



Healthcare Industry: Emerging Issues Around Tax, Compliance, IT & Risk Management

macpas.com

Our Team



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Firm Overview

Helping You Thrive! **McKonly & Asbury**

M&A is a team of CPAs and Business Advisors serving clients from our offices in Camp Hill, Lancaster, Bloomsburg, and Philadelphia.



Services Provided

- Advisory & Business Consulting
- Audit & Assurance
- Tax
- Entrepreneurial Support & Outsourced Accounting
- SOC & Technology Consulting

Industries Served

- Affordable Housing
- Architecture, Engineering, and Construction (AEC)
- Entrepreneurial
- Family-owned Business
- Franchises
- Healthcare
- Manufacturing & Distribution
- Nonprofit
- Public Companies

Healthcare Industry: Emerging Issues

Tax Hot Topics – Lindsey Haney, Director

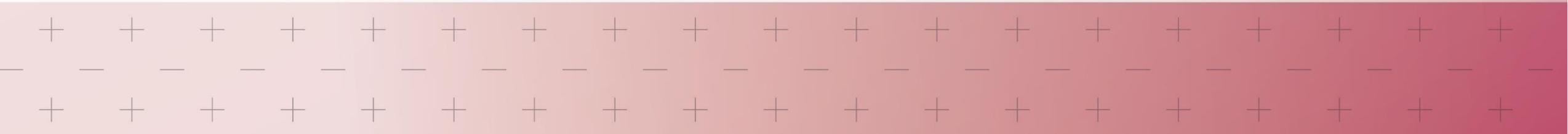
Healthcare Risks & Internal Audit – Elaine Nissley, Director

IT Concerns – Dave Hammarberg, Partner

Q&A



Healthcare Tax Hot Topics



Healthcare Tax Hot Topics

For-Profit Entities

- **Structure**
- **Acquisitions and Merger Activity – the importance of structure**
- **Private Letter Rulings**
- **Due Diligence**
- **State Nexus analysis and requirements**

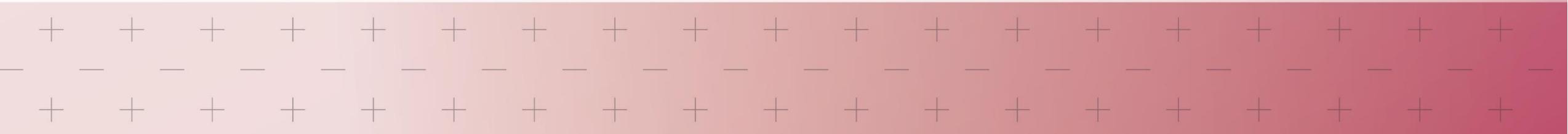
Healthcare Tax Hot Topics

Not-For-Profit Entities

- **UBIT – Unrelated Business Income Taxes**
- **Sales and Use Taxes**
- **Unclaimed Property**



Healthcare Risks & Internal Audit



Objectives

Explore Healthcare Risks & Challenges

- **Cybersecurity & IT Governance**
- **Financial Integrity**
- **Fraud Management**
- **Third-Party Risk Management**
- **Human Resources**
- **Revenue Cycle**

Discuss Proactive Internal Audit Value Adds

Current Healthcare Challenges

December 2024 Protiviti Study Top Ten Healthcare Challenges

- **Cybersecurity**
- **User Account Management**
- **Fraud Management, Prevention & Detection**
- **IT Governance**
- **Joint Venture & 3rd Party Risk Management**
- **Accounts Payable**
- **Finance & Accounting**
- **Employee Time, Expense Reporting & Payroll**
- **HR, Benefits, Compensation & Workforce Challenges**
- **Charge Capture & Reconciliation**

[Internal audit plan priorities for healthcare organizations | Protiviti United States](#)

Top Internal Audits

December 2024 Protiviti Study Top Audits

- **75% - Cybersecurity is the top-ranked Internal Audit priority for healthcare**
- **36% - Performed a risk assessment on a more frequent than annual basis**
- **57% - Co-sourced with a strategic partner or third-party vendor to execute IT audits**
- **52% - Included a component of fraud in audits**

Key IT Audits

- **Cybersecurity**
- **Account Management**
- **IT Governance**

Cybersecurity

- **Business Resiliency**
- **Penetration Testing & Vulnerability Management**
- **Incident Response**
- **Social Engineering Awareness**
- **Control Consistency**

Account Management

- Operational Effectiveness of Basic Practices
- User Access Reviews
- Privileged Access Reviews

IT Governance

- Strategic Alignment
- Value Delivery
- Risk Management
- Performance Measurement
- IT Policies & Procedures
- Compliance Checks

Key Financial Integrity Audits

- **Accounts Payable**
- **Finance & Accounting**
- **Employee Time and Expense Reporting & Payroll**

Accounts Payable

- Segregation of duties (SOD) related to vendor creation, invoicing, and payment processing
- Governance controls around vendor master setup
- Accurate accounts payable accrual processes and policies

Finance & Accounting

- Revenue Recognition
- Operational Costs
- Data Integrity
- Regulatory Compliance
 - Sarbanes-Oxley 404
 - Model Audit Rule

Fraud Management

- Accuracy & Reliability of Financial Reporting
- Compliance with Laws and Regulations
- Effectiveness of Internal Controls
- Protection of Assets

Third-Party Risk Management

- **Business Impact Analysis**
- **Inventory of Third-Parties**
- **Vendor Risk Assessment**
- **Business Continuity Plans**



Healthcare IT Concerns



Healthcare IT Concerns

- Third Party Risk Assessment
- Self Attestation
- SOC Audits
- HiTrust
- HIPAA Compliance Audits

Healthcare IT Concerns

- **What is the focus of the Board? Why has this changed?**
- **Is self-attestation sufficient? When should you seek assistance?**
- **What is changing with HIPAA Compliance?**
- **What are you seeing as the most effective way to mitigate risk in IT?**
- **Business Associate versus Covered Entity?**

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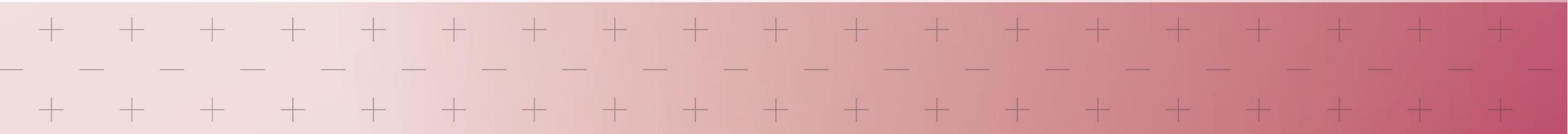
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Upcoming Events



February 27 Webinar



**SOX: Are You Still
Testing Too Many
Controls**

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