



Audit Department

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Angela M. Darragh, CPA, CFE, CISA, Director



August 30, 2012

Mr. Don Burnette
Clark County Manager
500 South Grand Central Parkway, 6th Floor
Las Vegas, Nevada 89106

Dear Mr. Burnette:

Pursuant to Audit Department policy, a follow-up was performed on significant findings from the Neonatal Intensive Care Contract audit. This follow-up letter should be read in conjunction with the original audit. The follow-up procedures included interviews with responsible parties and an examination of related documentation. This engagement does not represent a complete re-examination of the Neonatal Intensive Care Contract audit.

As part of our follow up, we compiled corrective actions taken from affected UMC management, assessed whether these actions were adequate in correcting reported deficiencies, and reported those findings to management. It is the UMC management's responsibility to determine if any action should be taken in response to reported audit findings and to assume any risk associated with not correcting a reported condition because of cost or other consideration.

The results of our follow-up review showed that UMC management addressed all findings by utilizing an alternative method. Sheridan Children's Healthcare Services of Nevada held the Neonatal contract through April 30, 2012. On May 1, 2012, Sheridan's Neonatologists became UMC employees and UMC assumed the billing duties for the physicians. As a result, updated patient billing information should no longer be a problem. UMC is also conducting a feasibility study to improve the Maternal and Child Service areas in the hospital.

The assistance and cooperation of hospital staff is recognized and appreciated.

Sincerely,

/s/ Angela M. Darragh

Angela M. Darragh, CPA
Audit Director



Findings, Recommendations, and Corrective Actions Status
 As of June 18, 2012

Original Report Issuance Date: June 13, 2011

Summary Audit Findings & Recommendations			Summary Management Response		Summary Status		
Ref	Finding	Recommendation(s)	Concurrence	Corrective Action Status	Implemented	Not Implemented	Other
1 Missed Reimbursements							
	Sheridan missed some opportunities for reimbursement due to not identifying patients who became eligible for Medicaid after discharge.	Sheridan obtain access to UMC's Clinical Suites application, have a billing person on site, and add UMC's account number to their accounts so they can follow any changes for billing purposes.	Y	The contract with Sheridan was terminated on April 30, 2012 and the Neonatologists from Sheridan became UMC employees. As a result, UMC's Patient Financial Services will bill for the professional component and will have access to patients who become Medicaid eligible after discharge.			✓
2 Reimbursement Rate and Payer Mix							
	The reimbursement rate and payer mix is not conducive for Sheridan to make a profit with this contract.	Sheridan obtain access to UMC's Clinical Suites application, have a billing person on site, and add UMC's account number to their accounts so they can follow any changes for billing purposes.	Y	UMC is conducting a feasibility study on the 6th and 7th floors in an effort to improve the Maternal Child Services floors. This should help to attract more patients along with an improved payer mix.			✓
3 Decline in Patient Census							
	A decline in patient volume since Sheridan took over contributed to Sheridan's inability to cover expenses.	UMC Administration continue with their efforts to improve the Maternal Child Services at the hospital.	Y	See Above			✓