



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

[macpas.com](http://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.



**BEST PLACES**  
to work in **PA** 2024

## 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 & 3<sup>rd</sup> 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?

# Q&A



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# Upcoming Events



# February 27 Webinar



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

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