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UCLA HEALTH AFFILIATIONS (SYSTEMWIDE) PHASE 2
FINAL AUDIT REPORT #24-1208

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Background

As part of the Health Sciences audit plan for fiscal year 2023-24, UCLA Audit & Advisory Services (A&AS) conducted Phase 2 of the audit of UCLA's implementation of Regents Policy 4405, "Policy on Affiliations with Healthcare Organization that have Adopted Policy-Based Restrictions on Care" and the accompanying University of California (UC) systemwide policy, "Affiliations with Certain Health Care Organizations."

In July 2021, the Board of Regents approved Regents Policy 4405 which governs affiliations between the University—including UC Health's academic health centers and health professional schools—and health care organizations that have policy-based restrictions on care. (Affiliates that have policy-based restrictions are referred to as "covered affiliates" throughout this report.) The Regents Policy (1) requires that at covered affiliates, UC providers have the ability to offer patients a choice in reproductive and other types of care, (2) expands and protects healthcare options for UC providers and patients, and (3) establishes methods for UC providers and patients to address barriers to the provision of the full spectrum of evidence-based care. The Regents policy, and the accompanying systemwide policy that provides more detailed implementation direction, are intended to protect the ability of UC clinicians and trainees working at covered affiliates to provide evidence-based, appropriate care to all patients.

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 Organizations) and on November 30, 2023, a final version was issued. The purpose of this policy is to establish standards for covered affiliates 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.

Purpose and Scope

The purpose of the audit was to evaluate compliance with Regents Policy 4405 and the accompanying systemwide policy. The scope of the audit covered the following areas:

- Due Diligence, Review & Approval, and Contract Language
- Communications to University Personnel, Trainees, and Patients
- Complaint Resolution Process
- Quality Monitoring & Reporting Process
- Management Corrective Actions (from audit Phase 1)

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and included interviews, tests, and other procedures considered necessary in achieving the purpose. Fieldwork was performed between April and June of 2024.

Summary Opinion

Based on the results of the work performed within the scope of the audit, efforts have been made to comply with Regents Policy 4405 and the accompanying systemwide policy. However, some concerns were noted. The audit observations are summarized below.

Due Diligence, Review & Approval, and Contract Language

- A list of UCLA's covered affiliate agreements that were initiated, renewed, expired or terminated is provided annually to UCOP for reporting to the Regents Health Services Committee. However, UCLA does not maintain a cumulative, current list of active covered affiliate agreements. (The list provided to UCOP is based on information gathered from various schools/departments at a point in time.)

Communications to University Personnel, Trainees, and Patients

- The UCLA Care Coordination department established a policy whereby case managers are supposed to provide the Restricted Services Notice to all patients transferring to outside facilities, as well as document that the notice was provided in the patient's CareConnect chart. However, at the time of the audit, this policy was not being followed.
- While existing UCLA Health personnel received a communication on August 17, 2023 about working at covered affiliates, some newer personnel may not have received the communication.

Complaint Resolution Process

- Although the Internal Process for Collecting and Responding to Concerns and Complaints for UCLA Health Covered Affiliates was provided to individuals designated to receive complaints relating to covered affiliates, some of them are unclear about their role and/or the requirements.

Quality Monitoring & Reporting Process

- One error was noted for the % Hospital Medi-Cal Patients quality indicator data reported by UCLA in the UC Health Fiscal Year 2022-23 Report on Covered Affiliations.

Management Corrective Actions (from audit Phase 1)

- No issues were identified.

The audit results and recommendations are detailed in the remainder of this audit report.

Audit Results and Recommendations

#	OBSERVATION and CRITERIA, where applicable	RECOMMENDATION	MANAGEMENT'S RESPONSE
DUE DILIGENCE, REVIEW & APPROVAL, AND CONTRACT LANGUAGE			
<p>Audit work included the following:</p> <ul style="list-style-type: none"> ▪ Discussions with personnel from UCLA Health Office of Legal Affairs and UCLA Health Managed Care Contracting. ▪ Review of five covered affiliate agreements to determine whether they contained the non-discrimination addendum standard language, met all elements of the covered organization checklist, and were approved by the Chancellor in accordance with the UC Systemwide Policy, "Affiliations with Certain Health Care Organizations." The agreements reviewed either began or were renewed between July 1 and December 31, 2023. ▪ Confirmation with the School of Dentistry, School of Nursing, Luskin School of Public Affairs, and Fielding School of Public Health personnel that the schools did not have any covered affiliation agreements as reported in the UC Health Fiscal Year 2022-23 Report on Covered Affiliations. <p>The audit indicated that the UCLA Health Office of Legal Affairs and UCLA Health Managed Care Contracting worked with schools/departments to identify and update existing covered affiliate agreements to comply with the policy requirements. In addition, processes have been implemented to ensure compliance for new agreements. The five agreements reviewed during the audit contained the non-discrimination addendum standard language, met all elements of the covered organization checklist and were approved by the chancellor. However, a concern relating to tracking and reporting of the agreements was noted.</p> <p>The observation identified is detailed below.</p>			
1.	<p><u>Lack of Current Covered Affiliate List</u></p> <p>a. A list of UCLA's covered affiliate agreements that were initiated, renewed, expired or terminated is provided annually to UCOP for reporting to the Regents Health Services Committee. However, UCLA does not maintain a cumulative, current list of active covered affiliate agreements. (The list provided to UCOP is based on information gathered from various schools/departments at a point in time.)</p> <p>A cumulative list of active agreements is necessary for the quality management team to reference when determining for which facilities to monitor quality indicator data. In addition, this list will be beneficial for individuals</p>	<p>a. The appropriate entity should be identified to maintain a current list of active covered affiliation agreements. A link to the list should be included on the UCLA Health Office of Legal Affairs and UCLA Health Managed Care Contracting websites.</p>	<p><u>Management response:</u></p> <p>a. A cumulative list of covered affiliate agreements will be maintained in Box. A link to this list will be included on the UCLA Health Office of Legal Affairs and UCLA Health Managed Care Contracting websites.</p> <p>The Faculty Practice Group (FPG) Business Operations Director and the Managed Care Contracting Assistant Director are responsible for overseeing all professional services affiliation agreements and ensuring they are added to the Box repository.</p>

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	<p>designated to receive complaints relating to covered affiliates so that they can identify relevant complaints. It is recognized that the UCLA Health Office of Legal Affairs provides guidance about what constitutes a covered affiliate and the names of covered affiliate parent organizations (e.g., Dignity Health, Providence, etc.). However, covered affiliate organization names often differ from that of the parent organization.</p> <p>b. For the UC Health Fiscal Year 2022-23 Report on Covered Affiliations, the audit identified one UCLA agreement where the department listed is incorrect.</p> <p>In addition, incorrect departments were listed for five UCLA covered affiliate agreements reported to UCOP for fiscal year 2023-24 through December 31, 2023.</p>	<p>b. All UCLA agreement elements listed on the master UCOP covered affiliate agreements' list should be reviewed for accuracy.</p>	<p>To support tracking of training affiliation agreements, DGSOM departments involved in training activities will be asked to copy the Managed Care Contracting team when routing agreements to the UCLA Health CEO/Associate Vice Chancellor of Health Sciences for signature. The Managed Care Contracting team will then upload these agreements to Box and update the cumulative list accordingly.</p> <p>Additionally, the team is exploring a Box workflow that would automatically notify them when an agreement is uploaded for signature by the UCLA Health CEO/Associate Vice Chancellor of Health Sciences.</p> <p><u>Observation owner:</u> Managed Care Contracting Assistant Director.</p> <p><u>Expected completion date:</u> November 30, 2025.</p> <p>b. The Managed Care Contracting team will review UCLA agreement elements listed on the master UCOP covered affiliate agreements' list for accuracy prior to submission to UCOP. Additional time has been allocated for this review, as the next scheduled submission to UCOP is not expected until July 2026.</p> <p><u>Observation owner:</u> Managed Care Contracting Assistant Director.</p> <p><u>Expected completion date:</u> July 31, 2026.</p>

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COMMUNICATIONS TO UNIVERSITY PERSONNEL, TRAINEES, AND PATIENTS			
<p>Audit work included the following:</p> <ul style="list-style-type: none"> ▪ Discussions with personnel from UCLA Health Office of Legal Affairs, Department of Care Coordination, David Geffen School of Medicine (DGSOM), FPG, School of Nursing, Center for Prehospital Care, School of Dentistry, Luskin School of Public Affairs, the Fielding School of Public Health. ▪ Evaluation of communication processes to inform existing and new personnel working at covered affiliates about expectations outlined in UC systemwide policy, "Affiliations with Certain Health Care Organizations." (UC providers are expected to deliver evidence-based health care services, inform patients of all health care options, and refer patients to other facilities when a required service cannot be delivered.) ▪ Evaluation of communication processes to inform patients being transferred to covered affiliates about alternatives for obtaining restricted services. For a sample of five patients transferred from UCLA to covered affiliates between January 1 and March 31, 2024, auditor reviewed CareConnect documentation to determine if a Restricted Services Notice was provided to the patient. (The Restricted Services Notice discusses policy-based restrictions, alternatives for care, and how to report any complaints.) ▪ Confirmation that the UCLA communications are consistent with the language approved by UC Health. <p>The audit indicated the communication was emailed to relevant personnel by December of 2023. Also, the initial communications contained the language approved by UC Health. However, some concerns were noted regarding the communications process for patients and personnel.</p> <p>Observations identified are detailed below.</p>			
2.	<p><u>Patient Communications</u></p> <p>The UCLA Care Coordination department established a policy whereby case managers are supposed to provide the Restricted Services Notice to all patients transferring to outside facilities, as well as document that the notice was provided in the patient's CareConnect chart. However, at the time of the audit, this policy was not being followed.</p> <p>Audit review for five patients who were transferred to a covered affiliate between January 1 and March 31, 2024 indicated the following:</p> <ul style="list-style-type: none"> ▪ None of the patients' CareConnect charts had documentation confirming that the Restricted Services Notice was provided. 	<p>a. To ensure compliance with University policy, Care Coordination management should provide additional training to all case managers involved with patient transfers about providing the Restricted Services Notice and the related documentation in CareConnect.</p>	<p><u>Management response:</u></p> <p>a. Immediate coaching was provided to case managers whose charts were audited in 2024. The entire department was provided additional training on the Restrictive Service Notice at a system-wide case management meeting in July 2024.</p> <p>Between July and September 2024, care coordination managers audited provision/ documentation of Restricted Services Notice to patients transferred to acute care, hospitals, long term acute care hospitals, skilled nursing facilities, sub-acute facilities and inpatient</p>

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	<ul style="list-style-type: none"> ▪ Case managers for four of the five patients confirmed that a copy of the Restricted Services Notice was not provided to the patient upon transfer. Coaching about the appropriate process was reportedly provided to these individuals as a result of the audit. <p>Without appropriate communications to patients about covered affiliates, patients may not be aware of the restrictions, alternative options for care, or how to report a complaint.</p> <p>Criteria: University of California Systemwide Policy, "Affiliations with Certain Health Care Organizations," Section F.2: Each University of California Health (UCH) location must establish a formal process for patients of UCH Personnel receiving care at Covered Affiliate facilities to share concerns or complaints regarding access to Health Care Services or discrimination in the provision of such services.</p>	<p>b. Management should also periodically perform spot checks of CareConnect documentation relating to transferring patients for completeness.</p> <p>c. Additionally, management should consider if a "patient transfers documentation" report can be generated to show whether the CareConnect fields relating to the Restricted Services Notice are being completed.</p>	<p>rehabilitation facilities. The compliance rates were 91% during July/August and 72% during September.</p> <p><u>Observation owner:</u> Care Coordination Senior Director.</p> <p><u>Date completed:</u> September 2024. Evidence provided for A&AS validation.</p> <p>b. Since September 2024, the clinical educator has been performing a weekly audit of 20 case managers to evaluate CareConnect documentation relating to provision of the notice. There are also frequent reminders about the procedure during the daily team huddle, and coaching and discipline for non-compliant cases.</p> <p><u>Observation owner:</u> Care Coordination Senior Director.</p> <p><u>Date completed:</u> September 2024. Evidence provided for A&AS validation.</p> <p>c. In September 2025, a management dashboard developed by UCLA Health Information Services & Solutions was launched. The dashboard includes fields for 'Restricted Services Transfer' and 'Restricted Services Date Provided.'</p> <p>The Care Coordination leadership team reviews a report generated from the dashboard daily and follows up on cases where a notice should have been issued but was not.</p>

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			<p><u>Observation owner:</u> Care Coordination Senior Director.</p> <p><u>Date completed:</u> September 2025. Evidence provided for A&AS validation.</p>
3.	<p><u>Personnel Communications</u></p> <p>While existing UCLA Health personnel received a communication on August 17, 2023 about working at covered affiliates, some newer personnel may not have received the communication.</p> <ul style="list-style-type: none"> ▪ Although DGSOM departments are supposed to provide the communication to new faculty during onboarding, two of the five DGSOM departments surveyed as part of the audit indicated that such a process had not been implemented. ▪ At the time of the audit, new FPG personnel did not receive the communication about covered affiliates. <p>Without appropriate communications to personnel about covered affiliates, they may not be aware of restrictions at covered affiliates, the UC's expectations, and how to file a complaint.</p> <p><u>Criteria:</u> University of California Systemwide Policy, "Affiliations with Certain Health Care Organizations," Section E.1.a: UCH locations must inform any Personnel who are invited to staff a Covered Affiliate's site: (i) that the site has adopted Policy-Based Restrictions on care; (ii) that some sites have adopted requirements that University of California –Policy Affiliations with Certain Health Care Organizations Page 7 of 22 individuals staffing a Covered Affiliate site certify adherence to Policy-Based Restrictions on care, but that the contractual agreements the University has established with these sites nevertheless protect</p>	<p>DGSOM and FPG management should collaborate and coordinate efforts to ensure that communications regarding covered affiliates are provided to all personnel hired after August 17, 2023, as well as incorporated into onboarding processes for anyone who is employed and credentialed to provide professional services.</p>	<p><u>Management response:</u> In October 2025, a "catch up" communication will be sent to those hired and credentialed to provide professional services after August 17, 2023. This will be the same as the original communication concerning working at covered affiliates.</p> <p>Since August 2024, this communication concerning working at affiliates (same text as the original) has been incorporated into the monthly FPG onboarding process for anyone hired and credentialed to provide professional services. Starting in October 2025, FPG will begin retaining all outgoing communications.</p> <p><u>Observation owner:</u> FPG Chief Medical Officer and DGSOM Vice Dean for Faculty.</p> <p><u>Date completed:</u> October 31, 2025. Evidence provided for A&AS validation.</p>

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	the rights of UC Personnel described in Section III.D.3 above; and (iii) that working at the Covered Affiliate site is entirely voluntary.		
COMPLAINT RESOLUTION PROCESS			
<p>Audit work included the following:</p> <ul style="list-style-type: none"> Review of the Internal Process for Collecting and Responding to Concerns and Complaints for UCLA Health Covered Affiliates (Internal Process) finalized on December 15, 2023. Inquiry with each complaint contact as to whether any relevant complaints have been received and how complaints are handled. (As part of the communication process described above, UCLA personnel were advised who to contact if their freedom to provide evidence-based care was impeded at the affiliated organizations, and patients were provided the contact information for the Office of Patient Experience to report any concerns.) Key word search for patient complaints received between May 1, 2021 and June 3, 2024 to identify any relevant complaints. <p>The audit indicated that as of May 23, 2024, relevant complaints relating to covered affiliates have not been received. However, concerns relating to complaint contacts were noted.</p> <p>The observation identified is detailed below.</p>			
4.	<p><u>Handling of Complaints</u></p> <p>Thirteen individuals were identified to handle incoming complaints from various populations (e.g., faculty, staff, students, patients, etc.) about providing or receiving care at covered affiliates. Although the Internal Process was provided to these individuals, some of them are unclear about their role and/or the requirements.</p> <ul style="list-style-type: none"> One individual was not aware that they had been designated to handle complaints for their school. One individual was not clear about relevant complaint types and which of the affiliated organizations were covered affiliates. (During the annual reporting process, this individual 	<p>The appropriate entity should be identified to provide additional training to ensure that all individuals designated to handle incoming complaints understand their responsibilities and how to identify relevant complaints.</p>	<p><u>Management response:</u> The Chief Patient Experience Officer will reinforce the procedures outlined in the Internal Process for Collecting and Responding to Concerns and Complaints for UCLA Health Covered Affiliates document with the designated individuals responsible for handling incoming complaints. Once available, the Chief Patient Experience Officer will also share a link to the covered affiliates agreement list to help them easily identify which entities are included.</p> <p><u>Observation owner:</u> Chief Patient Experience Officer.</p> <p><u>Expected completion date:</u> December 15, 2025.</p>

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	<p>provided all complaints about affiliated organizations to the UCLA Office of Legal Affairs. None of the complaints were applicable.)</p> <ul style="list-style-type: none"> ▪ A few individuals mentioned that they are aware of the covered affiliate parent organization names. However, because covered affiliate organization names often differ from that of the parent organization, it is unclear if the individuals receiving complaints could inadvertently miss a complaint. ▪ A few individuals did not indicate that they would report complaints about perceived impediments to accessing comprehensive reproductive health care, gender affirming services or end of life care to the Chief Executive Officer of UCLA Health in accordance with the Internal Process. ▪ For one school, the individual designated to receive complaints per the initial communications sent to trainees in December 2023 was not the complaint contact listed in the Internal Process document. <p>If the individuals designated to receive complaints do not understand their role and the requirements, relevant complaints may not be appropriately addressed. It is recognized that because the complaints procedure is new and no related complaints have been received, the individuals mentioned above may not recall information that was previously provided to them.</p>		

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	<p>Criteria: University of California Systemwide Policy, "Affiliations with Certain Health Care Organizations," Section F: Process for Collecting and Responding to Concerns and Complaints</p> <ol style="list-style-type: none"> 1. Each UCH location must identify for all of its Personnel and Trainees working at a Covered Affiliate a contact at the UCH location to whom they can reach out for assistance if they believe that their professional judgment or freedom to exercise any of the rights described in Section III.D.3 above, is being impeded in any way at the Covered Affiliate's facility. 2. Each UCH location must establish a formal process for patients of UCH Personnel receiving care at Covered Affiliate facilities to share concerns or complaints regarding access to Health Care Services or discrimination in the provision of such services. 3. Each UCH Clinical Location must identify an individual employed by the University and charged with reviewing and promptly resolving patient, Personnel, and Trainee concerns or complaints related to care received or provided through Covered Affiliates. Any concerns raised about perceived impediments to accessing comprehensive reproductive health care, gender-affirming services, or end-of-life care must be reported promptly to the UCH location's Chief Executive Officer or designee. 		
QUALITY MONITORING & REPORTING PROCESS			
<p>Audit work included the following:</p> <ul style="list-style-type: none"> ▪ Discussions with personnel from UCLA Health Quality and Patient Safety. ▪ Review of quality indicator data reported by UCLA in the UC Health Fiscal Year 2022-23 Report on Covered Affiliations and confirmation that data for all UCLA covered affiliates was included. ▪ Recalculation of % hospital Medi-Cal patient quality indicator. (It was not possible to recalculate the other quality indicators due to lack of historical data.) <p>The audit indicated that the appropriate quality indicator data relating to UCLA covered affiliates was reported for the UC Health Fiscal Year 2022-23 Report on Covered Affiliations. At the time of the audit, corrective action thresholds for quality indicators had not yet been established at the UC systemwide level.</p> <p>The observation identified is detailed below.</p>			
5.	<p><u>% Hospital Medi-Cal Quality Indicator</u></p> <p>One error was noted for the % Hospital Medi-Cal Patients quality indicator data reported by UCLA in</p>	<p>UCLA Health Quality and Patient Safety management should ensure that quality indicator</p>	<p><u>Management response:</u> The annual report is confirmed by a Quality Management Services staff</p>

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	<p>the UC Health Fiscal Year 2022-23 Report on Covered Affiliations. The data relating to one of the twelve covered affiliates included in the reporting was incorrect due to a calculation error.</p> <p>Prior to the submission of quality indicator data for fiscal year 2023-24, UCLA Health Quality and Patient Safety management modified the process such that the data is confirmed by an individual who did not prepare the data.</p> <p>Criteria: University of California Systemwide Policy, "Affiliations with Certain Health Care Organizations," Section C.2: Each UCH location must monitor the quality of care provided at a licensed hospital owned or operated by a Covered Affiliate related to services provided by UC Personnel or Trainees, consistent with existing system-wide quality guidelines for UCH affiliations generally.</p>	<p>data for future annual reports continues to be confirmed by an individual who did not prepare the data.</p>	<p>member who did not prepare the report. The process has been in place for the past two reports with independent confirmations occurring on April 11, 2024 and May 29, 2025. The most recent report was prepared by the Strategic Quality Improvement Director and confirmed by the Quality and Patient Safety Executive Director.</p> <p><u>Observation owner:</u> Quality and Patient Safety Executive Director.</p> <p><u>Date completed:</u> May 29, 2025. Evidence provided for A&AS validation.</p>

MANAGEMENT CORRECTIVE ACTIONS (FROM AUDIT PHASE 1)

Audit work included the following:

- Review of corrective actions for two observations relating to process documentation noted during the UCLA Health Interim Affiliations Audit (#23-1211) issued on November 3, 2023.

The audit indicated that corrective actions were completed by updating/creating the process documentation. There were no additional issues identified.