

**OPTN Finance Committee  
Meeting Summary  
April 23, 2025  
Webex**

## **Introduction**

The OPTN Finance Committee met via Webex on 04/23/2025 to discuss the following agenda items:

1. Welcome
2. FY 2025 March Financial Update
3. Litigation Update
4. Voucher Status Update
5. FY 2026 OPTN Budget and Fee Next Steps
6. OPTN Reserve Investment
7. Single Audit – Compliance Report
8. Adjourn

The following is a summary of the committee's discussions.

### **1. Welcome**

Andrea Tietjen, Chair of the Finance Committee, welcomed committee members and advisors to the meeting and presented the agenda.

### **2. FY 2025 March Financial Update**

Mr. Dale Smith, UNOS Chief Operations Officer, began the presentation and aimed to review both past and present financial performance, first at the fiscal year 2024 performance and a review of current operational performance as of March 2025.

Participants were told to expect a comparison of actual expenses versus budget expectations. The Board approved a higher OPTN registration fee in June 2024 for the fiscal year 2025. The Health Resources and Services Administration (HRSA) ultimately declined the recommendation, and the fee remained constant at \$868/registration. Therefore, the committee would need to revisit the fiscal year 2025 budget to plan effectively, particularly given the constrained funding environment.

The financial overview continued to focus on presenting the OPTN's asset position, including current cash balances and accounts receivable (AR). Mr. Smith highlighted that the OPTN's cash position had improved compared to the previous fiscal year-end and noted that AR levels had remained relatively stable with a slight increase. He mentioned some transplant hospitals consistently delay payments by 90 to 150 days, which they would discuss further in the presentation.

Mr. Smith also described the structure of OPTN's financial documentation and reimbursement cycle. Each month, the OPTN Operations contractor submits a voucher to HRSA detailing the tasks completed per the performance work statement (PWS). Typically, HRSA reviews submissions in the following month and issues reimbursements in the third month, reflecting a rolling three-month cycle. These details were illustrated in comparative balance sheets showing data from September 2024 to March 2025 to help contextualize changes over time.

### **3. Litigation Update**

Another main point of the discussion was litigation-related expenses, particularly those stemming from the eGFR and liver allocation lawsuits. These have significantly impacted the OPTN budget, with over \$3 million still pending reimbursement from HRSA.

Mr. Smith explained how legal invoices are processed and reimbursed, highlighting the complexity and delays involved. The decision not to use legal counsel provided through insurance had resulted in higher expenses, and Ms. Tietjen pointed out that the Finance Committee had not been formally involved in this decision. She stressed the need for transparency and collaborative decision-making in the future, particularly for choices with substantial budget implications.

Mesmin Germain, OPTN Contracting Officer's Representative, expressed agreement and emphasized the need for clear prioritization of OPTN projects. Both he and Ms. Tietjen acknowledged that not all projects can be approved going forward and that prioritization must align with the available budget and strategic goals, with patient safety remaining a top priority.

#### **4. Voucher Status Update**

Mr. Smith continued his financial update by discussing the OPTN's reimbursement process with HRSA. He explained that while in the past vouchers submitted for services rendered would have been paid promptly, the current situation had shifted due to increased governmental scrutiny and procedural changes. HRSA recently hired additional personnel, leading to much deeper and more detailed conversations about expenditures. The monthly voucher documentation expanded significantly—from around 100 pages to between 500 and 600 pages—with more than 2,000 supplemental documents provided to justify spending.

Despite the delays, Mr. Smith reassured attendees that HRSA's inquiries were appropriate and constructive, and they were nearing resolution. Under normal conditions, the reimbursement timeline for monthly expenses typically spans about two to two-and-a-half months. He clarified that while, as of March 31, 2025, several months' worth of vouchers (from September 2024 through January 2025) were still awaiting reimbursement, a significant portion—\$3.8 million of the \$6.1 million outstanding—had been paid in April 2025, following the reporting period.

#### **5. FY 2026 OPTN Budget and Fee Next Steps**

The meeting then shifted to budget planning. A background slide was presented to clarify confusion around budget figures. In June 2024, the Board had approved a \$78.7 million OPTN budget, which included a proposed increase in the OPTN registration fee from \$868 to \$1,025. However, the Department of Health and Human Services (HHS) did not approve the fee increase; therefore, the OPTN registration fee remained at \$868.

To align the budget with the lower revenue expectations, non-essential items such as work related to the Expeditious Task Force and the Secretary's directive on pre-waitlist efforts—amounting to over \$9 million—were removed, reducing the effective operating budget to approximately \$69.4 million. HRSA has since made clear that their guidance for the fiscal year 2025 budget should be based strictly on the projected number of OPTN registrations multiplied by the approved \$868 fee. At the time of the meeting, the projected registration count for fiscal year 2025 was 72,500.

## **6. OPTN Reserve Investment**

John Fisher and Craig Robinson, representing Truist, provided an update on the OPTN reserve investment portfolio. The presentation aimed to offer transparency into the current financial status, investment strategy, and market performance related to the OPTN's financial reserves.

The OPTN maintains a financial reserve to ensure organizational stability, with a target based on maintaining at least three months of operating expenses. This reserve threshold is calculated using the approved registration fee of \$868, multiplied by the anticipated volume of registrations, along with the annual federal appropriation. As of mid-April, this floor was approximately \$17.5 million. Current market performance has positioned the actual reserve value slightly above this threshold, although volatility continues to affect the balance.

During the presentation, the presenters addressed questions from the committee regarding whether the reserve target should be based on actual versus budgeted expenses. The team clarified that the governing bylaw specifically refers to budgeted operational expenses. However, members suggested that future presentations include both actual and budgeted figures to provide a more complete financial picture.

Concern was also raised regarding OPTN's cash position, especially if delayed reimbursements from HRSA remain unresolved. There is approximately \$10 million in reimbursements currently under discussion. In response to this situation, the organization is exploring the option of adjusting the registration fee earlier than the traditional October timeframe, given the immediate financial pressures.

Committee members expressed appreciation for the clarity of the presentation and emphasized the need for consistency in financial reporting. Specifically, they requested that future financial materials reflect figures across the various budget authorities OPTN operates under—including the HRSA-monitored budget, the OPTN Board-approved budget, and actual expenditures.

## **7. Single Audit – Compliance Report**

After the financial reviews and investment performance discussions, the auditors from Cherry Bekaert presented their findings on the OPTN's single audit under Uniform Guidance. They reported an unmodified opinion, which is the best possible outcome,

indicating full compliance and no findings of fraud, waste, abuse, or material weaknesses. The auditors confirmed that they reviewed OPTN's federal appropriations and the organization's use of those funds, including compliance with all required internal controls and grant management rules.

The audit covered \$6.5 million in federal appropriations and confirmed that OPTN's internal systems and controls were functioning as intended. While the full UNOS audit is public, the team discussed whether OPTN-specific summaries should also be made easily accessible on the OPTN website. This would increase transparency for those not familiar with how to navigate the broader UNOS reports.

## **8. Adjourn**

## Attendance

- **Committee Members and Advisors**

- Andrea Tietjen
- Emily Blumberg
- George Surratt
- Michael Kwan
- Nancy Metzler

- **OPTN Executive Director**

- Rexanah Wyse Morrisette

- **HRSA Representatives**

- Adrienne Goodrich-Doctor
- Aite Aigbe
- Amy Harbaugh
- David Berick
- Mesmin Germain
- Raymond Lynch
- Stephanie Grosser

- **UNOS Staff**

- Dale Smith
- Joe McCollum
- Lauren Mauk
- Liz Robbins Callahan
- Sara Rose Wells
- Sarah Payamps
- Taylor Michalski

- **Other Attendees**

- Craig Robinson
- John Fisher
- Laura Harden
- Shelby Brown