

Annie Reyes-Salgado, Director
Supply Chain and Contracting Services

Subject: Audit Report: 24-16 UC Health Affiliations Part II

Dear Annie,

I am sending this memorandum as an attachment to the UC Office of Ethics, Compliance, and Audit Services' (ECAS) final report for Audit Services Project No. P24A001 Systemwide UC Health Affiliations. UC Davis Audit and Management Advisory Services concurs with the ECAS report.

I. Background

As part of the FY 2023-24 audit plan, Audit and Management Advisory Services conducted the second phase of a systemwide audit to assess compliance with Regents Policy 4405: Policy on Affiliations with Healthcare Organizations that Have Adopted Policy-Based Restrictions on Care (Regents Policy 4405). This review was conducted at all UC campuses under the direction of ECAS.

II. Conclusion

We were able to verify that UC Davis Health has made significant progress toward implementing the requirements in Regents Policy 4405 and the accompanying interim systemwide policy.

III. Observations

The systemwide report notes that although a policy and standard communication were created by UC Davis Health for dissemination to patients about restricted care at the covered affiliates that they were transferred to, the policy was not always followed, and the information was not provided to all patients. Further, the report notes that UC Davis Health's current policy does not include a requirement to maintain a record of complaints and actions taken. Such a requirement would be useful to help ensure the completeness of the annual report summarizing complaints or grievances received.

The systemwide report also notes that currently there is no procedure for evaluating quality indicators. However, UC Davis Health stated that there is no guidance from the systemwide level on how to evaluate these indicators, and that such guidance would be helpful. As described in Section II of the systemwide report (Systemwide Observations page 4), UC Health obtained approval to remove the Systemwide Policy's requirement

to monitor the quality of care provided at hospitals owned or operated by a Covered Affiliate, as this requirement is not present in Regents Policy 4405.

If you have any questions, please contact me at (530) 752-9477.

Ryan Dickson
Director
Audit & Management Advisory Services
UC Davis