

OPTN Finance Committee

Meeting Summary

May 3, 2022

WebEx

Brad Kornfeld, Chair

Dale Smith, Director of Finance

Introduction

The OPTN Finance Committee met via WebEx teleconference on 5/3/2022 to discuss the following agenda items:

- Fiscal Year 2023 Budget Working Session

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

Brad Kornfeld started the meeting by welcoming everyone in attendance, emphasized that this is a working session, reminded everyone that we are still very early in the budget cycle, and encouraged everyone to avoid getting too fixated on the numbers since they are preliminary. Mr. Kornfeld then turned the time over to Dale Smith to lead the discussion.

Fiscal Year 2023 Budget Working Session

Mr. Smith introduced the topic by reiterating that this was intended to be a working session with very preliminary numbers, areas with some potentially large budget increases being discussed, and he wanted it to be less of a presentation and more of a discussion. Mr. Smith walked through some historical numbers including registrations, fees, and the fiscal year 2022 budget to provide context for the 2023 budget. Mr. Kornfeld commented that the OPTN fee history showed that the fees hovered around the \$800 range, with some years over and some years under \$800. He believes that with most organizations, the fees would increase each year without any decreases.

Mr. Smith walked through the budget approach and steps. He pointed out that this working session appeared to be at the mid-point, but many of the important, impactful conversations were later in the cycle. He then presented a snapshot of the OPTN registrations year-to-date and for the past 4 years. We are on track to finish fiscal year 2022 very close to budgeted registrations.

Ms. Tietjen commented that most of the OPTN costs are borne by transplant programs. The registration fees are a direct expense for those programs and there is a misconception that the costs are reimbursed. Ms. Tietjen pointed out that the registration fees are only reimbursed for Medicare patients and not the program's entire waiting list. Registration fee increases are a financial burden for the programs and require cost reductions, including layoffs. Ms. Tietjen requested a discussion of cost reduction initiatives showing that we can do the things that need to be done, while looking for ways to offset with other savings. Mr. Smith provided an example of a way that we have saved money and indicated that he will try to provide a summary of other savings.

Tony Ponsiglione, Director of Human Resources and Professional Education, discussed the personnel expenses and economic pressures confronting the organization right now such as a competitive job market, inflation, and equity adjustments and salary increases to retain staff. We currently have a 3%

merit increase in the budget, but it may have to be higher. Mr. Ponsiglione emphasized that the organization looks for ways to emphasize financial responsibility since stewardship is one of our core goals. Mr. Goodman asked about using contractors and associated expenses. Mr. Ponsiglione explained that we used to use much more contract staff augmentation, but we found significant cost savings by directly hiring full time employees by foregoing contract conversion fees and improving employee retention. Ms. Tietjen explained about her company moving to a program with unlimited paid time off which improved the financials and boosted employee morale. Mr. Ponsiglione replied that he is familiar with the concept and is open to learning more. Ms. Tietjen asked about remote/hybrid working and whether the benefits are financial or just morale. Mr. Ponsiglione replied that remote or hybrid work schedules are required to be competitive in the market. There haven't been any significant cost savings and there is a risk of fully remote workers working multiple jobs.

Mr. Smith provided an update on the Policy Oversight Committee (POC) capacity increase and the potential budget impact. We are having ongoing discussions with the impacted departments to determine requirements. Ms. Tietjen asked about a list of projects and how they are being prioritized as a way of determining whether the budget increase would be something the committee would want to support based on the impact on increases in organ transplants. Mr. Kornfeld agreed that seeing a list would be helpful in the event that the committee only wanted to approve additional funding for the most impactful projects and not for the entire list of projects. He asked whether organization staff review the POC project list. Brian Shepard responded that the POC's responsibility is to prioritize projects and it's not the organization's place to have staff override their judgement. Mr. Orłowski commented that the main priority needs to be benefits to patients, but we also need to invest in efficiency because if investing in efficiency isn't a priority, then expenses will continue to grow. The benefits need to be carefully weighed against the investments.

Mr. Smith explained that one of the projects under consideration is the 10th revision of the International Statistical Classification of Diseases and Related Health Problems (ICD-10) to get all relevant records in line with the ICD-10 format. Maureen McBride explained that this project is a contract requirement and we have been in the planning and consultation phase in preparation for the implementation phase. Ms. Tietjen asked whether there are federal grant funds available to help offset this project. Mr. Smith replied that he would ask the grant experts in the organization if a federal grant would be a possibility.

Mr. Smith summarized some of the requests related to IT operations. Alex Tulchinsky explained that many of the IT operations are moving to the cloud and the benefits of 24/7 monitoring. Mr. Smith summarized some of the IT security requests under consideration. Mr. Tulchinsky explained that some of the security requests are related to the contract and some are just good practices to keep up on current security threats.

Mr. Smith asked for reactions and feedback on the budget items highlighted. Mr. Orłowski commented that IT security is a growing concern for all organizations and needs to be a priority. He also encouraged the organization to be aggressive with addressing cost of living increases, inflation, and merit increases in order to remain competitive. Mr. Kornfeld agreed with Mr. Orłowski's feedback and suggested that a 3% merit increase is probably too low given the current job market. Mr. Goodman brought up Ms. Tietjen's comment earlier about the impacts on transplant programs from OPTN cost increases and making sure that we are being mindful of those impacts on other organizations. Ms. Tietjen commented on the difficult tradeoff between the need for highly skilled technical workers who require higher compensation and the need to be fiscally responsible. Mr. Smith expressed his appreciation for the discussion. Mr. Kornfeld pointed out that Mr. McLaughlin had posted in the chat that this meeting had been a helpful development in the budget process.

Mr. Kornfeld thanked everyone for their participation and concluded the meeting.

Upcoming Meetings

- June 2022

Attendance

- **Committee Members**
 - Brad Kornfeld
 - Linda Cendales
 - Bob Goodman
 - Jeffrey Orłowski
 - Andrea Tietjen
- **HRSA Representatives**
 - Chris McLaughlin
 - Vanessa Arriola
- **UNOS Staff**
 - Dale Smith
 - Steve Harms
 - Brian Shepard
 - Lauren Mauk
 - Mary Beth Murphy
 - James Alcorn
 - Tony Ponsiglione
 - Roger Brown
 - Alex Tulchinsky
 - Ryan Ehrensberger
 - Maureen McBride
 - Jason Livingston
 - Sarah Payamps
 - Matt Rowland
 - Liz Robbins
 - Courtney Jett