



State of Nevada  
Department of Administration  
Division of Internal Audits

**Approved Minutes**

**From the Executive Branch Audit  
Committee Meeting  
March 31, 2015**

**STATE OF NEVADA  
EXECUTIVE BRANCH AUDIT COMMITTEE MEETING**

**Approved Minutes**

**March 31, 2015**

The Meeting of the Executive Branch Audit Committee was held on March 31, 2015 at the Capitol Building Annex, Guinn Room, Second Floor, 101 N. Carson Street, Carson City, Nevada. The meeting was video conferenced between the Capitol Building Annex and the Grant Sawyer State Office Building, Governor's Office, 555 East Washington Avenue, Las Vegas, Nevada.

**MEMBERS PRESENT:**

Governor, Brian Sandoval, Chairperson

Lieutenant Governor, Mark Hutchison

Secretary of State, Barbara Cegavske

Treasurer, Dan Schwartz

Controller, Ron Knecht

Attorney General, Adam Paul Laxalt

Trudy L. Cross, CPA, Public Member

**DIVISION OF INTERNAL AUDITS  
STAFF PRESENT:**

Administrator, Steve Weinberger  
Executive Branch Audit Manager, Warren Lowman  
Executive Branch Audit Manager, Vita Ozoude  
Executive Branch Auditor, Jeff Landerfelt  
Executive Branch Auditor, Lynnette Pagaling  
Executive Branch Auditor, Ashwini Prasad  
Executive Branch Auditor, Dennis Stoddard  
Financial Manager, Lori Hoover  
Deputy Attorney General, Jennifer Chisel  
Administrative Assistant, Connie Boynton

**OTHERS PRESENT:**

Copy of sign-in sheet available, contact Connie Boynton, administrative assistant IV at [cboynton@admin.nv.gov](mailto:cboynton@admin.nv.gov).

The agenda for this meeting was posted in accordance with the Nevada Open Meeting Law and was mailed to groups and individuals as requested.

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**A. Call to Order**

Chair, Governor Brian Sandoval, called the meeting to order and welcomed those present. He stated that everyone was present.

**B. Public Comments**

Governor Sandoval addressed the public for comments in Carson City and Las Vegas.

There were none.

**C. For Possible Action – Approval of the December 10, 2014, Executive Branch Audit Committee Meeting Minutes.**

Governor Sandoval noted he reviewed the minutes and stated they accurately reflected the meeting.

Ms. Cross noted that Lieutenant Governor Krolicki was in fact present in Carson City, and not Las Vegas.

It was also noted that Attorney General Masto was present in Carson City and not Las Vegas.

**Motion:** Move for approval of the minutes of the December 10, 2014 meeting with the correction of two members who were present in Carson City.

**By:** Ms. Cross

**Second:** Governor Sandoval

**Abstention:** Members Hutchison, Cegavske, Schwartz, Knecht, Laxalt

**Vote:** Motion passed two to zero with other members abstaining.

**D. Presentation regarding ongoing follow-ups requested by the Committee. (Tab 3)**

**1. Department of Health and Human Services Report No. 10-06 – Division of Public and Behavioral Health (Division of Mental Health and Developmental Services), Doctor Attendance – Warren Lowman, Executive Branch Audit Manager.**

Mr. Warren Lowman stated that Tracey Green from the Department of Health and Human Services could not attend due to a schedule conflict. He stated at the June 13, 2011 meeting they were directed to report on the status of ongoing efforts to monitor doctor attendance at Rawson-Neal Hospital. He explained that during the most recent review period, fourth quarter of fiscal year 2014 and the first quarter of fiscal year 2015, doctors worked on average seven hours and 52 minutes of an eight-hour day in the hospital in-patient units and nine hours and 25 minutes of a 10-hour day in the patient observation unit. He noted this was up to 96 percent from 94 percent in the previous report period. He stated that actions implemented since January 2012 have improved and sustained doctor attendance at work. He noted that Health and Human Services Director Mr. Richard Whitley, Dr. Green, and the division leadership team take the issue seriously and implemented a system that identifies attendance problems quickly which in turn allows them to address issues as they occur. He recommended that the division continue its monitoring efforts to ensure doctor attendance. He thanked Director Whitley and Dr. Green for their help during the review.

This concluded his update.

Governor Sandoval inquired about the eight minutes missing from the eight-hour workday. Mr. Lowman stated they adjusted primarily for lunch hours, which were not tracked. He said the division tracked periods of questionable attendance longer than two hours and he focused this time down to 90 minutes and found that sometimes lunch hours ran a little long.

Governor Sandoval explained to the other members a little bit of background on the attendance issue at Rawson-Neal Hospital and also thanked Director Whitley and Dr. Green for the new system, attendance improvement and its maintenance.

Controller Knecht also stated how important the attendance improvement and maintenance was for patients. He questioned the bar graph on page three. He asked, for example, during a 10-hour workday if 10 hours was the maximum goal, or an expected value which would run over or under due to patient care.

Mr. Weinberger answered that the majority of the medical staff are exempt so they do not have an assigned schedule, but rather, have an equivalent workload. He stated that the staff is expected to at least put in a 40 hour workweek, the hours they are being paid for.

Controller Knecht agreed with the assessment and stated he would expect the hours to be statistical rather than a limit.

Mr. Weinberger also stated they try to have a fair representation over a long period of time of how the doctors worked.

Controller Knecht thanked Mr. Lowman and Governor Sandoval.

Secretary of State Cegavske asked if the doctors are working four 10-hour workdays or five eight-hour workdays.

Mr. Lowman stated the doctors have an eight-hour shift in the hospital in-patient units and a 10-hour shift in the patient observation units so they have appropriate coverage in the hospital. He stated he could not speak to exact schedules. He stated that the times vary and the days vary due to what is needed.

Secretary of State Cegavske thanked Dr. Green for her work with the program.

Lieutenant Governor Hutchison asked about the bullet point referencing that the division identified a single point of access to the hospital for doctors to use at the start of the workday. He asked if this meant the doctors were not attending to their duties during a particular hour requirement or expectation, or whether the division was not tracking it correctly.

Mr. Lowman answered yes; initially there was not a good tracking mechanism and the doctors could not track where and what they were doing. He stated the division was able to correct this procedure.

Treasurer Schwartz asked the scope of the Executive Audit Committee.

Governor Sandoval explained the committee could seek an audit of any state department or division at the request of any member.

Treasurer Schwartz asked if the committee oversaw all the executive agencies and departments.

Governor Sandoval explained the committee was created by Governor Guinn to allow executive branch elected officials to seek an audit of any division if any issues arise, which they would like a thorough review of. He stated that the committee wanted an informed and extensive review of the proceedings of the Rawson-Neal Hospital and so audited it. He also noted that the audits present recommendations that achieve efficiencies and money savings.

Mr. Weinberger also stated the audits are limited to the executive branch and were not inclusive of elected officials unless requested by the official. He stated that when they are requested to perform an audit of an elected official, the division looks at whatever the official asks them to look at. He further explained that they look for ways for operations to run more efficiently, to save money or generate revenue.

Governor Sandoval noted when he was elected Attorney General he personally sought out and audit so he would be informed. He explained that constitutional officers could ask for a review of their own operations.

Treasurer Schwartz asked who issued the reports or if someone was in charge of asking for the audits. Treasurer Schwartz clarified, asking how they would know if there were an issue, for example, in a particular hospital.

Mr. Weinberger stated they select audits in two different ways: audits per request, which take priority, and by risk assessment based on budget, dollar amounts, etc. He stated he had a list he follows based on the risk assessment.

Mr. Lowman stated that Rawson-Neal Hospital was part of a risk-assessed audit. He said they looked at a range of issues, including doctor attendance. After reporting the audit to the committee, the committee asked the division to perform continuing follow-ups on that particular issue.

Treasurer Schwartz thanked the Governor and Mr. Lowman.

There were no further questions.

## **2. Department of Corrections Report No. 13-03 – Medical Division, Doctor Attendance – Vita Ozoude, Executive Branch Audit Manager.**

Mr. Vita Ozoude presented his report. He introduced Scott Sisco, Deputy Director, and Chuck Schardin, Medical Administrator, as representatives of the Department.

Mr. Ozoude stated this was the second review of doctor attendance following the audit report in December 2012. He explained in their first review of June 2013, they noted the department implemented new policies and procedures to monitor doctor attendance at correctional facilities. He stated they examined time in and out logs for different facilities and other reports used by the department to track doctors' hours for January through April, 2013. That review disclosed that doctors worked on average 7.34 hours on a four-day 10-hour workweek, an increase of 38 percent when compared to the hours noted during the audit. Part-time doctors worked on average 6.09 hours on a two-day 10-hour workweek, an increase of 22 percent.

Mr. Ozoude continued that after the review the Department was allowed to fill medical personnel vacancies. He stated they performed their second review based on information that some of those vacant positions had been filled. He noted that they again examined time in and out logs for six out of seven facilities for the months of September through December, 2014. He stated that the review disclosed fulltime doctors worked on average 9.8 hours on a four-day 10-hour workweek and part-time doctors worked on average 9.7 hours on a two-day 10-hour workweek. He stated that fulltime and part-time doctors' attendance at correctional facilities increased on average 85 percent and 94 percent respectively when compared to the hours noted during the audit.

Mr. Ozoude recommended that the department continue monitoring efforts to ensure doctors work a full day. He thanked the cooperation and assistance given by the department during the review process.

This concluded his presentation.

Governor Sandoval asked Mr. Sisco for any comments.

Mr. Sisco stated that since the December 2012 audit, the department has changed the hiring procedure. He also noted that there was a large turnover with the providers due to unhappiness with the changes.

Governor Sandoval recalled a situation with an injured inmate and the doctor was not in attendance, so the inmate had to be transferred to University Medical Center and the doctor who was supposed to be working at the prison was working there at UMC, being paid for both. He stated the improvement was remarkable. The Governor stated we needed that turnover in order to hire new doctors who would be available and provided the appropriate services to the inmates.

Mr. Sisco stated there was a new Chief Medical Officer. He explained there were new expectations with the new positions. He stated they are using advanced practitioner registered nurses to underfill some of the provider positions that are still struggling to be filled. He noted they have better methods to capture under-reported time. He said he was pleased and proud of the improvements.

Governor Sandoval asked for questions.

Treasurer Schwartz asked if there were an overall evaluation of the medical services provided in the prisons. He asked if this was a specific audit or if there were a standard by which to judge the overall quality of care that the state delivers.

Mr. Chuck Schardin answered that the Department reported statistics for different activities they do on a regular basis. He stated in their performance measures they were incorporating more outcome based strategies.

Treasurer Schwartz stated he did not have a sense of what the doctors were doing in the Department and how that fit in, on either a statewide-basis or a nationwide-basis.

Mr. Sisko answered the Department did look at having a consultant make recommendations but that there were not enough funds. He stated they would try to request it again in the future. He

stated that they do monitor the doctors very closely and are now going through a major transition signing inmates up for Medicaid under the Affordable Care Act.

Treasurer Schwartz stated the Governor might consider a program to evaluate the overall medical care.

Governor Sandoval explained that he, the Secretary of State, and the Attorney General sit on the Board of Prison Commissions.

Governor Sandoval asked for further questions.

Secretary of State Cegavske thanked the department for their efforts and improvements. She asked if the security issue had been taken care of. She asked if there was a security guard with the doctors and inmates at all times. She explained when she spoke to the doctors they were most concerned with security and lawsuits.

Mr. Sisco answered the department did the best they can do. They consider the classification level of the inmates in the facility and often just the specific inmate. He stated the Governor helped them with an increase in their budget, based on a staffing study, which will result in adding 100 more correctional officers to the facilities.

She asked if a residency program would help with the medical centers at Corrections and Rawson-Neal. She also voiced a concern regarding an issue with the legislation passed that allows prison inmates to receive IDs with the DMV, and that has not yet been done. She stated she could discuss it after the meeting.

Governor Sandoval agreed that as the issue was not up for discussion on the agenda, they would speak later. He stated it was an issue for the Board of Prison Commissions and Secretary of State Cevgaske could add it on their agenda.

Governor Sandoval asked for further questions.

Lieutenant Governor Hutchison stated there were safeguards in place regarding quality of care for the prisons such as licensure, professional standards, and avoidance of lawsuits and statutes. He asked if there had been evidence suggesting that these safeguards were inadequate.

Mr. Sisco stated they were very proud of the quality of care provided to inmates. He acknowledged there would always be lawsuits from the inmates. He stated they monitored the care on a regular basis, and resolved problems quickly.

Lieutenant Governor Hutchison thanked him.

There were no further questions.

Governor Sandoval noted that Dr. Tracey Green was now present and revisited Agenda Item D.

Governor Sandoval thanked Dr. Green for her work in the department.

Dr. Tracey Green thanked the Governor for the accolades and mentioned it was the team that deserved them. She stated the hospital received their Joint Commission certification so now

they are a fully accredited institution. She noted that the work behind what was identified early in regard to doctor attendance was a stimulator and a motivator and really pointed to some issues of quality of care, access to care, procedures. She stated that they have been able to get buy-in from doctors, which is important. She stated the team needs to be a part of the change and that they are. She explained they have also changed their approach to a more patient-centered one. She stated that has made a difference in the overall quality of outcomes. She thanked the committee for their nice words.

Dr. Tracey Green stated they have a very active residency program at Rawson-Neal and see at least 25 percent of the residents stay in the state and in their facility. She stated they are asking for additional dollars to support the residency program.

Governor Sandoval noted the dollars were in his budget too.

Secretary of State Cegavske thanked Dr. Green for her leadership. She stated Dr. Green had an open door policy and she encouraged the committee members to call Dr. Green and have a tour of both north and south facilities.

Governor Sandoval stated the state was able to get increased reimbursements for the beds at Rawson-Neal via Medicaid. He asked how that was working.

Dr. Tracey Green stated that a year and a half ago there were up to 160 individuals in the emergency rooms, and when they researched the cause they identified that there were beds available but were in free standing psychiatry hospitals. She explained these hospitals do not have acute medical units, but rather, only psychiatric beds. She stated the old reimbursement worked well but was not enough to cover the cost of the client for the day. She explained that through Medicaid adjustments, two things occurred: The daily rate for a psychiatric bed in a hospital that has medical beds went up from \$440 to \$940, and there was an allowance for the free standing psychiatric hospitals to be reimbursed by managed care Medicaid. She stated that after those two things occurred, the number in the emergency room dropped to below 30.

Dr. Tracey Green stated the reimbursement has changed the face of what the hospital is doing and as the hospital is now moving to open a forensic unit at Rawson-Neal, the shift in their roles will move toward that very high need forensic population.

Governor Sandoval stated that would be another significant savings because the forensic population would no longer be transported to northern Nevada at a cost of \$10,000 per passenger.

Dr. Tracey Green stated they anticipate opening a 47 bed forensic unit that will be a unit off of Rawson-Neal that will be an all forensic unit in Las Vegas. She explained that currently they fly the individuals that are committed to their facility for restoration to the north because they have no beds in the south. She stated this would be their first unit under their psychiatric hospital (Rawson-Neal), which will be a CMS certified Joint Commission accredited unit as it opens. She noted they would obtain that level of standard for any new units opened.

Treasurer Schwartz asked why the daily rate went from \$440 to \$990.

Dr. Tracey Green stated it was \$460 or \$440 to \$944. She explained that it changed because the rates had not been evaluated since the 1970s or 1980s but the cost to do business and actual rates were significantly under what they needed to be.



Treasurer Schwartz asked what the net effect of that rate change was.

Dr. Tracey Green stated that Valley Hospital, as did North Vista, to open specific psychiatric units allowing them to open more beds. She said they have really seen a shift now in the care for the mentally ill clients all over the state.

Governor Sandoval thanked Secretary Burwell as the one who made the final decision to increase the reimbursement and its immediate positive effect.

Dr. Tracey Green thanked the Governor for his support. She noted that since now a managed care client could get reimbursed at a free standing psych facility they could receive continuous care at that facility allowing for continuity with a patient's care.

Governor Sandoval agreed that the continuity of care was important and that the new programming has been very beneficial.

Lieutenant Governor Hutchison stated that it underscored the point that it takes money, and as a result patients are taken care of in a managed care environment instead of being in the streets and putting more burdens on law enforcement or social services. He stated this was a smart way to manage mental health. He stated that the reality is that people have mental health issues in the state and the state can deal with them in a variety of ways. He asked Dr. Green to comment on the alternatives if the state does not raise the revenue via reimbursements.

Dr. Tracey Green stated that the alternative is prison, homelessness, and continuing the cycle of serious mental illness. She stated this was the part most draining to the community and the individual, since most individuals wanted to function at their highest level.

Lieutenant Governor Hutchison asked if the patients could adequately function when they have the proper care, proper medication, and proper follow-up, as opposed to cycling through emergency rooms.

Dr. Tracey Green stated yes. She stated that another thing passed during the last session was assisted outpatient treatment, the opportunity to give an individual wraparound services, court ordered services, as opposed to being committed to an institution. She noted there were now 75 in the program and there is almost a 50 percent reduction in recidivism when it comes to criminal activity. She stated graduates of the programs make it that were told they never would make it before. She stated that it was about fixing the root of the problem in the view of the system. She stated they were focusing on what they need to be doing.

Lieutenant Governor Hutchison thanked Dr. Green. He also noted that Joint Commission accreditation was a big honor. He asked Dr. Green to expound on that.

Dr. Tracey Green reiterated that there were a lot of things a certifying body looked at that one would not consider as part of the overview, for example, the outpatient clinics and the entire service delivery model surrounding that, the inpatient clinics, and even the facilities, as well as comprehensive services including medical and mental. She stated that the Joint Commission gives them the opportunity to look at not just the mental health diagnosis but the quality of care of the individual and the quality of the institution.

Lieutenant Governor Hutchison congratulated Dr. Green and thanked her again.

Secretary of State Cegavske stated that although the department has been talking about adults, the core of the issue is with the juveniles. She noted the numbers were increasing and asked for comments. She also stated that if there hasn't been an audit recently that they should look at the juvenile mental health issue.

Dr. Tracey Green stated that interim Director Whitley is also over the Department of Child and Family Services, and so they are now beginning to look at the children's services. She explained that a few changes have already occurred. She mentioned a system that tracks the number of available beds and the people in the emergency room. She said they have now added children on a legal hold to that system so they get a better idea of what is happening in the environment for children. She stated that over the past two weeks the Deputy at DCFS, herself, and managed care as well as a few other DCFS individuals have been meeting to better understand the gaps in services. She reiterated that she is looking at the child population and the facilities in the south. She stated they will start reviewing what is going on in the children's mental health side to really assist to assure that those children are also being addressed.

Dr. Tracey Green also stated that the National Governors Association has a Medicaid innovation project that she is a part of the team for, whose focus is screening of the behavioral health children between the ages of 11 and 18. She explained their project is to introduce a school entry requirement for behavioral health screening that will hopefully take the stigma away from children and open up the opportunity for all children to be screened appropriately for behavioral health disorders. She stated there are some issues and it is their goal to assure that the children are being served in a timely manner.

Secretary of State Cegavske stated she received phone calls from distraught parents asking who to contact and because of the child's age it would be very difficult. She explained that she did not know contacts anymore and asked for direction on who to contact. She asked if there is something on-line or somewhere parents can go for help.

Dr. Tracey Green stated she would.

Governor Sandoval stated there is an ongoing audit for the Division of Child and Family Services.

Mr. Weinberger explained they are auditing DCFS.

There were no further questions.

The committee does want to see follow-up.

**E. For Possible Action – Approval of the Division's Annual Audit Plan. (NRS 353A.045) (Tab 4)**

Mr. Weinberger presented two tables. The first was the audits was requesting today. The second table was for the audits currently in process. He stated the Governor had requested an audit of vehicle leasing with fleet services and the fleet services administrator suggested that they wait until next spring to have enough information for a thorough analysis.

Mr. Weinberger stated the rest of the audits had been requested. He noted there were many audits he will present in June and will have staff free after that to perform the three elected official audits to present next May 2016.

Controller Knecht stated that Mr. Weinberger approached him and suggested the possibility of an audit, stating the Governor had suggested it as a courtesy to the new constitutional officers. Controller Knecht thanked the Governor and agreed with the suggestion. He asked if he could discuss after the meeting what he would like the auditors to look at in his office.

Governor Sandoval suggested it was a conversation between audit and the respective constitutional officer in terms of the breadth of the audit.

Mr. Weinberger stated they plan to meet with each elected official and discuss the matter.

Controller Knecht thanked Mr. Weinberger and added it will be very helpful as a management and leadership tool.

Governor Sandoval thanked Controller Knecht.

Mr. Weinberger stated they were going to audit Children's Mental Health as an open scope audit.

Treasurer Schwartz noted the treasurer's office was not on the list and he would let Mr. Weinberger know if they were to be included.

Lieutenant Governor Hutchison stated it made sense to talk about the scope when an officer or department asks for an audit, however, when the committee asks for an audit of an outside agency, the scope is up to the committee.

Mr. Weinberger stated that was correct.

There was no further discussion.

**Motion:** Move to approve the division's audit plan  
**By:** Attorney General Laxalt  
**Second:** Controller Knecht  
**Vote:** Motion passed unanimously.

#### **F. Committee Comments**

There were no comments.

#### **G. Public Comments**

Governor Sandoval noted there were no public comments or questions in the Carson City or Las Vegas meeting locations.

#### **H. Adjournment**

Governor Sandoval noted there were no questions or comments.

**Motion:** Move for approval of motion of adjournment.  
**By:** Secretary of State Cegavske  
**Second:** Controller Knecht  
**Vote:** Motion passed unanimously for those present.

Respectfully submitted by,



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Steve Weinberger, CPA  
Administrator  
Department of Administration  
Division of Internal Audits

Prepared by,



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Connie Boynton, AA IV  
Department of Administration  
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