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BARBARA J. SCHOTT, C.P.A.
HARRIS COUNTY AUDITOR

September 19, 2013

Mr. David Lopez
President and Chief Executive Officer
2525 Holly Hall
Houston, Texas 77054

Dear Mr. Lopez:

The purpose of this letter is to inform you that we have completed procedures regarding the Harris Health System Pharmaceutical Pricing Controls engagement as of July 31, 2012. Our procedures were performed to evaluate the Harris Health System Pharmacy's progress in implementing an outside consultant's recommendations for retention of pharmaceutical pricing information.

Consistent with our Internal Audit Charter, and the responsibilities of the Harris Health System's Corporate Compliance Department, we communicated issues and recommendations identified during the engagement that were related to compliance with the statutory and regulatory rules/regulations for Medicare/Medicaid to the Corporate Compliance Officer for additional investigation and final resolution. The Corporate Compliance Officer informed us that the issues and recommendations communicated were treated in accordance with the Harris Health System's policies and procedures including reporting them to regulatory authorities and to the Harris Health System Corporate Compliance Committee (Committee).

Based upon guidance provided by the County Attorney's Office, the issues and recommendations communicated by the Corporate Compliance Officer to the Committee members in executive session are considered confidential pursuant to Section 161.032 (b) and (c) of the Texas Health and Safety Code. Confidential information includes records, information, or reports provided to the Board of Managers from the District's Compliance Officer in a closed meeting under Section 161.032(b)(2). Section 161.032(c) specifically provides that such records, information or reports are not subject to disclosure under Chapter 552 of the Texas Government Code. The distribution of information considered confidential under the terms of the Texas Public Information Act is also prohibited pursuant to Section 552.352 of the Texas Government Code. Pursuant to such guidance and in accordance with state statutes, any information regarding the issues and recommendations referenced above are deemed confidential and cannot be disclosed.

Mr. David Lopez
President and Chief Executive Officer

No issues and recommendations other than those communicated to the Corporate Compliance Officer were identified during the engagement, and therefore no Auditor's Report will be issued.

Should you have any questions regarding this engagement, please call me or Mark Ledman, Director of Audit Services at 713-755-3441.

Sincerely,



Barbara J. Schott
County Auditor

cc: Harris Health System Board of Managers
District Judges
County Judge Ed Emmett
Commissioners:
 R. Jack Cagle
 El Franco Lee
 Jack Morman
 Steve Radack
Belinda Hill
Vince Ryan
William J. Jackson