



Report Highlights

Louisiana State University Health Sciences Center in Shreveport

Louisiana State University System

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Audit Control #80140046
Financial Audit Services • November 2014

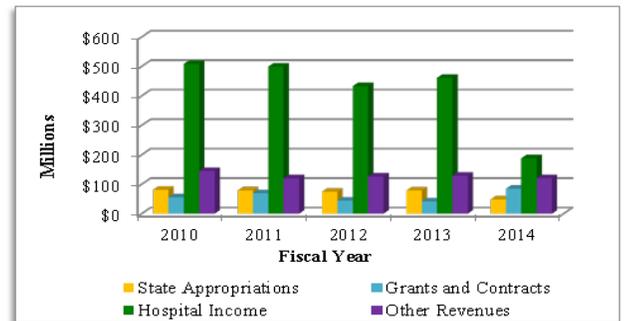
Why We Conducted This Audit

We performed certain audit procedures at Louisiana State University Health Sciences Center in Shreveport (Center) as a part of the Louisiana State University System audit and the Single Audit of the State of Louisiana, and to evaluate its accountability over public funds for the period July 1, 2013 through June 30, 2014.

What We Found

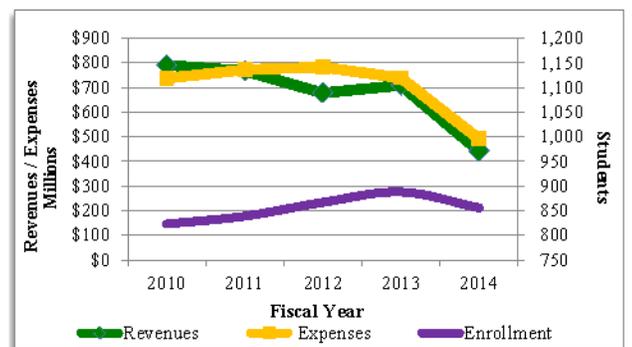
- Financial information relating to the following accounts was materially correct: cash and cash equivalents, receivables, due to/from state treasury, accounts payable and accrued liabilities, net position, nongovernmental grants and contracts revenues, sales and services of educational departments revenues, hospital income, hospital expenses, and educational and general expenses.
- Internal control for those accounts was adequate for the period examined.
- As part of the state of Louisiana’s privatization initiatives, the Center’s primary Shreveport hospital and E.A. Conway Medical Center in Monroe were privatized on October 1, 2013. The Center’s remaining hospital, Huey P. Long Medical Center in Pineville, was privatized effective July 1, 2014. The Center continues to operate its medical school and has multiple relationships with clinical partners where appropriate in extending the mission of the school.
- In analyzing financial trends of the Center over the past five years, total expenses remained fairly consistent while hospital income fluctuated slightly from 2010 to 2013 due to changes in Medicare and Medicaid reimbursement rates and methodologies. Total expenses and revenues decreased drastically in 2014 due to the privatization two of the Center’s three hospitals. Since the privatization, grants and contracts revenues have increased over 50% due to the terms of new agreements entered into as part of the privatization process.

Five-Year Revenue Trend



Source: Fiscal years 2010-2014 LSU Health Sciences Center in Shreveport’s financial statements

Fiscal/Enrollment Trends



Source: Fiscal years 2010-2014 LSU Health Sciences Center in Shreveport’s financial statements; LA Board of Regents website