



# University of Nevada, Las Vegas

SCHOOL OF DENTAL MEDICINE

INTERNAL AUDIT REPORT

## Table of Contents

|  |          |
|--|----------|
| <b>INTRODUCTION .....</b>  | <b>3</b> |
| <b>GENERAL OVERVIEW .....</b>                                      | <b>4</b> |
| <b>SCOPE OF AUDIT .....</b>  | <b>6</b> |
| <b>OBSERVATIONS, RECOMMENDATIONS AND RESPONSES .....</b>           | <b>8</b> |
| ACCOUNT RECEIVABLE AGING REPORT - PATIENT BILLING.....             | 8        |
| ACCOUNT RECEIVABLE AGING REPORT – INSURANCE CLAIM PROCESSING ..... | 11       |
| CLAIM PAYMENTS TRANSITION TO ELECTRONIC FUNDS TRANSFER .....       | 13       |
| SAFE COMBINATION.....  | 14       |
| SURVEILLANCE COVERAGE.....   | 15       |
| COMMUNITY OUTREACH CLINICS .....                                   | 16       |

## INTRODUCTION

This report presents our follow-up review of the University of Nevada, Las Vegas (UNLV) School of Dental Medicine (SDM), conducted as part of a previously scheduled audit. During the initial review, it was agreed that the SDM would benefit from a collaborative evaluation of its controls and operations. NSHE Internal Audit planned to reassess the areas identified for potential improvement approximately six to nine months after the initial assessment performed in October 2024. This timeframe allowed the SDM to develop and implement a strategy to address the concerns raised.

The follow-up review was performed with a smaller sample, focusing specifically on the areas previously identified for improvement. As part of this process, Internal Audit assessed whether adequate progress had been made or if further recommendations were necessary.

### **Glossary of Terms and Abbreviations found within this Response**

| <b>Acronym</b> | <b>Definition</b>  |
|----------------|--|
| <b>SDM</b>     | School of Dental Medicine  |
| <b>DMD</b>     | Doctor of Dental Medicine (primary 4-year dental school degree)      |
| <b>DDS</b>     | Doctor of Dental Surgery (internationally trained dentist degree)    |
| <b>GPR</b>     | General Practice Residency   |
| <b>CBO</b>     | Clinic Business Office   |
| <b>A/R</b>     | Accounts Receivable  |
| <b>CBSM</b>    | Clinical Business Services Manager (new staff role)                  |
| <b>EFT</b>     | Electronic Funds Transfer  |
| <b>ERA</b>     | Electronic Remittance Advice   |
| <b>VCC</b>     | Virtual Credit Card  |
| <b>AxiUm</b>   | Dental school management software for records, scheduling, & billing |
| <b>eAssist</b> | Third-party dental billing and revenue management partner            |
| <b>QAFC</b>    | Quality Assurance and Financial Compliance Department                |
| <b>FY</b>      | Fiscal Year  |

## GENERAL OVERVIEW

The University of Nevada, Las Vegas School of Dental Medicine (SDM), established in 2002, offers a comprehensive Doctor of Dental Medicine (DMD) as its primary predoctoral program, along with several advanced education and specialty certificate programs, including Pediatric Dentistry, Orthodontics, General Practice Residency (GPR), and Dental Public Health. Dual-degree options, such as DMD/MPH and DMD/MBA, further enhance academic opportunities. The UNLV SDM offers a DDS program for internationally trained dentists to become licensed in the U.S. The first class of UNLV DMD students graduated in 2006, marking this year as the 20<sup>th</sup> anniversary of providing dentists and specialists in Southern Nevada and beyond.

The DMD curriculum integrates biomedical sciences, clinical dentistry, and patient-centered care throughout the four-year program, with early exposure to clinical settings and gradually increasing responsibilities in patient management. Clinical services are open to the public and include comprehensive general dentistry, pediatric care, oral surgery, endodontics, orthodontics, and emergency care, often provided at reduced costs to improve access for local underserved populations. Treatment at UNLV SDM is provided as part of the school's educational program. Since the SDM receives part of its operating budget from the clinical programs, it is necessary to have an Accounts Receivable management program to maximize revenues received and minimize the amounts of funds not collected. The primary responsibility of the Clinic Business Office (CBO) is to manage patient financial accounts. Some of the responsibilities include checking the status of insurance coverage, filing new and rejected insurance claims, contacting patients, advising them of their account status, and accurately tracking changes in insurance coverage.

Community service and public health outreach are core components of the school's mission. The school also hosts multiple philanthropy-supported, free, on-site community outreach clinics each year, dedicated to serving children, homeless individuals, veterans, victims of domestic violence, individuals re-entering the workforce, and those with special needs.

Equipped with modern simulation labs, digital imaging, electronic health records, and over 8,000 square feet of research space, the UNLV School of Dental Medicine upholds a strong commitment to academic excellence, ethical clinical care, and service to Nevada's diverse communities, playing a vital role in strengthening the state's oral health workforce and expanding access to care.

## SCOPE OF AUDIT

The Internal Audit Department has completed a review of the School of Dental Medicine at UNLV for the period of July 1, 2024, through May 31, 2025.

Our review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors and included tests of the accounting records and other auditing procedures, as we considered necessary. The procedures focused primarily on the clinic's business office, but were not necessarily limited to this area.

1. Evaluated the accuracy, timeliness, and compliance of patient billing and insurance claim processing
2. Reviewed accounts receivable aging reports to identify outstanding balances and assess collection risks.
3. Assessed the effectiveness of procedures for monitoring and collecting delinquent patient accounts.
4. Evaluated safety and security controls to ensure compliance with policies and protection of assets, staff, and patients.
5. Reviewed gift/award documentation to assess compliance with donor requirements, proper use of funds, and adequacy of financial reporting and oversight specific to the community outreach clinic operations.

In our opinion, we can be reasonably assured that the UNLV School of Dental Medicine operated in a satisfactory manner during the audit period, with the exception of the areas mentioned below. Implementation of the following recommendations would help mitigate risks and provide an opportunity to further improve processes.

## **Institution Response**

**UNLV School of Dental Medicine (SDM) leadership holds primary responsibility for implementing all audit recommendations and maintaining compliance with UNLV, NSHE, and applicable regulatory standards. SDM is committed to strengthening internal controls, improving financial stewardship, and embedding durable governance practices across clinical and administrative operations. SDM will formalize recurring financial governance reviews and cross-functional coordination with central UNLV Business Affairs' Quality Assurance and Financial Compliance to ensure corrective actions remain effective, auditable, and continuously improved.**

**Since the completion of this audit, SDM has implemented leadership changes to ensure strengthened oversight and accountability, address ongoing challenges, and fully staff the School of Dental Medicine. To underscore the institution's commitment to addressing the audit findings with urgency and rigor, we are committed to hiring additional staff in key operational areas, including in areas such as human resources, employee relations, finance and business, compliance, and clinic billing and oversight. Finally, SDM is working to hire an experienced external firm to assist with reviewing patient billing and payments, school organizational structure, and other strategic initiatives to help address audit findings and generally advance the mission, culture, climate, and organizational effectiveness of the School of Dental Medicine.**

## **OBSERVATIONS, RECOMMENDATIONS AND RESPONSES**

### **ACCOUNT RECEIVABLE AGING REPORT - PATIENT BILLING**

We were provided with the accounts receivable aging report for the audit period. A sample of 18 patients' billing accounts was selected for testing. The focus of the review was to identify accuracy, timeliness, and compliance of patient billing and collection efforts. The following observations were noted:

- a. In seven (7) instances, patient accounts that were over 90 days past due had not been identified or referred to an outside collection agency, as required by the organization's established financial procedures. Discussions with Clinic Business Office staff revealed that currently, the only write-offs being processed are for accounts with returned mail that are deemed uncollectible. The aged accounts receivable report is not being generated or reviewed, which has resulted in past-due patient accounts not being identified or referred to an outside collections agency. Additionally, there is no formal process in place to notify patients prior to the write-off of delinquent balances.
- b. In two (2) instances, patients with credit balances had been inactive for over 90 days. There was no documented evidence indicating that efforts were made to notify these patients of their existing credit balances.
- c. In five (5) instances, patients were not properly set up to receive statements. This may have resulted in confusion or delayed payments, as patients were likely unaware of their outstanding balance.

For item (a) we recommend that the Clinic Business Office staff receive training on how to generate and review aged account receivable reports. A periodic review process should be

established to ensure all patient accounts over 90 days past due are identified and evaluated for timely referral to a collection agency, in accordance with policy. Additionally, the Clinic Business Office should establish a formal process to notify patients such as through mail or phone calls of outstanding balances and the potential for referral to a collection agency.

**Institution Response (a): Overdue Accounts Not Referred to Collections**

**UNLV School of Dental Medicine concurs with the recommendation. As a patient-facing clinical enterprise, SDM will implement disciplined aging reviews, structured patient outreach, and timely referral practices to safeguard revenues supporting the instructional mission.**

**Corrective Action: Following the audit, SDM has been actively working to identify and engage an experienced third-party dental billing partner to support remediation efforts. Beginning February 2026, the Clinic Business Office (CBO) will be temporarily supported by a third-party dental billing partner, eAssist Dental Solutions. CBO and eAssist will issue a monthly aged accounts receivable packet by clinic (0–30/31–60/61–90/90+) and maintain a weekly 90+ day worklist with a defined 30-day action plan (final notice, payment plan offer, or referral). SDM will soon implement a three-touch notification protocol, which includes phone, letter, and email/text when available, as documented in AxiUm prior to referral. By summer 2026, SDM will refer all eligible patient accounts exceeding 120 days within 30 days of eligibility, in accordance with policy. To ensure sustained oversight and long-term capacity, SDM has initiated recruitment approval for two new positions: a Clinical Business Services Manager (CBSM) and a Director of Accounting, with a target hire date by July 1, 2026. Interim operational capacity will continue to be provided through eAssist until recruitment is completed, and beyond that time as needed.**

**Compliance and Performance: SDM’s compliance plan is designed to reduce patient 90+ day accounts receivable (A/R) and achieve significantly improved on-time referral of eligible accounts exceeding 120 days. Three-touch notifications, as described above, will be documented in most patient referred files. Planned evidence of implementation and monitoring will include the monthly A/R packet with management attestation and a quarterly summary reviewed in SDM finance meetings.**

**Responsibility: Primary operational responsibility will transition to the Clinical Business Services Manager once hired, with interim responsibility maintained by the SDM Associate Dean for Finance & Administration. Oversight will be a collaborative effort between the SDM Associate Dean for Finance & Administration and Director of Accounting upon hire, reinforcing compliance and corrective actions.**

For item (b), we recommend that the business office implement a formal process to identify account receivable credit balances that have been inactive for possibly 1 to 5 years and

establish a threshold, for example, balances of \$50 or more to prioritize follow-up efforts. The Clinic Business Office should perform timely due diligence on these accounts, including reviewing account history and contacting the customer where applicable to resolve outstanding balances through appropriate actions (e.g., refund, reapplication, or escheatment) in accordance with policy or any applicable laws.

**Institution Response (b): Inactive Credit Balances**

**UNLV School of Dental Medicine concurs with the recommendation. SDM will resolve aged credit balances through refund, reapplication, or escheatment and will institute ongoing controls to prevent reaccumulation.**

**Corrective Action: With eAssist support, SDM will complete a one-time cleanup before the end of the fiscal year of credit balances older than 90 days, prioritizing balances greater than \$50, by issuing refunds, reapplying amounts to valid charges, or processing escheatment consistent with policy. Beginning May 2026, the CBO will maintain a weekly worklist of credit balances exceeding 30 days and conduct a quarterly credit-balance review with documented disposition.**

**Compliance and Performance: By fall 2026, SDM will reduce credit balances aged greater than 90 days by at least 75% and thereafter resolve at least 80% of identified credits within 60 days. Reconciliations and attestations will be retained in the audit folder, with a quarterly summary provided to the Dean's Office.**

**Responsibility: Day-to-day operational responsibility resides with the Clinical Business Services Manager (upon hire), with interim responsibility assigned to the SDM Associate Dean for Finance & Administration. Executive oversight and accountability remain with the SDM Associate Dean for Finance & Administration, in coordination with the Director of Accounting (upon hire), to ensure sustained compliance and corrective action.**

For item (c), we recommend that the Business Office implement controls to ensure that all patient accounts are properly set up to receive billing statements.

**Institution Response (c): Patient Statement Setup**

**UNLV School of Dental Medicine concurs with the recommendation. SDM will ensure that all active patient accounts are configured to receive statements and that statement generation and follow-up are automated and documented.**

**Corrective Action: By spring 2026, SDM will complete a data-hygiene review of all active accounts to verify statement preferences, validate contact information, and correct system**

**suppressions or inactive delivery settings. SDM will automate monthly statement generation and reminders through AxiUm and eAssist tools to standardize patient communications.**

**Compliance and Performance: SDM will maintain active accounts enabled for statements, will work to resolve undeliverable statements within 10 business days, and will conduct a monthly random audit of 50 accounts to verify setup accuracy. Evidence will be retained in the SDM shared audit folder (AxiUm extracts, notification logs, and the monthly reconciliation report); the Dean's Office will receive the monthly reconciliation, a quarterly roll-up will be submitted to QAFC, and all documentation will be available to NSHE Internal Audit during follow-up reviews.**

**Responsibility: Day-to-day operational responsibility resides with the Clinical Business Services Manager (upon hire), with interim responsibility assigned to the SDM Associate Dean for Finance & Administration. Furthermore, executive oversight and accountability remain with the SDM Associate Dean for Finance & Administration, to ensure sustained compliance and corrective action.**

#### **ACCOUNT RECEIVABLE AGING REPORT – INSURANCE CLAIM PROCESSING**

We reviewed a sample of 16 accounts included in the accounts receivable insurance aging report. In 8 instances, we noted that denied insurance claims were not being consistently followed up in a timely manner. In several cases, there was no documented evidence of any appeal or resubmission for denied claims within the payer's required timeframe. Reasons for denial included the patient having multiple insurance policies with the primary insurer not billed first, missing documentation, wrong codes. The Clinic Business Office currently lacks dedicated management personnel responsible for providing oversight of the billing functions. This absence has resulted in limited strategic direction and insufficient supervision of key processes such as accounts receivable management and insurance denial follow-up. As a result, there is an increased risk of delayed or lost revenue due to uncollected insurance payments.

We recommend that management consider establishing a director-level position with clear responsibility and authority to oversee the Clinic Business Office functions. This role should implement a formal, periodic review process for the accounts receivable aging report,

focusing on all outstanding insurance balances. Reviews should be conducted daily as needed, with particular attention to accounts aged over 60–90 days, which should be reviewed at least monthly. An audit trail should be maintained of the review, action taken, and resolution status. Additionally, this process should ensure that appropriate notes and supporting documentation are captured in the system for compliance requirements. This will help reduce the risk of uncollected revenue and ensure adherence to the organization's billing and collection policies.

### **Institution Response**

**UNLV School of Dental Medicine concurs with the recommendation. SDM will strengthen end-to-end claim quality and denial resolution to protect clinical revenues and support instructional operations by seeking short-term external assistance and rebuilding a qualified and fully staffed team to manage compliance, billing, and accounts receivable, as well as ensure more robust overall financial management.**

**Corrective Action: Effective February 2026, eAssist Dental Solutions will work on insurance denials daily, resubmit or appeal within payer timeframes, and document actions in AxiUm. Concurrently, SDM will implement front-end edit checks, attachment checklists, proper primary/secondary sequencing, and coding validation prior to claim submission. At the same time, SDM will recruit a Clinical Business Services Manager (CBSM) by July 1, 2026, to provide day-to-day revenue cycle oversight. Contracted third-party support via eAssist will be maintained during the recruitment period, and as-needed during the onboarding of the CBSM, to ensure continuity of operations and ongoing implementation of corrective actions.**

**Compliance and Performance: By the end of 2026, SDM will achieve an insurance collection rate of at least 90%, maintain days in A/R at 45 or fewer, achieve a first-pass clean-claim rate of at least 95%, sustain a denial rate of 10% or less, and resolve at least 90% of denials within 60 days. Results will be presented in a monthly dashboard and reviewed in detail during quarterly SDM finance meetings. Supporting evidence, including queues, appeals, and reconciliations, will be retained in the audit folder.**

**Responsibility: This will fall under the purview of the CBSM once hired, with interim responsibility assigned to the SDM Associate Dean for Finance & Administration. Executive oversight and accountability remain with the SDM Associate Dean for Finance & Administration to reinforce compliance and corrective actions.**

## CLAIM PAYMENTS TRANSITION TO ELECTRONIC FUNDS TRANSFER

The Clinic Business Office currently relies heavily on receiving insurance claim payments via virtual credit cards (VCCs) and paper checks. This practice increases administrative burden, delays fund availability, and results in higher transaction costs due to VCC processing fees. Transitioning to electronic fund transfers (EFT) would be a safer and more cost-effective alternative. The current payment methods lead to inefficiencies, increased administrative workload, and potential delays in cash flow. Additionally, reliance on paper checks and virtual credit cards increases risks related to payment errors, reconciliation challenges, and security concerns. Transitioning to EFT, which is widely recognized as a more efficient and secure method for processing claim payments.

We recommend that the Clinic Business Office initiate a gradual transition from receiving insurance claim payments via virtual credit cards (VCCs) and paper checks to Electronic Fund Transfers (EFTs) whenever feasible, or when this option is available through the insurance carrier. Implementing EFT will enhance payment processing efficiency, reduce the risk of payment delays or errors, and improve cash flow management. Additionally, EFT provides a more secure and auditable payment method, supporting better financial controls and reducing administrative costs associated with handling paper checks and credit card transactions.

### Institution Response

**UNLV School of Dental Medicine concurs with the recommendation. SDM will modernize remittance methods to enhance security, speed, and cost stewardship.**

**Corrective Action: Beginning February 2026, SDM intends to begin enrolling payers in electronic funds transfer (EFT) and electronic remittance advice (ERA), update deposit and reconciliation procedures, and will phase out virtual credit cards (VCC) and paper checks where feasible. SDM will coordinate enrollment with eAssist for major carriers and will map EFT deposits to bank records to streamline posting. Key milestones include achieving at least 60% of remittances via EFT by fall of 2026 and at least 85% by the end of 2026, with VCCs decommissioned except where payer-mandated.**

**Compliance and Performance:** SDM will track remittance method mix, posting lag, and fee spend, targeting at least a 90% reduction in VCC fees by December 31, 2026. SDM Finance will retain EFT confirmations and the bank-mapping log as evidence.

**Responsibility:** Day-to-day operational responsibility resides with the Clinical Business Services Manager (upon hire), with interim responsibility assigned to the SDM Associate Dean for Finance & Administration. Executive oversight and accountability remain with the SDM Associate Dean for Finance & Administration to ensure sustained compliance and corrective action.

### **SAFE COMBINATION**

During the review of cash handling procedures, it was noted that the combination to the safe used for storing cash was not changed following the personnel transition involving the previous cash custodian. Best practices in cash handling and physical security require that access codes to safes or secure areas be updated immediately upon staff separation to maintain control over access to assets.

We recommend that management immediately change the safe combination whenever a staff member with access resigns, is terminated, or transfers out of their role, to ensure that only authorized personnel retain access. The policy should also be updated to require that all access credentials, including safe combinations, be changed whenever there is a change in personnel with access rights.

### **Institution Response**

**UNLV School of Dental Medicine (SDM) concurs with the recommendation. SDM will maintain prudent physical controls in cash-handling areas to safeguard assets.**

**Corrective Action:** The safe combination was changed in October 2025 following personnel transitions. Beginning November 2025, SDM changes combinations upon employee separation or reassignment, and at least annually thereafter. SDM will require two-person verification and maintain a restricted security log of changes.

**Compliance and Performance:** SDM conducts quarterly spot checks and retains the dual-signature log as audit evidence.

**Responsibility: Day-to-day operational responsibility resides with the Head Cashier, their supervisor, and the Clinical Business Services Manager (upon hire), with interim oversight responsibility continuing to reside with the SDM Associate Dean for Finance & Administration. Executive oversight and accountability remain with the SDM Associate Dean for Finance & Administration to ensure sustained compliance and corrective action.**

### **SURVEILLANCE COVERAGE**

The School of Dental Medicine maintains a consistent security presence, and cash is secured in appropriately located areas accessible only to authorized personnel. These measures support the safeguarding of assets and limit unauthorized access. While current security controls are effective, surveillance coverage in cash-handling areas could be enhanced.

We recommend that management install additional security cameras in cash-handling areas to strengthen oversight, deter potential theft, and provide a verifiable record of access to these sensitive areas. This improvement would further enhance the school's existing physical security measures.

### **Institution Response**

**UNLV School of Dental Medicine concurs with the recommendation. SDM is consulting to identify best practices related to secure cash handling protocols. One part is oversight of the physical area, and the SDM enhanced surveillance in cash-handling areas to strengthen physical controls in December of 2025. There may be a need for additional surveillance, and that assessment is continuing. Another key component of proper cash handling relies on the separation of duties and proper oversight, both of which are under review.**

**Corrective Action: Facilities and IT Security installed additional cameras covering cash-handling and deposit-preparation areas, in accordance with Risk Management guidance, and SDM integrated the cameras into security monitoring routines in December of 2025. This is the first step to establishing proper surveillance and security around cash handling.**

**Compliance and Performance: Completion of the initial camera installation was verified via a joint walkthrough by Facilities and IT Security, and quarterly functionality checks are logged by SDM Operations. The SDM continues to work on technological and procedural improvements to enhance security.**

**Responsibility: Day-to-day operational responsibility resides with the SDM Director of Operations. Executive oversight and accountability remain with the SDM Associate Dean for Finance & Administration, in coordination with the Assistant Dean of Clinical Affairs, to ensure sustained compliance and corrective action.**

## COMMUNITY OUTREACH CLINICS

The UNLV Foundation manages designated gift and donation accounts to support the operations of the School of Dental Medicine's community outreach clinic. Upon reviewing the Fee Adjustment reports, it was observed that fees related to community outreach clinic operations were adjusted; however, the corresponding gift funds have not yet been requested or transferred to the appropriate operating accounts. Consequently, clinic-related expenses continue to be recorded without matching revenue offsets, potentially impacting financial accuracy and reporting.

We recommend that management establish a formal process to request timely transfers at least on an annual basis from the Foundation to the operating accounts to offset eligible community outreach clinic expenses. This will help ensure accurate financial reporting, appropriate use of designated resources, and the proper reconciliation and cleanup of account balances.

### Institution Response

**UNLV School of Dental Medicine concurs with the recommendation. Aligning philanthropic transfers with clinic expenditures ensures accuracy, transparency, and donor intent.**

**Corrective Action: The SDM Associate Dean for Finance & Administration will coordinate with the UNLV Foundation to transfer eligible FY24–FY25 gift revenues to the appropriate operating accounts. Beginning April 2026, SDM will process quarterly journal vouchers from designated funds using a standardized reconciliation and approval packet, supported by a finalized procedure.**

**Compliance and Performance: SDM will maintain a quarterly variance of less than 2% each quarter between eligible expenditures and transferred gift revenues with documented reconciliation and corrective actions for any variance exceeding threshold. Evidence will include quarterly reconciliations and an annual summary to the SDM Dean and UNLV Foundation Accounting.**

**Responsibility: Day-to-day operational responsibility resides with the Director of Accounting (upon hire), with interim responsibility assigned to the SDM Associate Dean**

**for Finance & Administration. Executive oversight and accountability remain with the SDM Associate Dean for Finance & Administration to ensure sustained compliance and corrective action.**

The Internal Audit Department appreciates the cooperation and assistance received from UNLV School of Dental Medicine management and other personnel during this review.

Las Vegas, Nevada  
October 15, 2025

/---SIGNATURE ON FILE---

Daisy Cabanillas  
Senior Internal Auditor

/---SIGNATURE ON FILE---

Lauren Tripp  
Chief Internal Auditor