

Rowena Manlapaz, Associate Chief Strategy Officer
UC Davis School of Medicine Dean's Office

Subject: Final Audit Report: 23-11 UC Health Affiliations

Dear Rowena,

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. P23A003 Systemwide UC Health Affiliations. UC Davis Audit and Management Advisory Services concurs with ECAS and does not have additional observations.

As part of the FY 2023 audit plan, Audit and Management Advisory Services performed an audit of UC Health Affiliations. This review was conducted at all UC campuses under the direction of ECAS. The purpose of the audit was to evaluate UC's progress implementing Regents Policy 4405: Policy on Affiliations with Healthcare Organizations that Have Adopted Policy-Based Restrictions on Care. As part of the audit fieldwork, we assessed new and amended affiliation agreements to ensure they include the required contract language and evaluated implementation of compliance elements required by Regents Policy 4405.

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.

Specifically, the systemwide report notes that the UC Davis local policy ("Affiliations with Certain Healthcare Organizations at UC Davis Health") needs further development of its contracting and communications sections. The contracting section should be expanded to include reference to the "Covered Organization Affiliation Agreement Checklist" which is utilized by the Contracting Office to ensure that agreements meet required elements of Regents Policy 4405, and should also include a procedure for regularly providing guidance to the location regarding the definition of a "covered affiliate." Further, the communications section should include a procedure for notifying relevant personnel when an agreement has been added, changed, or removed from the list of affiliations.

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

Ryan Dickson
Director
Audit & Management Advisory Services
UC Davis