflow is in process and a draft document has been created to be shared with all UCH locations.</p>	Lack of adequate detail procedures can increase the chance of errors and lack of compliance with the UC and UCSF policies and procedures.	Expand and improve the complaint processes by addressing detail procedures.	Based on UCOP guidance, complaint procedure documentation will be updated to include additional details.