



MINUTES

**Southern Nevada District Board of Health Meeting
Finance Committee Meeting
December 11, 2019 - 2:00 p.m.
Southern Nevada Health District, 280 S. Decatur Blvd., Las Vegas, Nevada 89107
Lake Mead Trail Conference Room**

Members Present Olivia Diaz, Council Member – City of Las Vegas
Marilyn Kirkpatrick – Commissioner, Clark County (*arrived 2:13 p.m.*)
Brian Knudsen – Council Member – City of Las Vegas
Scott Nielson, Chair – At-Large Member, Gaming

Members Absent Dan Stewart – Council Member, City of Henderson

**ALSO PRESENT:
(In Audience)**

LEGAL COUNSEL: Annette Bradley, General Counsel

EXECUTIVE SECRETARY: Fermin Leguen, MD, MPH, Acting Chief Health Officer

STAFF: Heather Anderson-Fintak, Ernest Blazzard, Michelle Cintron, Jacquelyn Raiche-Curl, Amy Hagan, Michael Jonson, Suzanne Luchs, Christopher Saxton, Jennifer Sizemore, Jacqueline Wells

I. CALL TO ORDER

Chair Nielson called the Southern Nevada District Board of Health Finance Committee meeting to order at 2:09 p.m.

II. PUBLIC COMMENT: A period devoted to comments by the general public about those items appearing on the agenda. Comments will be limited to five (5) minutes per speaker. Please step up to the speaker's podium, clearly state your name and spell your last name for the record. If any member of the Board wishes to extend the length of a presentation, this may be done by the Chairman or the Board by majority vote.

Seeing no one, this portion of the meeting was closed.

III. ADOPTION OF THE DECEMBER 11, 2019 AGENDA (for possible action)

A motion was made by Member Diaz seconded by Member Knudsen and unanimously carried to adopt the December 11, 2019 Agenda as presented.

IV. REPORT / DISCUSSION/ ACTION:

1. Approval of Finance Committee Meeting Minutes – October 30, 2019; direct staff accordingly or take other action as deemed necessary (***for possible action***)

A motion was made by Member Knudsen seconded by Member Diaz and unanimously carried to approve the October 30, 2019 Meeting Minutes as presented.

2. [Review and Discuss Audit and Approve Recommendations to Board of Health on December 19, 2019](#); direct staff accordingly or take other action as deemed necessary (**for possible action**)

Prior to introducing the audit team, Ernest Blazzard, Chief Financial Officer, explained there had been a delay in the implementation of the electronic health records system. During the conversion to the electronic system, it was determined there were discrepancies in reports generated by the system. The errors were complex and impacted the overall revenue stream. As a result, an action plan was developed to correct the errors, and it was submitted to the auditors with the financial report. **(Attachment 1)**

Tami Miramontes, Eide Bailly, stated an unmodified opinion was issued over the draft financial statements report. In addition to the report on financial statements, there were two other reports in accordance with government auditing standards, which focuses on internal controls over financial reporting as well as noncompliance with laws, regulations and grants. There weren't any findings to be reported with material noncompliance.

Ms. Miramontes referenced pages 57-58 of the draft report and noted material weakness was identified with financial reporting related to implementation of the billing system. She noted internal controls issues are to be resolved going forward. The final report related to the federal money received and the Health District spent \$16.2M in federal money, detailed in the schedule of expenditures for federal awards on pages 62-68. Major programs were identified, based on a dollar threshold, and an opinion was rendered on compliance. The programs tested were the Public Health Emergency Preparedness, Family Planning Services, National Bioterrorism, and HIV Prevention. Ms. Miramontes reported noncompliance was not identified; however, there were some deficiencies in internal control while clarifying this was not as extraneous as a material weakness.

Richard Walker, Eide Bailly, discussed the two deficiencies, located in Section II of the Financial Statement Findings:

Finding 2019-001 – Material weakness in clinical medical revenue and receivables recognition, which relates to the medical billing issue. All government entities are to have controls for all billing, revenues and receivables to be properly reconciled and billed in a timely manner at the end of each period. Mr. Walker reported there were significant delays in some of the final billings and reconciliations, and the estimates and allowances were not able to be calculated until late in November. The cause was a combination of implementing the new software and changing the billing clearinghouse at the same time.

Member Kirkpatrick inquired about the billing total. Mr. Walker referred to page 14 of the report and referenced the deferred inflow number of \$213K, which is the net total of the gross charges less the estimate of what would be uncollectable based on third party payer remittance rates. Mr. Blazzard added the billing total was approximately \$800K.

Ms. Miramontes reiterated out of the \$800K, it was expected \$213K would be collected. The total was illustrated in this manner because the amount had not been collected 60 days of year end and according to government auditing standards the entire picture is to be presented. She added the majority of this will not be on next year's audit because as the system is operational it will show as receivable.

Member Nelson recommended presenting the clinical revenue and receivables separately in order to see what's uncollectable. Mr. Blazzard agreed to do a breakdown of these items. Member Nelson referred to the recommendation on page 72 for management to review and modify policies and procedures. Ms. Miramontes added a corrective action plan is to be

implemented along with the recommendation. Mr. Blazzard reported training will be added at each level of the data entry process and adoption of plan is to be implemented within two weeks. Ms. Miramontes remarked as part of the submission to the federal audit clearinghouse, it is required for the corrective action plan to be submitted with the financial statements and data collection forms.

Finding 2019-002 – Single audit related finding over the federal expenditures. Mr. Walker reported technically this has been a repeat finding; however, it has been in the process of being corrected throughout the year. It specifically relates to procurement, suspension and debarment. It was identified the Health District's Procurement Policy was not up to date or in compliance with Uniform Guidance, although it was in the process of being finalized and approved at the time of the audit.

Ms. Miramontes reported there were a couple of audit adjustments proposed which were required to be made. Those numbers were related to e-Clinical medical unbilled revenue which is \$806K and allowance of \$593K with \$213K amount deemed to be collectible. The other audit adjustment was related to compensated absences, which was an overstatement. \$98K was proposed and corrected as there was an over accrual of compensated absences for Dr. Iser.

A motion was made by Member Knudsen seconded by Member Kirkpatrick and unanimously carried to move recommendations forward to Board of Health on December 19, 2019.

- V. **PUBLIC COMMENT:** A period devoted to comments by the general public, if any, and discussion of those comments, about matters relevant to the Board's jurisdiction will be held. No action may be taken upon a matter raised under this item of this Agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to NRS 241.020. Comments will be limited to five (5) minutes per speaker. Please step up to the speaker's podium, clearly state your name and spell your last name for the record. If any member of the Board wishes to extend the length of a presentation, this may be done by the Chairman or the Board by majority vote.

Seeing no one, the Chair closed this portion of the meeting.

XI. **ADJOURNMENT**

The Chair adjourned the meeting at 2:49 p.m.

Fermin Leguen, MD, MPH
Acting Chief Health Officer/Executive Secretary

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