



Report Highlights

LSU Health Sciences Center in Shreveport Louisiana State University System

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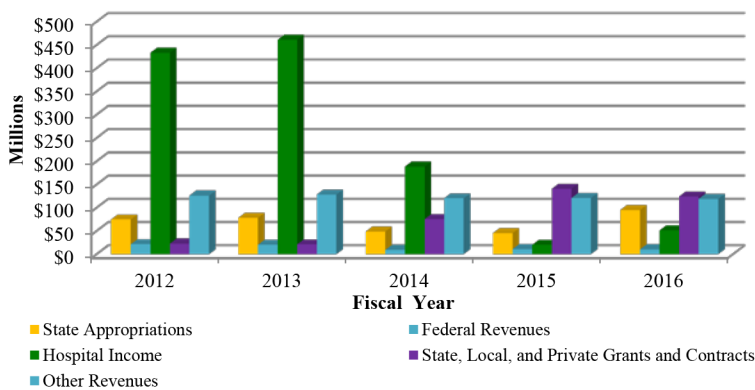
Why We Conducted This Audit

We performed certain procedures at LSU Health Sciences Center in Shreveport (Center) as a part of the Louisiana State University System audit, and to evaluate the Center’s accountability over public funds for the period July 1, 2015, through June 30, 2016.

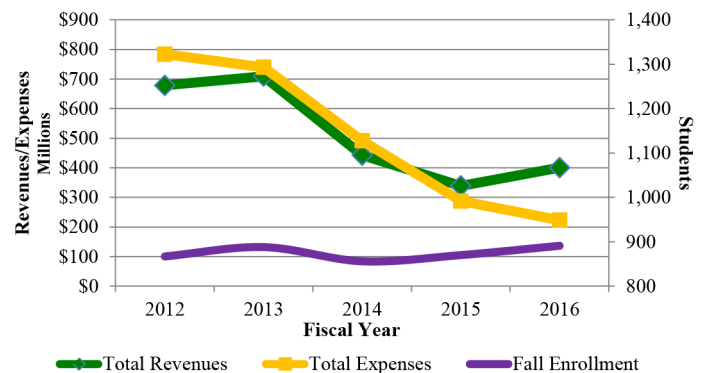
What We Found

- During fiscal year 2016, the Center did not have an agreement with the Attorney General’s office (AG) or the Louisiana Department of Revenue, Office of Debt Recovery (ODR) for the collection of delinquent debts, resulting in noncompliance with state law. The Center used private collection agencies that specialized in collecting medical-related debt rather than submitting delinquent debts to the AG or ODR.
- Financial information relating to the following accounts was materially correct: receivables, total net position, nongovernmental grants and contracts revenue, hospital revenue, sales and services of educational departments’ revenue, educational and general expenses, and hospital expenses. Internal control related to those accounts provides reasonable accountability for the period examined.
- Based on a five-year analysis, revenues and expenses decreased drastically in fiscal year (FY) 2014 and FY 2015 due to the privatization of the Center’s three hospitals. The medical school continues to utilize tuition and fees, physician services, grants and contracts, and other revenue sources to finance its operations. Since the privatization, the primary source of revenue used to finance the Center’s operations has shifted from hospital revenue to contracts revenue for physician services, which have more than tripled. Hospital revenues mainly consist of lease payments received from Biomedical Research Foundation/University Health, a private organization that manages two of the Center’s former hospitals.

Five-Year Revenue Trend, by Fiscal Year



Fiscal/Enrollment Trends, by Fiscal Year



Source: Fiscal years 2012–2016 Center Financial Statements, as adjusted, and Board of Regents website

View the full report, including management’s response, at www.la.gov.