



March 12, 2026

TO: Legal Counsel

News Media

Salinas Californian

El Sol

Monterey County Herald

Monterey County Weekly

KION-TV

KSBW-TV/ABC Central Coast

KSMS/Entravision-TV

The next regular meeting of the **CORPORATE COMPLIANCE AND AUDIT - COMMITTEE OF THE WHOLE** of **SALINAS VALLEY HEALTH**¹ will be held **WEDNESDAY, MARCH 18, 2026, AT 12:00 P.M., DOWNING RESOURCE CENTER, CEO CONFERENCE ROOM 117, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA.**

(For Public Access Information Visit <https://www.salinasvalleyhealth.com/about-us/healthcare-district-information-reports/board-of-directors/board-committee-meetings-virtual-link/>.)

A handwritten signature in black ink, appearing to read "Allen Radner".

Allen Radner, MD
President/Chief Executive Officer



Committee Voting Members: **Joel Hernandez Laguna**, Chair, **Catherine Carson**, Vice Chair, **Allen Radner, MD**, President/CEO, **Gary Ray**, Chief Legal Officer, and **Alison Wilson, DO**, Medical Staff Chief of Staff

Advisory Non-Voting Members: Mike Nolan, Community Member, Sanjeev Tandon, Community Member

**CORPORATE COMPLIANCE AND AUDIT COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH¹**

**WEDNESDAY, MARCH 18, 2025, 12:00 P.M.
DOWNING RESOURCE CENTER, CEO CONFERENCE ROOM 117**

**Salinas Valley Health Medical Center
450 E. Romie Lane, Salinas, California**

(Visit SalinasValleyHealth.com/virtualboardmeeting for Public Access Information)

AGENDA

1. Call to Order / Roll Call
2. Public Comment

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board which are not otherwise covered under an item on this agenda.

3. Approval of Minutes from the Corporate Compliance and Audit Committee Meeting of November 12, 2025. (HERNANDEZ LAGUNA)
 - Motion/Second
 - Public Comment
 - Action by Committee/Roll Call Vote
4. Compliance & Audit Program Report (RAY/JAMES)
5. Workday Strategic Sourcing Overview (RAY/JAMES)
6. Adjournment

The Corporate Compliance and Audit Committee meets quarterly. The next meeting is scheduled for Wednesday, **June 17, 2026** at 12:00 p.m.

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

The Salinas Valley Health (SVH) Committee packet is available at the Committee Meeting, electronically at <https://www.salinasvalleyhealth.com/about-us/healthcare-district-information-reports/board-of-directors/meeting-agendas-packets/2026/>, and in the SVH Human Resources Department located at 611 Abbott Street, Suite 201, Salinas, California, 93901. All items appearing on the agenda are subject to action by the SVH Board.

Requests for a disability related modification or accommodation, including auxiliary aids or Spanish translation services, in order to attend or participate in-person at a meeting, need to be made to the Board Clerk during regular business hours at 831-759-3208 at least forty-eight (48) hours prior to the posted time for the meeting in order to enable the District to make reasonable accommodations.

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

CALL TO ORDER
ROLL CALL

(Chair to call the meeting to order)

PUBLIC COMMENT

DRAFT SALINAS VALLEY HEALTH¹
CORPORATE COMPLIANCE AND AUDIT COMMITTEE MEETING
COMMITTEE OF THE WHOLE
MEETING MINUTES NOVEMBER 12, 2025

Committee Member Attendance:

Voting Members Present: **Joel Hernandez Laguna**, Chair, **Allen Radner, M.D.**, President/CEO, and **Gary Ray**, CLO

Voting Members Absent: **Catherine Carson**, Vice-Chair and **Alison Wilson, D.O.**, Chief of Staff

Advisory Non-Voting Members Present:

In Person: Iftikhar Hussain, CFO, Mike Nolan, Subject Matter Expert

Via Teleconference: Clement Miller, COO, and Sanjeev Tandon, Subject Matter Expert

Other Board Members Present, Constituting Committee of the Whole: None

Dr. Radner left at 1:15 p.m.

1. CALL TO ORDER/ROLL CALL

A quorum was present and Chair Hernandez Laguna called the meeting to order at 12:06 p.m. at the Chief Medical Officer Conference Room.

2. PUBLIC COMMENT: None

3. APPROVAL OF MINUTES FROM THE CORPORATE COMPLIANCE AND AUDIT COMMITTEE MEETING OF JUNE 18, 2025.

Approve the minutes of the June 18, 2025 Corporate Compliance and Audit Committee meeting. The information was included in the Committee packet.

PUBLIC COMMENT: None

MOTION:

Upon motion by Committee member Dr. Radner, second by Committee member Ray, the minutes of the June 18, 2025 Corporate Compliance and Audit Committee Meeting were approved as presented.

ROLL CALL VOTE:

Ayes: Chair Hernandez Laguna, Dr. Radner, Ray;

Nays: None;

Abstentions: None;

Absent: Vice-Chair Carson, Dr. Wilson.

Motion Carried

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

4. REVIEW THE SCOPE OF AUDITS AND AUDIT PLANS

Iftikhar Hussain, CFO, and Kimberly Sokoloff, Katherine Djiauw and Cory Hoggan of Baker Tilly provided a comprehensive overview of the 2025 Scope of Audits and Audit Planning.

- **Audited Financial Statements for Salinas Valley Memorial Healthcare System:** The presentation included an overview of the scope of services, auditor opinions and reports, 2025 single audit, significant risks identified, communication with those charged with governance including an overview of accepted auditing and government standards, consolidated statements of net position, consolidated operations and additional reporting. No material weaknesses were noted. Nothing is needed to communicate regarding significant deficiencies and non-compliance.

COMMITTEE DISCUSSION: FEMA funding is part of the single audit and is awaiting compliance supplement release from the government. The audit can be approved subject to significant changes to the single audit. New accounting standards require a sick pay payout estimate which was accomplished. Transactions were clear and easy to follow throughout the audits. The SVH accounting team was commended for great work through the software transition. New GASB practices are expected. Current expected credit loss (CECL) reporting (a standard from FASB) is not expected for GASB.

- **Draft Audited Financial Statements for the Salinas Valley Memorial Healthcare District Employee's Pension Plan:** Cory Hoggan provided an overview of the scope of services, plan highlights (104% funded), areas of audit emphasis, and required communications. No audit issues or findings were found.

COMMITTEE DISCUSSION: There are no anticipated problem with the plan being over funded. Over funding only comes into play if the plan is terminated as the over funded amount is not retrievable. Best practice is for pension plans to be close to fully funded. The return on investment on this plan is about 12%. Investments are evaluated on a quarterly basis.

Full reports were included in the packet.

5. CLOSED SESSION

Chair Hernandez Laguna announced that the items to be discussed in Closed Session as listed on the posted Agenda are (1) Hearings and Reports. The meeting recessed into Closed Session under the Closed Session protocol at 1:02 p.m.

6. RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Committee reconvened Open Session at 1:20 p.m. Chair Hernandez Laguna reported that in Closed Session the Committee discussed (1) Hearings and Reports as listed on the agenda. No action was taken.

7. CONSIDER RECOMMENDATION FOR BOARD OF DIRECTORS APPROVAL OF THE YEARS ENDED 2025 AND 2024 DRAFT AUDITED FINANCIAL STATEMENTS FOR SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

PUBLIC COMMENT: None.

BOARD MEMBER DISCUSSION: Gary Ray, CLO, stated there was a quorum present at the beginning of the meeting and the remaining committee members are allowed to approve the recommendation to the Board of Directors.

MOTION:

Upon motion by Chair Hernandez Laguna, and second by Committee member Ray, consider recommendation for Board of Directors approval of the years ended 2025 and 2024 draft audited financial statements for Salinas Valley Memorial Healthcare System.

ROLL CALL VOTE:

Ayes: Chair Hernandez Laguna, Ray;

Nays: None;

Abstentions: None;

Absent: Vice-Chair Carson, Dr. Wilson and Dr. Radner.

Motion Carried

8. CONSIDER RECOMMENDATION FOR BOARD OF DIRECTORS APPROVAL OF THE YEARS ENDED 2024 AND 2023 DRAFT AUDITED FINANCIAL STATEMENTS FOR SALINAS VALLEY MEMORIAL HEALTHCARE DISTRICT EMPLOYEE’S PENSION PLAN.

PUBLIC COMMENT: None.

BOARD MEMBER DISCUSSION: None

MOTION:

Upon motion by Chair Hernandez Laguna, and second by Committee member Ray, consider recommendation for Board of Directors approval of the years ended 2024 and 2023 draft audited financial statements for Salinas Valley Memorial Healthcare District Employee’s Pension Plan.

ROLL CALL VOTE:

Ayes: Chair Hernandez Laguna, Ray;

Nays: None;

Abstentions: None;

Absent: Vice-Chair Carson, Dr. Wilson and Dr. Radner.

Motion Carried

9. ADJOURNMENT

There being no other business, the meeting adjourned at 1:23 p.m. The next Corporate Compliance & Audit Committee Meeting is scheduled for Wednesday, **March 18, 2026** at 12:00 p.m.

Joel Hernandez Laguna, Chair
Corporate Compliance and Audit Committee

Compliance & Audit Program Update

Corporate Compliance and Audit Committee



Annual Form 700 Cycle

As a government hospital, our leadership is required to annually file **Form 700**, also known as the **Statement of Economic Interests**. This form is mandated by the **California Fair Political Practices Commission (FPPC)** and is designed to promote transparency and prevent conflicts of interest by requiring public officials to disclose their financial interests. This includes assets, income, and gifts that could potentially influence their decision-making in their official roles.

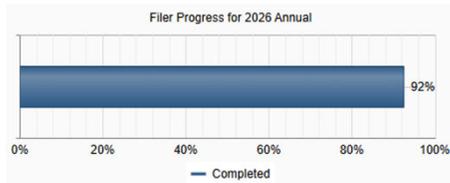
As this board is aware, the disclosures for the period January 1, 2025 through December 31, 2025 are due on April 1, 2026.

C&A UPDATE

Annual Form 700 Cycle

Salinas Valley Health board representation and leadership has historically been successful in completing all necessary filings on a timely basis.

As of March 11, 2026, we had 92% completion with 21 days left before the deadline.



The Salinas Valley Health Compliance Program is grateful to leadership – and especially new leadership – for helping to maintain these excellent statistics.

C&A UPDATE

TJC Requirement for Contract Evaluation

The Joint Commission Leadership (LD) standards state that contracts for the “provision of care, treatment, and services provided to the hospital’s patients” must be periodically evaluated.

Our new contracts system, Workday Strategic Sourcing (WSS) allows us to integrate an evaluation survey directly within the relevant contract record.

Survey results can then be extracted and shared with the relevant teams to ensure appropriate action is taken wherever a contract may not be meeting applicable contractual and quality standards.

C&A UPDATE

TJC Requirement for Contract Evaluation

Contracts is working closely with Brenda Inman, Vice President of Quality and Risk Management, to prepare the survey questions and conduct outreach to department leadership with so-called “direct service” agreements within their area to prepare them for utilizing the new survey system.

Once leadership throughout Salinas Valley Health is familiar with the new survey functionality, we will be well-positioned to conduct these surveys easily on an annual basis, ensuring we pro-actively address any issues that may arise.

C&A UPDATE

Physician Payment Assignment Audit Plan

SVH contracts with individual physicians and physician groups for professional services. In some instances, individual physicians prefer to assign payment resulting from their individual contracts to a professional medical corporation.

Example: A local physician (John Doe, MD) provides occasional ED Call panel coverage. The local physician signs the ED Call agreement, but opts to assign payment of the resulting stipend to their professional medical corporation (John Doe, MD, PC).

This practice is permitted under the law, but can introduce regulatory risk where assignment is improperly made to a corporation that does not qualify as a professional medical corporation.

C&A UPDATE

Physician Payment Assignment Audit Plan

Because several departments within SVH manage payments to contracted physicians, our audit plan needs to encompass all sources:

- SVHMC Medical Staff Office
- SVH Physician and Business Development
- SVH Accounts Payable
- Cypress Healthcare Partners

Our new contract management system, Workday Strategic Sourcing (“WSS”) allows for central storage and management of all contracts and has functionality to facilitate this broad-scope review.

C&A UPDATE

Physician Payment Assignment Audit Plan

Processes and controls associated with physician payments will be evaluated using the following criteria:

Results	Description
Effective Controls	Controls were evaluated and found to be effective.
Improvement Needed – Design	Controls are not in place or not designed effectively to reduce the inherent risk in the process.
Improvement Needed – Operations	Controls are in place but not followed or not effective to reduce the inherent risk in the process.

Upon completion of the findings and appropriate resolution, an audit report detailing the outcome and recommendation for improved processes to address issues identified will be provided to SVH Corporate Compliance and Audit Committee.

C&A UPDATE

This concludes our Compliance & Audit Program update.



Workday Strategic Sourcing Overview

Corporate Compliance and Audit Committee



Workday Strategic Sourcing (“WSS”)

In preparation for the Epic go-live, SVH also worked to implement new Workday functionality across several divisions, including Finance, Supply Chain, and Contracts.

The contract management module within Workday is referred to as WSS and allowed us to transition away from our previous legacy management product, MediTract.

WSS offers many new areas of functionality that have increased our ability to track, manage, and query contracts in ways not previously available to us.

WSS

Workday Strategic Sourcing (“WSS”)

- Contract request intake forms customized to the requested contract type

SUPPLIER & CONTRACTS REQUESTS

What do I Need?	Details	Actions
Supply Chain Contract	Supply chain contracts include supplies/disposables (pricing, consignment, or rebate agreements), as well as contracts for equipment maintenance, extended warranty, hardware trials, or rentals.	Request Supply Chain Contract
Capital Contract	Request a contract for a purchase related to capital.	Request a Capital Contract
Physician Contract	Request a contract with a physician or medical group.	Request Physician Contract
General Expense Contract	Request a contract for a purchase that does not involve capital, supply chain, or physician services.	Request General Expense Contract
Income or No Cost Contract	Request a contract that does not involve any expense to Salinas Valley Health.	Request an Income or No Cost Contract
Request Amendment to Existing Contract	Request an amendment, addendum, work order/SOW, or revision to an existing contract.	Request Amendment

WSS

Workday Strategic Sourcing (“WSS”)

- Visibility for contract request status prior to execution

CONTRACT STATUS ▲	AUTORENEWAL ▲	START DATE ▼	END DATE ▲
In Progress - Internal Review	No	6/1/2026	5/31/2028
In Progress - Out for Signature	No	5/18/2026	11/1/2026

- On-demand upcoming expiration/rollover data for 30, 60, and 90 day windows

📅 Ending: 30 days	87
📅 Ending: 60 days	75
📅 Ending: 90 days	69

WSS

Workday Strategic Sourcing (“WSS”)

- Ability to link Accounts Payable spend with Vendor contract record

WD SUPPLIER STATUS	SUPPLIER STATUS		
ACTIVE	APPROVED		
SPEND DETAILS			
PO AMOUNT	INVOICED PO AMOUNT	NON-PO INVOICED AMOUNT	TOTAL INVOICED AMOUNT
\$ 103,519.46	\$ 103,519.45	\$ 0.00	\$ 103,519.45

- Advanced search capabilities within text contained in uploaded documents

HOME NAVIGATE SUPPORT SETTINGS

Enables advanced search mode. It allows to search in attachments, shows related contracts and matched fields.

Advanced search off FILTERS MILESTONES

WSS

Workday Strategic Sourcing (“WSS”)

- Ability to create and apply custom field tracking by contract type

- Customize Contracts
 - General Settings
 - Manage Contract Types
 - Manage Contract Reaso...
 - General Contract - Inco...
 - Physician Contract
 - Capital Contracts
 - Supply Chain Contracts
 - General Contracts - Exp...

- Custom reporting on contract data sets including any custom field created

laboratory testing (Vizient GPO EULA LB0593)	01.7060 Laboratory, 01.8420 Purchasing, 01.8537 Managed Care Contracting	BY CONTRACTED SERVICES EVALUATION
provide certain laboratory services	01.7060 Laboratory	Direct X X
non-physician professional personnel to perform inpatient acute dialysis s...	01.7190 Dialysis, 01.8537 Managed Care Contracting, 01.8720 Nursing Administration	
in services assessment for our Diverseit	01.7160 Nuclear Medicine	

WSS

Workday Strategic Sourcing (“WSS”)

- Needs Attention flags to drive leadership attention towards relevant contracts

In progress 0

Needs attention 3

NEEDS ATTENTION 3

BULK UPDATE

ID #	TYPE	TITLE
2051	EXP	Pest Control Services
3511	EXP	Retail Independent Pharma...
1786	EXP	Starbucks License Store Ag...

- Team Chat functionality to capture record of group communication w/r/t each contract

ID #1786 CONTRACT STATUS Active TEAM CHAT

TEAM CHAT

@All Stakeholders use the Team Chat to post notes and attachments to your team, or @ mention stakeholders to delegate tasks.

NJ Natalie James (Yo... 3/11/2026 at 1:38 PM)

@Yesenia Soto This contract is approaching expiration, have we heard from the vendor re: renewal or should we reach out to request an extension document?

Posted on Planner contract

WSS

This concludes our Workday Strategic Sourcing Overview.



Audit Plan Presentation

Subject: Physician Payment Assignment Audit Plan

Presenters Gary Ray, JD, Chief Legal Officer
Natalie Ann James, JD, Director of Contracts & Compliance

Date: March 10, 2026

Executive Summary

In accordance with the Risk-Based Audit Program in place at Salinas Valley Health (“SVH”), the Contracts and Compliance Department proposes to audit compensation payments to physicians in those cases where the physician has assigned payments to the physician’s professional corporation. The objectives of the audit are to provide reasonable assurance regarding:

- Compliance with federal and state laws related to payment where payments made by SVH to a physician for professional medical services are assigned by the physician to an alternate entity; and
- Where such an assignment has occurred, proper documentation has been reviewed and approved.

The scope of this audit review will include:

- Identification of full the scope of payment avenues within SVH whereby payment is made to physicians and the opportunity for assignment is present;
- Auditing of payment recipients relative to the contracted entity for services to capture all instances of assignment; and
- Where assignment has been identified, audit of to determine if proper documentation has been reviewed and/or appropriate assignment documentation is on file.

Processes and controls associated with physician payments will be evaluated using the following criteria:

Results	Description
Effective Controls	Controls were evaluated and found to be effective.
Improvement Needed – Design	Controls are not in place or not designed effectively to reduce the inherent risk in the process.
Improvement Needed – Operations	Controls are in place but not followed or not effective to reduce the inherent risk in the process.

Action plans will be determined based on the outcome of the proposed audit plan. Compliance & Contracts will follow up on actions recommended and obtain documentation as appropriate to address risks or issues identified within the resulting audit report. Issues will be considered closed once documentation addressing each issue are on file.

Relevant Law

Under California’s Corporate Practice of Medicine doctrine, only a properly formed Professional Medical Corporation may receive compensation for the practice of medicine. Generally speaking, a Professional Medical Corporation must be owned and controlled by licensed physicians. Where payment for professional services is made to a corporation that is not a Professional Medical Corporation, there is major regulatory risk that there may be a finding that the corporation is improperly practicing medicine without a license or otherwise exercising control over the physician’s professional judgment. In addition to the regulatory structure for payment governed by the prohibition on the corporate practice of medicine, regulators of federal Stark and Anti-Kickback laws are more likely to view payment arrangements as prohibited inducement structures where the payments being made benefit non-physician owners of the recipient corporation.

Audit Plan

Within SVH, several departments manage payments to contracted physicians.

- SVHMC Medical Staff Office/SVH Accounts Payable
- SVH Physician and Business Development (Cypress and SVH Accounts Payable)
- Cypress Healthcare Partners (Contract Practice Management)

Contracts related to payments made by all departments are managed centrally within the new contracts management system recently implemented by SVH called Workday Strategic Sourcing (“WSS”).

Each identified department will provide a list of payees within which we can then identify instances where the payment recipient is not an individual physician. Once these instances have been catalogued, an audit of the contract record within WSS will allow us to identify instances where appropriate documentation relative to the assignment has been made. Additional due diligence relative to the corporate information of the recipient corporation will allow us to identify instances where assignment may be occurring with a corporation which does not qualify as a Professional Medical Corporation.

Upon completion of the findings and appropriate resolution, an audit report detailing the outcome and recommendation for improved processes to address issues identified will be provided to SVH Corporate Compliance and Audit Committee.

ADJOURNMENT