# Audit and Finance Committee

Wednesday, March 22, 2023 2:00 pm

UMC Trauma Building - Providence Suite 5th Floor

# AGENDA

**University Medical Center of Southern Nevada**
GOVERNING BOARD
AUDIT & FINANCE COMMITTEE
**March 22, 2023 2:00 p.m.**
800 Hope Place, Las Vegas, Nevada
UMC Trauma Building, ProVidence Suite (5th Floor)

Notice is hereby given that a meeting of the UMC Governing Board Audit & Finance Committee has been called and will be held at the time and location indicated above, to consider the following matters:

**This meeting has been properly noticed and posted online at University Medical Center of Southern Nevada's website http://www.umcsn.com and at Nevada Public Notice at https://notice.nv.gov/, and at University Medical Center 1800 W. Charleston Blvd. Las Vegas, NV (Principal Office)**

- The main agenda is available on University Medical Center of Southern Nevada's website http://www.umcsn.com. For copies of agenda items and supporting back-up materials, please contact Stephanie Ceccarelli at (702) 765-7949. The Audit & Finance Committee may combine two or more agenda items for consideration.
- Items on the agenda may be taken out of order.
- The Audit & Finance Committee may remove an item from the agenda or delay discussion relating to an item at any time.

## SECTION 1: OPENING CEREMONIES

## CALL TO ORDER

1. Public Comment

   PUBLIC COMMENT. This is a period devoted to comments by the general public about items on ***this*** agenda. If you wish to speak to the Committee about items within its jurisdiction but not appearing on this agenda, you must wait until the "Comments by the General Public" period listed at the end of this agenda. Comments will be limited to three minutes. Please step up to the speaker's podium, clearly state your name and address and please ***spell*** your last name for the record. If any member of the Committee wishes to extend the length of a presentation, this will be done by the Chair or the Committee by majority vote.

2. Approval of minutes of the regular meeting of the UMC Governing Board Audit and Finance Committee meeting of February 15, 2023. *(For possible action).*

3. Approval of Agenda. *(For possible action)*

## SECTION 2: BUSINESS ITEMS

4. Receive the monthly financial report for February FY2023; and direct staff accordingly. *(For possible action)*

5. Receive and recommend for acceptance by the Governing Board the Single Audit from BDO USA, LLP, Certified Public Accountants for University Medical Center of Southern Nevada; and direct staff accordingly. *(For possible action)*

6. Receive an update report from the Chief Financial Officer; and direct staff accordingly. *(For possible action)*

7. Review and recommend for approval by the Governing Board the Marketplace Product Amendment to Hospital Services Agreement with Molina Healthcare of Nevada, Inc. for managed care services; or take action as deemed appropriate. *(For possible action)*

8. Review and recommend for approval by the Governing Board the Marketplace Product Amendment to Provider Services Agreement with Molina Healthcare of Nevada, Inc. for managed care services; or take action as deemed appropriate. *(For possible action)*

9. Review and recommend for approval by the Governing Board the Provider Agreement with Alignment Healthcare Nevada, LLC for managed care services; or take action as deemed appropriate. *(For possible action)*

10. Review and recommend for approval by the Governing Board the Individual / Group Provider Service Agreement with Sierra Health and Life Insurance Company, Inc. and Sierra Healthcare Options, Inc. for managed care services; or take action as deemed appropriate. *(For possible action)*

11. Review and recommend for approval by the Governing Board the Medicaid / Nevada Check-up Consulting Provider Agreement with Health Plan of Nevada, Inc. for managed care services; or take action as deemed appropriate. *(For possible action)*

12. Review and recommend for ratification by the Governing Board the Amendment Number Three to Provider Services Agreement with Intermountain IPA NV, LLC f/k/a HCP IPA Nevada, LLC for managed care services; or take action as deemed appropriate. *(For possible action)*

13. Review and recommend for approval by the Governing Board the Amendment to the Client Service Agreement with DASpecialists, LLC for registry abstraction services; authorize the Chief Executive Officer to execute amendments or renewal options within his delegation of authority; or take action as deemed appropriate. *(For possible action)*

14. Review and recommend for approval by the Governing Board the Amendment Three to Agreement for Locum Tenens Coverage with Staff Care, Inc.; or take action as deemed appropriate. *(For possible action)*

15. Review and recommend for ratification by the Governing Board the Amendment One to Amended and Restated Professional Services Agreement with Duke Forage Anson Neurosurgical, LLP for Neurological Surgery and Neurological Spine Surgery On-Call Coverage; or take action as deemed appropriate. *(For possible action)*

16. Review and recommend for approval by the Governing Board the Third Amendment to Provider Agreement with Specialized Delivery Services, Inc. for Courier Services; or take action as deemed appropriate. *(For possible action)*

17. Review and recommend for approval by the Governing Board the Agreement with Transplant Coordinators of America, Inc. for Transplant Services; or take action as deemed appropriate. *(For possible action)*

18. Review and recommend for approval by the Governing Board the Agreement with the Board of Regents of the Nevada System of Higher Education on behalf of the Kirk

Kerkorian School of Medicine at the University of Nevada, Las Vegas and UNLV Medicine d/b/a UNLV Health for EMR system access; authorize the Chief Executive Officer to execute any extension options and amendments; or take action as deemed appropriate. *(For possible action)*

19. Review and recommend for approval by the Governing Board the Project Statement of Work with Iron Mountain Information Management, LLC for the filing sorting and destruction project; or take action as deemed appropriate. *(For possible action)*

20. Review and recommend for approval by the Governing Board the Second Amendment to Equipment Placement Services Agreement with SmallGuy, LLC dba Integrated Telehealth Solutions for TeleVisitor™ hardware and TeleTether™ software solutions; or take action as deemed appropriate. *(For possible action)*

21. Review and recommend for approval by the Governing Board the Professional Service Agreement with Steris Corporation for architectural design services; authorize the Chief Executive Officer to exercise any future amendments within his delegated authority; or take action as deemed appropriate. *(For possible action)*

22. Review and recommend for approval by the Governing Board the Amendment Two to Agreement for Exterior Signage Products with INNERFACE Architectural Signage, Inc. for UMC Main Campus exterior signage services; authorize the Chief Executive Officer to exercise any extension options and execute future amendments within the not-to-exceed amount of this Project; or take action as deemed appropriate. *(For possible action*)

23. Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Bid No. 2022-15, Central Plant Infrastructure, to Monument Construction, the lowest responsive and responsible bidder; authorize the Chief Executive Officer to exercise any Change Orders within his delegation of authority; or take action as deemed appropriate. *(For possible action)*

24. Review and receive feedback on the tentative FY 2024 Preliminary Operating Budget to be considered by Clark County and discuss any changes; and direct staff accordingly. *(For possible action)*

**SECTION 3: EMERGING ISSUES**

25. Identify emerging issues to be addressed by staff or by the Audit and Finance Committee at future meetings; and direct staff accordingly. (*For possible action)*

**COMMENTS BY THE GENERAL PUBLIC**

**All comments by speakers should be relevant to the Committee's action and jurisdiction.**

**UMC ADMINISTRATION KEEPS THE OFFICIAL RECORD OF ALL PROCEEDINGS OF UMC GOVERNING BOARD AUDIT & FINANCE COMMITTEE. IN ORDER TO MAINTAIN A COMPLETE AND ACCURATE RECORD OF ALL PROCEEDINGS, ANY PHOTOGRAPH, MAP, CHART, OR ANY OTHER DOCUMENT USED IN ANY PRESENTATION TO THE BOARD SHOULD BE SUBMITTED TO UMC ADMINISTRATION. IF MATERIALS ARE TO BE DISTRIBUTED TO THE COMMITTEE, PLEASE PROVIDE SUFFICIENT COPIES FOR DISTRIBUTION TO UMC ADMINISTRATION.**

**THE COMMITTEE MEETING ROOM IS ACCESSIBLE TO INDIVIDUALS WITH DISABILITIES. WITH TWENTY-FOUR (24) HOUR ADVANCE REQUEST, A SIGN LANGUAGE INTERPRETER MAY BE MADE AVAILABLE (PHONE: 702-765-7949).**

***University Medical Center of Southern Nevada***
***Governing Board Audit and Finance Committee Meeting***
*February 15, 2023*

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UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada

The University Medical Center Governing Board Audit and Finance Committee met at the location and date above, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:03 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

**CALL TO ORDER**

Board Members:

Present:
Robyn Caspersen (via webex)
Dr. Donald Mackay
Jeff Ellis (via webex)
Harry Hagerty (via webex)
Mary Lynn Palenik (via webex)
Christian Haase (via webex)

Absent:
None

Others Present:
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Doug Metzger, Controller
Frederick Lippmann, Chief Medical Officer
Rose Coker, Director of Managed Care
Maria Sexton, Chief Information Officer
Susan Pitz, General Counsel
Lia Allen, Assistant General Counsel - Contracts
Stephanie Ceccarelli, Board Secretary

**SECTION 1. OPENING CEREMONIES**

**ITEM NO. 1 PUBLIC COMMENT**

Committee Chair Caspersen asked if there were any public comments to be heard on any item on this agenda.

Speaker(s): None

**ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Audit and Finance Committee meeting on January 18, 2023. *(For possible action)***

FINAL ACTION:

A motion was made by Member Mackay that the minutes be approved as presented. Motion carried by unanimous vote.

**ITEM NO. 3 Approval of Agenda *(For possible action)***

Item 13 was removed from the agenda.

FINAL ACTION:

A motion was made by Member Mackay that the agenda be approved as amended. Motion carried by unanimous vote.

**SECTION 2. BUSINESS ITEMS**

**ITEM NO. 4** Receive the monthly financial report for January FY23; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- January FY23 Financials

DISCUSSION:

Jennifer Wakem, Chief Financial Officer presented the financials for January.

Admissions were 4% over budget and AADC was 12% above budget.
Length of stay was just over 7 days, but slightly lower than prior year.
Observation ALOS dropped 31%.
Hospital acuity was down 16%. Medicare CMI dropped 16.5%.
Inpatient surgeries were 6% below budget and outpatient surgeries were down 13%. There are still challenges with anesthesia.
Mr. Marinello added, to date we have hired 33 anesthesiologists.
There were 16 transplants for the month. UMC did its first pancreatic transplant in January.
ER visits were on budget with 8,991 and 22.5% of patients coming through the emergency room are being admitted.
Quick cares were down 18% and Primary cares were 33% above budget; Peccole, Centennial and Summerlin were the stand outs.
There were 526 telehealth visits and 1,431 in orthopedic clinic visits.

The trended stats were compared to FY19; admissions are strong at 1,999 but not as high as FY19, which was 2,068.
Length of stay remains a struggle, at a little more than 7 days.
Acuity has dropped. Medicare CMI decreased slightly to 1.89, primarily due to a decrease in surgical cases. Inpatient surgeries were down 49 cases compared to 2019 and outpatient surgeries were also down.
There were 16 transplants and Ms. Wakem added that UMC has hired another transplant surgeon.
Overall emergency room visits are down compared to 2019.

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UMC telehealth dropped slightly in January. Orthopedic clinic visits were at 1,431.

Payor mix trended by inpatient, government dropped a little more than 1% and Medicare was up almost 2%. Payor mix trended in the ED, there was an increase in Medicare of 1%.

Payor mix trended by inpatient surgeries, government went down 1.5% and Medicare was up 2%. Payor mix trended by outpatient surgeries, commercial was down 6% and Medicaid was up 4.5% and Medicare was up 3%.

The income statement for January showed net patient revenue almost $5.1 million above budget. Other revenue was down $80K. Overall net revenue was $5 million over budget and total operating expenses above budget $7 million. Income from ops before depreciation was positive $1.8 million on a budget of $3.5 million, below budget $1.7 million.

The income statement year to date showed other revenue $15.4 million above budget and operating expense was $22.7 million above budget.
Earnings before depreciation and amortization were $14.3 million on a budget of $21.3 million, which left a deficit of approximately $7 million year to date.

Mr. Marinello added that the unbudgeted costs related to orthopedics and anesthesia has created an increase in costs. The summary income statement trended was shown as informational.

SWB was over budget $3.7 million. Overtime was slightly over budget $61K and contract labor was over approximately $450K over budget. SWB was impacted primarily due to the unbudgeted costs related to orthopedics and anesthesia. Mr. Marinello added that this relates to about 50 additional FTEs.

SWB per APD was $2,109 and SWB as a percent of net was 61.48%. AEPOB was 5.56 versus a budget of 5.95.

SWB trended showed overtime and contract labor were down from the 12-month average. Overtime as a percent of productive was running 3.15%, which was a record low.

Supplies were $1.8 million over budget due to implant surgical cases and 340B supply replenishment. Purchased services is up due to advertising and software license expense. Utilities and gas are also higher than anticipated.

Key financial indicators were reviewed in profitability, labor, liquidity and cash collections. Ms. Wakem reviewed the indicators that were in the red. Days' cash on hand is just over 2 months. There are a significant number of outstanding supplemental payments. Candidate for billing is at 2.3 days and the cash collection goal was met.

Cash flow slide showed cash received from patients and payors was at $54 million for the month. Roughly $3 million in supplemental payments has been received.

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Dr. Mackay asked if the delay in payments were federal or a state problem. Ms. Wakem responded that it is a state issue and a delay in processing.

Chair Caspersen asked if we have any insight on how UMC's length of stay compares to other hospitals. Mr. Marinello responded that this is an issue with other facilities community wide. There was continued discussion regarding the impact of length of stay on HCAHPS statistics.

FINAL ACTION TAKEN:

None taken.

**ITEM NO. 5 Receive an update report from the Chief Financial Officer; and direct staff accordingly. *(For possible action)***

DOCUMENTS SUBMITTED:
- None

DISCUSSION:

Ms. Wakem stated that the public health emergency will officially end May 11, 2023. Hospitals will no longer receive the additional DRG related to COVID patients and the relaxed requirements for Medicare patients will go away. COVID-19 testing and vaccines will no longer be tied to the emergency. There will now be a cost sharing with COID testing and vaccinations.
Relaxed rules regarding qualifying patients to Medicaid will also begin. She noted that there was a 43% increase in Medicaid enrollees, so this is expected to drop.

Ms. Wakem provided an update regarding the 340B program litigation.

Nevada Medicaid did a rate review of hospital reimbursements and acknowledged they are lower than they should be. It was noted the anticipated rate increases were not included in the Governor's budget.

UMC continues to monitor the activity related to the Provider Fee program.

Dr. Mackay mentioned that there are 2 outstanding cases in the 340B program and it may end up in the Supreme Court. This will be something to watch.

FINAL ACTION TAKEN:
None taken

**ITEM NO. 6 Review and recommend for ratification by the Governing Board the Amendment Number Two to Provider Services Agreement with Intermountain IPA NV, LLC f/k/a HCIP IPA Nevada, LLC for managed care services; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment 2 - Redacted

DRAFT

DISCUSSION:

This second amendment is to add the Orthopedic Specialty service line and update the fee schedule to include payment for orthopedic services.

Member Mackay had questions regarding spinal services not included in this agreement and inquired about the x-ray service costs.

Ms. Coker responded that we can do all surgeries except spinal care unless it is trauma related. The x-ray service cost exception is for the hospital related cases.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to ratify and make a recommendation to the Governing Board to ratify the agreement. Motion carried by unanimous vote.

**ITEM NO. 7 Review and recommend for approval by the Governing Board the Amendment Number Two to Provider Agreement with P3 Health Partners-Nevada, LLC for Managed Care Services; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Provider Agreement – Amendment Two
- Disclosure of Ownership

DISCUSSION:

This is an IPA plan agreement for ambulatory care division. UMC participates in the comprehensive visit incentive program. This amendment will modify the Provider Quality Incentive Program Terms to support the Qualified Comprehensive Visits & PCP Quality Incentive Plan.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

**ITEM NO. 8 Review and recommend for approval by the Governing Board the Amendment 1 to Specimen Collection Pricing & Commitment Agreement with Becton, Dickson and Company for specimen collection tubes and related supplies; authorize the Chief Executive Officer to execute any future amendments or renewals within his delegation of authority; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment One to Pricing and Commitment Agreement
- Disclosure of Ownership

DRAFT

DISCUSSION:

We currently have an agreement with this vendor to purchase collection tubes used by the pathology department. This is an amendment to extend the agreement for 1 year and add funding in order to continue to purchase supplies.

FINAL ACTION TAKEN:

A motion was made by Member Haase to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

**ITEM NO. 9 Review and recommend for approval by the Governing Board the Service Agreement with Eaton Corporation Electrical Engineering Services & Systems for Arc Flash Analysis; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Proposal - Redacted
- Disclosure of Ownership

DISCUSSION:

This agreement will allow the vendor to provide onsite data collection, arc flash hazard analysis, short-circuit study, protection device coordination, and arch flash label application for UMC, which are required by OSHA and NFPA 70E to ensure that UMC's electrical systems are in compliance with the appropriate protections. This is a 1-year agreement.

FINAL ACTION TAKEN:

A motion was made by Member Palenik to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

**ITEM NO. 10 Review and recommend for approval by the Governing Board the Purchaser Services Agreement with Emerald Textile Services, Utah, LLC for linen management and distribution services; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Purchased Services Agreement
- Sourcing Letter

DISCUSSION:

This is a new 5-year agreement under HPG. They will provide laundry services, rental and delivery service to UMC hospital and ambulatory facilities. Termination can be at any time upon 90-day written notice.

FINAL ACTION TAKEN:

A motion was made by Member Palenik to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

**ITEM NO. 11 Review and recommend for approval by the Governing Board the Software Use Agreement with Strata Decision Technology, LLC for financial planning and decision support software subscription; authorize the Chief Executive Officer to execute extensions and amendments within his yearly delegation of authority; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Software Use Agreement - Redacted

DISCUSSION:

This is a new software agreement with Strata will replace our current agreement for retrospective productivity. This solution will provide more services including business decision support, advanced cost accounting, reporting and contract analytics to improve efficiencies throughout the facility, as well as real time work force management for dynamic productivity. This is a 4-year agreement with one 1-year option to renew and terminate at any time with a 30-day notice or 6 months buyer's remorse guarantee.

Mr. Marinello added that this vendor will provide real time access to data more efficiently and will get us moving to the next level with our service lines. Ms. Wakem stated this vendor was named "Best in Class" for 17 consecutive years and they understand the healthcare industry very well.

There was continued discussion regarding the implementation of this new system.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

**ITEM NO. 12 Review and recommend for approval by the Governing Board the Service Agreement with NOVA Geotechnical and Inspection Services, LLC d/b/a Universal Engineering Sciences for special inspections and material testing services; authorize the Chief Executive Officer to execute the extension option and amendments within the not-to-exceed amount of this Agreement; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Service Agreement

DRAFT

DISCUSSION:

This will for the external façade project. The vendor will provide onsite field density testing, observations and inspections of soils and structural materials. A summary report will be provided. The term is through 2025, which will coincide with the estimated end of the façade project. UMC may terminate with a 30-day written notice.

Chair Caspersen requested that the Committee be made aware of any agreements that are related to the original assessment of the façade project, in order to track any items that represent a change or that are over and above what was originally approved by the Governing Board.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

**ITEM NO. 13 Review and recommend for approval by the Governing Board the Agreement with the Board of Regents of the Nevada System of Higher Education on behalf of the Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas and UNLV Medicine d/b/a UNLV Health for EMR system access; authorize the Chief Executive Officer to execute any extension options and amendments; or take action as deemed appropriate. *(For possible action)***

This item was removed from the agenda.

**ITEM NO. 14 Review and recommend for approval by the Governing Board the Agreements with WellSky Corporation for blood bank software; authorize the Chief Executive Officer to execute amendments within his delegation of authority; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Master License an Services Agreement
- Transfusion Order Form – Redacted
- Disclosure of Ownership

DISCUSSION:

This is a new vendor that will replace our current software solution for blood bank software to provide integration between clinical areas and the lab to improve communication, eliminate duplicate tests and increase visibility into testing progress. This is a required management software and will replace UMC's current blood bank software to remain compliant with the current FDA guidelines. This is a new 5-year agreement.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

**ITEM NO. 15 Review and recommend for approval by the Governing Board the Amendments to Lease Agreement with PNC Bank, National Association for endoscopy scopes and video imaging equipment; authorize the Chief Executive Officer to execute future amendments or renewals; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment #001, #002, #003
- Lease Agreement
- Disclosure of Ownership

DISCUSSION:

This amendment extends the current agreement term for an additional 36 months and increases the funding to account for the increase in term.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

**ITEM NO. 16 Review and recommend for approval by the Governing Board the Agreement with ELITechGroup MDX LLC for Reagent Ordering & Service Support; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Service Agreement – Redacted
- Disclosure of Ownership

DISCUSSION:

This is a new agreement for the vendor to provide reagents and consumables annually for use in the lab for molecular diagnostic testing. This will ensure consistent supply in pricing of reagents and service of equipment to support weekly clinical testing. This is a 3-year agreement with term for convenience with a 15-day notice at any time.

FINAL ACTION TAKEN:

A motion was made by Member Haase to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

**ITEM NO. 17 Review and recommend for approval by the Governing Board the 340B Split Billing Services Agreement and the 340B Contract Pharmacy**

DRAFT

**Services Agreement with Verity Solutions Group, Inc. for 340B administrator services; authorize the Chief Executive Officer to execute any extension options and amendments within his yearly delegation of authority; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Contract Pharmacy Services Agreement
- Split Billing Agreement
- Business Associate Agreement
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

This is a request to enter into a new agreement for 340B Split Billing Services agreement and an agreement for 340B Contract Pharmacy Services.

Contract Pharmacy Service is a web-based 340B processor subscription that will assist UMC to register eligible pharmacies, offer patient discounts, manage and automate 340B replenishment to enable self-ordering and collect payments from contract pharmacies.

The virtual inventory system solution offers pharmaceutical order visibility, audit trails and other reporting metrics. The solution identifies all drug dispenses, tracks all 340B purchases from vendors, and automatically splits replenishment orders for eligible medications into as many UMC wholesaler accounts.

Both agreements each hold a 3-year term and may terminate upon a 60-day notice.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve and make a recommendation to the Governing Board to approve the agreements. Motion carried by unanimous vote.

**ITEM NO. 18 Review and recommend for approval by the Governing Board the Agreement with T Evans RNFA, LLC for Contractor Services; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Service Agreement
- Disclosure of Ownership

DISCUSSION:

This vendor will provide up to 3 CVT Registered Nurse First Assist medical assistants for cardiovascular thoracic services, as well as training and proctoring. This is a one year agreement with a 15-days term notice.

DRAFT

Mr. Marinello added that this need represents the growth in the cardiology program.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

**ITEM NO. 19 Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Amendment One to Master Professional Services Agreement with Medicus Healthcare Solutions, LLC for anesthesia locum tenens and CRNA staffing services; authorize the Chief Executive Officer to execute amendments within the not-to-exceed amount of this Agreement; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Master Professional Services Agreement – Amendment One

DISCUSSION:

This is an amendment to the current agreement with Medicus for locum tenens anesthesia and CRNA services. This amendment will extend the term through December 31, 2023 and add additional funding. The term is at any time upon 60-days' notice to the vendor.

FINAL ACTION TAKEN:

A motion was made by Member Haase to approve and make a recommendation to the Board of Hospital Trustees to approve the amendment. Motion carried by unanimous vote.

**SECTION 3: EMERGING ISSUES**

**ITEM NO. 20 Identify emerging issues to be addressed by staff or by the Audit and Finance Committee at future meetings; and direct staff accordingly. (*For possible action)***

Dr. Lippmann reported regarding healthcare finances, the AHA has looked at average length of stay across the nation and noted it is up between 19-24% nationwide. The prediction is that 68% of hospitals will come in at a loss this year. There was a brief discussion that ensued on this subject matter.

At this time, Chair Caspersen asked if there were any public comment received to be heard on any items not listed on the posted agenda.

**COMMENTS BY THE GENERAL PUBLIC:**

SPEAKERS(S): None

There being no further business to come before the Committee at this time, at the hour of 3:05 pm., Chair Caspersen adjourned the meeting.

MINUTES APPROVED:
Minutes Prepared by: Stephanie Ceccarelli

DRAFT

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | |
|---|---|
| **Issue:** **Monthly Financial Reports for February FY23** | **Back-up:** |
| **Petitioner:** Jennifer Wakem, Chief Financial Officer | |

**Recommendation:**

**That the Governing Board Audit and Finance Committee receive the monthly financial report for February FY23; and direct staff accordingly.** ***(For possible action)***

**FISCAL IMPACT:**

None

**BACKGROUND:**

The Chief Financial Officer will present the financial report for February FY23 for the committee's review and direction.

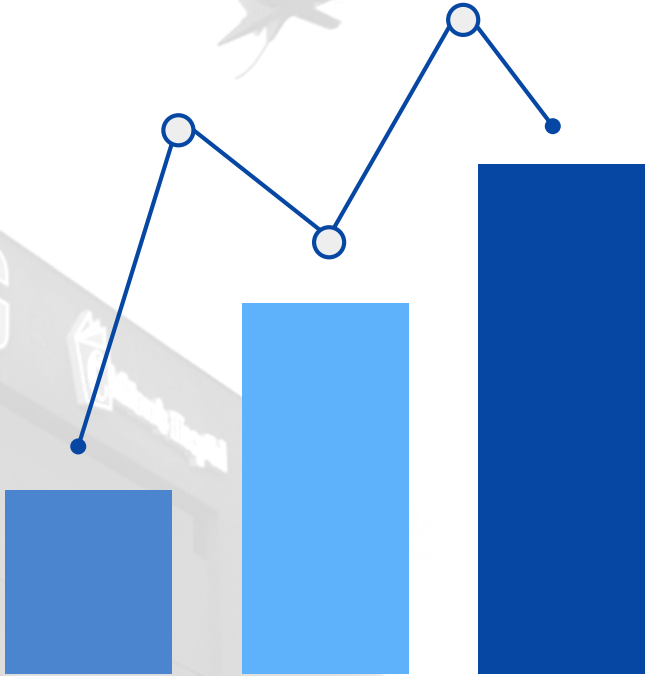
Cleared for Agenda
March 22, 2023

Agenda Item #

**4**

# February 2023 Financials

AFC Meeting



# KEY INDICATORS – FEB

| Current Month | Actual | Budget | % Var | Prior Year | Variance | % Var |
|---|---|---|---|---|---|---|
| APDs | 19,156 | 17,072 | 12.21% | 18,711 | 445 | 2.38% |
| Total Admissions | 1,842 | 1,857 | (0.81%) | 1,608 | 234 | 14.55% |
| Observation Cases | 677 | 1,007 | (32.77%) | 1,007 | (330) | (32.77%) |
| AADC | 684 | 610 | 12.21% | 668 | 16 | 2.38% |
| ALOS (Admits) | 6.97 | 5.96 | 16.92% | 8.15 | (1.18) | (14.48%) |
| ALOS (Obs) | 0.99 | 1.42 | (30.06%) | 1.42 | (0.43) | (30.06%) |
| Hospital CMI | 1.81 | 1.94 | (6.41%) | 2.03 | (0.22) | (10.68%) |
| Medicare CMI | 1.91 | 1.94 | (1.82%) | 2.07 | (0.16) | (7.91%) |
| IP Surgery Cases | 745 | 771 | (3.40%) | 738 | 7 | 0.95% |
| OP Surgery Cases | 386 | 406 | (4.96%) | 468 | (82) | (17.52%) |
| Transplants | 11 | 10 | 10.00% | 10 | 1 | 10.00% |
| Total ER Visits | 8,662 | 8,577 | 0.99% | 7,936 | 726 | 9.15% |
| ED to Admission | 11.49% | - | - | 8.43% | 3.06% | - |
| ED to Observation | 10.14% | - | - | 12.55% | (2.41%) | - |
| ED to Adm/Obs | 21.62% | - | - | 20.98% | 0.64% | - |
| Quick Cares | 16,151 | 18,360 | (12.03%) | 12,345 | 3,806 | 30.83% |
| Primary Care | 6,589 | 5,191 | 26.94% | 5,454 | 1,135 | 20.81% |
| UMC Telehealth - QC | 474 | 205 | 131.22% | 27 | 447 | 1,655.56% |
| OP Ortho Clinic | 1,234 | - | 100.00% | - | 1,234 | 100.00% |
| Deliveries | 116 | 115 | 0.58% | 99 | 17 | 17.17% |

# TRENDING STATS

| | Feb- 22 | Mar- 22 | Apr- 22 | May- 22 | Jun- 22 | Jul- 22 | Aug- 22 | Sep- 22 | Oct- 22 | Nov- 22 | Dec- 22 | Jan- 23 | Feb- 23 | Feb- 19 | Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| APDs | 18,711 | 20,666 | 19,556 | 20,454 | 20,212 | 20,535 | 21,128 | 19,865 | 20,116 | 19,867 | 20,965 | 20,213 | 19,156 | 14,739 | 4,417 |
| Total Admissions | 1,608 | 1,791 | 1,850 | 1,927 | 1,827 | 1,892 | 1,914 | 1,864 | 1,997 | 1,974 | 2,006 | 1,999 | 1,842 | 2,004 | (162) |
| Observation Cases | 1,007 | 1,234 | 904 | 937 | 978 | 901 | 956 | 839 | 920 | 806 | 763 | 804 | 677 | 1,378 | (701) |
| AADC | 668 | 667 | 652 | 660 | 674 | 662 | 682 | 662 | 649 | 662 | 676 | 652 | 684 | 526 | 158 |
| ALOS (Adm) | 8.15 | 7.33 | 7.17 | 6.25 | 7.08 | 6.54 | 7.05 | 7.70 | 7.10 | 6.41 | 7.33 | 7.12 | 6.97 | 5.08 | 1.89 |
| ALOS (Obs) | 1.42 | 1.51 | 1.29 | 1.02 | 1.06 | 1.19 | 1.13 | 1.08 | 1.03 | 1.02 | 0.93 | 0.97 | 0.99 | 1.36 | (0.37) |
| Hospital CMI | 2.03 | 1.97 | 1.87 | 1.89 | 1.84 | 1.83 | 1.84 | 1.91 | 1.73 | 1.82 | 1.90 | 1.79 | 1.81 | 1.88 | (0.07) |
| Medicare CMI | 2.07 | 2.01 | 2.08 | 1.99 | 1.81 | 2.00 | 1.97 | 2.18 | 1.82 | 1.94 | 1.88 | 1.89 | 1.91 | 2.27 | (0.37) |
| IP Surgery Cases | 738 | 913 | 777 | 844 | 788 | 869 | 811 | 786 | 800 | 717 | 742 | 742 | 745 | 825 | (80) |
| OP Surgery Cases | 468 | 621 | 448 | 495 | 523 | 433 | 524 | 426 | 383 | 351 | 368 | 376 | 386 | 401 | (15) |
| Transplants | 10 | 15 | 13 | 14 | 8 | 16 | 12 | 12 | 11 | 11 | 8 | 16 | 11 | 0 | 11 |
| Total ER Visits | 7,936 | 9,764 | 9,432 | 9,898 | 9,091 | 8,994 | 9,728 | 9,183 | 9,844 | 9,875 | 9,764 | 8,991 | 8,662 | 8,990 | (328) |
| ED to Admission | 8.43% | 7.88% | 10.61% | 10.03% | 9.94% | 11.34% | 10.27% | 11.29% | 11.01% | 11.06% | 11.61% | 11.36% | 11.49% | 8.02% | 3.47% |
| ED to Observation | 12.55% | 13.61% | 10.28% | 10.65% | 12.00% | 11.52% | 11.14% | 10.52% | 10.66% | 9.05% | 9.35% | 11.10% | 10.14% | 16.25% | (6.11%) |
| ED to Adm/Obs | 20.98% | 21.49% | 20.90% | 20.68% | 21.94% | 22.86% | 21.41% | 21.81% | 21.67% | 20.11% | 20.96% | 22.46% | 21.62% | 24.27% | (2.65%) |
| Quick Care | 12,345 | 16,330 | 16,025 | 17,060 | 15,800 | 14,601 | 17,119 | 15,811 | 16,971 | 20,344 | 20,786 | 18,744 | 16,151 | 17,428 | (1,278) |
| Primary Care | 5,454 | 6,935 | 5,888 | 5,795 | 5,841 | 5,724 | 6,942 | 6,780 | 6,670 | 6,407 | 5,740 | 6,842 | 6,589 | 5,751 | 838 |
| UMC Telehealth - QC | - | - | - | - | - | 451 | 335 | 313 | 450 | 667 | 729 | 526 | 474 | - | 474 |
| OP Ortho Clinic | - | - | - | - | - | - | - | - | - | 665 | 658 | 1431 | 1,234 | - | 1,234 |
| Deliveries | 99 | 104 | 108 | 94 | 113 | 121 | 129 | 129 | 133 | 142 | 137 | 137 | 116 | 129 | (13) |

# Payor Mix Trend

## IP- Payor Mix 12 Mo Feb- 23

| Fin Class | Feb- 22 | Mar- 22 | Apr- 22 | May- 22 | Jun- 22 | Jul- 22 | Aug- 22 | Sep- 22 | Oct- 22 | Nov- 22 | Dec- 22 | Jan- 23 | Feb- 23 | 12-Mo Avg | Feb to Avg Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Commercial | 16.83% | 16.34% | 18.01% | 17.55% | 17.37% | 17.08% | 18.65% | 17.25% | 17.86% | 16.03% | 15.28% | 16.69% | 15.57% | 17.08% | (1.51%) |
| Government | 4.19% | 4.37% | 4.37% | 5.30% | 3.81% | 5.19% | 4.27% | 4.12% | 4.63% | 3.26% | 3.70% | 3.08% | 4.00% | 4.19% | (0.19%) |
| Medicaid | 44.01% | 41.96% | 43.39% | 43.95% | 45.57% | 44.53% | 45.23% | 44.63% | 43.43% | 44.29% | 43.28% | 43.39% | 43.29% | 43.97% | (0.68%) |
| Medicare | 29.46% | 31.40% | 30.06% | 28.65% | 28.56% | 27.61% | 26.69% | 27.74% | 28.96% | 31.19% | 32.57% | 31.48% | 32.12% | 29.53% | 2.59% |
| Self Pay | 5.51% | 5.93% | 4.17% | 4.55% | 4.69% | 5.59% | 5.16% | 6.26% | 5.12% | 5.23% | 5.17% | 5.36% | 5.02% | 5.23% | (0.21%) |

## ED- Payor Mix 12 Mo Feb- 23

| Fin Class | Feb- 22 | Mar- 22 | Apr- 22 | May- 22 | Jun- 22 | Jul- 22 | Aug- 22 | Sep- 22 | Oct- 22 | Nov- 22 | Dec- 22 | Jan- 23 | Feb- 23 | 12-Mo Avg | Feb to Avg Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Commercial | 19.39% | 19.15% | 17.69% | 17.47% | 17.86% | 17.90% | 18.02% | 18.07% | 17.92% | 16.36% | 16.66% | 17.90% | 17.17% | 17.87% | (0.70%) |
| Government | 4.95% | 4.09% | 3.93% | 4.09% | 4.41% | 4.12% | 3.99% | 4.05% | 4.10% | 3.56% | 3.67% | 3.67% | 3.96% | 4.05% | (0.09%) |
| Medicaid | 47.45% | 49.49% | 53.23% | 53.94% | 52.92% | 53.12% | 52.87% | 51.20% | 51.95% | 54.76% | 53.46% | 51.71% | 53.33% | 52.18% | 1.15% |
| Medicare | 15.67% | 14.49% | 13.33% | 12.88% | 13.07% | 13.82% | 13.25% | 13.79% | 14.23% | 13.53% | 14.34% | 14.96% | 15.19% | 13.95% | 1.24% |
| Self Pay | 12.54% | 12.78% | 11.82% | 11.62% | 11.74% | 11.04% | 11.87% | 12.89% | 11.80% | 11.79% | 11.87% | 11.76% | 10.35% | 11.96% | (1.61%) |

# Payor Mix Trend

## Surg IP- Payor Mix 12 Mo Feb- 23

| Surg IP | Feb- 22 | Mar- 22 | Apr- 22 | May- 22 | Jun- 22 | Jul- 22 | Aug- 22 | Sep- 22 | Oct- 22 | Nov- 22 | Dec- 22 | Jan- 23 | Feb- 23 | 12-Mo Avg | Feb to Avg Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Commercial | 18.24% | 19.41% | 23.81% | 20.73% | 18.53% | 21.03% | 23.80% | 23.41% | 20.70% | 20.89% | 20.56% | 20.16% | 20.27% | 20.94% | (0.67%) |
| Government | 5.95% | 6.51% | 4.38% | 8.41% | 5.20% | 7.13% | 7.77% | 5.09% | 6.48% | 5.43% | 6.32% | 4.44% | 6.80% | 6.09% | 0.71% |
| Medicaid | 40.41% | 36.98% | 34.74% | 34.24% | 40.36% | 37.47% | 35.38% | 36.89% | 33.92% | 38.58% | 38.85% | 37.63% | 37.87% | 37.12% | 0.75% |
| Medicare | 29.32% | 32.54% | 32.82% | 31.04% | 31.09% | 27.24% | 27.87% | 28.12% | 32.79% | 30.50% | 28.09% | 32.12% | 30.13% | 30.30% | (0.17%) |
| Self Pay | 6.08% | 4.56% | 4.25% | 5.58% | 4.82% | 7.13% | 5.18% | 6.49% | 6.11% | 4.60% | 6.18% | 5.65% | 4.93% | 5.55% | (0.62%) |

## Surg OP- Payor Mix 12 Mo Feb- 23

| Surg OP | Feb- 22 | Mar- 22 | Apr- 22 | May- 22 | Jun- 22 | Jul- 22 | Aug- 22 | Sep- 22 | Oct- 22 | Nov- 22 | Dec- 22 | Jan- 23 | Feb- 23 | 12-Mo Avg | Feb to Avg Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Commercial | 29.51% | 30.50% | 33.26% | 31.52% | 32.89% | 34.10% | 32.76% | 33.80% | 33.68% | 28.21% | 36.14% | 26.06% | 26.17% | 31.87% | (5.70%) |
| Government | 5.94% | 6.42% | 6.03% | 6.87% | 8.80% | 6.22% | 6.67% | 8.22% | 6.27% | 5.70% | 5.43% | 5.85% | 7.77% | 6.54% | 1.24% |
| Medicaid | 42.04% | 39.97% | 37.72% | 37.57% | 34.98% | 40.79% | 36.57% | 36.85% | 36.81% | 42.17% | 32.61% | 42.82% | 39.12% | 38.41% | 0.71% |
| Medicare | 19.75% | 20.70% | 20.98% | 21.62% | 21.99% | 16.36% | 21.52% | 17.84% | 20.37% | 20.51% | 21.74% | 23.14% | 25.90% | 20.54% | 5.36% |
| Self Pay | 2.76% | 2.41% | 2.01% | 2.42% | 1.34% | 2.53% | 2.48% | 3.29% | 2.87% | 3.41% | 4.08% | 2.13% | 1.04% | 2.64% | (1.60%) |

# SUMMARY INCOME STATEMENT – FEB

| REVENUE | Actual | Budget | Variance | % Variance | |
|---|---|---|---|---|---|
| Total Gross Patient Revenue | $347,995,660 | $316,031,888 | $31,963,772 | 10.11% | ↑ |
| | | | | | |
| Net Patient Revenue | $69,080,372 | $61,939,255 | $7,141,117 | 11.53% | ↑ |
| Other Revenue | $3,210,366 | $2,479,977 | $730,390 | 29.45% | ↑ |
| **Total Operating Revenue** | **$72,290,738** | **$64,419,231** | **$7,871,507** | **12.22%** | ↑ |
| Net Patient Revenue as a % of Gross | 19.85% | 19.60% | 0.25% | - | |

| EXPENSE | Actual | Budget | Variance | % Variance | |
|---|---|---|---|---|---|
| **Total Operating Expense** | **$69,540,994** | **$63,004,389** | **($6,536,605)** | **(10.37%)** | ↓ |

| INCOME FROM OPS | Actual | Budget | Variance | % Variance | |
|---|---|---|---|---|---|
| **Total Inc from Ops** | **$2,749,744** | **$1,414,843** | **$1,334,901** | **94.35%** | ↑ |
| | | | | | |
| Add back: Depr & Amort. | $2,903,639 | $2,946,678 | $43,039 | 1.46% | ↑ |
| **Tot Inc from Ops plus Depr & Amort.** | **$5,653,383** | **$4,361,520** | **$1,291,863** | **29.62%** | ↑ |
| | | | | | |
| **Operating Margin (w/Depr & Amort.)** | **7.82%** | **6.77%** | **1.05%** | - | |

# SUMMARY INCOME STATEMENT – YTD FEB

| REVENUE | Actual | Budget | Variance | % Variance | |
|---|---|---|---|---|---|
| Total Gross Patient Revenue | $2,872,631,245 | $2,714,770,633 | $157,860,613 | 5.81% | ↑ |
| | | | | | |
| Net Patient Revenue | $527,403,464 | $509,754,884 | $17,648,579 | 3.46% | ↑ |
| Other Revenue | $26,274,865 | $20,620,686 | $5,654,179 | 27.42% | ↑ |
| **Total Operating Revenue** | **$553,678,329** | **$530,375,571** | **$23,302,758** | **4.39%** | ↑ |
| Net Patient Revenue as a % of Gross | 18.36% | 18.78% | (0.42%) | - | |

| EXPENSE | Actual | Budget | Variance | % Variance | |
|---|---|---|---|---|---|
| **Total Operating Expense** | **$557,172,811** | **$527,941,412** | **($29,231,399)** | **(5.54%)** | ↓ |

| INCOME FROM OPS | Actual | Budget | Variance | % Variance | |
|---|---|---|---|---|---|
| **Total Inc from Ops** | **($3,494,482)** | **$2,434,159** | **($5,928,641)** | **(243.56%)** | ↓ |
| | | | | | |
| Add back: Depr & Amort. | $23,446,201 | $23,214,568 | ($231,633) | (1.00%) | ↓ |
| **Tot Inc from Ops plus Depr & Amort.** | **$19,951,719** | **$25,648,726** | **($5,697,008)** | **(22.21%)** | ↓ |
| | | | | | |
| **Operating Margin (w/Depr & Amort.)** | **3.60%** | **4.84%** | **(1.23%)** | - | |

# SUMMARY INCOME STATEMENT – TREND

| REVENUE | Feb- 22 | Mar- 22 | Apr- 22 | May- 22 | Jun- 22 | Jul- 22 | Aug- 22 | Sep- 22 | Oct- 22 | Nov- 22 | Dec- 22 | Jan- 23 | Feb- 23 | 12-Mo Avg | Feb to Avg Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Gross Patient Revenue | $313,977 | $368,803 | $337,185 | $345,132 | $338,423 | $356,195 | $374,965 | $353,902 | $357,810 | $353,064 | $369,393 | $359,307 | $347,996 | $352,346 | ($4,351) |
| Net Patient Revenue | $64,571 | $64,547 | $64,298 | $66,093 | $63,125 | $64,442 | $66,003 | $64,304 | $63,577 | $65,144 | $65,505 | $69,348 | $69,080 | $65,080 | $4,001 |
| Other Revenue | $4,742 | $4,836 | $2,527 | $1,321 | $2,805 | $2,516 | $2,177 | $2,581 | $4,113 | $2,099 | $7,116 | $2,462 | $3,210 | $3,275 | ($64) |
| **Total Operating Revenue** | **$69,313** | **$69,384** | **$66,826** | **$67,414** | **$65,930** | **$66,958** | **$68,180** | **$66,885** | **$67,690** | **$67,244** | **$72,621** | **$71,810** | **$72,291** | **$68,354** | **$3,936** |
| Net Patient Revenue as a % of Gross | 20.57% | 17.50% | 19.07% | 19.15% | 18.65% | 18.09% | 17.60% | 18.17% | 17.77% | 18.45% | 17.73% | 19.30% | 19.85% | 18.50% | 1.35% |

| EXPENSE | Feb- 22 | Mar- 22 | Apr- 22 | May- 22 | Jun- 22 | Jul- 22 | Aug- 22 | Sep- 22 | Oct- 22 | Nov- 22 | Dec- 22 | Jan- 23 | Feb- 23 | 12-Mo Avg | Feb to Avg Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Salaries, Wages and Benefits | $43,368 | $39,398 | $40,875 | $39,809 | $36,995 | $41,229 | $39,837 | $39,487 | $41,427 | $40,375 | $42,921 | $42,637 | $43,764 | $40,697 | $3,068 |
| Supplies | $14,728 | $14,622 | $11,243 | $11,844 | $9,479 | $11,288 | $11,569 | $12,110 | $12,085 | $12,293 | $15,052 | $13,377 | $11,336 | $12,474 | ($1,138) |
| Other | $15,197 | $16,469 | $15,816 | $16,251 | $17,617 | $15,284 | $15,240 | $15,892 | $16,152 | $15,764 | $16,390 | $17,222 | $14,440 | $16,108 | ($1,668) |
| **Total Operating Expense** | **$73,294** | **$70,490** | **$67,934** | **$67,905** | **$64,091** | **$67,800** | **$66,645** | **$67,490** | **$69,664** | **$68,432** | **$74,363** | **$73,237** | **$69,541** | **$69,279** | **$262** |

| INCOME FROM OPS | Feb- 22 | Mar- 22 | Apr- 22 | May- 22 | Jun- 22 | Jul- 22 | Aug- 22 | Sep- 22 | Oct- 22 | Nov- 22 | Dec- 22 | Jan- 23 | Feb- 23 | 12-Mo Avg | Feb to Avg Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Inc from Ops** | **($3,980)** | **($1,106)** | **($1,108)** | **($491)** | **$1,839** | **($842)** | **$1,535** | **($605)** | **($1,974)** | **($1,188)** | **($1,742)** | **($1,427)** | **$2,750** | **($924)** | **$3,674** |
| Add back: Depr & Amort. | $2,141 | $2,714 | $2,545 | $2,245 | $2,219 | $2,781 | $2,819 | $2,802 | $2,811 | $2,811 | $3,287 | $3,231 | $2,904 | $2,700 | $203 |
| **Tot Inc from Ops plus Depr & Amort.** | **($1,840)** | **$1,608** | **$1,437** | **$1,754** | **$4,057** | **$1,938** | **$4,354** | **$2,196** | **$837** | **$1,623** | **$1,545** | **$1,804** | **$5,653** | **$1,776** | **$3,877** |
| **Operating Margin (w/Depr & Amort.)** | **(2.65%)** | **2.32%** | **2.15%** | **2.60%** | **6.15%** | **2.90%** | **6.39%** | **3.28%** | **1.24%** | **2.41%** | **2.13%** | **2.51%** | **7.82%** | **2.60%** | **5.22%** |

# SALARY & BENEFIT EXPENSE – FEB

| | Actual | Budget | Variance | % Variance | |
|---|---|---|---|---|---|
| Salaries | $26,094,139 | $23,433,383 | ($2,660,756) | (11.35%) | ↓ |
| Benefits | $11,525,243 | $11,230,322 | ($294,921) | (2.63%) | ↓ |
| Overtime | $812,898 | $758,862 | ($54,035) | (7.12%) | ↓ |
| Contract Labor | $5,332,182 | $875,033 | ($4,457,149) | (509.37%) | ↓ |
| TOTAL | $43,764,463 | $36,297,601 | ($7,466,861) | (20.57%) | ↓ |
| Paid FTEs | 3,715 | 3,563 | (152) | (4.26%) | ↓ |
| SWB per FTE | $11,781 | $10,187 | ($1,594) | (15.64%) | ↓ |
| SWB/APD | $2,285 | $2,156 | ($129) | (5.97%) | ↓ |
| SWB % of Net | 63.35% | 58.60% | - | (4.75%) | ↓ |
| AEPOB | 5.43 | 5.95 | 0.52 | 8.74% | ↑ |

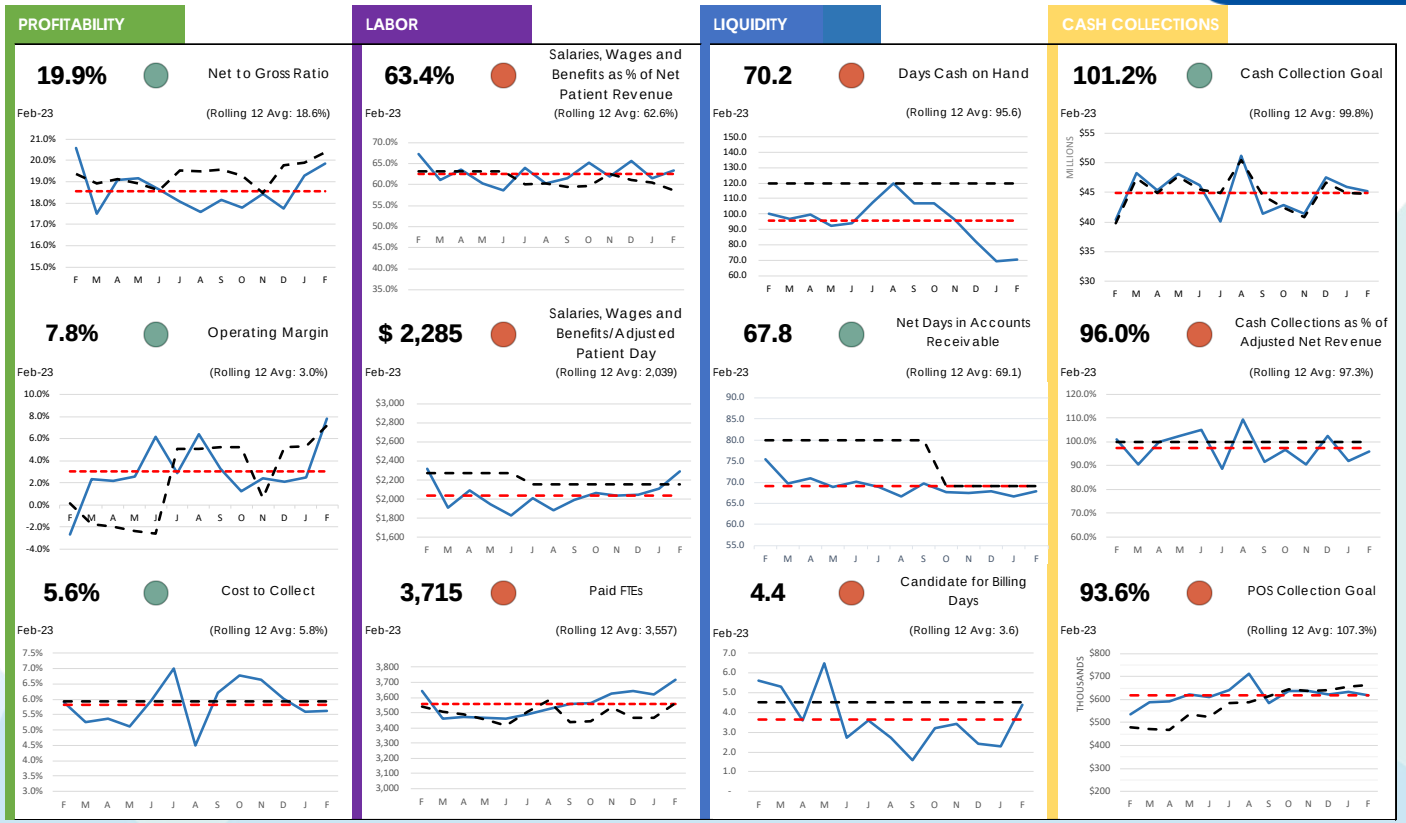
# SALARY & BENEFIT EXPENSE - TREND

| SALARY & BENEFIT EXPENSE | Feb- 22 | Mar- 22 | Apr- 22 | May- 22 | Jun- 22 | Jul- 22 | Aug- 22 | Sep- 22 | Oct- 22 | Nov- 22 | Dec- 22 | Jan- 23 | Feb- 23 | 12-Mo Avg | Feb to Avg Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Salaries | $27,808 | $24,801 | $25,957 | $25,994 | $23,562 | $26,230 | $26,013 | $25,194 | $27,845 | $26,358 | $28,230 | $27,978 | $26,094 | $26,331 | $237 |
| Benefits | $10,720 | $11,433 | $11,568 | $11,274 | $11,124 | $12,908 | $11,886 | $12,359 | $11,626 | $12,009 | $12,385 | $12,426 | $11,525 | $11,810 | $284 |
| Overtime | $1,881 | $836 | $1,405 | $1,216 | $1,183 | $1,283 | $1,106 | $1,012 | $961 | $1,128 | $1,116 | $936 | $813 | $1,172 | $359 |
| Contract Labor | $2,959 | $2,328 | $1,944 | $1,325 | $1,126 | $808 | $832 | $922 | $995 | $880 | $1,191 | $1,298 | $5,332 | $1,384 | ($3,948) |
| TOTAL | $43,368 | $39,398 | $40,875 | $39,809 | $36,995 | $41,229 | $39,837 | $39,487 | $41,427 | $40,375 | $42,921 | $42,637 | $43,764 | $40,697 | ($3,068) |
| | | | | | | | | | | | | | | | |
| Paid FTE | 3,628 | 3,473 | 3,478 | 3,459 | 3,460 | 3,492 | 3,536 | 3,553 | 3,570 | 3,630 | 3,625 | 3,623 | 3,715 | 3,544 | (171) |
| SWB per FTE | $11,953 | $11,343 | $11,753 | $11,507 | $10,692 | $11,808 | $11,267 | $11,114 | $11,604 | $11,121 | $11,840 | $11,769 | $11,781 | $11,481 | ($300) |
| SWB/APD | $2,318 | $1,906 | $2,090 | $1,946 | $1,830 | $2,008 | $1,885 | $1,988 | $2,059 | $2,032 | $2,047 | $2,109 | $2,285 | $2,018 | ($266) |
| SWB % of Net | **67.16%** | **61.04%** | **63.57%** | **60.23%** | **58.60%** | **63.98%** | **60.36%** | **61.41%** | **65.16%** | **61.98%** | **65.52%** | **61.48%** | **63.35%** | **62.54%** | **-0.81%** |
| OT % of Productive | **5.73%** | **4.03%** | **4.41%** | **4.10%** | **4.30%** | **4.27%** | **3.63%** | **3.25%** | **3.29%** | **3.72%** | **3.44%** | **3.15%** | **2.98%** | **3.94%** | **0.97%** |
| AEPOB | **5.40** | **5.21** | **5.34** | **5.25** | **5.14** | **5.27** | **5.19** | **5.37** | **5.50** | **5.48** | **5.36** | **5.56** | **5.43** | **5.34** | **(0.09)** |

# EXPENSES – FEB

| | Actual | Budget | Variance | % Variance | |
|---|---|---|---|---|---|
| Professional Fees | $1,541,150 | $3,711,601 | $2,170,451 | 58.48% | ↑ |
| Supplies | $11,336,254 | $11,178,868 | ($157,386) | (1.41%) | ↓ |
| Purchased Services | $6,562,923 | $5,938,563 | ($624,360) | (10.51%) | ↓ |
| Depreciation | $2,364,835 | $2,316,854 | ($47,981) | (2.07%) | ↓ |
| Amortization | $538,804 | $629,824 | $91,020 | 14.45% | ↑ |
| Repairs & Maintenance | $819,108 | $913,344 | $94,236 | 10.32% | ↑ |
| Utilities | $816,458 | $362,480 | ($453,979) | (125.24%) | ↓ |
| Other Expenses | $1,474,348 | $1,465,153 | ($9,195) | (0.63%) | ↓ |
| Rental | $322,651 | $190,101 | ($132,550) | (69.73%) | ↓ |
| **Total Other Expenses** | **$25,776,531** | **$26,706,787** | **$930,256** | **3.48%** | ↑ |

# KEY FINANCIAL INDICATORS - FEB



# FY23 CASH FLOW

| | February 2023 | January 2023 | December 2022 | YTD of FY2023 |
|---|---|---|---|---|
| **Operating Activities** | | | | |
| Cash received from patients and payors | 64,993,917 | 54,193,534 | 46,134,012 | 438,604,835 |
| Cash paid to vendors | (26,569,550) | (41,220,030) | (37,688,075) | (223,385,055) |
| Cash paid to employees | (37,079,337) | (41,386,166) | (41,488,377) | (327,317,409) |
| Other operating receipts/(disbursements) | 1,567,681 | 2,047,568 | 3,530,940 | 19,377,627 |
| Net cash provided by/(used in) operations | 2,912,712 | (26,365,094) | (29,511,499) | (92,720,003) |
| **Investing Activities** | | | | |
| Purchase of property and equipment, net | (1,673,209) | (2,925,582) | (3,043,491) | (19,383,309) |
| Interest received | 359,960 | 298,662 | 258,665 | 12,356,912 |
| Addition/(reduction) in donor-restricted cash | - | - | - | - |
| Addition/(reduction) in internally designated cash | (676,751) | 33,381,432 | 20,069,031 | 49,618,121 |
| Net cash provided by/(used in) investing activities | (1,990,000) | 30,754,512 | 17,284,205 | 42,591,724 |
| **Financing Activities** | | | | |
| From/(to) Clark County | - | - | - | - |
| Unrestricted donations and other | | | | |
| Borrowing/(repayment) of debt | - | - | - | (6,370,000) |
| Interest paid | - | - | - | (226,391) |
| Other | - | - | - | - |
| Net cash provided by/(used in) financing activities | - | - | - | (6,596,391) |
| Increase/(decrease) in cash | 922,712 | 4,389,417 | (12,227,294) | (56,724,669) |
| Cash beginning of period | 24,599,396 | 20,209,979 | 32,437,273 | 82,246,777 |
| Cash end of period | 25,522,108 | 24,599,396 | 20,209,979 | 25,522,108 |
| Unrestricted cash | 25,522,108 | 24,599,396 | 20,209,979 | 25,522,108 |
| Cash restricted by donor | 4,362,174 | 4,439,840 | 4,397,768 | 4,362,174 |
| Internally designated cash | 126,137,797 | 125,461,046 | 158,842,478 | 126,137,797 |

# FY23 BALANCE SHEET HIGHLIGHTS

| | Feb 2023 | Jan 2023 | Dec 2022 |
|---|---|---|---|
| **CASH** | | | |
| Unrestricted | $ 25.5 | $ 24.6 | $ 20.2 |
| Restricted by donor | 4.4 | 4.4 | 4.4 |
| Internally designated | 126.1 | 125.5 | 158.8 |
| | $ 156.0 | $ 154.5 | $ 183.4 |
| **NET WORKING CAPITAL** | $ 235.0 | $ 232.2 | $ 197.3 |
| **NET PP&E** | $ 198.0 | $ 198.4 | $ 197.9 |
| **LONG-TERM DEBT** | $ - | $ - | $ - |
| **NET PENSION LIABILITY** | $ 313.9 | $ 313.9 | $ 313.9 |
| **NET POSITION** | $ (220.8) | $ (223.4) | $ (221.7) |

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Single Audit Report of Fiscal Year Ending June 30, 2022** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Audit and Finance Committee receive and recommend for acceptance by the Governing Board the Single Audit from BDO USA, LLP, Certified Public Accountants for University Medical Center of Southern Nevada; and direct staff accordingly.** ***(For possible action)***

**FISCAL IMPACT:**

None

**BACKGROUND:**

Under state law NRS 354.624, UMC is required to obtain an independent audit of all financial records on an annual basis. The firm conducting this financial audit is required to publicly report their findings to the University Medical Center of Southern Nevada Governing Board.

BDO USA, LLP, Certified Public Accountants conducted the audit of the schedule of expenditures (SEFA). All recommendations from the auditor will be addressed.

The auditors issued an unmodified opinion on the SEFA and released their report on March 17, 2023.

Cleared for Agenda
March 22, 2023

Agenda Item #
**5**

REPORT TO THOSE CHARGED WITH GOVERNANCE

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

**AUDIT WRAP UP:**
**YEAR ENDED JUNE 30, 2022**



# Contents

## QUICK ACCESS TO THE FULL REPORT


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| EXECUTIVE SUMMARY | 4 |
| INTERNAL CONTROL OVER FINANCIAL REPORTING | 10 |
| ADDITIONAL REQUIRED COMMUNICATIONS | 12 |
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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Company, and is not intended and should not be used by anyone other than these specified parties.

# Welcome

March 17, 2023

Those Charged With Governance
University Medical Center of Southern Nevada

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On October 21, 2022, we presented an overview of our plan for the audit of the financial statements including the schedule of expenditure of federal awards ("SEFA") of University Medical Center of Southern Nevada ("UMC" or the "Hospital") as of and for the year ended June 30, 2022, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Hospital's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Hospital and look forward to discussing our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

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# Executive Summary

# Status of Our Audit

We have substantially completed our audit of SEFA as of and for the year ended June 30, 2022. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards. This audit of the SEFA does not relieve management or those charged with governance of their responsibilities.

- The objective of our audit was to obtain reasonable - not absolute - assurance about whether SEFA is free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- We expect to issue an unmodified opinion on the Hospital's Single Audit report, including the Schedule of Expenditures of Federal Awards (SEFA) and on compliance requirements that could have direct and material effect on each major federal program and release our report on March 17, 2023.
- In planning and performing our audit of the SEFA, we considered the Hospital's internal control over compliance with requirements that could have a direct and material effect on its major federal program(s) to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with GAS and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.
- All records and information requested by BDO were freely available for our inspection.
- Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of Company personnel throughout the course of our work.



# Results of the Audit

## ACCOUNTING PRACTICES, POLICIES, AND ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the Hospital's accounting practices, policies, and estimates:

The Hospital's significant accounting practices and policies are those included in Note 1 to the SEFA. These accounting practices and policies are appropriate, comply with the applicable financial reporting framework and industry practice, were consistently applied, and are adequately described within Note 1 to the SEFA.

- There were no changes in significant accounting policies and practices during the year ended June 30, 2022.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. There are no significant accounting estimates included in the SEFA.



# Results of the Audit

## QUALITATIVE ASPECTS OF THE COMPANY'S FINANCIAL REPORTING

A discussion was held regarding the quality of the Hospital's financial reporting, which included:



- Qualitative Aspects of Significant Accounting Policies and Practices
- Our Conclusions Regarding Significant Accounting Estimates
- Significant Unusual Transactions
- Financial Statement Presentation and Disclosures
- New Accounting Pronouncements
- Alternative Accounting Treatments

# Results of the Audit

## CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of management.

There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.



## CORRECTED AND UNCORRECTED MISSTATEMENTS

The federal programs included in the SEFA and subject to audit as major programs were as follow:

- 93.498 – Provider Relief Fund

Direct and material compliance requirements included:

- Activities allowed or unallowed
- Gov allowable costs and cost principles
- Reporting

- 93.940 – Integrated HIV Programs for Health Departments to Support Ending the HIV Epidemic in the United States

Direct and material compliance requirements included:

- Activities allowed or unallowed
- Gov allowable costs and cost principles
- Period of performance
- Cash management
- Reporting

# Results of the Audit

- 93.914 – HIV Emergency Relief Project Grants and Ending the HIV Epidemic: A Plan for America – Ryan White HIV/AIDS Program Part A and B

Direct and material compliance requirements included:

- Activities allowed or unallowed
- Gov allowable costs and cost principles
- Cash management
- Eligibility
- Program Income
- Reporting

Test of controls and compliance were performed for the major federal programs, no instances of noncompliance were identified.

The SEFA, and related disclosures, comply with requirements.



# Internal Control Over Financial Reporting

# Internal Control Over Financial Reporting

In planning and performing our audit of the SEFA, we considered UMC's internal control over SEFA and compliance with the types of compliance requirements applicable to the major federal programs (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the SEFA, but not for the purpose of expressing an opinion on the effectiveness of UMC's internal control. Accordingly, we do not express an opinion on the effectiveness of UMC's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in UMC's internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

| Category | Definition |
|---|---|
| Control Deficiency | A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. |
| Significant Deficiency | A deficiency or combination of deficiencies in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. |
| Material Weakness | A deficiency or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of UMC's financial statements will not be prevented or detected and corrected on a timely basis. |

In conjunction with our audit of the SEFA, we noted no material weaknesses.

# Additional Required Communications

# Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the Hospital:

| Requirement | Discussion Point |
|---|---|
| Significant changes to planned audit strategy or significant risks initially identified | There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications. |
| Obtain information from those charged with governance relevant to the audit | There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding UMC's financial reporting that we were made aware of as a result of our inquiry of those charged with governance. |
| If applicable, nature and extent of specialized skills or knowledge needed related to significant risks | There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks. |
| Consultations with other accountants | We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles. |
| Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management | There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management |

# Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the Company:

| Requirement | Discussion Point |
|---|---|
| Disagreements with management | There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to UMC's financial statements or to our auditor's report. |
| Significant difficulties encountered during the audit | There were no significant difficulties encountered during the audit. |
| Matters that are difficult or contentious for which the auditor consulted outside the engagement team | There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process. |
| If applicable, other matters significant to the oversight of UMC's financial reporting process, including complaints or concerns regarding accounting or auditing matters | There are no other matters that we consider significant to the oversight of the Company's financial reporting process that have not been previously communicated. |
| Representations requested from management | Please refer to the management representation letter. |

# Independence

Our engagement letter to you dated June 29, 2022 describes our responsibilities in accordance with professional standards and certain regulatory authorities and *Government Auditing Standards* with regard to independence and the performance of our services. This letter also stipulates the responsibilities of UMC with respect to independence as agreed to by UMC. Please refer to that letter for further information.



# Appendix

# 2022 BDO Fall Board Pulse Survey Key Findings

**Boards must continually and proactively assess risk tolerance and set clear expectations for management's execution of strategy and communication.**

- Talent acquisition and retention remain high on boards' risk radars.
- ESG continues to occupy board agendas, but boards differ in their assignment of responsibility.
- Boards continue to pay close attention to ongoing political volatility, economic impacts and a likely recession.
- Boards' top priority continues to be driving growth.
- The greatest strategic challenge facing boards of public companies is recessionary declines in product or service demand.
- Supply chain challenges remain an obstacle to economic and operational success.




Source [2022 BDO Fall Board Pulse Survey]

# BDO Board Pulse Survey

**Compare past results from BDO's recent pulse surveys**




[FALL 2022 - PROACTIVE GOVERNANCE TO ADDRESS RECESSIONARY PRESSURES]




[FALL 2021 - ACTIONS SPEAK LOUDER THAN WORDS]




[WINTER 2021 - POST-COVID RECOVERY]




[FALL 2020 - NAVIGATING THROUGH CRISIS]

# The Board's Role in Data Protection

Data is increasingly considered the highest valued asset an organization may hold and maintain. Directors are responsible for establishing appropriate governance oversight of management's efforts in these areas, ensuring that information and metrics are well defined and monitored, prioritizing cybersecurity, and building a culture of data privacy protection. This includes the adoption and oversight of documented policies, standards and controls within often intersecting areas.

Click here to learn about the Board's role in data protection including:

- Board Responsibility
- Board Best Practices
- Laws & Regulations



# Data Protection Practice Aids For Boards



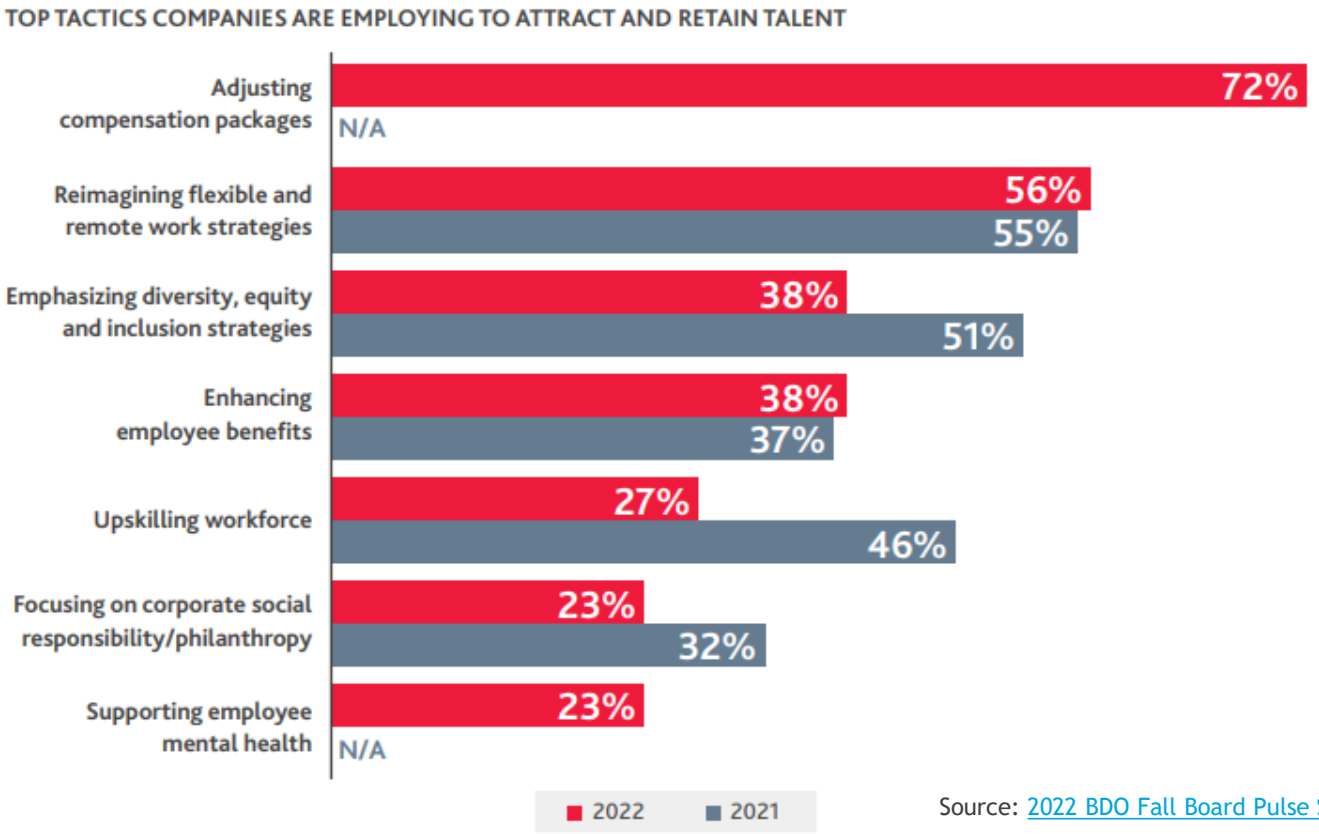

Click here to access the full report




Click here to access the full report

# Labor Solutions Emphasize Compensation

25% of directors indicate their greatest business risk for the next 12 months is talent acquisition and retention. Boards see need to take a more proactive role alongside management in addressing talent gaps and focus on matters relating to compensation, composition and refreshment of both the board and executive management including aligning executive compensation with business objectives. Read more in BDO's 2022 Fall Board Pulse Survey and BDO's annual board and executive compensation studies.




Source: 2022 BDO Fall Board Pulse Survey




Click here to access BDO's annual compensation studies and learn more about CEO/CFO and Director compensation trends.

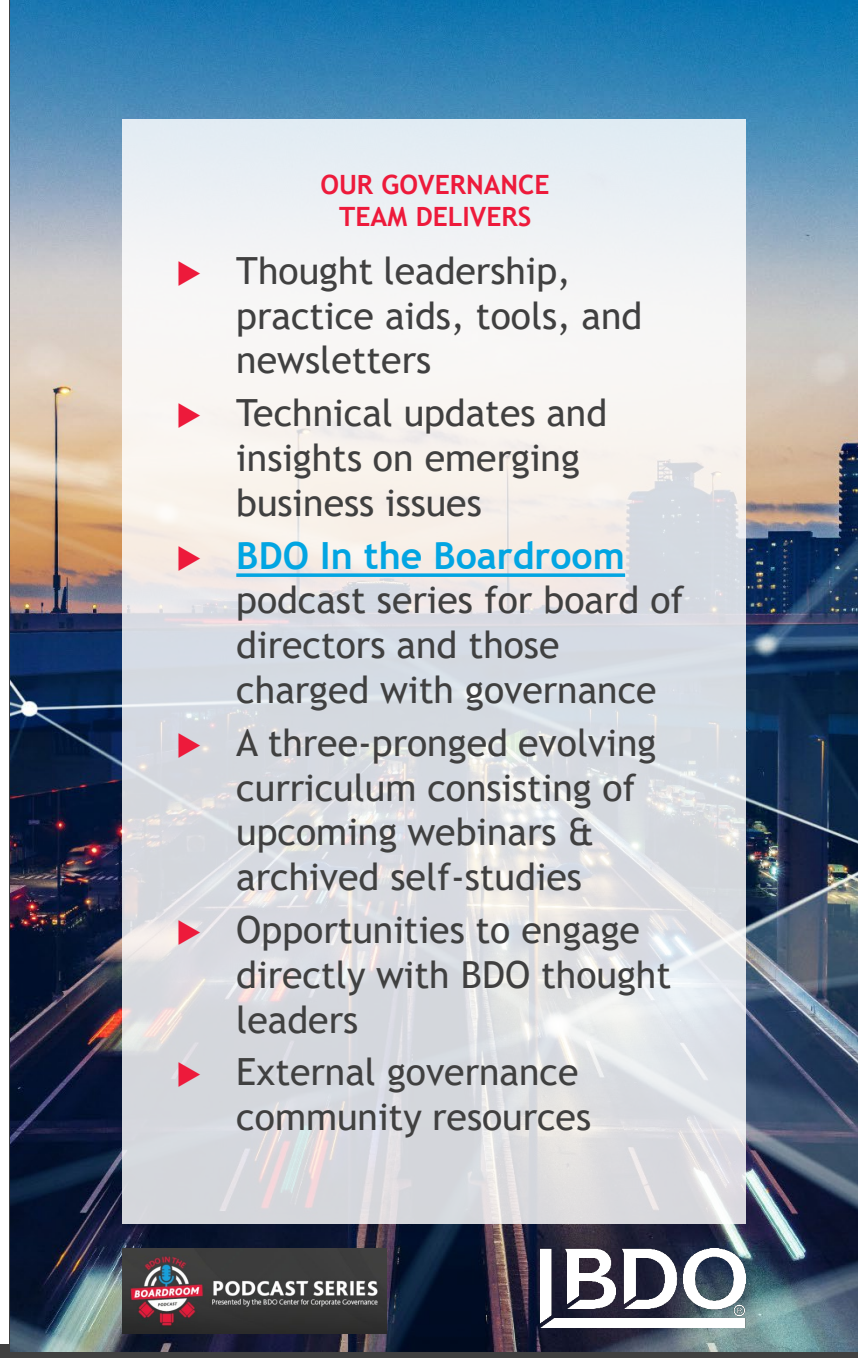
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**BDO's Center for Corporate Governance recognizes board members need easy access to comprehensive information and insights they can rely on.**

Corporate governance is an evolving landscape encompassing a variety of issues and requires subject matter experts who engage regularly with stakeholders - including regulators, management, board members and thought leaders - and share information directly with client management teams, the board and its committees. Whether you are new to board service, assuming a new role or a seasoned director who wants to remain up to date, we have you covered.

To begin receiving email notifications regarding BDO publications and event invitations (live and web-based), visit www.bdo.com/member/ registration and create a user profile.

If you already have an account on BDO's website, visit the My Profile page to log in and manage your account preferences www.bdo.com/member/my-profile



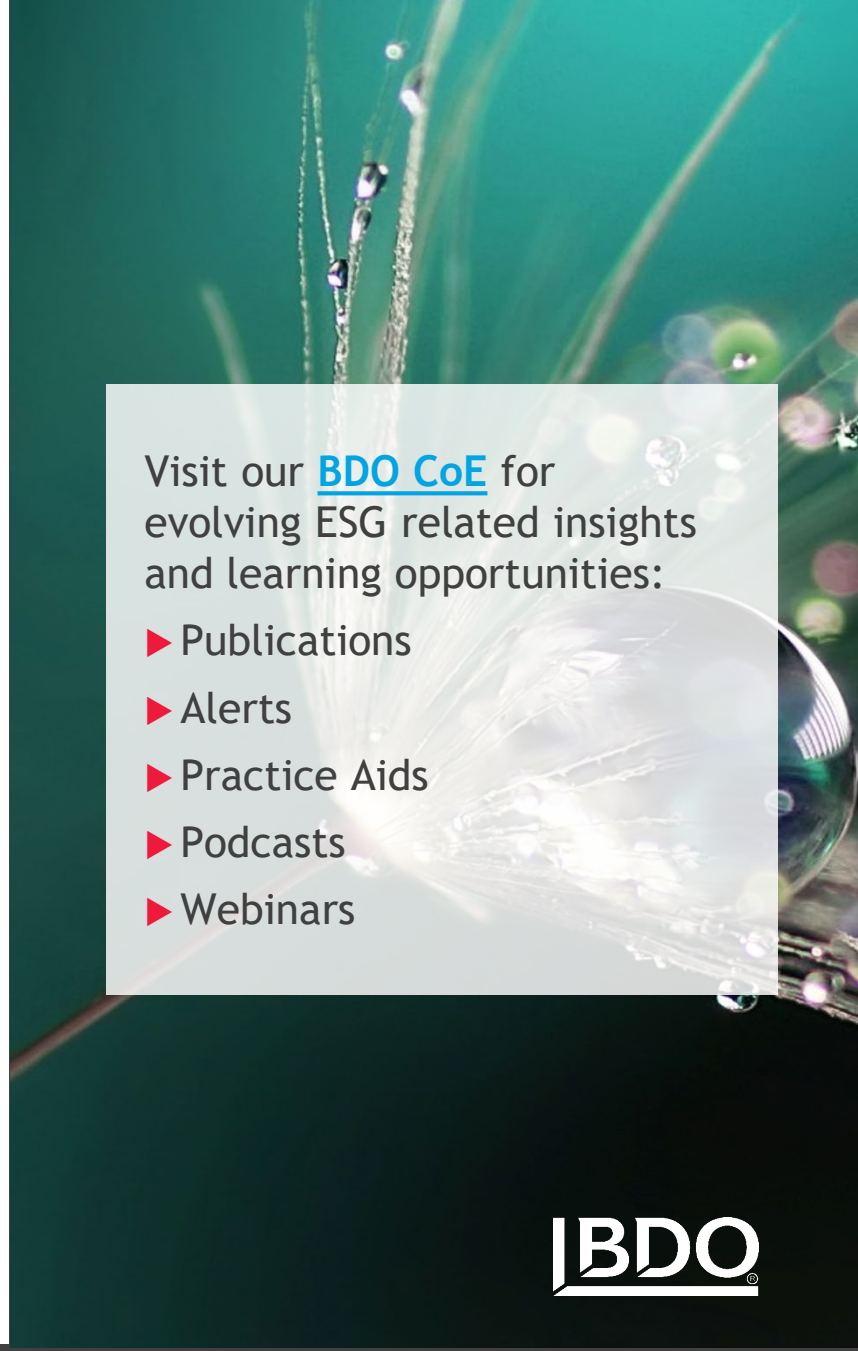
# BDO ESG Center of Excellence

Today, every business has a responsibility – and an opportunity – to address the significant environmental, social and governance (ESG) challenges we face as an interconnected, global society.

Not only is it the right thing to do, it is the only thing to do to contribute to a better planet, a better society and a better – and more sustainable – business. At BDO, ESG is a top firm priority and a key component of our strategic vision for the future. We invite you to learn more about BDO's approach to ESG and visit our BDO ESG Center of Excellence.

**WITH YOU AT EVERY STAGE OF YOUR JOURNEY:**

- ESG Strategy & Program Development
- ESG Reporting & Attestation
- Tax Transparency & ESG Tax Strategy
- Human Capital Management Strategy
- Supply Chain Sustainability & Resilience
- Climate Risk
- Sustainable Finance & Investing
- Community Resilience
- ESG Value Creation & Innovation



# Thought Leadership

**Our thought leadership consists of timely alerts, publications, quarterly updates, surveys, practice aids, and tools that span a broad spectrum of topics that impact financial reporting, corporate governance, tax and business planning, along with industry-specific trends and considerations. Our focus is not to simply announce changes in technical guidance, regulations or emerging business trends, but rather expound on how such changes may impact our clients' business. Our thought leadership offerings include:**

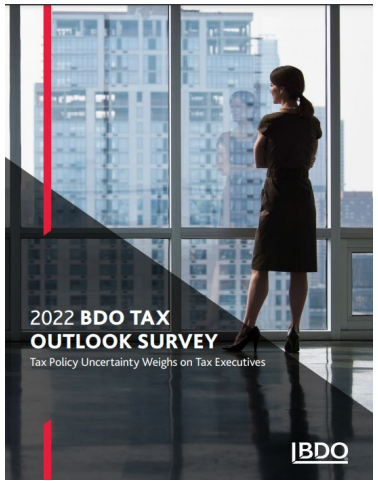
- **BDO Knows: Alerts —** Provide briefs about select SEC, PCAOB, and FASB technical and regulatory developments, and emerging issues, which are made immediately available to BDO professionals and to clients.
- **BDO Knows: Financial Reporting Letters and Publications —** Provide more in-depth discussions and practical guidance on technical guidance affecting both public and private entities.
- **BDO Governance Tools, Practice Aids, and Surveys —** Provide streamlined guidance in a concise and understandable manner to enable tangible action plans to address issues. Our annual BDO Board Survey and BDO 600 Compensation Surveys provide valuable insights into issues impacting decisions at the board level.
- **Significant Accounting and Reporting Matters Guide —** Quarterly digest of final and proposed financial accounting standards.
- **Tax Newsletters and Alerts —** Updates with respect to federal, state, local, expatriate, and international developments along with other specific tax planning and strategy considerations including specific practice areas such as compensation and benefits, private client and individual filer services, transfer pricing, Foreign Account Tax Compliance Act, etc.
- **Industry Newsletters, Alerts, Reports, Proprietary Studies, Infographics, and Surveys —** A variety of publications depicting specific industry issues, emerging trends, and developments.












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UNIVERSITY MEDICAL CENTER

# BASIC FINANCIAL STATEMENTS

# AND

# SINGLE AUDIT INFORMATION

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

(A COMPONENT UNIT OF CLARK COUNTY, NEVADA)

YEARS ENDED JUNE 30, 2022 AND 2021

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# (A COMPONENT UNIT OF CLARK COUNTY, NEVADA)

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# Independent Auditor's Report

UMC Governing Board
University Medical Center of Southern Nevada
Las Vegas, Nevada

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the financial statements of the University Medical Center of Southern Nevada ("UMC"), a component unit of Clark County, Nevada, as of and for the year ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise UMC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective net position of UMC, as of June 30, 2022 and 2021, and the respective changes in net position (deficit) and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UMC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Emphasis of Matter*

As discussed in Note 13 to the financial statements, UMC adopted the provisions of Governmental Accounting Standards Board Statement Number 87, Leases. Our Opinion is not modified with respect to this matter.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about UMC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UMC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about UMC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of UMC's proportionate share of the net pension liability and contribution, schedules of changes in the total OPEB liability and the related ratios on pages 4 through 14, and 76 through 79, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the

basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise UMC's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2022, on our consideration of UMC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UMC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UMC's internal control over financial reporting and compliance.

BDO USA, LLP

Las Vegas, Nevada
December 2, 2022, except for our report on the schedule of expenditures of federal awards for which the date is March 17, 2023.

## Management's Discussion and Analysis

This section of the annual financial report of the University Medical Center of Southern Nevada (the Hospital) presents background information and our analysis of the Hospital's financial performance during the fiscal years ended June 30, 2022, and 2021, which management believes is relevant for an understanding of our financial condition and results of operations. This discussion should be read in conjunction with the basic financial statements and the related notes included in this report. This discussion and analysis is designed to focus on current activities, resulting change, and currently known facts. The financial statements, notes thereto, and this discussion and analysis are the responsibility of the Hospital's management.

## Overview of the Financial Statements

This annual report consists of financial statements prepared in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis — for State and Local Governments* as amended by GASB Statement No. 37, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus* and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. These standards establish comprehensive financial reporting standards for all state and local governments and related entities.

The Hospital's financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States as promulgated by the GASB. The Hospital is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when paid. Capital assets are capitalized and are depreciated (except land and construction in progress) over their estimated useful lives. See the *Notes to Financial Statements* for a summary of the Hospital's significant accounting policies.

Following this discussion and analysis are the basic financial statements of the Hospital together with the notes, which are essential to a complete understanding of the data. The Hospital's basic financial statements are designed to provide readers with a broad overview of the Hospital's finances.

The *Statement of Net Position (Deficit)* presents information on all of the Hospital's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of the Hospital's financial position; however, other nonfinancial factors such as change in economic conditions, population growth, including uninsured and underinsured patients, and new or changed government legislation should also be considered.

The *Statement of Revenues, Expenses, and Changes in Net Position (Deficit)* presents information showing how the Hospital's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods.

The *Statement of Cash Flows* relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Hospital's cash accounts are presented in this statement. A reconciliation is provided at the bottom of the *Statement of Cash Flows* to assist in the understanding of the difference between cash flows from operating activities and operating income or loss.

The Hospital is the public health care facility for Clark County, Nevada (the County). The Board of County Commissioners is, ex officio, the Board of Hospital Trustees, per Chapter 450 of the Nevada Revised Statutes. The seven-member Board of Commissioners is elected from geographic districts on a partisan basis for staggered four-year terms. Commissioners elect a chairperson who serves as the Commission's presiding officer. In 2014 the Commissioners created the UMC Governing Board and selected 9 individuals from the community to serve on the board. The UMC Governing Board provides oversight of the hospital and reports back to the Board of Hospital Trustees.

In accordance with GASB Statement No. 14, *The Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Hospital's financial statements are included, as a blended component unit, in the County's Annual Comprehensive Financial Report (ACFR). A copy of the ACFR can be obtained from Anna Danchik, Comptroller, 500 South Grand Parkway, Las Vegas, Nevada 89155.

**Financial and Operating Highlights for Fiscal 2022**

- Overall activity at the Hospital as measured by patient days adjusted for outpatient services (adjusted patient days) increased by 20.5% from prior year levels.
    - Hospital patient days increased by 23.1% from the prior year.
    - Outpatient visits increased by 4.3% from the prior year.

- The Hospital experienced income from operations of $44.6 million, and total net position increased by $77.8 million.
    - The Upper Payment Limit (UPL) and Indigent Accident Fund (IAF) revenues increased $3.4 million from the prior year to $99.6 million.
    - Total operating revenues increased by 0.2% to $808.2 million.
    - Operating expenses including other postemployment benefits (OPEB) and provision for NPL (GASB 68) decreased by 5.6% to $763.6 million as compared to the prior year.

- Total employee full-time equivalents (FTEs) increased by 58, or 1.7%, from fiscal 2021.

- The Hospital invested net $20.6 million in the following capital acquisitions:
  - Jack London Building at Southern Highlands Primary Care
  - Tenant Improvements at Aliante Quick Care and Primary Care
  - Round Building and South Building Sanitary Lines
  - Hospital Wide Reusable Curtains
  - Zimmer Rosa Robot Knee System
  - 3M 360 Encompass System Software

**Financial and Operating Highlights for Fiscal 2021**

- Overall activity at the Hospital as measured by patient days adjusted for outpatient services (adjusted patient days) increased by 11.9% from prior year levels.
  - Hospital patient days increased by 12.6% from the prior year.
  - Outpatient visits decreased by 8.9% from the prior year.

- The Hospital experienced loss from operations of $2.0 million, but total net position increased by $61.6 million.
  - The Upper Payment Limit (UPL) and Indigent Accident Fund (IAF) revenues increased $17.4 million from the prior year to $96.2 million.
  - Total operating revenues increased by 34.3% to $806.5 million.
  - Operating expenses including other postemployment benefits (OPEB) and provision for NPL (GASB 68) increased by 10.8% to $808.6 million as compared to the prior year.

- Total employee full-time equivalents (FTEs) decreased by 46, or 1.3%, from fiscal 2020.

- The Hospital invested $24.0 million in the following capital acquisitions:
  - Philips Patient Monitoring Equipment
  - Azurion 7 M12 and M20 Image Guided Therapy Systems
  - Nuclear Medicine Cameras
  - AVEA Ventilators
  - EPIC Software
  - Honeywell EBI Building Controls

**Financial Analysis of the Hospital for June 30, 2022 and 2021**

In fiscal 2022, net position increased $77.8 million to a deficit of $225.5 million, from a deficit of $303.7 million in fiscal 2021, primarily due to gains from operations, and contributions from the County. In fiscal 2021, net position increased $61.3 million to a deficit of $303.7 million, from a deficit of $365.0 million in fiscal 2020, primarily due to increased patient revenue resulting from increased patient days, increased other operating revenue, contributions from the County, non-operating revenue from Provider Relief Fund and Coronavirus Relief Fund, which was partially offset by a surge in supplies expense due to high demand in pharmaceuticals and reagents. A summary of the Hospital's Statements of Net Position (Deficit) as of June 30, 2022, 2021 and 2020 is presented in Table 1 below:

Table 1
Condensed Statements of Net Position (Deficit)
(In Thousands)

| | June 30 | | |
|---|---|---|---|
| | 2022 | 2021 (As Restated) | 2020 |
| Current assets | $ 394,374 | $ 412,523 | $ 338,892 |
| Restricted and other assets | 119,410 | 110,491 | 117,737 |
| Capital assets | 219,812 | 228,542 | 203,909 |
| Total assets | $ 733,596 | $ 751,556 | $ 660,538 |
| Deferred outflows of resources | $ 230,076 | $ 128,335 | $ 125,084 |
| Current liabilities | $ 157,709 | $ 155,521 | $ 136,239 |
| Long-term debt outstanding (a) | 6,565 | 12,935 | 19,105 |
| Other liabilities (b) | 604,821 | 831,938 | 807,235 |
| Total liabilities | $ 769,095 | $ 1,000,394 | $ 962,579 |
| Deferred inflows of resources | $ 420,114 | $ 183,160 | $ 188,053 |
| Net investment in capital assets | 254,270 | 271,080 | 271,383 |
| Restricted | 3,789 | 2,968 | 5,291 |
| Unrestricted (deficit) | (483,596) | (577,711) | (641,685) |
| Total net position (deficit) | (225,537) | (303,663) | (365,011) |
| Total liabilities, deferred inflows and net position (deficit) | $ 963,672 | $ 879,891 | $ 785,621 |

(a) Long-term debt excludes current portions of $6,370, $6,170, and $5,985, respectively, included in current liabilities.
(b) Other liabilities include the long-term portion of accrued benefits, self-insured liabilities, intergovernmental and net pension liabilities.

**Summary of Revenues, Expenses, and Changes in Net Position (Deficit)**

The following table presents a summary of the Hospital's revenues and expenses for the years ended June 30, 2022, 2021, and 2020.

Table 2
Condensed Statements of Revenues, Expenses, and
Changes in Net Position (Deficit)
(In Thousands)

| | June 30 | | |
|---|---|---|---|
| | 2022 | 2021 (As Restated) | 2020 |
| Net patient revenues | $ 773,573 | $ 741,065 | $ 559,356 |
| Other operating revenues | 34,628 | 65,498 | 41,114 |
| Total operating revenues | 808,201 | 806,563 | 600,470 |
| Operating expenses | 729,763 | 778,539 | 706,816 |
| Depreciation and amortization | 33,799 | 30,175 | 22,662 |
| | 763,562 | 808,714 | 729,478 |
| Operating income/(loss) | 44,639 | (2,151) | (129,008) |
| Nonoperating revenues, net | 2,199 | 48,499 | 41,669 |
| Transfers In | 31,000 | 15,000 | 40,000 |
| Change in net position (deficit) | 77,838 | 61,348 | (47,339) |
| Total net position (deficit), beginning of year | (303,663) | (365,011) | (317,672) |
| GASB No. 87 Adjustment | 289 | - | - |
| Total net position (deficit), end of year | $ (225,536) | $ (303,663) | $ (365,011) |

During fiscal 2022, 2021 and 2020, the Hospital derived approximately 98.5%, 94.1% and 93.4% respectively, of its total revenues from operating revenues. Operating revenues include, among other items, revenues from the Medicare and Medicaid programs, the Clark County Social Services program, patients or their third-party carriers that pay for their care in the Hospital's facilities, and grant revenues.

Table 3 presents the relative percentages of gross charges billed for patient services by payer for the years ended June 30, 2022, 2021 and 2020.

Table 3
Payer Mix by Percentage

| | June 30 | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Medicare | 30 % | 28 % | 28 % |
| Medicaid, and self-pay | 43 | 43 | 44 |
| Commercial, HMO, PPO | 22 | 24 | 23 |
| Other | 5 | 5 | 5 |
| Total patient revenue | 100 % | 100 % | 100 % |

During fiscal 2022, 2021 and 2020, the Hospital derived -1.1%, -0.2% and 1.6%, respectively, of its total revenues from interest income on its capital acquisition, debt service and malpractice funds. The Hospital's cash is deposited with the County Treasurer and funds in the custody of the County Treasurer are invested as a pool. Other non-operating revenues in fiscal 2022 and 2021 include $31 million and $15 million, respectively, in contributions from the County used primarily to defray operating, capital and debt service costs.

Fiscal 2022 Activity

In fiscal 2022, overall activity at the Hospital as measured by patient days adjusted for outpatient services increased by 20.5% to 236,741 compared to 196,435 in fiscal 2021. This increase was due primarily to a 23.1% increase in patient days.

In fiscal 2022, the Hospital had patient days and discharges of 157,055 and 21,901, respectively. This was an increase of 23.1% and 11.3%, respectively, as compared to fiscal 2021. Outpatient and emergency visits were 388,033 or 4.3% above 2021 levels. The increase in outpatient volume occurred primarily due to an increase in Primary Care and Quick Care registrations of 22.1%, and emergency registrations of 14.5%.

In fiscal 2022, net patient revenue increased compared to fiscal 2021 by $32.5 million due primarily to increased patient days.

Excluded from net patient revenue are charges foregone for uncompensated and charity care patient services. Based on established rates, gross charges of $128 million were foregone during fiscal 2022, a 18.2% increase from fiscal 2021. The Hospital's level of uncompensated and charity care continues to reflect the Hospital's status as a safety net facility in the County.

In fiscal 2022, total operating expenses including OPEB and pension decreased by $45.0 million, or 5.6%. The decrease was mainly due to $57.7M decrease in OPEB and pension provision, being offset by $12.7M increase in operating expense.

In fiscal 2022, employee compensation and benefits increased $47.3 million, or 10.9%, primarily due to increases in bonus pay, registered nurses, paid time off, contract labor to cover nursing shifts, overtime pay, and retirement contributions. The number of paid FTEs increased by 1.7% from 3,424 in fiscal 2021 to 3,482 in fiscal 2022. There was no cost of living increase in fiscal 2021, but there was a 4.5% cost of living increase in fiscal 2022.

Professional fees for contracted physician services to provide coverage for emergency services, trauma services, and for indigent patients increased $0.5 million, or 1.0%, in fiscal 2022. This is primarily due to a higher negotiated contract for hospitalists.

In fiscal 2022, the cost of supplies decreased by $39.7 million, or 21.8%, primarily due to decreases in reagents related to COVID.

Purchased services expense decreased by $0.04 million or 0.1% in fiscal 2022 primarily due to decrease in patient service desk activation service, COVID-19 testing service, eligibility and claims management services, courier services, and janitorial services.

Non-operating revenue (expense) consists of loss on the change of the investments, interest of other bonds, interest of capital leases, and disposals of fixed assets.

The County contributed a total of $31 million to the Hospital in fiscal 2022 for additional capital equipment and hospital operation.

Net position increased $77.8 million to a deficit of $225.5 million in fiscal 2022 primarily due to the revenue from Provider Relief Fund and Coronavirus Relief Fund, contributions from the County, and the operating income.

Fiscal 2021 Activity

In fiscal 2021, overall activity at the Hospital as measured by patient days adjusted for outpatient services increased by 11.9% to 196,435 compared to 175,548 in fiscal 2020. This increase was due primarily to a 12.6% increase in patient days which was offset by decreased outpatient visits.

In fiscal 2021, the Hospital had patient days and discharges of 127,632 and 19,674, respectively. This was an increase of 12.6% and a decrease of 4.5%, respectively, as compared to fiscal 2020. The decrease in discharges was due to a decrease in patient admissions from 20,588 to 19,761. Outpatient and emergency visits were 372,155 or 8.9% below 2020 levels of 408,343. The decrease in outpatient volume occurred primarily due to a decrease in Primary Care and Quick Care registrations of 10.2%, and emergency registrations of 9.2%.

In fiscal 2021, net patient revenue increased compared to fiscal 2020 by $181.7 million due primarily to increased patient days.

Excluded from net patient revenue are charges foregone for uncompensated and charity care patient services. Based on established rates, gross charges of $108.4 million were foregone during fiscal 2021, a 6.2% increase from fiscal 2020. The Hospital's level of uncompensated and charity care continues to reflect the Hospital's status as a safety net facility in the County.

In fiscal 2021, total operating expenses including OPEB increased by $79.1 million, or 10.8%. The increase in operating expenses was mainly supplies increase and purchase services increase, offset by increased efficiencies and expense management.

In fiscal 2021, employee compensation and benefits including OPEB increased $9.5 million, or 2.2%, primarily due to increase in contract labor to cover nursing shifts, increase in nursing incentive pay related to COVID-19 outbreak, and increase in overtime pay, offset by decrease in the number of paid FTEs, and decrease in pension provision. The number of paid FTEs decreased by 1.3% from 3,470 in fiscal 2020 to 3,424 in fiscal 2021. There was no cost of living increase in fiscal 2021.

Professional fees for contracted physician services to provide coverage for emergency services, trauma services, and for indigent patients decreased $0.3 million, or 0.6%, in fiscal 2021. This decrease is due primarily to a decrease in UNLV resident program.

In fiscal 2021, the cost of supplies increased by $53.3 million, or 41.4%, primarily due to pharmaceuticals increases and reagents increases.

Purchased services expense increased by $12.5 million or 17.5% in fiscal 2021 primarily due to increase in provision for complimentary credit monitoring service, patient service desk activation service, COVID-19 testing service, and UNLV resident salaries and academic mission support.

Non-operating revenue (expense) consists of interest income, revenue from Provider Relief Fund, Coronavirus Relief Fund, and non-operating expenses such as interest expense.

The County contributed a total of $15 million to the Hospital in fiscal 2021 for additional capital equipment and hospital operation.

Net position increased $61.3 million to a deficit of $303.7 million in fiscal 2021 primarily due to the revenue from Provider Relief Fund and Coronavirus Relief Fund, contributions from the County, offset by the operating loss.

**Capital Assets**

During fiscal 2022 and 2021, the Hospital invested $20.6 million and $24.0 million, respectively, in a broad range of capital assets. Gross capital assets increased in fiscal 2022 due to an increase in the purchase of Jack London Building at Southern Highlands Primary Care, Tenant Improvements at Aliante Quick Care and Primary Care, Round Building & South Building Sanitary Lines, Hospital Wide Reusable Curtains, Zimmer Rosa Robot Knee System and 3M 360 Encompass System Software. Gross capital assets increased in fiscal 2021 due to an increase in the purchase of Philips Patient Monitoring Equipment, Azurion 7 M12 and M20 Image Guided Therapy Systems, Nuclear Medicine Cameras, AVEA Ventilators, EPIC Software, Honeywell EBI Building Controls.

The Hospital's fiscal 2023 capital budget includes up to $31 million for capital projects, consisting of critical patient-related equipment replacement items, facility remodeling & repairs, IT software and infrastructure upgrades, operational equipment, and service line enhancements.

The Hospital is subject to several contracts and commitments relating to construction projects and services. These commitments are not expected to significantly affect the availability of fund resources for future use.

**Long-Term Debt**

At June 30, 2022 and 2021, the Hospital had $6.6 million and $12.9 million, respectively, in long-term debt, excluding the current portion thereof. This represented a decrease of $6.3 million and $6.2 million, respectively, from the outstanding balances at June 30, 2021, and June 30, 2020. Total outstanding debt represents 1.7% and 1.9% of the Hospital's total liabilities as of June 30, 2022 and 2021, respectively.

## Economic Factors

The most recent unemployment statistics, as of August 2022, indicated that the unemployment rate for the Las Vegas, Nevada metropolitan area was 5.8%, which was a 1.9% decrease from a year ago. The unemployment rate for the State of Nevada and the United States was 5.2% and 3.8%, respectively.

Inflationary trends in the County are comparable to the United States national indices.

All of these factors affected the fiscal year 2022 operating and financial performance. The focus of management in the near term is to develop a multi-year plan that will emphasize revenue generation, cost control, fiscal discipline, capital requirements, and financing in support of net asset stability and a focus on the core services provided to patients.

## Contacting the Hospital's Financial Management

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Hospital's finances and to demonstrate the Hospital's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Department, University Medical Center of Southern Nevada, 1800 West Charleston Blvd., Las Vegas, Nevada 89102.

University Medical Center of Southern Nevada
A Component Unit of Clark County, Nevada

Statements of Net Position (Deficit)

| | June 30 2022 | 2021 (As Restated) |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | **$ 140,511,723** | $ 105,438,045 |
| Assets limited as to use, current portion | **3,402,530** | 4,969,729 |
| Patient receivables, net of allowance for uncollectible accounts of $142,658,563 in 2022 and $117,230,581 in 2021 | **215,411,990** | 260,365,244 |
| Other receivables, net | **7,970,748** | 15,588,208 |
| Inventories | **18,957,705** | 20,959,306 |
| Prepaid expenses and other | **8,118,994** | 5,202,062 |
| Total current assets | **394,373,690** | 412,522,594 |
| Assets limited as to use, net of current portion: | | |
| Contributor or grantor restricted: | | |
| Cash and cash equivalents | **4,431,799** | 6,093,622 |
| Grants receivable | **808,020** | 441,539 |
| Internally designated cash and cash equivalents | **117,490,973** | 108,841,020 |
| | **122,730,792** | 115,376,181 |
| Less amount required to meet current obligations | **(3,402,530)** | (4,969,729) |
| Total assets limited as to use, net of current portion | **119,328,262** | 110,406,452 |
| Other assets: | | |
| Land | **10,204,997** | 10,204,997 |
| Depreciable property and equipment, net | **177,258,780** | 172,607,898 |
| Construction in progress | **9,798,053** | 20,879,339 |
| Leased assets, net | **22,550,732** | 24,849,170 |
| Deposits | **81,656** | 85,156 |
| Total assets | **$ 733,596,170** | $ 751,555,606 |
| **Deferred outflows of resources** | | |
| Unamortized loss on refunding | **$ 60,470** | $ 112,302 |
| Related to pensions | **193,132,079** | 89,386,108 |
| Related to OPEB (postemployment benefits other than pensions) | **36,883,711** | 38,836,578 |
| Total deferred outflows of resources | **$ 230,076,260** | $ 128,334,988 |

(Continued)

University Medical Center of Southern Nevada
A Component Unit of Clark County, Nevada

Statements of Net Position (Deficit) (continued)

| | June 30 | |
|---|---|---|
| | **2022** | **2021 (As Restated)** |
| **Liabilities and net position (deficit)** | | |
| Current liabilities: | | |
| Accounts payable | **$ 73,714,532** | $ 72,927,313 |
| Accrued compensation and benefits | **56,994,077** | 53,874,329 |
| Other accrued expenses | **566,781** | 1,697,229 |
| Current portion of long-term debt | **6,370,000** | 6,170,000 |
| Current portion of lease payable | **6,664,474** | 6,010,401 |
| Due to related party | **6,458,575** | 6,510,397 |
| Current portion of self-insurance liability | **6,940,465** | 8,331,273 |
| Total current liabilities | **157,708,904** | 155,520,942 |
| OPEB liability | **215,378,338** | 204,284,483 |
| Long-term debt, net of current portion | **6,565,000** | 12,935,000 |
| Lease payable, net of current portion | **16,312,174** | 19,176,708 |
| Self-insurance liability, net of current portion | **12,217,182** | 10,711,663 |
| Intergovernmental liability | **46,989,417** | 87,481,348 |
| Net pension liability | **313,924,210** | 510,283,540 |
| Total liabilities | **769,095,225** | 1,000,393,684 |
| **Deferred inflows of resources** | | |
| Related to lease | **2,036,182** | 3,264,583 |
| Related to pensions | **298,740,716** | 45,690,742 |
| Related to OPEB | **119,336,659** | 134,204,405 |
| Total deferred inflows of resources | **420,113,557** | 183,159,730 |
| Net position (deficit): | | |
| Net investment in capital assets | **254,270,362** | 271,080,387 |
| Restricted: | | |
| Hospital and administrative programs | **327,697** | 1,127,012 |
| Donations, various programs | **1,992,905** | – |
| Research programs | **194,171** | 529,257 |
| Educational programs | **1,274,724** | 1,311,956 |
| | **3,789,497** | 2,968,225 |
| Unrestricted (deficit) | **(483,596,211)** | (577,711,433) |
| Total net position (deficit) | **$ (225,536,352)** | $ (303,662,821) |

*See accompanying notes.*

University Medical Center of Southern Nevada
A Component Unit of Clark County, Nevada

Statements of Revenues, Expenses, and Changes in Net Position (Deficit)

| | Years Ended June 30 | |
|---|---|---|
| | **2022** | **2021 (As Restated)** |
| Operating revenues: | | |
| Net patient revenues (net of provisions for bad debts of $55,177,862 and $49,199,665 in 2022 and 2021, respectively) | **$ 773,572,937** | $ 741,065,130 |
| Other operating revenues | **34,628,483** | 65,497,637 |
| Total operating revenues | **808,201,420** | 806,562,767 |
| Operating expenses: | | |
| Nursing and other professional services | **561,450,917** | 545,579,381 |
| Administrative and fiscal services | **143,772,753** | 126,892,529 |
| General services | **69,901,152** | 93,708,043 |
| Depreciation and amortization | **33,798,580** | 30,174,569 |
| Total operating expenses | **808,923,402** | 796,354,522 |
| Income (loss) from operations before provision for OPEB and net pension liabilities | **(721,982)** | 10,208,245 |
| Provision for OPEB | **1,693,737** | 2,715,469 |
| Provision for net pension liabilities | **(47,055,327)** | 9,643,920 |
| Income (loss) from operations | **44,639,608** | (2,151,144) |
| Nonoperating revenues (expenses): | | |
| Loss on the change of the investments | **(9,040,178)** | (1,263,148) |
| Interest expense | **(741,941)** | (892,243) |
| Other nonoperating revenues | **11,980,230** | 50,654,271 |
| Total nonoperating revenues, net | **2,198,111** | 48,498,880 |
| Income before transfers | **46,837,719** | 46,347,736 |
| Transfers in | **31,000,000** | 15,000,000 |
| Change in net position | **77,837,719** | 61,347,736 |
| Net position (deficit), beginning of year | **(303,662,821)** | (365,010,557) |
| GASB No. 87 adjustment (Note 13) | **288,750** | - |
| Net position (deficit), end of year | **$(225,536,352)** | $ (303,662,821) |

*See accompanying notes.*

University Medical Center of Southern Nevada
A Component Unit of Clark County, Nevada

Statements of Cash Flows

| | Years Ended June 30 | |
|---|---|---|
| | **2022** | **2021** |
| **Cash flows from operating activities** | | |
| Cash received from patients and third-party payers | **$ 778,034,260** | $ 604,991,426 |
| Cash payments to suppliers for goods and services | **(327,841,585)** | (340,783,224) |
| Cash payments to employees for services and benefits | **(455,461,164)** | (418,724,428) |
| Other operating receipts | **34,262,002** | 65,316,518 |
| Net cash provided by (used in) operating activities | **28,993,513** | (89,199,708) |
| **Cash flows from noncapital financing activities** | | |
| Contributions and transfers in from Clark County | **31,000,000** | 24,000,000 |
| Contributions, donations and other | **(6,132,127)** | 50,654,271 |
| Net cash provided by noncapital financing activities | **24,867,873** | 74,654,271 |
| **Cash flows from capital and related financing activities** | | |
| Purchase of property and equipment, net | **(13,947,890)** | (22,618,422) |
| Principal paid on long-term debt | **(6,170,000)** | (5,985,000) |
| Interest paid on long-term debt | **(753,866)** | (685,023) |
| Other | **32,000** | - |
| Net cash used in capital and related financing activities | **(20,839,756)** | (29,288,445) |
| **Cash flows from investing activities** | | |
| Gain (loss) on change of the investments | **9,040,178** | (1,295,236) |
| Increase (decrease) in cash and cash equivalents | **42,061,808** | (45,129,118) |
| Cash and cash equivalents, beginning of year | **220,372,687** | 265,501,805 |
| Cash and cash equivalents, end of year | **$ 262,434,495** | $ 220,372,687 |
| Unrestricted cash and cash equivalents | **$ 140,511,723** | $ 105,438,045 |
| Contributor or grantor restricted cash and cash equivalents | **4,431,799** | 6,093,622 |
| Internally designated cash and cash equivalents | **117,490,973** | 108,841,020 |
| Total cash and cash equivalents | **$ 262,434,495** | $ 220,372,687 |

(Continued)

University Medical Center of Southern Nevada
A Component Unit of Clark County, Nevada

Statements of Cash Flows (continued)

| | Years Ended June 30 | |
|---|---|---|
| | **2022** | **2021** |
| **Reconciliation of loss from operations to net cash used in operating activities** | | |
| Income (loss) from operations | **$ 44,639,608** | $ (2,047,540) |
| Adjustments to reconcile loss from operations to net cash used in operating activities: | | |
| Depreciation and amortization | **33,798,580** | 24,317,456 |
| Provision for uncollectible accounts | **55,177,862** | 49,299,665 |
| Changes in operating assets and liabilities: | | |
| Decrease (increase) in: | | |
| Patient receivables | **(10,224,607)** | (169,275,884) |
| Inventories | **2,001,600** | (5,976,045) |
| Prepaid expenses and other current assets | **4,334,046** | 8,751,910 |
| Deferred outflows of resources | **(101,793,104)** | (3,303,284) |
| Increase (decrease) in: | | |
| Other noncurrent assets | **3,500** | - |
| Accounts payable and accrued expenses | **(39,601,358)** | 25,955,479 |
| Self-insured liability | **114,711** | 855,920 |
| Due to related party | **(51,822)** | 1,633,198 |
| Deferred inflows of resources | **40,594,497** | (19,410,583) |
| Net cash provided by (used in) operating activities | **$ 28,993,513** | $ (89,199,708) |

*See accompanying notes.*

University Medical Center of Southern Nevada
A Component Unit of Clark County, Nevada
Statements of Revenues and Expenses, Budget to Actual Comparisons
For the fiscal year ended June 30, 2022
(With comparative actual for the fiscal year ended June 30, 2021)

| | 2022 | | | | 2021 |
|---|---|---|---|---|---|
| | **Original Budget** | **Final Budget** | **Actual** | **Variance** | **Actual (As Restated)** |
| Operating revenues: | | | | | |
| Intergovernmental revenues: | | | | | |
| Grants | $ 2,133,297 | $ 2,133,297 | $ 4,993,361 | $ 2,860,064 | $ 6,382,742 |
| Charges for services: | | | | | |
| Total patient revenue | 651,956,839 | 645,237,494 | 773,572,937 | 128,335,443 | 741,065,130 |
| Other operating revenues | 50,645,472 | 50,645,472 | 29,635,122 | (21,010,350) | 59,114,895 |
| Total operating revenues | **704,735,608** | **698,016,263** | **808,201,420** | **110,185,157** | **806,562,767** |
| Operating expenses: | | | | | |
| Salaries & wages | 290,211,027 | 296,166,484 | 326,607,035 | (30,440,551) | 290,381,150 |
| Employee benefits | 134,465,896 | 133,478,230 | 128,459,117 | 5,019,113 | 124,556,374 |
| Services & Supplies | 141,790,031 | 139,167,430 | 142,152,180 | (2,984,750) | 181,867,274 |
| Professional fees | 44,511,300 | 44,511,300 | 43,565,542 | 945,758 | 43,113,601 |
| Purchased Services | 74,990,700 | 74,999,100 | 109,575,329 | (34,576,229) | 102,418,677 |
| Other | 20,518,376 | 20,518,376 | 22,315,487 | (1,797,111) | 20,891,054 |
| Rent | 8,994,736 | 8,994,736 | 2,450,132 | 6,544,604 | 2,951,823 |
| Depreciation/amortization | 26,621,418 | 26,621,418 | 33,798,580 | (7,177,162) | 30,174,569 |
| | **742,103,484** | **744,457,074** | **808,923,402** | **(64,466,328)** | **796,354,522** |
| Nonoperating revenues (expenses): | | | | | |
| Interest earnings | 4,191,816 | 4,191,816 | (9,040,178) | 13,231,994 | (1,263,148) |
| Interest expense | (548,452) | (548,452) | (741,941) | 193,489 | (892,243) |
| Provision for OPEB & net pension liabilities | (11,332,703) | (11,332,703) | 45,361,590 | (56,694,293) | (12,359,389) |
| Other nonoperating revenue | - | - | 11,980,230 | (11,980,230) | 50,654,271 |
| Total nonoperating revenues (expenses), net | **(7,689,339)** | **(7,689,339)** | **47,559,701** | **(55,249,040)** | **36,139,491** |
| Income (Loss) before transfers | **(45,057,215)** | **(54,130,150)** | **46,837,719** | **119,402,445** | **46,347,736** |
| Transfers In | **31,000,000** | **31,000,000** | **31,000,000** | **-** | **15,000,000** |
| Change in Net Position (Deficit) | **$ (14,057,215)** | **$ (23,130,150)** | **$ 77,837,719** | **$ 119,402,445** | **$ 61,347,736** |

University Medical Center of Southern Nevada
A Component Unit of Clark County, Nevada
Statements of Cash Flows Budget to Actual Comparisons
For the fiscal year ended June 30, 2022
(With comparative actual for the fiscal year ended June 30, 2021)

| | 2022 | | | | 2021 |
|---|---|---|---|---|---|
| | **Original Budget** | **Final Budget** | **Actual** | **Variance** | **Actual** |
| Cash flows from operating activities: | | | | | |
| Cash received from patients and third-party payers | $ 661,161,776 | $ 658,851,037 | $ 778,034,260 | $ 119,183,223 | $ 604,991,426 |
| Cash paid to employees & benefits | (424,676,923) | (429,644,713) | (455,461,164) | (25,816,451) | (418,724,428) |
| Cash paid to suppliers for goods and services | (290,805,143) | (288,190,942) | (327,841,585) | (39,650,643) | (340,783,224) |
| Other operating receipts | 52,778,769 | 52,778,769 | 34,262,002 | (18,516,767) | 65,316,518 |
| Net cash provided by operating activities | **(1,541,521)** | **(6,205,849)** | **28,993,513** | **35,199,362** | **(89,199,708)** |
| Cash flows from noncapital financing activities: | | | | | |
| Contributions and transfers in from Clark County | 31,000,000 | 31,000,000 | 31,000,000 | - | 24,000,000 |
| Contributions, donations and other | - | - | (6,132,127) | (6,132,127) | 50,654,271 |
| Net cash provided by noncapital financing activities | **31,000,000** | **31,000,000** | **24,867,873** | **(6,132,127)** | **74,654,271** |
| Cash flows from capital and related financing activities: | | | | | |
| Purchase of property and equipment, net | (31,000,000) | (31,000,000) | (13,947,890) | 17,052,110 | (22,618,422) |
| Principal paid on long-term debt | (6,170,000) | (6,170,000) | (6,170,000) | - | (5,985,000) |
| Interest paid on long-term debt | (496,620) | (496,620) | (753,866) | (257,246) | (685,023) |
| Other | - | - | 32,000 | 32,000 | - |
| Net cash used in capital and related financing activities | **(37,666,620)** | **(37,666,620)** | **(20,839,756)** | **16,826,864** | **(29,288,445)** |
| Cash flows from investing activities | | | | | |
| Interest received | 4,191,816 | 4,191,816 | 9,040,178 | 4,848,362 | (1,295,236) |
| Net (decrease) increase in cash and cash equivalents | **(4,016,325)** | **(8,680,653)** | **42,061,808** | **50,742,461** | **(45,129,118)** |
| Cash and cash equivalents: | | | | | |
| Beginning of year | **303,478,530** | **303,478,530** | **220,372,687** | **(83,105,843)** | **265,501,805** |
| End of year | **$ 299,462,205** | **$ 294,797,877** | **$ 262,434,495** | **$ (32,363,382)** | **$ 220,372,687** |

## Overview of the Financial Statements

This annual report consists of financial statements prepared in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis — for State and Local Governments* as amended by GASB Statement No. 37, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus* and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. These standards establish comprehensive financial reporting standards for all state and local governments and related entities.

## 1. Description of Reporting Entity and Summary of Significant Accounting Policies

### Reporting Entity

University Medical Center of Southern Nevada (the Hospital), the public health care facility for Clark County, Nevada (the County), is a blended component unit of the County, and is reflected as an enterprise fund of the County. The Hospital is organized and operated by The Board of County Commissioners, ex officio, the Board of Hospital Trustees, per Chapter 450 of the Nevada Revised Statutes. The seven-member commission is elected from geographic districts on a partisan basis for staggered four-year terms. Commissioners elect a chairperson who serves as the Commission's presiding officer. In 2014 the Commissioners created the UMC Governing Board and selected 9 individuals from the community to serve on the board. The UMC Governing Board provides oversight of the Hospital and reports back to the Board of Hospital Trustees. As the Hospital is a component unit of the County, it is exempt from income tax and, accordingly, no provision for income taxes is required.

In accordance with GASB Statement No. 14, *The Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Hospital's financial statements are included, as a blended component unit, in the County's Annual Comprehensive Financial Report (ACFR). A copy of the ACFR can be obtained from Anna Danchik, Comptroller, 500 South Grand Parkway, Las Vegas, Nevada 89155.

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

**CARES Act and Enhancement Act Funds**

On March 27, 2020, former President Trump signed into law the Coronavirus Aid, Relief, and Economic Security ("CARES") Act" in response to the COVID-19 pandemic. The CARES Act, among other things, includes emergency funding – referred to as the "Provider Relief Fund and Coronavirus Relief Fund" - in the form of higher payments for hospitals that respond to COVID-19 by using existing mechanisms to distribute $100 billion to hospitals and healthcare providers and to provide payments to State, Locate, and Tribal governments navigating the impact of the COVID-19 outbreak to cover necessary expenses incurred due to the public health emergency with respect to COVID-19 that were not accounted for in the budget approved as of March 27, 2020 for the State or government from March 1, 2020 through December 31, 2021.

On April 24, 2020, former President Trump signed into law the "Paycheck Protection Program and Health Care Enhancement (Enhancement) Act." The Enhancement Act, among other things, includes $75 billion of additional funding for hospitals and healthcare providers.

Together, the CARES Act and the Enhancement Act include $175 billion in funding to be distributed to eligible providers through the Public Health and Social Services Emergency Fund (the "Provider Relief Fund" or "PRF"). HHS has allocated Provider Relief Fund among eligible health care providers through three completed phases of general distributions and a number of targeted distributions beginning in April 2020. In September 2021, HHS announced an additional $17 billion general distribution from the Provider Relief Fund that considers financial losses and changes in operating revenues and expenses, including expenses attributable to COVID-19, and payments already received through PRF distributions. The amount the Hospital may receive from this PRF distribution is unknown as of the date of this report.

The Hospital received $11.97 million through various distributions from the Provider Relief Fund and Coronavirus Relief Fund during fiscal year 2022, recorded all of them as other non-operating revenue in fiscal year 2022, and continues to monitor eligibility for additional Provider Relief Funds and Coronavirus Relief Fund during fiscal year 2023. As the Provider Relief Funds and Coronavirus Relief Fund have not yet been fully allocated, management is unable to determine the amount of Provider Relief Funds and Coronavirus Relief Fund available to the Hospital in fiscal year 2023.

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

The CARES Act also alleviates some of the financial strain on hospitals, physicians, other healthcare providers and states through a series of Medicare and Medicaid payment policies that temporarily increase Medicare and Medicaid reimbursement and allow for added flexibility, as described below.

- Effective May 1, 2020 through December 31, 2021, the 2% sequestration reduction on Medicare fee for service ("FFS") and payments to hospitals, physicians and other providers is suspended and will resume effective January 2022 as authorized by the Act to Prevent Across-the-Board Direct Spending Cuts, and for Other Purposes, signed into law on April 14, 2021. The suspension is financed by a one-year extension of the sequestration adjustment through 2030.

- The CARES Act instituted a 20% increase in the Medicare Severity Diagnosis Related Groups ("MS-DRG") payment for confirmed COVID-19 hospital admissions for the duration of the public health emergency as declared by the Secretary of HHS.

- The CARES Act eliminated the scheduled nationwide reduction of $4 billion in federal Medicaid Disproportionate Share Hospital ("DSH") allotments to States in federal fiscal year ("FFY") 2020 mandated by the Affordable Care Act and decreased the FFY 2021 Medicaid DSH reduction from $8 billion to $4 billion effective December 1, 2020. Legislation passed in October 2020 delayed the 2021 reduction through December 11, 2020. However, the Consolidated Appropriations Act, 2021 ("CCA") eliminated the $4 billion reduction for FFY 2021, the $8 billion reduction for FFY 2022, and the $8 billion reduction for FFY 2023. The reductions mandated by the Patient Protection and Affordable Care Act were set to be terminated at the end of FFY 2025, but the CCA added additional reductions of $8 billion per year for FFY 2026 and FFY 2027.

- A 6.2% increase in the Federal Medical Assistance Percentage ("FMAP") matching funds was instituted to help states respond to the COVID-19 pandemic. The additional funds are available to states from January 1, 2020 through the quarter in which the public health emergency period ends, provided that states meet certain conditions. An increase in states' FMAP leverages Medicaid's existing financing structure, which allows federal funds to be provided to states more quickly and efficiently than establishing a new program or allocating money from a new funding stream. Increased federal matching funds support states in responding to the increased need for services, such as testing and treatment during the COVID-19 public health emergency, as well as increased enrollment as more people lose income and qualify for Medicaid during the economic downturn.

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

On June 11, 2021, HHS issued a Post-Payment Notice of Reporting Requirements for the PRF that were disbursed under the CARES Act. This notice changed guidance that had been previously communicated. Key differences include the timeline for reporting and deadlines for use of funds as follows:

| | Payment Received | Deadline to Use Funds | Reporting Time Period |
|---|---|---|---|
| Period 1 | From April 10, 2020 to June 30, 2020 | June 30, 2021 | July 1 to September 30, 2021 (later extended to November 30, 2021) |
| Period 2 | From July 1, 2020 to December 31, 2020 | December 31, 2021 | January 1 to March 31, 2022 |
| Period 3 | From January 1, 2021 to June 30, 2021 | June 30, 2022 | July 1 to September 30, 2022 |
| Period 4 | From July 1, 2021 to December 31, 2021 | December 31, 2022 | January 1 to March 31, 2023 |

The definitions included in the Post-Payment Notice of Reporting Requirements may be subject to change or further interpretation. Management will continue to evaluate and monitor compliance with the terms and conditions.

HHS has also used funds appropriated to the Provider Relief Fund and the Families First Coronavirus Response Act ("FFCRA") to provide claims reimbursement to health care providers for testing uninsured individuals for COVID-19, treating uninsured individuals with a primary COVID-19 diagnosis, and administering a COVID-19 vaccine to uninsured individuals. The COVID-19 uninsured program is administered through HHS's Health Resources & Services Administration ("HRSA") and began providing reimbursement in May of 2020. Generally, reimbursements under this program are set at Medicare FFS rates, exclusive of the 20% increase in the MS-DRG payment for confirmed COVID-19 hospital admissions under the CARES Act.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. The extent of its impact on the Hospital's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on patients, employees, and vendors, and the scope of the Federal response, all of which are uncertain and cannot be predicted. Given these uncertainties, management cannot reasonably estimate the related impact to the Hospital's business, operating results, or financial condition in fiscal year 2023.

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

**Summary of Significant Accounting Policies**

The financial statements of the Hospital are prepared under accounting principles generally accepted in the United States applicable to state and local governmental entities on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. Substantially all revenues and expenses are subject to accrual.

The Hospital is accounted for as a proprietary fund (enterprise fund) using the flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the Hospital's operations are included in the *Statement of Net Position (Deficit)*. Revenue is recognized in the period in which it is earned and expenses are recognized in the period in which incurred.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

**Cash, Cash Equivalents, and Investments**

Cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less at date of purchase, excluding amounts held under trust agreements. The Hospital's restricted and unrestricted cash is deposited with the County Treasurer (the Treasurer) in a fund similar to an external investment pool that is reported at fair value. Because the amounts deposited with the Treasurer are sufficiently liquid to permit withdrawals in the form of cash at any time without prior notice or penalty, they are deemed to be cash equivalents. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the County to adjust the carrying amount of its investment portfolio to reflect the change in fair or market values. Interest revenue is increased or decreased in relation to this adjustment of unrealized gain or loss. Net interest income reflects this positive or negative market value adjustment. Financial information required by GASB Statement No. 3, No. 40 and No. 72 regarding the accounting and financial reporting for the Hospital's investment pool, held by the Clark County Treasurer, has been disclosed in the Clark County Annual Comprehensive Financial Report (ACFR) for the years ended June 30, 2022, and June 30, 2021.

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

**Inventories**

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost or market, generally determined on the first-in, first-out method.

**Restricted Assets**

Restricted assets are cash and cash equivalents and investments whose use is limited by legal or other requirements. Restricted cash and cash equivalents represent monies received from donors or grantors to be used for specific purposes, as well as the Hospital's proportionate share of collateral assets held under securities lending transactions and those whose purpose was limited by the contributor and/or grantor. The Hospital has elected to use restricted assets before unrestricted assets when an expense is incurred for a purpose for which both resources are available.

**Capital Assets**

Capital assets are stated at historical cost or, if donated, at estimated fair value at the date of the gift. Capital assets are defined by the Hospital as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Depreciation and amortization of assets are recorded in amounts sufficient to amortize the cost of the related assets over their estimated useful lives using the straight-line method. The following are the most commonly used estimated useful lives:

| | |
|---|---|
| Buildings | 10-40 years |
| Building improvements | 5-20 years |
| Equipment | 3-20 years |
| Land improvements | 15 years |
| Furniture and fixtures | 5 years |

Expenditures that substantially increase the useful lives or functionality of existing assets are capitalized. Routine maintenance, repairs, and minor improvements are expensed as incurred. The cost of property retired and related accumulated depreciation is removed from the accounts, and any gain or loss recognized in non-operating revenues (expenses).

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

Management reviews the recoverability of its capital assets in accordance with the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*. GASB Statement No. 42 requires recognition of impairment of long-lived assets in the event the asset's service utility has declined significantly and unexpectedly. Accordingly, management evaluates assets' utility annually or when an event occurs that may impair recoverability of the asset. No impairments were identified as of June 30, 2022.

**Leases**

*Lessee:*

The Hospital is party to multiple leases of nonfinancial assets as a lessee. The Hospital recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements.

At the commencement of a lease, the Hospital initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Hospital determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Hospital uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Hospital generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Hospital is reasonably certain to exercise.

The Hospital monitors changes in circumstances that would require a remeasurement of its leases and will remeasure lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

*Lessor:*

The Hospital has leased to third-parties multiple nonfinancial assets. The Hospital recognizes a lease receivable and a deferred inflow of resources in its financial statements where applicable.

At the commencement of the lease, the Hospital initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments receivable. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Hospital determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Hospital uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The Hospital monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Bond and Debt Issue Costs**

Financing costs represent debt issuance expenses on long-term debt obligations and are expensed as incurred in accordance with GASB No. 65.

**Cost of Borrowing**

Interest costs incurred on debt during the construction or acquisition of assets are capitalized as a component of the cost of acquiring those assets. No capitalized interest was recorded in fiscal 2022 and 2021.

**Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period and is not recognized as expense until then. In the Hospital financial statements, unamortized loss on refunding and pension and OPEB contributions are reported as a deferred

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

outflow of resources. The unamortized loss on refunding results from the difference between the reacquisition price and the net carrying amount of the refunded debt. This amount is deferred and amortized over the life of the refunding debt. The pension and OPEB contributions in deferred outflows are related to those contributions made after the measurement period.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources until that time. In the Hospital financial statements, future resources yet to be recognized in relation to the pension and OPEB actuarial calculations are reported as deferred inflow of resources. These future resources arise from differences in the estimates used by the actuary to calculate the pension and OPEB liability and the actual results. The amounts are amortized over a predetermined period.

**Postemployment Benefits Other Than Pensions**

For purposes of measuring the Hospital's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plans and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**Compensated Absences**

It is the Hospital's policy to permit employees to accumulate earned, but unused vacation and sick leave benefits. Such benefits were accrued when incurred as a current liability in both fiscal 2022 and 2021.

**Self-Insured Liability**

The self-insured liability represents the provision for estimated self-insured professional liability claims, general liability claims, and workers' compensation claims. The provision includes estimates of the ultimate costs for both reported claims and claims incurred but not reported based on the recommendations of an independent actuary.

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

**Net Position (Deficit)**

GASB Statement No. 34 requires the classification of net position (deficit) into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets: This component of net position (deficit) consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted: This component of net position (deficit) results from restrictions placed on net position (deficit) use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted: This component of net position (deficit) consists of all net position (deficit) that do not meet the definition of restricted or net investment in capital assets.

**Statements of Revenues, Expenses, and Changes in Net Position (Deficit)**

All revenues and expenses directly related to the delivery of health care services are included in operating revenues and expenses in the *Statements of Revenues, Expenses, and Changes in Net Position (Deficit)*. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing activities, non-exchange transactions, or investment income.

**Net Patient Revenue, Accounts Receivable, and Allowance for Uncollectible Accounts**

Net patient revenue is reported at the estimated realizable amount from patients, third-party payers, and others for services provided including the provision for bad debts and includes estimated retroactive adjustments under reimbursement agreements with third-party payers. Revenue under certain third-party payer agreements is subject to audit, retroactive adjustments, and significant regulatory actions. Provisions for third-party settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and as final settlements are determined.

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

As part of the Hospital's mission to serve the community, the Hospital provides care to patients even though they may lack adequate insurance or may participate in programs that do not pay established rates. Uncompensated care is defined as write-offs on patient accounts without insurance payment. Charity care is a subset of uncompensated care representing those patients that are approved by the Hospital for a discount under its charity policy guidelines. Throughout the admission, billing, and collection processes, certain patients are identified by the Hospital as indigent or qualifying for charity care. The Hospital provides care to these patients without charge or at amounts less than its established rates or actual costs. Net patient revenue is reflected net of the charity care reserves. Charity care reserves are based on gross revenue foregone. The actual costs for charity care in accordance with the Hospital's charity care policy aggregated approximately $25,285,501 and $23,730,686 for the years ending June 30, 2022 and 2021, respectively. The Hospital has estimated the cost of charity care based on a ratio of cost to charges of operating expenses excluding interest expense.

The Hospital has agreements with third-party payers that provide for payment at amounts different from established charge rates. A summary of the basis of payment by major third-party payers follows:

- Medicare and Medicaid: The Hospital renders services to patients under contractual arrangements with the U.S. Federal Medicare and the State of Nevada (State) Medicaid programs. Inpatient acute care services rendered to Medicare and Medicaid program beneficiaries and Medicare capital costs are paid at prospectively determined rates-per-discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. As an academic medical center, medical education payments in addition to disproportionate share entitlements are received from Medicare and Medicaid. Medicare utilizes a prospective payment system for inpatient rehabilitation services and psychiatric services.

  Medicare outpatient claims are reimbursed under the Ambulatory Payment Classification based prospective payment system. The payments are based on patient assessment data classifying patients into one of the Medicare Ambulatory Payment Classifications. Inpatient rehabilitation and psychiatric services are reimbursed at a prospectively determined per diem rate. Certain outpatient services related to Medicare beneficiaries and capital costs for Medicaid beneficiaries are reimbursed based on a cost-based methodology subject to certain limitations. The Hospital is reimbursed for cost reimbursable items at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare and Medicaid fiscal intermediaries.

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

The Hospital's classification of patients under the Medicare and Medicaid programs and the appropriateness of their admission, and therefore, the revenues received are subject to an independent review and retroactive adjustment. Differences between the estimated amounts accrued at interim and final settlements are reported in the *Statement of Revenues, Expenses, and Changes in Net Position (Deficit)* in the year of settlement. Medicare cost reports have been finalized through fiscal year 2018. Provisions for estimated retroactive adjustments for cost report years that have not been finalized have been provided, where applicable. The Hospital recorded a favorable adjustment $3,120,752 in fiscal 2022, and a favorable adjustment of $2,356,520 in fiscal 2021, respectively, due to prior year retroactive adjustments to amounts previously estimated and changes in estimates.

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, governmental program participation, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as repayment of patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs unknown or unasserted at this time. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Management believes that the Hospital is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations, and that adequate provision has been made in the financial statements for any adjustments that may result from final settlements.

- Upper payment limit: On September 22, 2002, the amendment to the State Medicaid program to allow for supplemental Medicaid payments as provided under federal regulations, referred to as the Upper Payment Limit program (UPL), was approved by the Center for Medicare and Medicaid Services (CMS). Effective January 1, 2003, the amendment revised the State's plan to provide access to supplemental Medicaid payments up to 100% of the Medicare upper payment limits for inpatient hospital services rendered by public hospitals in the State to State Medicaid consumers. The State fiscal 2015 budget also included an expansion of the UPL program to outpatient services.

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

These funds are distributed prospectively on a quarterly basis. Funding for the UPL program is generated through intergovernmental transfers and matching funds from the federal government. The gross amount recorded in net patient revenue for UPL and Indigent Accident Fund (IAF) was $99,580,500 and $96,229,511 in fiscal 2022 and 2021, respectively. As of June 30, 2022 and 2021, $40,914,417 and $85,603,296, respectively, were recorded as receivable.

- Disproportionate share: As a public health care provider, the Hospital renders services to residents of the County and others regardless of ability to pay. The Hospital is classified as a disproportionate share provider by the Medicare and Medicaid programs due to the volume of low-income patients it serves. Accordingly, the Hospital receives additional payments from these programs as a result of this status totaling $67,320,016 and $65,405,579 in fiscal 2022 and 2021, respectively, which are included in net patient revenue. As of June 30, 2022 and 2021, the Hospital has reserved approximately $46,989,417 and $87,481,348, respectively, for possible future adjustments, which is reflected in intergovernmental liabilities on the accompanying statements of net position (deficit). Normal estimation differences between final settlements and amounts accrued in previous periods are reflected in net patient revenues in the period of settlement. These estimation differences between final settlements and amounts previously accrued results in an increase of $6,042,873 and a decrease of $14,711,401, respectively, in net patient revenues during the years ended June 30, 2022 and 2021. Funding for the disproportionate share program is generated through intergovernmental transfers and matching funds from the federal government. The Hospital also provides major trauma services to the region, and the ability to continue these levels of service and programs is contingent upon the continuation of various funding sources.

- Other payers: The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes prospectively-determined rates-per-discharge, discounts from established charges, and prospectively-determined per diem rates.

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

The approximate percentage of gross patient revenues by major payer group for the fiscal years ended June 30 follows:

| | 2022 | 2021 |
|---|---|---|
| Medicare | 30 % | 28 % |
| Medicaid, and self-pay | 43 | 43 |
| Commercial, HMO, PPO | 22 | 24 |
| Other | 5 | 5 |
| Total | 100 % | 100 % |

The provision for bad debts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payer category, including those amounts not covered by insurance. The results of this review are then used to make any modifications to the provision for bad debts to establish an appropriate allowance for uncollectible accounts. Extensive efforts are made to collect all amounts owed to the Hospital. Several avenues are pursued including direct collections efforts, assistance in finding pay sources, and assistance in compliance with the County's uninsured discount program. After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the Hospital follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by the Hospital. These accounts are then followed up by collection agencies.

For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for bad debts, allowance for contractual adjustments, provision for bad debts, and contractual adjustments on accounts for which the third-party payor has not yet paid or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely. For receivables associated with self-pay patients or with balances remaining after the third-party coverage has already paid, the Hospital records a significant provision for bad debts in the period of services on the basis of its historical collections, which indicates that many patients ultimately do not pay the portion of their

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

bill for which they are financially responsible. The difference between the discounted rates and the amounts collected after all reasonable collection efforts have been exhausted is charged off against the allowance for bad debts. The change in the allowance for bad debts was as follows for the fiscal years ended June 30:

| | 2022 | 2021 |
|---|---|---|
| Reserve-Beginning Balance | $ (117,230,581) | $ (116,761,520) |
| Provision | (183,355,767) | (157,708,462) |
| Write-Offs | 163,340,737 | 164,474,911 |
| Bad Debt Recovery | (5,322,952) | (7,235,510) |
| Reserve-Ending Balance | $ (142,568,563) | $ (117,230,581) |

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer arrangements. Significant concentrations of patient accounts receivable at June 30, 2022 and 2021 include:

| | 2022 | 2021 |
|---|---|---|
| Medicare | 20 % | 20 % |
| Medicaid, and self-pay | 46 | 42 |
| Commercial, HMO, PPO | 27 | 28 |
| Other | 7 | 10 |
| Total | 100 % | 100 % |

**Grants and Contributions**

The Hospital receives financial assistance from federal agencies, the State, and the County, in the form of grants, as well as contributions from individuals and private organizations. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes and are reported as other operating revenues.

Other such audits could be undertaken by federal and state granting agencies and result in the disallowance of claims and expenditures; however, in the opinion of management, any such

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

disallowed claims or expenditures will not have a material effect on the overall financial position of the Hospital.

**Defined Benefit Plan**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Nevada (NVPERS) and additions to/deductions from NVPERS fiduciary net position have been determined on the same basis as they are reported by NVPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Concentrations of Credit and Economic Risks and Uncertainties**

Financial instruments that potentially subject the Hospital to concentrations of credit risk consist principally of cash and cash equivalents, patient accounts receivable, and investments.

The Hospital's cash and cash equivalents on deposit with financial institutions, including cash and cash equivalents in the custody of the Treasurer or a fiscal agent, are often in excess of federally insured limits, and the risk of losses related to such concentrations may be increasing as a result of continuing economic conditions including, but not limited to, weakness in the commercial and investment banking systems. The extent of a future loss, if any, to be sustained as a result of uninsured deposits in the event of a future failure of a financial institution; however, is not subject to estimation at this time.

Concentration of credit risk relating to patient accounts receivable is limited to some extent by the diversity and number of the Hospital's patients and payers. Patient accounts receivable consist of amounts due from government programs, commercial insurance companies, private pay patients, and other group insurance programs. One payer source, self-pay, comprises approximately 17% and 17% of gross patient accounts receivable at June 30, 2022 and 2021, respectively. The Hospital maintains an allowance for losses based on the expected collectability of patient accounts receivable.

Because the Hospital operates in the health care industry exclusively in southern Nevada, realization of its receivables, inventories, and its future operations could be affected by adverse economic conditions in the area. In addition, the Hospital receives the majority of its supplies

**1. Description of Reporting Entity and Summary of Significant Accounting Policies (continued)**

from a limited number of suppliers and any reduction or interruption of such sources could adversely affect future operations. The majority of the Hospital's employees are covered by collective bargaining agreements entered into with the Service Employee International Union (SEIU) and the International Union of Operating Engineers (IUOE). The SEIU updated contract was ratified, effective on November 3, 2020 and will expire on June 30, 2024. The IUOE contract was updated and ratified on April 13, 2017, and was retroactively effective on July 1, 2016. The IUOE contract expired on June 30, 2020, however the Hospital and the IUOE are currently in negotiations to update the contract.

**Subsequent Events**

The Hospital evaluates the impact of subsequent events, which are events that occur after the statement of net position (deficit) date but before the financial statements are issued, for potential recognition in the financial statements as of the statement of net position date. For the year ended June 30, 2022, the Hospital evaluated subsequent events through December 2, 2022, representing the date the accompanying audited financial statements were issued. During this period the Hospital determined there were no subsequent events that needed to be disclosed.

## 2. Recent Accounting Pronouncements

The GASB has recently issued the following statements, which the Hospital is assessing the impact of the implementation, if any, on its financial statements.

Statement No. 91, *Conduit debt obligations*

- This standard will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.
- A conduit debt obligation is defined as a debt instrument having all of the following characteristics:
    - There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
    - The issuer and the third-party obligor are not within the same financial reporting entity.
    - The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
    - The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
    - The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).
- All conduit debt obligations involve the issuer making a limited commitment.
- An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met.
- This statement also addresses arrangements-often characterized as leases-that are associated with conduit debt obligations.
- This statement requires issuers to disclose general information about their conduit debt obligations.
- Expected effective date: Year ending June 30, 2023, and Management is still evaluating the impact of this Statement.

**2. Recent Accounting Pronouncements (continued)**

GASB Statement No. 94, *Public-private and Public-public partnerships and availability payment arrangements*

- This statement will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).
- A PPP is an arrangement in which a government contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control

  of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.
- Some PPPs meet the definition of a service concession arrangement (SCA), which is a PPP in which (1) The operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.
- This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.
- This Statement is effective for reporting periods beginning after June 15, 2022 which will be the Hospital's fiscal year ending June 30, 2023. Management is still evaluating the impact of this Statement.

GASB Statement No. 96, *Subscription-Based information Technology Arrangements*

- This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).
- A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.
- A government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

**2. Recent Accounting Pronouncements (continued)**

- Activities associated with a SBITA, other than making subscription payments, should be grouped into the following three stages, and their costs should be accounted for accordingly: (1) Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. Outlays in this stage should be expensed as incurred; (2) Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. Outlays in this stage generally should be capitalized as an addition to the subscription asset; (3) Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for a government's ongoing operations related to a SBITA. Outlays in this stage should be expensed as incurred unless they meet specific capitalization criteria. If a SBITA contract contains multiple components, a government should account for each component as a separate SBITA or nonsubscription component and allocate the contract price to the different components.
- This Statement provides an exception for short-term SBITAs, those having a maximum possible term of 12 months (or less), including any options to extend, regardless of their probability of being exercised. These SBITAs should be recognized as outflows of resources.
- This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.
- This Statement is effective for reporting periods beginning after June 15, 2022 which will be the Hospital's fiscal year ending June 30, 2023. Management is still evaluating the impact of this Statement.

GASB Statement No. 97, *Certain component unit criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*

- This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

**2. Recent Accounting Pronouncements (continued)**

- This Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

- This Statement is effective for reporting periods beginning after December 15, 2021 which will be the Hospital's fiscal year ending June 30, 2023. The Hospital participates in a State Pension Plan and Management has determined there is no impact of this Statement.

GASB Statement No. 99, *Omnibus 2022*

- This Statement address practice issues identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees.

- Effective Upon Statement Issuance – April 2022:

    - Extension of the period during which LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt

    - Accounting of benefits distributed as part of the Supplemental Nutrition Assistance Program (SNAP)

    - Disclosures related to nonmonetary transactions

    - Pledges of future revenues when resources are not received by the pledging government

    - Clarification of provisions of Statement No. 34 related to the focus of the government-wide financial statements

    - Updates to terminology used in Statement No. 53 to refer to resource flow statements and to certain provisions in Statement No. 63

**2. Recent Accounting Pronouncements (continued)**

- Effective for Fiscal Years Beginning After June 15, 2022:

    - Determination of lease term and classification of leases as short-term in accordance with Statement No. 87

    - Clarification related to the determination of Public-Private Partnerships (PPP) term and recognition and measurement of installment payments and the transfer of PPP assets under Statement No. 94

    - Clarification of the provisions of Statement No. 96 related to Subscription Based Information Technology Arrangements (SBITA) term, classification of short-term SBITA, and recognition and measurement of a subscription liability

- Effective for Fiscal Years Beginning After June 15, 2023:

    - A government extending an exchange or exchange-like financial guarantee should recognize a liability and expense/expenditure related to the guarantee when qualitative factors and historical data indicate that it is more likely than not a government will be required to make a payment related to the guarantee. Statement No. 99 excludes guarantees related to special assessment debt, financial guarantee contracts within the scope of Statement No. 53, or guarantees related to conduit debt obligations.

    - Requirements related to the classification and reporting of derivative instruments within the scope of Statement No. 53 that do not meet the definition of an investment or hedging derivative instrument

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*

- This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

**2. Recent Accounting Pronouncements (continued)**

- As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability.

- This Statement also addresses corrections of errors in previously issued financial statements.

- This Statement requires that:

    - changes in accounting principles and error corrections be reported retroactively by restating prior periods,

    - changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and

    - changes in accounting estimates be reported prospectively by recognizing the change in the current period.

- The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement.

- Statement No. 100 requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

- This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

**2. Recent Accounting Pronouncements (continued)**

- Statement No. 100 also addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB Statement No. 101, *Compensated Absences*

- This Statement requires that liabilities for compensated absences be recognized for leave that as not been used and leave that has been used but not yet paid in cash or settled through noncash means.
- Requires recognition of a liability for leave that has not been used if:
    - the leave is attributable to services already rendered,
    - the leave accumulates, and
    - the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.
- Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.
- Statement No. 101 requires that a liability for certain types of compensated absences, including parental leave, military leave, and jury duty leave, not be recognized until the leave commences.
- In addition, this Statement requires that for specific types of compensated absences, a liability not be recognized until the leave is used.

**2. Recent Accounting Pronouncements (continued)**

- This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

- With respect to financial statements prepared using the current financial resources measurement focus, Statement No. 101 requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

- Statement No. 101 amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

## 3. Cash, Cash Equivalents, and Investments

Substantially all cash (including cash equivalents) and investments of the Hospital are under control of the Treasurer and are included in the Treasurer's investment pool. The Hospital's cash and investments generally are reported at fair value, as discussed in note 1. As of June 30, 2022 and 2021, these amounts were as follows:

| | 2022 | 2021 |
|---|---|---|
| Clark County investment pool | $ 262,417,859 | $ 220,356,087 |
| Cash on hand | 16,636 | 16,600 |
| Total cash and investments | $ 262,434,495 | $ 220,372,687 |

The Treasurer invests monies held both by individual funds and through a pooling of monies. The pooled monies, referred to as the investment pool, are invested as a whole and not as a combination of monies from each fund belonging to the pool. In this manner, the Treasurer is able to invest the monies at a higher interest rate for a longer period of time. Interest is apportioned monthly to each fund in the pool based on the average daily cash balance of the fund for the month.

According to Statutes, County monies must be deposited with federally insured banks, credit unions, or savings and loan associations within the County. The Treasurer is authorized to use demand accounts, time accounts, and certificates of deposit. Statutes do not specifically require collateral for demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible investments. Permissible investments are similar to allowable County investments described below, except that statutes permit a longer term and include securities issued by municipalities within Nevada. The County's deposits are fully covered by federal depository insurance or collateral held by the County's agent in the County's name. The County has written custodial agreements with the various financial institutions' trust banks for demand deposits and certificates of deposit. These custodial agreements pledge securities totaling 102% of the deposits with each financial institution. The County has a written agreement with the State Treasurer for monitoring the collateral maintained by the County's depository institutions.

Due to the nature of the investment pool, it is not possible to separately identify any specific investment as being that of the Hospital. It is not feasible to allocate the level of risk to the various component units of the County, including the Hospital, due to the co-mingling of assets in the investment pool. Details on the County investment policies including the level of risk are included in the Clark County Annual Comprehensive Financial Report. Instead, the Hospital owns a proportionate share of each investment, based on the Hospital's participation percentage in the investment pool. As of June 30, 2022 and 2021, $262,417,859 and $220,356,087, respectively, of Hospital investments in the investment pool were as follows:

**3. Cash, Cash Equivalents, and Investments (continued)**

| | 2022 | | 2021 | |
|---|---|---|---|---|
| Investment Type | Allocation | Duration in Years | Allocation | Duration in Years |
| U.S. Agencies | 37.74% | 2.83 | 40.14% | 2.89 |
| U.S. Treasury Obligations | 29.79% | 2.24 | 27.81% | 2.33 |
| Corporate Notes | 12.55% | 2.42 | 15.87% | 2.35 |
| Negotiable Certificates of Deposit | 5.93% | 0.61 | 5.73% | 0.70 |
| Asset-Backed Securities | 6.07% | 3.92 | 4.14% | 3.28 |
| Commercial Paper Discounts | 7.66% | 0.10 | 3.63% | 0.18 |
| Money Market Funds | 0.26% | - | 2.68% | - |
| | 100.00% | | 100.00% | |
| Average Portfolio Duration | | 2.08 | | 2.22 |

**Credit Risk**

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy applies a prudent-person rule, which is: "In investing the County's monies, there shall be exercised the judgment and care under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

As of June 30, 2022 and 2021, the County's investments were rated by Standard and Poor's and Moody's Investors Service, respectively, as follows:

## 3. Cash, Cash Equivalents, and Investments (continued)

| | 2022 | 2021 |
|---|---|---|
| U.S. Treasury Obligations | A-1+,AA+/Aaa,P-1 | A-1+,AA+/Aaa,P-1 |
| Bonds of U.S. Agencies | AA+/Aaa, Unrated (1) | AA+/Aaa, Unrated (1) |
| Corporate Obligations | A-, A, A+, AA-, AA, AA+/Aaa, Aa, A | BBB+,A- to AAA/Aaa, Aa, A |
| Commercial Paper Discounts | A-1, A-1+/P-1 | A-1, A-1+/P-1 |
| Negotiable Certificates of Deposit | A-1, A-1+/P-1 | A-1, A-1+/P-1 |
| Money Market Mutual Funds | A+, AAA/Aa, Aaa | AAA/Aaa |
| Asset-Backed Securities | AAA/Aaa, Unrated (2) | AAA/Aaa, Unrated (2) |
| Agency CMOs | n/a | n/a |
| Collateralized Investment Agreements | (3) | (3) |
| Discount Notes of U.S. Agencies | A-1+/P-1 | A-1+/P-1 |
| Corporate Notes | (4) | (4) |

(1) Unrated U.S. federal agency securities are Farmer Mac securities not rated by either Moody's or Standard & Poor's

(2) Unrated asset backed securities are rated AAA by Standard & Poor's

(3) Issued by insurance companies rated AA/Aa2, or its equivalent, or higher, or issued by entities rated A/A2, or its equivalent, or higher

(4) Issued by insurance companies rated AA-/Aa1, or its equivalent, or higher, or issued by entities rated A/A2, or its equivalent, or higher

The County investments in U.S. Treasury obligations carry no measurable credit risk because they are backed by the U.S. federal government. The State Investment Pool does not have a credit rating.

### Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy limits the amount that may be invested in obligations of any one issuer, except direct obligations of the U.S. government or federal agencies, to be no more than 5% of the County investment pool. At June 30, 2022 and 2021, the following investments exceeded 5% of the investment pool:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| U.S.Treasury obligations | 33.73 | % | 27.81 | % |
| Federal Home Loan Bank (FHLB) | 12.41 | | 8.77 | |
| Federal Farm Credit Bank (FFCB) | 6.81 | | 6.27 | |
| Federal Agricultural Mortgage Corp (FAMCA) | 6.71 | | | |
| Federal National Mortgage Association (FNMA) | | | 8.29 | |
| Federal Home Loan Mortgage Corporation (FHLMC) | | | 10.92 | |

**3. Cash, Cash Equivalents, and Investments (continued)**

**Interest Rate Risk**

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the weighted average duration of its investment portfolio to less than 2.5 years. Duration is a measure of the present value of a fixed income's cash flows and is used to estimate the sensitivity of a security's price to interest rate changes. Accordingly, the County's investment policy limits investment portfolio maturities for certain investment instruments as follows: U.S. Treasury and U.S. agencies to less than ten years; bankers' acceptances to 180 days; commercial paper to 270 days; certificates of deposit to one year; corporate notes and bonds to five years; and repurchase agreements to 90 days.

**Interest Rate Sensitivity**

At June 30, 2022 and 2021, the County invested in the following types of securities that have a higher sensitivity to interest rates, which represented 27% and 13%, respectively, of total investment securities.

- Callable securities are directly affected by the movement of interest rates. Callable securities allow the issuer to redeem or call a security before maturity, generally on coupon dates.

- Step-up/step-down securities have fixed rate coupons for a specific time interval that will step-up or step-down a predetermined number of basis points at scheduled coupon or other reset dates. These securities are callable one time or on their coupon dates.

- Fix-to-floating rate notes have fixed rate coupons for a specified period of time, then a variable rate coupon for the remaining life of the security. The variable rate is generally based on the three-month LIBOR plus 125 basis points. In some cases, interest rate caps are reset higher annually. These securities are callable, generally on their coupon dates.

- CPI floaters have variable rate coupons based on the Consumer Price Index Year-Over-Year index plus 114 basis points. This rate resets and pays a coupon monthly.

- Range notes have fixed rate coupons based on the three-month LIBOR staying within a range for a time period, generally one year. If the three-month LIBOR is within the predetermined range for a specified time period, the coupon rate is reset at a higher rate at periodic intervals. If the three-month LIBOR is out of the predetermined range, then coupon rate is reset to a floor rate of 1%. These securities are also callable on their coupon dates.

## 4. Other Receivables, Net

The Hospital has agreements with third-party payers that provide for payment of amounts different from established rates. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined. See Note 1, *Net Patient Revenue, Accounts Receivable, and Allowance for Uncollectible Accounts* for additional information. As of June 30, 2022 and 2021, there is no third-party settlements recorded.

Other receivable also includes account receivables that are not directly related to patient receivable, as a result of invoicing clients for various services rendered and implementing GASB 87 as a lessor to record lease receivable. See Note 1, *Leases* for additional information.

A summary of other receivables, net at June 30, follows:

| | 2022 | 2021 |
|---|---|---|
| Lease receivable | $ 2,064,691 | $ 3,313,773 |
| Other | 5,906,057 | 12,274,435 |
| | $ 7,970,748 | $ 15,588,208 |

## 5. Internally Designated Assets

The Hospital's internally designated assets consist of the following as of June 30:

| | 2022 | 2021 |
|---|---|---|
| Self-insurance funds | $ 15,686,622 | $ 15,844,640 |
| Debt service funds | 6,276,827 | 6,503,226 |
| Capital acquisition funds | 95,527,524 | 86,493,154 |
| | $ 117,490,973 | $ 108,841,020 |

## 6. Capital Assets

Capital asset additions, retirements, and balances for the fiscal years ended June 30, 2022 and 2021, were as follows:

| 2022 | Beginning Balance | Additions | Retirements/ Transfers | Ending Balance |
|---|---|---|---|---|
| Nondepreciable capital assets: | | | | |
| Land | $ 10,204,997 | $ - | $ - | $ 10,204,997 |
| Construction in progress | 20,879,339 | 8,145,312 | (19,226,598) | 9,798,053 |
| Total nondepreciable capital assets | 31,084,336 | 8,145,312 | (19,226,598) | 20,003,050 |
| Depreciable capital assets: | | | | |
| Land improvements | 4,790,912 | - | - | 4,790,912 |
| Buildings and building improvements | 228,614,686 | 7,253,355 | 31,066 | 235,899,107 |
| Equipment | 274,158,641 | 10,257,678 | 13,506,155 | 297,922,474 |
| Furniture and fixtures | 7,090,854 | 328,316 | - | 7,419,170 |
| Infrastructure | 1,481,220 | 3,126 | - | 1,484,346 |
| LVA-IT Hardware | 143,391 | - | - | 143,391 |
| Fixed Assets - Conversion (System) | (257,319) | - | 257,319 | - |
| Leased Land & Buildings | 24,187,948 | - | - | 24,187,948 |
| Leased Equipment & Other | 6,518,334 | 2,348,068 | - | 8,866,402 |
| Total depreciable capital assets | 546,728,667 | 20,190,543 | 13,794,540 | 580,713,750 |
| Less accumulated depreciation and amortization: | | | | |
| Land improvements | (3,413,597) | (148,375) | - | (3,561,972) |
| Buildings and building improvements | (124,422,324) | (5,889,715) | - | (130,312,039) |
| Equipment | (211,377,648) | (20,311,143) | 25,536 | (231,663,255) |
| Furniture and fixtures | (3,703,579) | (572,358) | - | (4,275,937) |
| Infrastructure | (353,948) | (90,078) | - | (444,026) |
| LVA-IT Hardware | (143,391) | - | - | (143,391) |
| Leased Land & Building | (4,034,510) | (3,456,281) | - | (7,490,791) |
| Leased Equip & Other | (1,822,602) | (1,190,225) | - | (3,012,827) |
| | (349,271,599) | (31,658,175) | 25,536 | (380,904,238) |
| Total depreciable capital assets, net | 197,457,068 | (11,467,632) | 13,820,076 | 199,809,512 |
| Total capital assets, net | $ 228,541,404 | $ (3,322,320) | $ (5,406,522) | $ 219,812,562 |

## 6. Capital Assets (continued)

| 2021 | Beginning Balance | Additions | Retirements/ Transfers | Ending Balance |
|---|---|---|---|---|
| Nondepreciable capital assets: | | | | |
| Land | $ 10,204,997 | $ - | $ - | $ 10,204,997 |
| Construction in progress | 18,620,955 | 5,701,283 | (3,442,899) | 20,879,339 |
| Total nondepreciable capital assets | 28,825,952 | 5,701,283 | (3,442,899) | 31,084,336 |
| Depreciable capital assets: | | | | |
| Land improvements | 4,790,912 | - | - | 4,790,912 |
| Buildings and building improvements | 224,940,012 | 3,674,674 | - | 228,614,686 |
| Equipment | 257,338,864 | 16,884,545 | (64,768) | 274,158,641 |
| Furniture and fixtures | 5,812,373 | 1,278,481 | - | 7,090,854 |
| Infrastructure | 1,412,207 | 69,013 | - | 1,481,220 |
| LVA-IT Hardware | 143,391 | - | - | 143,391 |
| Fixed Assets - Conversion (System) | (133,813) | - | (123,506) | (257,319) |
| Leased Land & Buildings | - | 24,187,948 | - | 24,187,948 |
| Leased Equipment & Other | - | 6,518,334 | - | 6,518,334 |
| Total depreciable capital assets | 494,303,946 | 52,612,995 | (188,274) | 546,728,667 |
| Less accumulated depreciation and amortization: | | | | |
| Land improvements | (3,265,223) | (148,374) | - | (3,413,597) |
| Buildings and building improvements | (119,073,089) | (5,349,235) | - | (124,422,324) |
| Equipment | (193,445,251) | (17,935,637) | 3,240 | (211,377,648) |
| Furniture and fixtures | (3,026,233) | (677,346) | - | (3,703,579) |
| Infrastructure | (267,349) | (86,599) | - | (353,948) |
| LVA-IT Hardware | (143,391) | - | - | (143,391) |
| Leased Land & Building | - | (4,034,510) | - | (4,034,510) |
| Leased Equip & Other | - | (1,822,602) | - | (1,822,602) |
| | (319,220,536) | (30,054,303) | 3,240 | (349,271,599) |
| Total depreciable capital assets, net | 175,083,410 | 22,558,692 | (185,034) | 197,457,068 |
| Total capital assets, net | $ 203,909,362 | $ 28,259,975 | $ (3,627,933) | $ 228,541,404 |

Capitalized interest is part of the cost of buildings and building improvements and construction in progress. No capitalized interest was recorded for fiscal 2022 and 2021.

Estimated costs to complete the construction in progress are approximately $2.9 million as of June 30, 2022.

## 7. Long-term Debt

The Hospital's long-term debt consists of the following as of June 30:

| | 2022 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Payments/ Reductions | Ending Balance | Due Within One Year |
| Clark County, Nevada General Obligation Hospital Refunding Bonds, Series 2013 | $ 19,105,000 | $ - | $ (6,170,000) | $ 12,935,000 | $ 6,370,000 |
| Long-term debt | $ 19,105,000 | - | $ (6,170,000) | $ 12,935,000 | $ 6,370,000 |

| | 2021 | | | | |
|---|---|---|---|---|---|
| | Beginning Balance | Additions | Payments/ Reductions | Ending Balance | Due Within One Year |
| Clark County, Nevada General Obligation Hospital Refunding Bonds, Series 2013 | $ 25,090,000 | $ - | $ (5,985,000) | $ 19,105,000 | $ 6,170,000 |
| Long-term debt | $ 25,090,000 | - | $ (5,985,000) | $ 19,105,000 | $ 6,170,000 |

On September 9, 2013, Clark County, Nevada issued $26,065,000 in General Obligation (Limited Tax) Hospital Refunding Bonds (the 2013 Bonds) with an interest rate of 3.10%, which are collateralized with pledge gross revenues. The proceeds of the bonds were used to: (i) refund $8,585,000 aggregate principle amount of the County's General Obligation Hospital Improvement and Refunding Bonds, Series 2003; (ii) refund $17,920,000 aggregate principle amount of the County's General Obligation Hospital Refunding Bonds, Series 2007; (iii) pay the cost of issuing the 2013 Bonds. As a result, the previously outstanding refunded bonds are considered to be defeased and the liabilities for those bonds have been extinguished. The aggregate difference in debt service between the refunded debt and the refunding debt was $125,000. As a result of the advance refunding, the Hospital reduced its total debt service requirements by $2,884,644 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $2,455,999. The issuance of the 2013 Bonds resulted in a deferred loss of $513,998, which will be amortized over the life of the new bonds. Principal and interest of the 2013 Bonds are due semiannually on March 1st and September 1st. All required payments on the bonds are guaranteed by Clark County, Nevada in the event that the Hospital is unable to make required payments. The Bonds mature in fiscal 2024.

**7. Long-term Debt (continued)**

The Hospital's general obligation bond ordinances contain the usual and customary covenants associated with such bonds. Management believes it is in compliance with all such covenants.

The Tax Reform Act of 1986 imposes an arbitrage rebate requirement with respect to bonds issued by the County. Under this act, an amount may be required to be rebated to the United States Treasury, so that all interest on the bonds qualifies for exclusion from gross income for federal income tax purposes. The Hospital is current on all required arbitrage payments. As of June 30, 2022 and 2021, there is no estimated potential arbitrage liability.

Scheduled principal and interest payments required to maturity on long-term debt at June 30, 2022, were as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| 2023 | 6,370,000 | 302,250 | 6,672,250 |
| 2024 | 6,565,000 | 101,758 | 6,666,758 |
| | $ 12,935,000 | $ 404,008 | $ 13,339,008 |

**8. Other long-term Liabilities**

**Operating Leases**

The Hospital has operating leases with lease term shorter than 1 year or leases not subject to GASB 87 presentation. Operating leases primarily consist of medical and office equipment used in Hospital operations, as well as other occupancy costs such as common area maintenance and utilities related to real property leases for off-campus outpatient clinic and business office facilities.

Total rent expense under all operating leases was $2,450,132 and $8,688,230 in fiscal 2022 and 2021, respectively. Future commitments under operating leases extending beyond June 30, 2022, were as follows:

| | | |
|---|---|---|
| FY 2023 | $ | 418,370 |
| FY 2024 | | 341,328 |
| FY 2025 | | 352,805 |
| FY 2026 | | 163,956 |
| FY 2027 | | 132,044 |
| FY 2028 and after | | 86,535 |
| Grand total | $ | 1,495,038 |

**8. Other long-term Liabilities (continued)**

**The Hospital as Lessee**

As of June 30, 2022 University Medical Center of Southern Nevada has 12 lessee financing leases for buildings and 17 lessee financing leases for equipment.

Buildings are leased primarily for cash flow management purposes while equipment is leased primarily to have access to the latest technology.

The 12 lessee building leases have terms ranging from 3 years to 11 years. All building leases have monthly payments with four of the building leases having fixed payments throughout the lease term while the remaining eight have annual increases ranging from 1.7% to 5.0%. The value of the right-to-use assets and lease payable for buildings as of June 30, 2022 was $24,187,948 and $16,955,767, respectively, with accumulated amortization for buildings of $7,490,791.

The 17 lessee equipment leases have terms ranging from 1 year to 5 years. All equipment leases have fixed monthly payments except for one that has quarterly payments. The value of the right-to-use assets and lease payable for equipment as of June 30, 2022 was $8,866,402 and $6,020,881, respectively, with accumulated amortization of $3,012,827.

The future principal and interest lease payments for buildings as of June 30, 2022, were as follows:

| Fiscal Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 3,968,734 | $ 265,957 | $ 4,234,691 |
| 2024 | 3,734,519 | 248,463 | 3,982,982 |
| 2025 | 3,562,999 | 236,611 | 3,799,610 |
| 2026 | 1,295,783 | 163,348 | 1,459,131 |
| 2027 | 943,436 | 143,047 | 1,086,483 |
| 2028-2032 | 1,703,641 | 506,051 | 2,209,692 |
| 2033-2037 | 1,542,268 | 224,399 | 1,766,667 |
| 2038-2042 | 204,387 | 3,838 | 208,225 |
| Total | $ 16,955,767 | $ 1,791,714 | $ 18,747,481 |

**8. Other long-term Liabilities (continued)**

The future principal and interest lease payments for equipment as of June 30, 2022, were as follows:

| Fiscal Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 2,653,112 | $ 106,998 | $ 2,760,110 |
| 2024 | 1,708,450 | 50,758 | 1,759,208 |
| 2025 | 820,834 | 26,677 | 847,511 |
| 2026 | 838,485 | 27,251 | 865,736 |
| Total | $ 6,020,881 | $ 211,684 | $ 6,232,565 |

**The Hospital as Lessor**

As of June 30, 2022, the Hospital has 3 lessor financing leases for buildings. Building space is leased out for academic medical education and research purposes. Two leases are with the University of Nevada, Las Vegas, School of Medicine and one sub-lease to Nevada Aids Research and Education Society. The leases range from 4 to 5 years with monthly payments and annual increases ranging from 3% to 5%. Total amount of revenue (lease and interest) recognized in FY 2022 is $1,042,899 and the lease receivable at June 30, 2022 associated with these building leases is $2,064,691.

The Hospital recognized a deferred inflow of resource associated with the leases of $2,036,182 at June 30, 2022 that will be recognized as revenue over the remainder of the lease terms.

**8. Other long-term Liabilities (continued)**

The future principal receipts and interest revenue for buildings as of June 30, 2022, were as follows:

| Fiscal Year Ending June 30 | Principal Receipt | Interest Revenue | Total |
|---|---|---|---|
| 2023 | $ 1,139,305 | $ 34,759 | $ 1,174,064 |
| 2024 | 741,686 | 85,754 | 827,440 |
| 2025 | 183,700 | 5,511 | 189,211 |
| After | - | - | - |
| Totals | $ 2,064,691 | $ 126,024 | $ 2,190,715 |

**Liability Insurance**

The Hospital is exposed to various risks of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and patients, and natural disasters. These risks are covered by the Hospital's self-insured professional and general liability insurance policy, commercial insurance purchased from independent third parties, and the County's worker's compensation program. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

On January 20, 1987, the Board approved self-insured professional and general liability and workers' compensation insurance programs. In lieu of maintaining insurance coverage, the Board created the professional and general liability fund and the workers' compensation fund. The Hospital has accrued an undiscounted liability for estimated future settlements and claims losses for professional liability, general liability, and workers' compensation using its best estimate of these losses in accordance with actuarially determined amounts. Included in internally designated restricted assets, the Hospital has funded $15,686,622 and $15,844,640 at June 30, 2022 and 2021, of the accrued liability of $13,874,305 and $12,285,224, respectively. In the opinion of management, there are no claims or lawsuits asserted or unasserted that would not be adequately covered by insurance and/or the professional and general liability accrual.

**8. Other long-term Liabilities (continued)**

A summary of changes in the self-insurance liability during fiscal 2022 and 2021 were as follows:

2022

| | Beginning Balance | Claims Incurred/ Changes in Estimates | Claims Paid | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Professional liability | $ 12,285,224 | $ 2,530,487 | $ (941,406) | $ 13,874,305 | $ 3,069,123 |
| Workers' compensation | 6,757,712 | 1,016,109 | (2,490,479) | 5,283,342 | 3,871,342 |
| | $ 19,042,936 | $ 3,546,596 | $ (3,431,885) | $ 19,157,647 | $ 6,940,465 |

2021

| | Beginning Balance | Claims Incurred/ Changes in Estimates | Claims Paid | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Professional liability | $ 12,220,368 | $ 469,617 | $ (404,761) | $ 12,285,224 | $ 2,985,561 |
| Workers' compensation | 5,966,648 | 2,410,489 | (1,619,425) | 6,757,712 | 5,345,712 |
| | $ 18,187,016 | $ 2,880,106 | $ (2,024,186) | $ 19,042,936 | $ 8,331,273 |

## 9. Related Party Transactions

The Hospital receives payments from the County under a contractual arrangement to provide care for qualifying indigent and emergency care. For the years ended June 30, 2022 and 2021, the Hospital received $1,696,203 and $2,471,943, respectively, for such care. Amounts received for qualifying indigent and emergency care are included in net patient revenues in the fiscal year the services are rendered.

The County charges for legal and financial services provided to the Hospital. The Hospital recorded costs of $888,075 and $814,959 for these services during fiscal 2022 and 2021, respectively. At June 30, 2022 and 2021, there were no non-interest bearing amounts due to the County for such services.

The Hospital is billed by the County for its portion of self-insurance premiums for health, dental, and vision insurance. Since the Hospital is affiliated with the County, this liability is reported in the due to related party line on the statement of net position.

A summary of changes in related party liability balances during fiscal 2022 and 2021 follows:

| 2022 | Beginning Balance | Additions | Reductions | Ending Balance |
|---|---|---|---|---|
| Current liabilities | | | | |
| Clark County Worker's Compensation | $ 578,653 | $ 3,300,371 | (3,000,000) | $ 879,024 |
| Clark County Automotive | 2,400 | 91,254 | (91,254) | 2,399 |
| Clark County Enterprise/Physical | (10,124) | 96,678 | (91,014) | (4,460) |
| Clark County Treasurer | (138,873) | 69,941 | 68,793 | (139) |
| Clark County Self -Funded | 6,078,341 | 39,218,739 | (39,715,330) | 5,581,750 |
| | $ 6,510,397 | $ 42,776,983 | $ (42,828,805) | $ 6,458,575 |

| 2021 | Beginning Balance | Additions | Reductions | Ending Balance |
|---|---|---|---|---|
| Current liabilities | | | | |
| Clark County Worker's Compensation | $ 1,134,552 | $ 2,444,101 | $ (3,000,000) | $ 578,653 |
| Clark County Automotive | 2,606 | 70,280 | (70,486) | 2,400 |
| Clark County Enterprise/Physical | (20,917) | 106,460 | (95,667) | (10,124) |
| Clark County Treasurer | (137,253) | 150,584 | (152,204) | (138,873) |
| Clark County Self -Funded | 3,898,211 | 28,399,231 | (26,219,101) | 6,078,341 |
| | $ 4,877,199 | $ 31,170,656 | $ (29,537,458) | $ 6,510,397 |

## 10. Employee Benefits Plans

### Retirement Plan

Substantially all of the Hospital's employees are participants in a retirement plan (the Plan) that is part of the Public Employees' Retirement System (PERS) for public employees in the State. The Plan was established on July 1, 1948, by the Legislature and is governed by the Public Employees' Retirement Board whose seven members are appointed by the Governor. All public employees who meet certain eligibility requirements may participate in the Plan. The Plan is a cost sharing, multiple-employer, defined benefit plan of PERS.

The Hospital does not exercise any control over the Plan and NRS 286.110 states, "Respective participating public employers are not liable for any obligation of the system." Benefits, as required by State Statute, are determined by the number of years of credited service at the time of retirement and the participants' highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the Plan include pension benefits, disability benefits, and death benefits.

Monthly benefit allowances for regular participants are computed at 2.25% (on or after July 1, 2015), 2.5% (January 1, 2010 – June 30, 2015), 2.67% (July 1, 2001 – December 31, 2009), and 2.5% (prior to July 1, 2001) of average compensation (average of 36 consecutive months of highest compensation) for each credited year of service prior to retirement up to a maximum of 90% of the average compensation for employees entering the system prior to July 1, 1985, and 75% for those entering after that date. The Plan offers several alternatives to the unmodified service retirement benefit which, in general, allows the retired employee to accept a reduced service retirement benefit payable monthly during the employee's life and various optional monthly payments to a named beneficiary after the employee's death. Regular members entering the system prior to January 1, 2010 are eligible for retirement benefits at age 65 with 5 years of service, at age 60 with 10 years of service or at any age with 30 years of service. Regular members entering the system on or after January 1, 2010 are eligible for retirement benefits at age 65 with 5 years of service, or age 62 with 10 years of service or at any age with 30 years of service. Regular members entering the system on or after July 1, 2015 are eligible for retirement benefits at age 65 with 5 years of service, at age 62 with 10 years of service or at age 55 with 30 years of service or at any age with 33 1/3 years of service.

NRS 286.410 establishes the required contribution rates and provides for yearly increases until such time as the actuarially determined unfunded liability of the Plan is reduced to zero. The Hospital is obligated to contribute all amounts due under the Plan. The contribution rate, based on covered payroll, was 29.75%, 29.25% and 29.25% for each of three years ended June 30, 2022, 2021, and 2020, respectively.

**10. Employee Benefits Plans (continued)**

The Hospital's contributions to the Plan for the years ended June 30, 2022, 2021, and 2020, were $76,822,819, $72,035,693, and $76,411,113, respectively, and were equal to the required contributions for each fiscal year. At June 30, 2022, 2021, and 2020, accrued compensation and benefits include $10,438,135, $9,349,371, and $10,263,391, respectively, due to PERS.

An annual report containing financial statements and required information for the Plan may be obtained by writing to PERS, 693 West Nye Lane, Carson City, Nevada 89703-1599 or by calling (775) 687-4200.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Pension Liabilities**

At June 30, 2022, the Hospital reported a liability of $313,924,210 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Hospital's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At June 20, 2021, the Hospital's proportion was 3.44 percent.

At June 30, 2021, the Hospital reported a liability of $510,283,540 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Hospital's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At June 20, 2020, the Hospital's proportion was 3.66 percent.

**10. Employee Benefits Plans (continued)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2022, the Hospital recognized pension expense reduction of $8,643,917. At June 30, 2022, the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Changes of assumptions | $ 104,228,246 | $ - |
| Changes in proportion | 15,719,158 | 40,379,279 |
| Differences between expected and actual experience | 34,773,265 | 2,209,284 |
| Net difference between projected and actual investment earnings on pension plan investments | - | 256,152,153 |
| Hospital contributions subsequent to the measurement date | 38,411,410 | - |
| Total | $ 193,132,079 | $ 298,740,716 |

$38,411,410, reported as deferred outflows of resources related to pensions resulting from Hospital employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

**10. Employee Benefits Plans (continued)**

| Year ended June 30 | Amount |
|---|---|
| 2023 | $ (36,918,234) |
| 2024 | (37,659,496) |
| 2025 | (42,735,407) |
| 2026 | (47,309,283) |
| 2027 | 18,018,812 |
| 2028 and after | 2,583,561 |
| | $ (144,020,047) |

**Actuarial Assumptions**

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation rate | 2.50% |
| Investment Rate of Return | 7.25% |
| Productivity pay increase | 0.50% |
| Projected salary increases | Regular: 4.20% to 9.10%, depending on service, Rates include inflation and productivity increases |
| Other assumptions | Same as those used in the June 30, 2021 funding actuarial valuation |

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of the experience review completed in 2020.

The discount rate used to measure the total pensions liability was 7.25%, 7.50%, and 7.50% as of June 30, 2021, June 30, 2020, and June 30, 2019, respectively. The projection of cash flow used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on the assumption, the pensions plans' fiduciary net position at June 30, 2021, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension

**10. Employee Benefits Plans (continued)**

plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021, June 30, 2020, and June 30, 2019.

The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Geometric Expected Real Rate of Return* |
|---|---|---|
| U.S. stocks | 42% | 5.50% |
| International stocks | 18% | 5.50% |
| U.S. bonds | 28% | 0.75% |
| Private markets | 12% | 6.65% |
| **Total** | **100%** | |

*As of June 30, 2021, PERS' long-term inflation assumption was 2.50%

**Pension Liability Discount Rate Sensitivity**

The following presents the net pension liability of the Hospital as of June 30, 2021, calculated using the discount rate of 7.25%, as well as what the Hospital's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

| | 1% Lower (6.25%) | Discount Rate (7.25%) | 1% Higher (8.25%) |
|---|---|---|---|
| Hospital's proportionate share of the net pension liability | $ 625,013,043 | $ 313,924,210 | $ 57,301,383 |

**10. Employee Benefits Plans (continued)**

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website (www.nvpers.org).

**Deferred Compensation Plan**

The Hospital offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Hospital does not exercise any control over the assets of the deferred compensation plan. The deferred compensation plan, available to all Hospital employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**Postemployment Benefits Other Than Pensions (OPEB)**

*Plan Description*: The Hospital subsidizes eligible retirees' contributions to the Public Employees' Benefits Plan (PEBP), a non-trust, agent multiple-employer defined benefit postemployment healthcare plan administered by the State of Nevada. NRS 287.041 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. The plan is now closed to future retirees, however, district employees who previously met the eligibility requirement for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP with a subsidy provided by the Health District as determined by their number of years of service. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employee's Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV, 89701, by calling (775) 684-7000, or by accessing the website at www.pebp.state.nv.us/informed/financial.htm.

The Retiree Health Program Plan (RHPP) is a non-trust, single-employer defined benefit postemployment healthcare plan administered by Clark County, Nevada. Retirees may choose between Clark County Self-Funded Group Medical and Dental Benefits Plan (Self-Funded Plan) and a health maintenance organization (HMO) plan.

## 10. Employee Benefits Plans (continued)

### Benefits Provided

PEBP plan provides medical, dental, prescription drug, Medicare Part B, and life insurance coverage to eligible retirees and their spouses. Benefits are provided through a third-party insurer. RHPP provides medical, dental, prescription drug, and life insurance coverage to eligible active and retired employees and beneficiaries. Benefit provisions are established and amended through negotiations between the respective unions and the Health District.

### Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

| | PEBP | RHPP | Total all Plans |
|---|---|---|---|
| Inactive employees or beneficiaries currently receiving benefit payments | 229 | 779 | 1,008 |
| Active employees | - | 3,081 | 3,081 |
| Covered spouses | - | 227 | 227 |
| Total | 229 | 3,860 | 4,089 |

As of November 1, 2008, PEBP was closed to any new participants.

### Total OPEB Liability

The Hospital total OPEB liability of $215,378,338 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

| | PEBP | RHPP | Total OPEB Liability |
|---|---|---|---|
| Balance recognized at June 30, 2021 | $ 20,147,516 | $ 184,136,967 | $ 204,284,483 |
| Changes Recognized for the Fiscal Year | | | |
| Service Cost | - | 8,937,345 | 8,937,345 |
| Interest cost | 437,416 | 4,227,380 | 4,664,796 |
| Differences between expected and actual experience | - | | - |
| Changes in assumptions or other inputs | 94,725 | 1,687,151 | 1,781,876 |
| Benefit payments | (709,878) | (3,580,284) | (4,290,162) |
| Net Changes | (177,737) | 11,271,592 | 11,093,855 |
| Balance recognized at June 30, 2022 | $ 19,969,779 | $ 195,408,559 | $ 215,378,338 |

**10. Employee Benefits Plans (continued)**

*Actuarial assumptions and other inputs:* The total OPEB liability for all plans as of June 30, 2022 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Medical Consumer Price Index | Chained-CPI of 2.0% per annum |
| Salary increases | 3.0% per annum |
| Discount rate | 2.16% |
| Pre-Medicare trend rate | Select: 6.75%, ultimate: 4.0% |
| Post-Medicare trend rate | Select: 5.75%, ultimate: 4.0% |
| Retirees' share of benefit-related costs | 0% to 100% of premium amounts based on years of service |

**Post-Retirement Mortality Rates**:

Pub-2010 headcount weighted mortality table, projected generationally using Scale MP-2020, applied on a gender-specific basis for general and safety personnel.

**Key Assumption Changes Since the Prior Valuation**

- The discount rate was updated from 2.21% to 2.16% based on the municipal bond rate as of June 30, 2021.
- The trend rates were reset to an initial rate of 6.75% (5.75% for post-Medicare), grading down by 0.25% per year until reaching the ultimate rate of 4.00% based on current Healthcare Analytics (HCA) Consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate.
- The mortality tables were updated to utilize the Pub-2010 table with the MP-2020 improvement scales (previously the RP-2014 with MP-2018 scales).
- The marriage assumption is updated to 30% based on the current retiree population data.
- The plan election rate is updated to 80% PPO, and 20% HMO based on the current retiree elections.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the Hospital, as well as what the Hospital's total OPEB liability would be

**10. Employee Benefits Plans (continued)**

if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1 percentage point higher (3.16 percent) than the current discount rate:

| | 1% Decrease 1.16% | Discount Rate 2.16% | 1% Increase 3.16% |
|---|---|---|---|
| PEBP | $ 22,961,000 | $ 19,970,000 | $ 17,532,000 |
| RHPP | 236,776,000 | 195,409,000 | 163,192,000 |
| Total OPEB Liability | $ 259,737,000 | $ 215,379,000 | $ 180,724,000 |

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the Hospital, as well as what the Hospital's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1- percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease | Current Trend | 1% Increase |
|---|---|---|---|
| PEBP | $ 17,649,000 | $ 19,970,000 | $ 22,743,000 |
| RHPP | 163,110,000 | 195,409,000 | 236,472,000 |
| Total OPEB Liability | $ 180,759,000 | $ 215,379,000 | $ 259,215,000 |

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2022, the Hospital recognized OPEB expense of $1,694,664. The breakdown by plan is as follows:

| | PEBP | RHPP | Total OPEB Total All plans |
|---|---|---|---|
| OPEB Expense | $ 532,141 | $ 1,162,523 | $ 1,694,664 |

**10. Employee Benefits Plans (continued)**

At June 30, 2022, the Hospital reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|---|
| PEBP | | | |
| | Contributions made in fiscal year ending 2022 after July 1, 2021 measurement date | $ 844,195 | $ - |
| Total PEBP | | $ 844,195 | $ - |
| RHPP | | | |
| | Differences between expected and actual experience | $ 38,624 | $ 87,944,020 |
| | Changes of assumptions or other inputs | 33,329,299 | 31,392,639 |
| | Contributions made in fiscal year ending 2022 after July 1, 2021 measurement date | 2,671,593 | - |
| Total RHPP | | $ 36,039,516 | $ 119,336,659 |
| Total All Plans | | | |
| | Differences between expected and actual experience | $ 38,624 | $ 87,944,020 |
| | Changes of assumptions or other inputs | 33,329,299 | 31,392,639 |
| | Contributions made in fiscal year ending 2022 after July 1, 2021 measurement date | 3,515,788 | - |
| Total All Plans | | $ 36,883,711 | $ 119,336,659 |

The amount of $3,515,788 reported as deferred outflows of resources related to OPEB from Hospital contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| For the Year ending June 30, | RHPP |
|---|---|
| 2023 | $ (12,002,102) |
| 2024 | (12,002,102) |
| 2025 | (12,002,102) |
| 2026 | (9,320,150) |
| 2027 | (7,770,362) |
| Thereafter | (32,871,919) |
| | $ (85,968,737) |

## 11. Commitments and Contingencies

### Litigation

The Hospital is involved in litigation and regulatory investigations arising in the ordinary course of business. The Hospital does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters, but rather records such as period costs when services are rendered.

### HIPAA

The Health Insurance Portability and Accountability Act ("HIPAA") was enacted on August 21, 1996, to assure health insurance portability, reduce healthcare fraud and abuse, guarantee security and privacy of health information, and enforce standards for health information. Effective August 2009, the Health Information Technology for Economic and Clinical Health Act ("HITECH Act") was introduced imposing notification requirements in the event of certain security breaches relating to protected health information. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in these laws and accompanying regulations.

### Cyber Security Incident

During June 2021 the Hospital's cyber security team recognized suspicious activity on the Hospital's computer network and responded by immediately restricting external access to its computer servers. The Hospital worked with law enforcement and cyber-security professionals to investigate this activity. Based upon this investigation, the Hospital believes cybercriminals accessed a server used to store data. This type of attack has become increasingly common in the health care industry, with hospitals across the world experiencing similar situations. The cyber-attack and internal response did not result in disruptions to patient care of the Hospital's clinical systems.

Although the Hospital has no reason to believe cybercriminals accessed any clinical systems, in accordance with applicable federal regulations, the Hospital notified patients and employees that their personal information may be at risk. The Hospital provided patients and staff with access to complimentary identity protection and credit monitoring services and contacted patients and staff directly to provide information about how to access the complimentary services.

**11. Commitments and Contingencies (continued)**

As of June 30, 2021, a $5.0 million liability was accrued for potential future expense related to this incident. As of the date of this report, a total of $1,544,980 in expense related to the Cyber Security Incident has been incurred since June 30, 2021, leaving $3.5 million as liability as of June 30, 2022.

Subsequent to June 30, 2021, there were two class action lawsuits filed, against the Hospital, as a result of the cyber incident. The Hospital has filed a motion to dismiss in both cases. The liability is not probable or estimable at the time the financial statements are available to be issued, and as such, the Hospital cannot predict whether it will have a material impact on the financial statements.

**12. Revision of Previously Issued Financial Statements for Correction of Immaterial Errors**

Subsequent to the issuance of the Hospital's audited financial statements for the year ended June 30, 2021, the Hospital discovered an inconsistency in classification of the $16 million Coronavirus Relief Funds received from Clark County for expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19). The Hospital was informed by Clark County that it was determined to be a subrecipient of the $16 million of Coronavirus Relief Funds received from Clark County, whereas the Hospital had determined itself as a contractor. The Hospital revised the accompanying statements of revenues, expenses, and changes in net position (deficit) and statements of cash flows for the year ended June 30, 2021 to reflect the correction of these immaterial errors.

The reclassification reduced the Hospital's previously reported transfers in by $16 million and increased other nonoperating revenue by $16 million for the year ended June 30, 2021. Other than the impact as stated, there was no balance sheet impact noted. The following table summarizes the impact from the revision on the previously reported audited financial statement line items:

## 12. Revision of Previously Issued Financial Statements for Correction of Immaterial Errors (continued)

| | As of and for the year ended 30-Jun-21 | | | |
|---|---|---|---|---|
| | As Previously Reported | Adjustments | Other Adjustments | As Restated |
| **Nonoperating revenues (expenses):** | | | | |
| Other nonoperating revenues | $ 34,654,271 | $ 16,000,000 | $ - | $ 50,654,271 |
| Total nonoperating revenues (expenses), net | 32,684,026 | 16,000,000 | (185,146) | 48,498,880 |
| Income (loss) before transfers | 30,636,486 | 16,000,000 | (288,750) | 46,347,736 |
| Transfers in | 31,000,000 | (16,000,000) | - | 15,000,000 |
| Change in net position (deficit) | 61,636,486 | - | (288,750) | 61,347,736 |
| Net position (deficit), end of year | (303,374,071) | - | (288,750) | (303,662,821) |
| **Cash flows from noncapital financing activities** | | | | |
| Contributions and transfers in from Clark County | 40,000,000 | (16,000,000) | - | 24,000,000 |
| Contributions, donations and other | 34,654,271 | 16,000,000 | - | 50,654,271 |
| Net cash provided by noncapital financing activities | 74,654,271 | - | - | 74,654,271 |
| Cash and cash equivalents, end of year | 220,372,687 | - | - | 220,372,687 |

## 13. New Accounting Pronouncements

The Hospital has retroactively implemented GASB Statement Number 87, Leases (GASB 87) effective for the Hospital's fiscal year beginning July 1, 2020. GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities.

**13. New Accounting Pronouncements (continued)**

The effects of reporting GASB 87 in the Hospital's financial statements for the year ended June 30, 2021 are as follows:

| | As Previously Reported | Effect of Adoption of GASB 87 | As Restated |
|---|---|---|---|
| **Assets** | | | |
| Other receivables, net | $ 12,274,436 | $ 3,313,772 | $ 15,588,208 |
| Capital assets | 203,692,234 | 24,849,170 | 228,541,404 |
| Total assets | 723,392,664 | 28,162,942 | 751,555,606 |
| **Liabilities** | | | |
| Current portion of lease payable | - | 6,010,401 | 6,010,401 |
| Total current liabilities | 149,510,541 | 6,010,401 | 155,520,942 |
| Lease payable, net of current portion | - | 19,176,708 | 19,176,708 |
| Total liabilities | 975,206,575 | 25,187,109 | 1,000,393,684 |
| **Deferred inflows of resources** | | | |
| Related to lease | - | 3,264,583 | 3,264,583 |
| Total deferred inflows of resources | 179,895,147 | 3,264,583 | 183,159,730 |
| **Net Position** | (303,374,071) | (288,750) | (303,662,821) |

# Employee Benefit Retirement Plan
# Net Pension Liability
# Required Supplementary Information

Schedule of the Hospital's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System of Nevada
(Amounts Were Determined as of 6/30 of Each Prior Fiscal Year)*

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|
| Hospital's proportion of net pension liability (%) | 3.44% | 3.66% | 3.82% | 3.76% | 3.58% | 3.49% | 3.47% | 3.60% |
| Hospital's proportionate share of net pension liability | $ 313,924,210 | $ 510,283,540 | $ 521,536,183 | $ 512,951,016 | $ 476,011,834 | $ 469,010,768 | $ 397,580,372 | $375,191,289 |
| Hospital's covered-employee payroll | $ 258,994,712 | $ 247,058,515 | $ 263,088,842 | $ 264,122,683 | $ 250,244,531 | $ 230,360,225 | $ 213,368,871 | $208,421,960 |
| Hospital's proportionate share of net pension liability as a percentage of its covered-employee payroll | 121.21% | 206.54% | 198.24% | 194.21% | 190.22% | 203.60% | 186.33% | 180.02% |
| Plan fiduciary net position as a percentage of total pension liability | 86.51% | 77.04% | 76.46% | 75.24% | 74.40% | 72.20% | 75.10% | 76.30% |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is complied, Hospital should present information for those years for which information is available.

* The amounts are determined from the prior fiscal year for the current reporting year.

## Employee Benefit Retirement Plan
## Note to Required Supplementary Information

Schedule of Hospital's Contributions
Public Employees' Retirement System of Nevada
(Amounts Were Determined as of 6/30 Prior Fiscal Year)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|
| Statutorily required contributions | $ 38,411,410 | $ 36,017,847 | $ 38,205,556 | $ 36,785,296 | $ 35,026,725 | $ 31,952,786 | $ 59,262,299 | $ 53,667,927 |
| Contributions in relations to statutorily required contributions | $ 38,411,410 | $ 36,017,847 | $ 38,205,556 | $ 36,785,296 | $ 35,026,725 | $ 31,952,786 | $ 59,262,299 | $ 53,667,927 |
| Contributions deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Hospital's covered-employee payroll | $ 258,994,712 | $ 247,058,515 | $ 263,088,842 | $ 264,122,683 | $ 250,244,531 | $ 230,360,225 | $ 213,368,871 | $208,421,960 |
| Contributions as a percentage of covered-employee payroll | 14.83% | 14.58% | 14.52% | 13.93% | 14.00% | 13.87% | 27.77% | 25.75% |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Hospital should present information for those years for which information is available.

**Changes of benefit terms:** There were no changes of benefit terms in 2022.

**Changes of assumptions:** There were no changes of benefit assumptions in 2022.

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# (A COMPONENT UNIT OF CLARK COUNTY, NEVADA)

## Other Postemployment Benefits
## Required Supplementary Information

Schedules of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30 of Each Prior Fiscal Year

**PEBP Plan**

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Total OPEB Liability | | | | | |
| Service cost | $ - | $ - | $ - | $ - | $ - |
| Interest | 437,416 | 712,888 | 754,777 | 837,289 | 752,369 |
| Changes of benefit terms | - | - | - | - | - |
| Difference between actual and expected experience | - | (3,738,844) | - | (6,654) | 50,232 |
| Changes of assumptions or other inputs | 94,725 | 3,217,101 | 941,195 | (4,153,809) | (2,555,531) |
| Benefit payments | (709,878) | (823,721) | (838,318) | (910,344) | (943,003) |
| Net Change in Total OPEB Liability | (177,737) | (632,576) | 857,654 | (4,233,518) | (2,695,933) |
| Total OPEB Liability - Beginning | 20,147,516 | 20,780,091 | 19,922,437 | 24,155,955 | 26,851,888 |
| Total OPEB Liability - Ending | $ 19,969,779 | $ 20,147,515 | $ 20,780,091 | $ 19,922,437 | $ 24,155,955 |
| Covered Payroll | N/A | N/A | N/A | N/A | N/A |
| Total OPEB Liability as a Percentage of Covered Payroll | N/A | N/A | N/A | N/A | N/A |

**RHPP**

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Total OPEB Liability | | | | | |
| Service cost | $ 8,937,345 | $ 8,093,442 | $ 6,766,369 | $ 17,486,880 | $ 18,335,102 |
| Interest | 4,227,380 | 5,552,088 | 5,423,405 | 9,615,301 | 8,032,804 |
| Changes of benefit terms | - | - | - | - | - |
| Difference between actual and expected experience | | (6,056,494) | - | (116,492,033) | 5,259 |
| Changes of assumptions or other inputs | 1,687,151 | 28,178,688 | 9,761,359 | (24,138,375) | (35,408,967) |
| Benefit payments | (3,580,284) | (4,336,810) | (5,236,733) | (3,154,125) | (3,220,455) |
| Net Change in Total OPEB Liability | 11,271,592 | 31,430,914 | 16,714,400 | (116,682,352) | (12,256,257) |
| Total OPEB Liability - Beginning | 184,136,967 | 152,706,053 | 135,991,653 | 252,674,005 | 264,930,262 |
| Total OPEB Liability - Ending | $ 195,408,559 | $ 184,136,967 | $ 152,706,053 | $ 135,991,653 | $ 252,674,005 |
| Covered Payroll | 247,058,515 | 263,088,842 | 231,341,937 | 231,341,937 | 231,533,548 |
| Total OPEB Liability as a Percentage of Covered Payroll | 79% | 70% | 66% | 59% | 109% |

Fiscal year 2018 is the first year of implementation, therefore only five years are shown.
As it becomes available this schedule will ultimately present information for the ten most recent fiscal years.

Other Postemployment Benefits
Note to Required Supplementary Information

There are no assets accumulated in a trust to pay related benefits.

**Changes of Assumptions**

With reporting date of June 30, 2022, key assumption changes since the prior valuation were as follows:

- The discount rate was updated from 2.21% to 2.16% based on the municipal bond rate.
- The trend rate was updated to $6.75% (5.75% for Post-Medicare) with ultimate rate of 4.00%, from prior year's 7.00% (6.00% for post-Medicare).
- The mortality tables were updated to utilize PUB- 2010 headcount weighted mortality table, projected generationally using Scale MP- 2020, gender- specific (previously the Pub-2010 table with the MP-2020 improvement scales)
- The marriage assumption is same as prior year's 30% based on the prior retiree population data.
- The plan election rate is same as prior year's 80% PPO, and 20% HMO based on the prior retiree elections.

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# Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

UMC Governing Board
University Medical Center of Southern Nevada
Las Vegas, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the University Medical Center of Southern Nevada ("UMC"), a component unit of Clark County, Nevada, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise UMC's basic financial statements as listed in the table of content, and have issued our report thereon dated December 2, 2022.

## Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UMC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UMC's internal control. Accordingly, we do not express an opinion on the effectiveness of UMC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of UMC's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether UMC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UMC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UMC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Las Vegas, Nevada
December 2, 2022

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# Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

UMC Governing Board
University Medical Center of Southern Nevada
Las Vegas, Nevada

## Report on Compliance for Each Major Federal Program

### *Opinion on Each Major Federal Program*

We have audited the University Medical Center of Southern Nevada's ("UMC"), a component unit of Clark County, Nevada, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of UMC's major federal programs for the year ended June 30, 2022. UMC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, UMC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of UMC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of UMC's compliance with the compliance requirements referred to above.

### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to UMC's federal programs

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***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on UMC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about UMC's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding UMC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of UMC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of UMC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Las Vegas, Nevada
March 17, 2023

**University Medical Center of Southern Nevada**
**Schedule of Expenditures of Federal Awards**
**Year Ended June 30, 2022**

| *Federal Grantor/Pass-Through Grantor/Program or Cluster Title* | Assistance Listing Number | Pass-Through Entity Identifying Number | Provided to Subrecipients | Total Federal Expenditures |
|---|---|---|---|---|
| **U.S. Department of Transportation** | | | | |
| *Pass-through programs from Office of Traffic Safety* | | | | |
| UMC Child Passenger Safety Program | | | | |
| 10/01/2020 - 09/30/2021 | **20.616(b)** | **69A3752130000405bNVH** | $ - | $ 7,561 |
| UMC Child Passenger Safety Program | | | | |
| 10/01/2021 - 09/30/2022 | **20.616(b)** | **69A3752230000405bNVH** | - | 5,879 |
| **Total U.S Department of Transportation** | | | - | **13,440** |
| **U.S. Department of Health and Human Services** | | | | |
| COVID-19 - Provider Relief Fund | | | | |
| Targeted Allocation - High Impact Areas, Round 2 | **93.498** | | - | 3,920,810 |
| COVID-19 - Provider Relief Fund | | | | |
| General Distribution - Phase 3 | **93.498** | | - | 30,733,461 |
| Subtotal | | | - | **34,654,271** |
| COVID-19 - HRSA Uninsured Program | | | | |
| 05/01/2020 - 06/30/2022 | **93.461** | | - | **7,505,137** |
| *Centers for Disease Control and Prevention:* | | | | |
| COVID-19 - Epidemiology & Laboratory Capacity Grant | | | | |
| Enhancing Detection Expansion | | | | |
| 08/01/2020 - 07/31/2021 | **93.323** | **NU50CK000560** | - | **86,655** |
| *Department of Health and Human Services* | | | | |
| *Direct Programs:* | | | | |
| Grants to Provide Outpatient Early Intervention Services | | | | |
| with Respect to HIV Disease | | | | |
| 04/01/21 - 03/31/22 | **93.918** | **H76HA00166-27-00** | - | 546,212 |
| Grants to Provide Outpatient Early Intervention Services | | | | |
| with Respect to HIV Disease | | | | |
| 04/01/2022 - 03/31/2023 | **93.918** | **H76HA00166-28-01** | - | 108,897 |
| Grant to Provide Capacity Careware Funding | | | | |
| with Respect to HIV Disease | | | | |
| 09/01/2020 - 08/31/2021 | **93.918** | **P06HA39736-01-01** | - | 130,459 |
| Subtotal | | | - | **785,568** |
| *Pass-through programs from Clark County, Nevada* | | | | |
| HIV Emergency Relief Project Grants | | | | |
| 03/01/2021 - 02/28/2022 | **93.914** | **2H89HA06900** | - | 825,370 |
| HIV Emergency Relief Project Grants | | | | |
| 03/01/2022 - 02/28/2023 | **93.914** | **2H89HA06900** | - | 261,930 |
| Subtotal | | | - | **1,087,300** |
| Ending the HIV Epidemic: A Plan for America - | | | | |
| Ryan White HIV/AIDS Program Parts A and B | | | | |
| 07/01/2021 - 02/28/2022 | **93.914** | **UT8HA33925** | - | 97,834 |
| Ending the HIV Epidemic: A Plan for America - | | | | |
| Ryan White HIV/AIDS Program Parts A and B | | | | |
| 03/01/2022 - 02/28/2023 | **93.914** | **UT8HA33925** | - | 44,410 |
| Subtotal | | | - | **142,244** |
| *Pass-through programs from Southern Nevada Health District* | | | | |
| Integrated HIV Programs for Health Departments to Support | | | | |
| Ending the HIV Epidemic in the United States | | | | |
| 12/01/2020 - 7/31/2022 | **93.940** | **NU62PS924642** | - | 964,395 |
| Integrated HIV Programs for Health Departments to Support | | | | |
| Ending the HIV Epidemic in the United States | | | | |
| 02/01/2022 - 07/31/2022 | **93.940** | **NU62PS924642** | - | 512,606 |
| Subtotal | | | - | **1,477,001** |
| **Total U.S Department of Health and Human Services** | | | - | **45,738,176** |
| **Total Expenditures of Federal Awards** | | | **$** - | **$ 45,751,616** |

*See accompanying notes.*

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

## Notes to Schedule of Expenditures of Federal Awards
## For the Year Ended June 30, 2022

### 1. Reporting Entity

The Hospital is a blended component unit (enterprise fund) of, owned and operated by, Clark County, Nevada (the County). The reporting entity is defined in Note 1 to the financial statements. The accompanying schedule includes federal financial assistance received directly from federal agencies as well as passed through other government agencies.

### 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of UMC under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in the financial statements. Because the Schedule presents only a selected portion of the operations of UMC, it is not intended to and does not present the financial position, changes in net position or cash flows of UMC.

### 3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

### 4. Indirect Cost Rule

UMC has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

### 5. Subsequent Event

The Hospital evaluates the impact of subsequent events, which are events that occur after the statement of net position (deficit) date but before the financial statements are issued, for potential recognition in the financial statements as of the statement of net position date. For the year ended June 30, 2022, the Hospital evaluated subsequent events through December 2, 2022, representing the date the accompanying audited financial statements were issued, except for our report on the schedule of expenditures of federal awards, for which the subsequent event date is March 17, 2023. During these periods the Hospital determined there were no subsequent events that needed to be disclosed.

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

## Schedule of Findings and Questioned Costs
## For the Year Ended June 30, 2022

**Section I – Summary of Auditor's Results**

***Financial Statements***

| | |
|---|---|
| Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiencies identified? | None reported |
| Noncompliance material to financial statements noted? | No |

***Federal Awards***

| | |
|---|---|
| Internal control over major federal program: | |
| Material weakness(es) identified? | No |
| Significant deficiencies identified? | None reported |
| Type of auditor's report issued on compliance for major federal program | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

Identification of major federal program:

| *Assistance Listing Number* | *Name of Federal Program or Cluster* |
|---|---|
| 93.498 | 1) COVID-19 - Provider Relief Fund |
| 93.940 | 2) Integrated HIV Programs for Health Departments to Support Ending the HIV Epidemic in the United States |
| 93.914 | 3) HIV Emergency Relief Project Grants and Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B |

| | |
|---|---|
| Dollar threshold used to distinguish between type A and type B programs | $1,372,548 |
| Auditee qualified as low-risk auditee? | No |

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

## Schedule of Findings and Questioned Costs
## For the Year Ended June 30, 2022

**Section II – Financial Statement Findings**

No matters were identified that were required to be reported.

**Section III – Federal Award Findings and Questioned Costs**

No matters were identified that were required to be reported.

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

## Summary Schedule of Prior Audit Findings
## For the Year Ended June 30, 2022

### Status of Prior Year Findings

**2021-001: Financial Statements Finding – Material Weakness in Internal Control Over Financial Reporting**

Prior Year Finding:

The Hospital was inconsistent in how it recognized the Coronavirus Relief Fund ("CRF Fund") received from Clark County based on determination by Clark County of the sub-award relationship classifying the Hospital as a sub-recipient.

Current Year Status:

Corrective action has been taken for this.

**2021-002: Federal Award Finding – Material Weakness in Internal Control Over Major Federal Program (Coronavirus "COVID-19" Relief Fund)**

Information on Federal Program - COVID-19 Coronavirus Relief Fund (CRF), 21.019, fiscal year 2021, and Clark County Department of Finance

Prior Year Finding:

The $16 million of CRF expenditure was not included in the SEFA and therefore not reflected as a major federal program based on major program determination which was required due to evaluation by Clark County of the sub-award relationship classifying the Hospital as a sub-recipient.

Current Year Status:

Corrective action has been taken for this.

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | |
|---|---|
| **Issue:** **CFO Update** | **Back-up:** |
| **Petitioner:** Jennifer Wakem, Chief Financial Officer | |
| **Recommendation:**<br><br>**That the Audit and Finance Committee receive an update report from the Chief Financial Officer; and direct staff accordingly.** ***(For possible action)*** | |

**FISCAL IMPACT:**

None

**BACKGROUND:**

The Chief Financial Officer will provide an update on any financial matters of interest to the Board.

Cleared for Agenda
March 22, 2023

Agenda Item #

**6**

| Agreements with a P&L Impact | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Item #** | **Bid/RFP# or CBE** | **Vendor on GPO?** | **Contract Name** | **New Contract/ Amendment/Exercise Option/Change Order** | **Are Terms/Conditions the Same?** | **This Contract Term** | **Out Clause** | **Contract Value** | **Capital/Maintenance and Support** | **Savings/Cost Increase** | **Requesting Department** | **Description/Comments** |
| 13 | 332.115(4) | No | DASpecialist LLC | Amendment | No | 5 Years | 60 days w/o cause | Base Agreement $600,000.00 Amendment 1 $68,000.00 Amendment 2 $2,090,000.00 Cumulative Total $2,758,000.00 | None | None | Quality Care & Patient Safety | Addition of Oncology Registry Services to Agreement and $1,680,000 in funding due to increase in utilziation. |
| 14 | NRS 332.115(1)(b) | No | Staff Care, Inc. | Amendment | No | 1 Year | 30 days w/o cause | Base Agreement NTE $300,000 Amendment 1 $0 Amendment 2 NTE $1,200,000 Amendment 3 NTE $1,200,000 Cumulative Total NTE $2,700,000 | None | Increase NTE $900,000 (plus NTE $300,000 previously allocated in the Base Agreement) | Various | Amendment 3 to extend the Term for one (1) year through April 28, 2024 and add funds in the total NTE amount of $1,200,000 during the extension period. |
| 15 | NRS 332.115(1)(b) | No | Duke Forage Anson Neurosurgical, LLP | Amendment | No | 3 Years, with Two (1)-Year Options | 30 days w/o cause | Amended and Restated Base Agreement NTE $7,300,000 Amendment 1 NTE $1,362,666.67 (prorated) Cumulative Total NTE $8,662,666.67 | None | Increase NTE $292,000 annually | ED | Amendment 1 to increase the daily compensation of the neurological surgery on-call services by $800. |
| 16 | Bid 2018-05 | Yes | Specialized Delivery Services, Inc. | Amendment | No | 3 Years, with Two (1)-Year Options | 30 days w/o cause | Base Agreement NTE $347,094.00 Amendment 1 NTE $150,000 Amendment 2 NTE $749,998 Cumulative Total NTE $1,247,092.00 | None | Increase NTE $195,925.40 | Supply Chain Services | Since June 2018, UMC has had an agreement with Specialized Delivery Services, Inc. ("Provider") to provide Courier delivery services ("Services"). This request is to execute a Third Amendment to add funds to the agreement to support 3 new locations and pickup times. UMC's Central Supply Director has reviewed and recommends approval of this Amendment. This Amendment has been approved as to form by UMC's Office of General Counsel. |
| 17 | NRS 332.115(1)(b) | No | Transplant Coordinators of America, Inc. | New Contract | N/A | 1 Year, with Four (1)-Year Auto Renewal Options | 30 days w/o cause | Base Agreement NTE $1,314,000 | None | N/A | Transplant Services | Assist in the location and procurement of human organs (kidney/pancreas offers) for transplant on an on-call coverage. |
| 19 | NRS 450.525 NRS 450.530 | Yes | Iron Mountain | Amendment | No | 5 Years | Budget Act and Fiscal Fund Out | Base Agreement 3,775,530.44 Amendment 1 $2,838,924.83 Cumulative Total $6,614,455.27 | None | N/A | Health Information Management | Additional Document Sorting solution of current and future stored materials to enble UMC to purge documents in compliance with document retention policy to reduce future spending. |
| 20 | NRS 332.115(1)(g) NRS 332.115(1)(h) | No | SmallGuy, LLC dba Integrated Telehealth Solutions | Amendment | Yes | 1 Year, with Four (1)-Year Auto Renewal Options | 30 days w/o cause | Base Agreement NTE $1,810,298.56 Amendment 1 $0.00 Amendment 2 NTE $1,793,253.51 Cumulative Total NTE $3,603,552.07 | None | N/A | Professional Practice Services | Phase Three of Telesitter Agreement. Approve Amendment Three to provide security in patient care areas that is observed by Security and Nursing Leadership. This includes security at the Pyxis Stations. |
| 21 | NRS 450.525 NRS 450.530 | Yes | Steris Corporation | New Contract | N/A | 3 Year Term | Term for Convenience 15 days w/o cause | Base Agreement NTE $525,317.78 | Pending | N/A | OR | Architectural Design Services for Phase III of the OR Refresh Project. |
| 22 | NRS 332.115(1)(b) NRS 332.115(1)(c) | No | INNERFACE Architectural Signage, Inc. | Amendment | No | 27 Months | 30 days w/o cause | Base Agreement NTE $277,737.05 Amendment 1 NTE $375,000 Amendment 2 NTE $844,522.46 Cumulative total NTE $1,497,259.51 | Capital $844,522.46 | Increase $844,522.46 | Assets - UMC | Approve Amendment Two to add a Phase 3 to the scope of work in order to complete the signage component of the façade remodel project. |
| 23 | Bid 2022-15 | No | Monument Construction | New Contract | N/A | 320 days | 30 days w/o cause | $9,811,111 | $9,811,111 | N/A | Plant Operations | Bid 2022-15 for Central Plant Infrastructure to replace water chillers at end of life. |

| Agreements with $0 P&L impact and/or positive P&L impact (i.e. grants) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Item # | Bid/RFP# or CBE | Vendor on GPO? | Contract Name | New Contract/ Amendment/Exercise Option/Change Order | Are Terms/Conditions the Same? | This Contract Term | Out Clause | Estimated Revenue | Requesting Department | Description/Comments |
| 7 | NRS 332.115(1)(f) | no | Molina Healthcare of Nevada, Inc | Amendment | No | 2 Years | 90 days w/o cause | Revenue based on volume | Managed Care | Amendment to Hospital Services Agreement enrolling Molina into the Nevada Exchange with their H.S.A Marketplace Product. |
| 8 | NRS 332.115(1)(f) | no | Molina Healthcare of Nevada, Inc | Amendment | No | 2 Years | 90 days w/o cause | Revenue based on volume | Managed Care | Amendment to Provider Agreement adding Nevada Exchange Marketplace. |
| 9 | NRS 332.115(1)(f) | no | Alignment Healthcare Nevada LLC | New Contract | N/A | 3 Years | 31 days prior to renewal | Revenue based on volume | Managed Care | Provider Care Agreement to include Medicare Advantage Plan. |
| 10 | NRS 332.115(1)(f) | no | Sierra Health and Life Insurance Company, Inc. | New Contract | N/A | 3 Years | 90 days w/o cause | Revenue based on volume | Managed Care | Provider Care Agreement to add Orthopedic and Anesthesia Services. |
| 11 | NRS 332.115(1)(f) | no | Health Plan of Nevada, Inc | New Contract | N/A | 3 Years | 90 days w/o cause | Revenue based on volume | Managed Care | Provider Care Agreement to cover new Medicaid/Nevada Check-up for Orthopedics and Anesthesiology. |
| 12 | NRS 332.115(1)(f) | no | Intermountain IPA LLC | Amendment | No | 2 Years | 180 days w/o cause | Revenue based on volume | Managed Care | Provider Care Agreement to add Anesthesia Services. |
| 18 | NRS 332.115(1)(h) | No | UNLVSOM & UNLV Health | New Contract | N/A | 3 Years, with Two (1)-Year Options | 45 days prior to the expiration of the Initial Service Period or any Renewal Service Period | Base Agreement<br>Est. Annual Reimbursement $556,985.88 | IT | Grant access to UNLV to use UMC's EMR System (i.e., Epic). UNLV will reimburse UMC the annual Epic system components and applicable third party software access, hosting, outpatient encounters, maintenance and pass-through fees. |

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | |
|---|---|
| **Issue:** **Marketplace Product Amendment to Hospital Services Agreement with Molina Healthcare of Nevada, Inc.** | **Back-up:** |
| **Petitioner:** Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Marketplace Product Amendment to Hospital Services Agreement with Molina Healthcare of Nevada, Inc. for managed care services; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000
Fund Center: 3000850000
Description: Managed Care Services
Bid/RFP/CBE: NRS 332.115(1)(f) – Insurance
Term: First Amendment – 1/1/2022 to 12/31/2024
Amount: First Amendment – Revenue based on volume
Out Clause: 90 days w/o cause

Fund Name: UMC Operating Fund
Funded Pgm/Grant: N/A

**BACKGROUND:**

On November 17, 2021, the Governing Board approved the Hospital Services Agreement ("Agreement") with Molina Healthcare of Nevada, Inc., ("Molina") to provide its members healthcare access to the hospital and its associated Urgent Care facilities. The Agreement term is from January 1, 2022 to December 31, 2024, unless terminated without cause with a 90-day written notice to the other.

This Amendment requests to participate in the Health Insurance Marketplace Product when it becomes operational for Molina, which is January 1, 2024, and update the compensation schedule for the Hospital Services Agreement.

UMC's Director of Managed Care has reviewed and recommends approval of this Amendment. This Amendment has been approved as to form by UMC's Office of General Counsel

Molina currently holds a Clark County business license.

Cleared for Agenda
March 22, 2023

Agenda Item #
**7**

# MOLINA HEALTHCARE OF NEVADA, INC.

# MARKETPLACE PRODUCT AMENDMENT

Molina Healthcare of Nevada, Inc. ("Health Plan") and University Medical Center of Southern Nevada a licensed Clark County-owned and operated acute care hospital established pursuant to Chapter 450 of the Nevada Revised Statutes ("Provider") enter into this Marketplace Product Amendment ("Amendment") on January 1, 2024, the ("Effective Date"). The Provider and Health Plan each are referred to as a "Party" and are collectively referred to as the "Parties" in this Amendment.

The Provider and Health Plan each are referred to as a "Party" and are collectively referred to as the "Parties" in this Amendment.

## RECITALS

A. Whereas, the Parties have entered into a Hospital Services Agreement as may have been amended ("Agreement");

B. Whereas, Health Plan desires that Provider participate in the Health Insurance Marketplace Product on the date it becomes operational for Health Plan, which is January 1, 2024; and

C. Whereas, Health Plan desires to add a compensation schedule for the Health Insurance Marketplace Product.

Now, therefore, in consideration of the promises and representations stated in the recitals, which are incorporated into the Amendment, the Agreement is amended as stated in this Amendment.

**1.1 Products.** If not previously included in the Agreement, Attachment A – Products or other corresponding section in the Agreement is updated to include the following Product in which Provider agrees to participate**:**

**Health Insurance Marketplace** – Molina Marketplace Nevada.

**1.2 Compensation Attachment.** Attachment B-1 - Compensation Schedule, Health Insurance Marketplace, attached to this Amendment, is added to the Agreement.

1.1 **Charge Description Master Limit Protection.** Attachment B-2 - Charge Description Master Limit Protection - Health Insurance Marketplace Product, attached to this Amendment, is added to the Agreement.

1.2 **Marketplace Attachment.** Attachment G - Molina Marketplace, Laws and Government Program Requirements, attached to this Amendment, is added to the Agreement.

1.3 **Effective Date.** This Amendment will become effective on January 1, 2024 ("Effective Date") and will end under the terms of the Agreement.

1.4 **Use of Defined Terms.** Capitalized terms in this Amendment will have the same meanings ascribed to the terms in the Agreement unless otherwise noted in this Amendment.

1.5 **Full Force and Effect.** Except as modified by this Amendment, the Agreement will remain unaffected and will continue in full force and effect in accordance with its terms. The terms of this Amendment will prevail if there is a conflict between this Amendment and the Agreement or an earlier amendment.

1.6 **Counterparts.** This Amendment may be executed in one or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

## SIGNATURE AUTHORIZATION

In consideration of the promises and representations stated, the Parties agree as set forth in this Amendment. The Authorized Representative acknowledges, warrants, and represents that the Authorized Representative has the authority and authorization to act on behalf of its Party. The Authorized Representative further acknowledges and represents that he/she received and reviewed this Amendment in its entirety.

The Authorized Representative for each Party executes this Amendment with the intent to bind the Parties in accordance with this Amendment.

**Provider Signature and Information.**

| Provider's Legal Name ("Provider") – as listed on applicable tax form (i.e. W-9): | |
|---|---|
| Authorized Representative's Signature: | Authorized Representative's Name – Printed:<br>Mason Van Houweling |
| Authorized Representative's Title:<br>Chief Executive Officer | Authorized Representative's Signature Date: |

**Health Plan Signature and Information.**

| Molina Healthcare of Nevada, Inc., a Nevada Corporation ("Health Plan") | |
|---|---|
| Authorized Representative's Signature:<br>*Sara Irizarry* | Authorized Representative's Name – Printed:<br>Sara Irizarry |
| Authorized Representative's Title:<br>VP, Network Mgmt and Ops | Authorized Representative's Countersignature Date:<br>3/10/2023 |

**ATTACHMENT B-1**

ATTACHMENT B-1
MOLINA HEALTHCARE OF NEVADA, INC. – HEALTH INSURANCE MARKETPLACE
AMENDMENT ATTACHMENT B-1 COMPENSATION SCHEDULE

[The information in this attachment is confidential and proprietary in nature]

ATTACHMENT B-2
MOLINA HEALTHCARE OF NEVADA, INC. – HEALTH INSURANCE MARKETPLACE
AMENDMENT ATTACHMENT B-2 CHARGE DESCRIPTION MASTER LIMIT PROTECTION

[The information in this attachment is confidential and proprietary in nature]

**ATTACHMENT G**

**Molina Marketplace**

**Laws and Government Program Requirements**

This attachment sets forth applicable Laws and Government Program Requirements or other provisions necessary to reflect compliance for the Molina Marketplace Product. This attachment will be automatically modified to conform to subsequent changes to Laws or Government Program Requirements. All provisions of the Agreement not specifically modified by this attachment remain unchanged and will control. In the event of a conflict between this attachment and any other provision in the Agreement, the provisions in this attachment will control for the Molina Marketplace Product. Capitalized terms used in this attachment will have the same meaning ascribed to them in the Agreement unless otherwise set forth in this attachment. Any purported modification or any provision in this attachment that is inconsistent with a Law or Government Program Requirement will not be effective and will be interpreted in a manner that is consistent with the applicable Law and Government Program Requirement. This attachment only applies to Molina Marketplace Product.

1.1 **Definitions.** The following definitions apply only in this attachment:

a. **Delegated Entity** means any party that enters into an agreement with a qualified health plan ("QHP") issuer to provide administrative services or health care services to qualified individuals and their dependents.

b. **Downstream Entity** means any party that enters into an agreement with a Delegated Entity or with another downstream entity for purposes of providing administrative or health care services related to the agreement between the Delegated Entity and the QHP issuer. The term is intended to reach the entity that directly provides administrative services or health care services to qualified individuals and their dependents.

Consistent with the above definitions, Provider is a Delegated Entity and Health Plan is a QHP issuer.

1.2 **Timely Payment of Claims.** Health Plan will pay Provider for Clean Claims for Covered Services that are determined to be payable, in accordance with Section 4.2, Compensation.

1.3 **Delegated Entity and Downstream Entity Compliance.** To the extent that the activities and obligations applicable to Health Plan, as set forth in the standards enumerated at 45 CFR 156.340(a), are delegated to Provider, then Provider, as Delegated Entity, agrees to perform such activities and obligations in compliance with all applicable laws and regulations relating to such standards, and consistent with the requirements outlined in this attachment. Provider further agrees that it will require the same of any Downstream Entities. (45 CFR 156.340(b)(3)).

1.4 **Health Plan Accountability.** Notwithstanding any relationship Health Plan may have with Provider, as Delegated Entity, and any Downstream Entity, Health Plan maintains responsibility for its compliance, as well as the compliance of the Provider and any Downstream Entity, with all applicable standards enumerated at 45 CFR 156.340(a). (45 CFR 156.340(a)).

1.5 **Standards for Downstream and Delegated Entities.** The Agreement specifies the delegated activities and reporting responsibilities. (45 CFR 156.340(b)(1)).

1.6 **Right to Audit.** Provider, as Delegated Entity, and any Downstream Entity shall permit access to the Secretary of the United States Department of Health and Human Services ("HHS"), and the Office of the Inspector General, or their designees, to evaluate through audit, inspection, or other means, Provider's or Downstream Entity's books, contracts, computers, or other electronic systems, including medical records and documentation, relating to Health Plan's obligations in accordance with the standards enumerated at 45 CFR 156.340(a), as applicable, until ten (10) years from the final date of the Agreement period. (45 CFR 156.340(b)(4)).

1.7 **Revocation of Delegated Activities.** In the event HHS or Health Plan determines, in its sole discretion, that Provider or any Downstream Entity, have not performed the delegated activities and reporting obligations satisfactorily, consistent with applicable standards enumerated at 45 CFR 156.340(a), then the delegated activities and reporting obligations shall be revoked. The foregoing does not preclude the employment of other remedies, in lieu of revocation of the delegated activities or reporting responsibilities, if deemed appropriate by HHS or Health Plan, as applicable. (45 CFR 156.340(b)(2)).

1.8 **Services.** Provider will provide all Medically Necessary services required by the evidence of coverage and the Agreement to each Member for the period for which a premium has been paid to the organization.

1.9 **Consolidated Appropriations Act of 2021.** The Consolidated Appropriations Act of 2021, Section 201, prohibits Health Plan from entering into a contract with Provider, network or association of providers, third-party administrator, or other service provider offering access to a network of providers that would directly or indirectly restrict Health Plan from: (i) providing provider-specific cost or quality of care information or data to referring providers, plan sponsors, participants, beneficiaries, or enrollees, or individuals eligible to become participants, beneficiaries, or enrollees of the plan or coverage; (ii) electronically accessing de-identified claims and encounter data for each participant, beneficiary, or enrollee; or (iii) sharing such information, consistent with applicable privacy Laws. Notwithstanding anything to the contrary in this Agreement, Provider agrees that Health Plan is in compliance with this provision with respect to this Agreement and nothing in this Agreement will prohibit Health Plan from complying with this provision.

**INSTRUCTIONS FOR COMPLETING THE**
**DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM**

**Purpose of the Form**

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

**General Instructions**

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

**Detailed Instructions**

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

***Business Entity Type*** – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

***Non-Profit Organization (NPO)*** - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

***Business Designation Group*** – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE**): An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

***Business Name (include d.b.a., if applicable)*** – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

***Corporate/Business Address, Business Telephone, Business Fax, and Email*** – Enter the street address, telephone and fax numbers, and email of the named business entity.

***Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email*** – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

***List of Owners/Officers*** – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

***For All Contracts*** – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

***Signature and Print Name*** – Requires signature of an authorized representative and the date signed.

***Disclosure of Relationship Form*** – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

| **Business Entity Type (Please select one)** | | | | | | |
|---|---|---|---|---|---|---|
| ☐ Sole Proprietorship | ☐Partnership | ☐ Limited Liability Company | ☒ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |

| **Business Designation Group (Please select all that apply)** | | | | | | |
|---|---|---|---|---|---|---|
| ☐ MBE | ☐ WBE | ☐ SBE | ☐ PBE | ☐ VET | ☐DVET | ☐ ESB |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

**Number of Clark County Nevada Residents Employed:** 117

| | | |
|---|---|---|
| **Corporate/Business Entity Name:** | Molina Healthcare of Nevada, Inc. | |
| **(Include d.b.a., if applicable)** | | |
| **Street Address:** | 8329 W. Sunset Rd. Suite 100 | **Website:** https://www.molinahealthcare.com/NV (Molina NV website to go live 01/01/2022) |
| **City, State and Zip Code:** | Las Vegas, NV 89113 | **POC Name:** Jackie Hernandez, AVP Government Contracts<br>**Email:** Jacqueline.hernandez1@molinahealthcare.com |
| **Telephone No:** | 909-747-4742 | **Fax No:** |
| **Nevada Local Street Address:**<br>**(If different from above)** | | **Website:** |
| **City, State and Zip Code:** | | **Local Fax No:** |
| **Local Telephone No:** | | **Local POC Name:**<br>**Email:** |

**All entities,** with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| Mike Easterday | President and Chair | |
| Tom Tran | Vice President and Treasure | |
| Jeff Barlow | Secretary | |
| Dr. Jason Dees | Chief Medical Officer | |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☒ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

*Jacqueline Hernandez*
Signature

Jacqueline Hernandez
Print Name

AVP, Government Contracts
Title

11/02/2021
Date

# DISCLOSURE OF RELATIONSHIP

**List any disclosures below:**
**(Mark N/A, if not applicable.)**

| NAME OF BUSINESS OWNER/PRINCIPAL | NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE | RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL | UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT |
|---|---|---|---|
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* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

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***For UMC Use Only:***

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Marketplace Product Amendment to Provider Services Agreement with Molina Healthcare of Nevada, Inc.** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Marketplace Product Amendment to Provider Services Agreement with Molina Healthcare of Nevada, Inc. for managed care services; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000
Fund Center: 3000850000
Description: Managed Care Services
Bid/RFP/CBE: NRS 332.115(1)(f) – Insurance
Term: First Amendment – 1/1/2022 to 12/31/2024
Amount: First Amendment – Revenue based on volume
Out Clause: 90 days w/o cause

Fund Name: UMC Operating Fund
Funded Pgm/Grant: N/A

**BACKGROUND:**

On November 17, 2021, the Governing Board approved the Provider Services Agreement ("Agreement") with Molina Healthcare of Nevada, Inc., ("Molina") to provide its members healthcare access to the hospital and its associated Urgent Care facilities. The Agreement term is from January 1, 2022 to December 31, 2024, unless terminated without cause with a 90-day written notice to the other.

This Amendment requests to participate in the Health Insurance Marketplace Product when it becomes operational for Molina, which is January 1, 2024, and update the compensation schedule for the Provider Services Agreement.

UMC's Director of Managed Care has reviewed and recommends approval of this Amendment. This Amendment has been approved as to form by UMC's Office of General Counsel

Molina currently holds a Clark County business license.

Cleared for Agenda
March 22, 2023

Agenda Item #
**8**

# MOLINA HEALTHCARE OF NEVADA, INC.

# SECOND AMENDMENT

# MARKETPLACE PRODUCT

Molina Healthcare of Nevada, Inc. ("Health Plan") and University Medical Center of Southern Nevada a licensed Clark County-owned and operated acute care hospital established pursuant to Chapter 450 of the Nevada Revised Statues ("Provider") enter into this Marketplace Product Amendment ("Amendment") on January 1, 2024 the("Effective Date") The Provider and Health Plan each are referred to as a "Party" and are collectively referred to as the "Parties" in this Amendment.

## RECITALS

A. Whereas, the Parties have entered into a Provider Services Agreement dated January 1, 2022, and amended on as may have been amended ("Agreement");

B. Whereas, Health Plan desires that Provider participate in the Health Insurance Marketplace Product on the date it becomes operational for Health Plan, which is January 1, 2024; and

C. Whereas, Health Plan desires to update the compensation schedule for the Health Insurance Marketplace Product.

Now, therefore, in consideration of the promises and representations stated in the recitals, which are incorporated into the Amendment, the Agreement is amended as stated in this Amendment.

## DEFINITIONS

1.1 **Products.** If not previously included in the Agreement, Attachment A – Products or other corresponding section in the Agreement is updated to include the following Product in which Provider agrees to participate.

**Health Insurance Marketplace** – including, but not limited to, Molina Marketplace.

1.2 **Compensation Attachment.** Attachment B-1 - Compensation Schedule, Health Insurance Marketplace, attached to this Amendment, is added to the Agreement. If any compensation schedule is already included in the Agreement for the Health Insurance Marketplace Product, the compensation schedule is replaced by the attached Attachment B-1.

1.3 **Marketplace Attachment.** Attachment G - Molina Marketplace, Laws and Government Program Requirements, attached to this Amendment, is added to the Agreement. If any Molina Marketplace, Laws and Government Program Requirements, attachment is already included in the Agreement, the attachment is replaced by the attached Attachment G.

1.4 **Effective Date.** This Amendment will become effective on January 1, 2024 ("Effective Date") and will renew with and under the terms of the Agreement.

1.5 **Use of Defined Terms.** Capitalized terms in this Amendment will have the same meanings ascribed to the terms in the Agreement unless otherwise noted in this Amendment.

1.6 **Full Force and Effect.** Except as modified by this Amendment, the Agreement will remain unaffected and will continue in full force and effect in accordance with its terms. The terms of this Amendment will prevail if there is a conflict between this Amendment and the Agreement or an earlier amendment.

1.7 **Counterparts.** This Amendment may be executed in one or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

## SIGNATURE AUTHORIZATION

In consideration of the promises and representations stated, the Parties agree as set forth in this Amendment. The Authorized Representative acknowledges, warrants, and represents that the Authorized Representative has the authority and authorization to act on behalf of its Party. The Authorized Representative further acknowledges and represents that he/she received and reviewed this Amendment in its entirety.

The Authorized Representative for each Party executes this Amendment with the intent to bind the Parties in accordance with this Amendment.

**Provider Signature and Information.**

| Provider's Legal Name ("Provider") – as listed on applicable tax form (i.e. W-9): | |
|---|---|
| Authorized Representative's Signature: | Authorized Representative's Name – Printed:<br>Mason Van Houweling |
| Authorized Representative's Title:<br>Chief Executive Officer | Authorized Representative's Signature Date: |

**Health Plan Signature and Information.**

| Molina Healthcare of Nevada, Inc., a Nevada Corporation ("Health Plan") | |
|---|---|
| Authorized Representative's Signature:<br>*Sara Irizarry* | Authorized Representative's Name – Printed:<br>Sara Irizarry |
| Authorized Representative's Title:<br>VP, Network Mgmt and Ops | Authorized Representative's Countersignature Date:<br>3/10/2023 |

**ATTACHMENT B-1**

SECOND AMENDMENT TO PROVIDER SERVICES AGREEMENT
ATTACHMENT B-1
MOLINA HEALTHCARE OF NEVADA, INC. – HEALTH INSURANCE MARKETPLACE
AMENDMENT ATTACHMENT B-1 COMPENSATION SCHEDULE

[The information in this attachment is confidential and proprietary in nature]

**ATTACHMENT G**

**Molina Marketplace**

**Laws and Government Program Requirements**

This attachment sets forth applicable Laws and Government Program Requirements or other provisions necessary to reflect compliance for the Molina Marketplace Product. This attachment will be automatically modified to conform to subsequent changes to Laws or Government Program Requirements. All provisions of the Agreement not specifically modified by this attachment remain unchanged and will control. In the event of a conflict between this attachment and any other provision in the Agreement, the provisions in this attachment will control for the Molina Marketplace Product. Capitalized terms used in this attachment will have the same meaning ascribed to them in the Agreement unless otherwise set forth in this attachment. Any purported modification or any provision in this attachment that is inconsistent with a Law or Government Program Requirement will not be effective and will be interpreted in a manner that is consistent with the applicable Law and Government Program Requirement. This attachment only applies to Molina Marketplace Product.

1.1 **Definitions.** The following definitions apply only in this attachment:

a. **Delegated Entity** means any party that enters into an agreement with a qualified health plan ("QHP") issuer to provide administrative services or health care services to qualified individuals and their dependents.

b. **Downstream Entity** means any party that enters into an agreement with a Delegated Entity or with another downstream entity for purposes of providing administrative or health care services related to the agreement between the Delegated Entity and the QHP issuer. The term is intended to reach the entity that directly provides administrative services or health care services to qualified individuals and their dependents.

Consistent with the above definitions, Provider is a Delegated Entity and Health Plan is a QHP issuer.

1.2 **Timely Payment of Claims.** Health Plan will pay Provider for Clean Claims for Covered Services that are determined to be payable, in accordance with Section 4.2, Compensation.

1.3 **Delegated Entity and Downstream Entity Compliance.** To the extent that the activities and obligations applicable to Health Plan, as set forth in the standards enumerated at 45 CFR 156.340(a), are delegated to Provider, then Provider, as Delegated Entity, agrees to perform such activities and obligations in compliance with all applicable laws and regulations relating to such standards, and consistent with the requirements outlined in this attachment. Provider further agrees that it will require the same of any Downstream Entities. (45 CFR 156.340(b)(3)).

1.4 **Health Plan Accountability.** Notwithstanding any relationship Health Plan may have with Provider, as Delegated Entity, and any Downstream Entity, Health Plan maintains responsibility for its compliance, as well as the compliance of the Provider and any Downstream Entity, with all applicable standards enumerated at 45 CFR 156.340(a). (45 CFR 156.340(a)).

1.5 **Standards for Downstream and Delegated Entities.** The Agreement specifies the delegated activities and reporting responsibilities. (45 CFR 156.340(b)(1)).

1.6 **Right to Audit.** Provider, as Delegated Entity, and any Downstream Entity shall permit access to the Secretary of the United States Department of Health and Human Services ("HHS"), and the Office of the Inspector General, or their designees, to evaluate through audit, inspection, or other means, Provider's or Downstream Entity's books, contracts, computers, or other electronic systems, including medical records and documentation, relating to Health Plan's obligations in accordance with the standards enumerated at 45 CFR 156.340(a), as applicable, until ten (10) years from the final date of the Agreement period. (45 CFR 156.340(b)(4)).

1.7 **Revocation of Delegated Activities.** In the event HHS or Health Plan determines, in its sole discretion, that Provider or any Downstream Entity, have not performed the delegated activities and reporting obligations satisfactorily, consistent with applicable standards enumerated at 45 CFR 156.340(a), then the delegated activities and reporting obligations shall be revoked. The foregoing does not preclude the employment of other remedies, in lieu of revocation of the delegated activities or reporting responsibilities, if deemed appropriate by HHS or Health Plan, as applicable. (45 CFR 156.340(b)(2)).

1.8 **Services.** Provider will provide all Medically Necessary services required by the evidence of coverage and the Agreement to each Member for the period for which a premium has been paid to the organization.

1.9 **Consolidated Appropriations Act of 2021.** The Consolidated Appropriations Act of 2021, Section 201, prohibits Health Plan from entering into a contract with Provider, network or association of providers, third-party administrator, or other service provider offering access to a network of providers that would directly or indirectly restrict Health Plan from: (i) providing provider-specific cost or quality of care information or data to referring providers, plan sponsors, participants, beneficiaries, or enrollees, or individuals eligible to become participants, beneficiaries, or enrollees of the plan or coverage; (ii) electronically accessing de-identified claims and encounter data for each participant, beneficiary, or enrollee; or (iii) sharing such information, consistent with applicable privacy Laws. Notwithstanding anything to the contrary in this Agreement, Provider agrees that Health Plan is in compliance with this provision with respect to this Agreement and nothing in this Agreement will prohibit Health Plan from complying with this provision.

**INSTRUCTIONS FOR COMPLETING THE**
**DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM**

**Purpose of the Form**

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

**General Instructions**

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

**Detailed Instructions**

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

***Business Entity Type*** – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

***Non-Profit Organization (NPO)*** - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

***Business Designation Group*** – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

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- **Women Owned Business Enterprise (WBE**): An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

***Business Name (include d.b.a., if applicable)*** – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

***Corporate/Business Address, Business Telephone, Business Fax, and Email*** – Enter the street address, telephone and fax numbers, and email of the named business entity.

***Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email*** – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

***List of Owners/Officers*** – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

***For All Contracts*** – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

***Signature and Print Name*** – Requires signature of an authorized representative and the date signed.

***Disclosure of Relationship Form*** – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

| **Business Entity Type (Please select one)** | | | | | | |
|---|---|---|---|---|---|---|
| ☐ Sole Proprietorship | ☐Partnership | ☐ Limited Liability Company | ☒ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |

| **Business Designation Group (Please select all that apply)** | | | | | | |
|---|---|---|---|---|---|---|
| ☐ MBE | ☐ WBE | ☐ SBE | ☐ PBE | ☐ VET | ☐DVET | ☐ ESB |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

**Number of Clark County Nevada Residents Employed:** 117

| | | |
|---|---|---|
| **Corporate/Business Entity Name:** | Molina Healthcare of Nevada, Inc. | |
| **(Include d.b.a., if applicable)** | | |
| **Street Address:** | 8329 W. Sunset Rd. Suite 100 | **Website:** https://www.molinahealthcare.com/NV (Molina NV website to go live 01/01/2022) |
| **City, State and Zip Code:** | Las Vegas, NV 89113 | **POC Name:** Jackie Hernandez, AVP Government Contracts<br>**Email:** Jacqueline.hernandez1@molinahealthcare.com |
| **Telephone No:** | 909-747-4742 | **Fax No:** |
| **Nevada Local Street Address:**<br>**(If different from above)** | | **Website:** |
| **City, State and Zip Code:** | | **Local Fax No:** |
| **Local Telephone No:** | | **Local POC Name:**<br>**Email:** |

**All entities,** with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| Mike Easterday | President and Chair | |
| Tom Tran | Vice President and Treasure | |
| Jeff Barlow | Secretary | |
| Dr. Jason Dees | Chief Medical Officer | |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☒ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

*Jacqueline Hernandez*
Signature

Jacqueline Hernandez
Print Name

AVP, Government Contracts
Title

11/02/2021
Date

# DISCLOSURE OF RELATIONSHIP

**List any disclosures below:**
**(Mark N/A, if not applicable.)**

| NAME OF BUSINESS OWNER/PRINCIPAL | NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE | RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL | UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT |
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* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

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***For UMC Use Only:***

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Provider Agreement with Alignment Healthcare Nevada, LLC** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Provider Agreement with Alignment Healthcare Nevada, LLC for managed care services; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000
Fund Center: 3000850000
Description: Managed Care Services
Bid/RFP/CBE: NRS 332.115(1)(f) – Insurance
Term: 9/1/2021 – 8/31/2024
Amount: Revenue based on volume
Out Clause: 60 days without case

Fund Name: UMC Operating Fund
Funded Pgm/Grant: N/A

**BACKGROUND:**

This request is to enter into a new Provider Agreement ("Agreement") with Alignment Healthcare Nevada, LLC to provide its Medicare Advantage members healthcare access to UMC's specialist physician services. The Agreement term is for three (3) years from September 1, 2021 through August 31, 2024.

UMC's Director of Managed Care has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

A Clark County business license is not required as UMC is the provider of hospital services to this insurance fund.

Cleared for Agenda
March 22, 2023

Agenda Item #
**9**

**ALIGNMENT HEALTHCARE NEVADA, LLC**
**PROVIDER AGREEMENT**

This Provider Agreement ("Agreement") is made and entered into as of this 1st day of March, 2023 by and between Alignment Healthcare Nevada, LLC, a Nevada limited liability company (hereinafter "AHC") and University Medical Center of Southern Nevada, a licensed Clark County-owned and operated acute care hospital established pursuant to Chapter 450 of the Nevada Revised Statutes, which employs primary care and specialty physicians licensed to practice medicine in the State of Nevada (hereinafter "Provider"), (each individually referred to herein as a "Party" and together referred to as the "Parties").

**RECITAL**

WHEREAS, AHC is a clinical risk bearing organization which contracts with and/or employs a network of professional, institutional and ancillary health care providers to make Medically Necessary services of such providers available to individuals enrolled as Members in certain Medicare Advantage plans offered by managed care organizations (each an "MCO"), including health maintenance organizations and other prepaid health plans which are contracted with AHC ("Contracted MCOs");

WHEREAS, each Contracted MCO is licensed or otherwise authorized to operate a managed care organization under State insurance laws and offers Medicare Advantage health plan(s) pursuant to a contract with CMS for the benefit of persons enrolled as Members in such plan(s) in a manner consistent with the applicable Law;

WHEREAS, AHC, through its AHC Affiliate, Alignment Health Plan ("AHP"), is a Contracted MCO that offers Medicare Benefit Plans to Medicare beneficiaries through an agreement with CMS;

WHEREAS, pursuant to its contracts with Contracted MCOs, AHC (i) will assume responsibility to arrange for the provision and payment of Covered Services, including all professional, institutional and ancillary services, to Members who are enrolled in the Medicare Benefit Plan(s) and who have selected or been assigned to AHC and (ii) shall provide related delegated administrative services, which may include utilization management, credentialing, and claims payment and processing necessary for the management and operations of the Medicare Benefit Plan on behalf of the Contracted MCO; and

WHEREAS, Provider desires to participate in AHC's network by providing Covered Services to its Medicare Advantage Members;

NOW THEREFORE, in consideration of the promises and mutual covenants herein stated, and for other good and valuable considerations, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

ARTICLE I
DEFINITIONS

1.1 Accreditation Organization is any organization, including, without limitation, the National Committee for Quality Assurance ("NCQA") and The Joint Commission ("TJC"), engaged in accrediting or certifying AHC or Provider.

1.2 AHC Affiliate is an entity that directly or indirectly is owned by, controlled by or under common ownership with AHC.

1.3 Authorized or Authorization is the approval by AHC to be obtained by Provider prior to (i) providing certain Covered Services, other than Emergency Services, to Members, or (ii) admitting a Member to a facility. , or (iii. Covered Services approved by AHC in accordance with the foregoing are "Authorized".

1.4 CMS is the Centers for Medicare and Medicaid Services, the agency of the federal government responsible for administration of the Medicare program, including Medicare Advantage.

1.5 CMS Agreement is a Medicare Advantage contract between CMS and a Contracted MCO and CMS which defines the benefits and terms and conditions of the Medicare Benefit Plans.

1.6 Contracted MCO is defined in the recitals above.

1.7 Covered Services are those Medically Necessary health care services, supplies and benefits that a Member is entitled to receive under a Medicare Benefit Plan, as determined by AHC, Contracted MCO or pursuant to an independent third party review in accordance with a Medicare Benefit Plan and the Quality Management and Improvement Program and Medical Management Program. Covered Services may include experimental services that are either described as Covered Services in a Medicare Benefit Plan or are deemed medically necessary by AHC or the applicable independent external review agent designated in accordance with applicable Law and consistent with the meaning set forth in the applicable Medicare Benefit Plan.

1.8 Credentialing Program shall mean the AHC standards, policies and procedures for credentialing and re-credentialing physicians and other health care professionals and facilities that provide Covered Services to Members. The Credentialing Program shall be maintained in accordance with the requirements of Law and the standards of Accreditation Organizations, shall be consistent with CMS requirements, and shall be set forth in the Provider Manual.

1.9 Effective Date is the date agreed upon by both Parties on the signature page of this Agreement and the date this Agreement will commence.

1.10 Emergency Medical Condition is a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, possessing an average knowledge of medicine and health, could reasonably expect that failure to get immediate medical care could result in: (i) placing the Member's health in serious jeopardy; (ii) serious impairment to bodily functions; (iii) serious dysfunction of any bodily organ or part; or (iv) in the case of a pregnant woman, serious jeopardy to the health of the woman or her unborn child. Emergency Medical Condition status is not affected if a later medical review found no actual emergency present.

1.11 Emergency Services are Covered Services furnished by a qualified provider and needed to evaluate or treat an Emergency Medical Condition.

1.12 Law means any applicable constitution, statute, code, ordinance, regulation, treaty, rule, court order or mandate, common law, policy, interpretation or guidance document enacted, published or promulgated by any federal, State or local governmental authority which has jurisdiction over the subject matter of this Agreement or the Parties' performance of their duties hereunder.

1.13 Medical Management ("MM") Program are those standards, protocols, policies and procedures adopted by AHC regarding the management, review and approval of the provision of Covered Services to Members. The MM Program is described in the Provider Manual, which may be updated from time to time.

1.14 Medically Necessary and Medical Necessity shall mean those Covered Services that (i) are needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms; (ii) meet accepted standards of medicine, in accordance with CMS guidelines; (iii) must be consistent with AHC medical policy; (iv) are furnished at the most appropriate level; and (v) shall not be delivered primarily for the convenience of Member or Participating Provider.

1.15 Medicare Allowable Rate shall mean the lesser of (i) Provider's usual and customary charges, or (ii) the amount CMS would pay under original Medicare for the same Covered Services, less any applicable Member Cost-Sharing Payment.

1.16 Medicare Benefit Plan is any Medicare healthcare or prescription drug program sponsored or administered by Contracted MCO pursuant to a CMS Agreement and covered by an agreement between AHC and a Contracted MCO.

1.17 Member is an individual who is enrolled in a Medicare Benefit Plan, meets all the eligibility requirements for membership and for whom any applicable premium has been received by Contracted MCO, and who has selected or been assigned to AHC.

1.18 Member Cost-Sharing Payment means an amount (whether expressed as a percentage of cost or as a specific dollar amount) that a Member is obligated to pay directly to a Participating Provider for a specific service in accordance with a Medicare Benefit Plan. Member Cost-Sharing shall include those payments commonly referred to as "coinsurance," "copayments" or "deductibles".

1.19 Participating Providers are physicians, medical groups, IPAs, health care professionals, hospitals, facilities, Provider Participating Providers and other providers of health care services or supplies that have entered into written contracts directly or indirectly with AHC or Contracted MCO to provide Covered Services to Members pursuant to the applicable Medicare Benefit Plan.

1.20 Physician Incentive Plan ("PIP") Regulations means the regulations adopted by CMS as set forth in 42 CFR § 422.208, as amended, for purposes of regulating physician incentive plan.

1.21 Provider Manual means that document or series of documents created, maintained, updated and distributed from time to time by AHC that provides administrative and program requirements, including policies and procedures, for Participating Providers. The Provider Manual(s) is incorporated into this Agreement and made a part hereof.

1.22 Provider Participating Providers are other physicians, health care professionals, allied health professionals and other providers of health care services or supplies that are employees or have entered into written contracts with Provider to provide Covered Services to Members. All references to Provider shall also include Provider Participating Providers.

1.23 Provider Services are those Covered Services which Provider is licensed to provide and customarily provides to his or her patients, and which Provider is contracted for under this Agreement, as more specifically described in Exhibit 2 [Provider Services].

1.24 Quality Management and Improvement ("QI") Program are those standards, protocols, policies and procedures adopted by AHC to monitor and improve the quality of clinical care and quality of services provided to Members. The QI Program may be updated from time to time by AHC. The QI Program is described in the Provider Manual, which may be updated from time to time.

1.25 State is the State of Nevada.

## ARTICLE II
## DUTIES OF PROVIDER

2.1 Provide or Arrange Covered Services. Provider shall provide or arrange for Covered Services to Members, in coordination with AHC and AHC's Participating Providers, and in accordance with the terms and conditions set forth in this Agreement, the Provider Manual, the QI and MM Programs, the Credentialing Program, applicable Accreditation Organization standards, and Law. Provider agrees that Covered Services will be provided or arranged to Members in a manner that meets community standards of care, twenty-four (24) hours a day, seven (7) days a week.

2.2 Authorization Procedures. Provider and Provider Participating Providers shall comply with the Authorization procedures, as may be amended by AHC from time to time, as set forth in this Agreement and the Provider Manual prior to rendering Covered Services. Failure to obtain prior Authorization, where applicable, may result in nonpayment.

2.3 Eligibility. Provider shall be responsible to confirm eligibility of Members. AHC shall not have financial responsibility to compensate Provider for any services rendered to Members who were not eligible to receive such services.

2.4 Professional Standards. The primary concern of Provider and Provider Participating Providers under this Agreement shall be the quality of Covered Services provided to or arranged for Members. Nothing stated in this Agreement shall be interpreted to diminish this responsibility nor interfere with such physician-patient relationship. All Covered Services provided or arranged by Provider or Provider Participating Providers shall be provided or arranged by duly licensed, certified or otherwise authorized professional personnel in a culturally competent manner and at licensed facilities, where required, in accordance with (i) the generally accepted medical and surgical practices and standards prevailing in the applicable professional community, (ii) the provisions of the QI and MM Programs, (iii) the requirements of Law, and (iv) the standards of Accreditation Organizations.

2.4.1 Licensure of Provider and Provider Participating Providers. Provider is legally organized under State Law. Provider and Provider Participating Providers shall maintain in good standing at all times during the Term of this Agreement any and all licenses, certificates and/or approvals required under Law. Provider and Provider Participating Providers shall immediately notify AHC of any restriction placed upon a license, certification, issuance of formal charges, or any notice of material deficiency received from an Accreditation Organization or Accreditation Organization that affects Provider's or a Provider Participating Provider's ability to perform under this Agreement.

2.4.2 Hospital and Ambulatory Surgery Centers (ASC) Privileges for Provider and Provider Participating Providers. Unless otherwise approved by AHC for specific Provider Participating Providers, each Provider Participating Provider who is a physician shall maintain in good standing medical staff privileges at hospitals and free standing surgery centers who are contracted with AHC who are contracted with AHC as necessary to provide or arrange Covered Services to Members.

2.4.3 Restriction, Suspension or Termination of Provider Participating Providers. Provider shall confirm that: (i) Provider Participating Providers have not ceased to meet the licensing/certification requirements or other professional standards described in this Agreement; (ii) Provider Participating Providers have not been reasonably determined to have serious deficiencies in the professional competence, conduct or quality of care which adversely affects or could adversely affect their health or safety of Members; (iii) Provider Participating Providers have not filed an affidavit with the Medicare program promising to furnish Medicare-covered services to Medicare beneficiaries only through private contracts under Section 1802 (b) of the Social Security Act; and (iv) Provider Participating Providers are not listed on a Preclusion List published by CMS or excluded from participation in the Medicare program pursuant to Section 1128 or Section 1128A of the Social Security Act, as outlined in Section 12 and 13 of the Exhibit

4 [Medicare Advantage Regulatory Exhibit]. Provider shall immediately notify AHC upon becoming aware of the above. AHC shall have the right to immediately restrict, suspend or terminate any Provider Participating Provider from providing or arranging Covered Services to Members who failed to satisfy any of the above requirements, and shall give written notice to such provider of the action taken, and the right to appeal.

2.5 Provider Participating Providers. Provider Participating Providers must meet AHC's credentialing standards and be approved by AHC before providing or arranging Covered Services to Members. Provider shall provide written notice to AHC of any additions or terminations of Provider Participating Providers within five (5) business days of Provider changes.

2.5.1 Accuracy of Provider and Provider Participating Provider Information. Provider acknowledges that CMS requires AHC to maintain, at all times, accurate Participating Provider information and provider directories. In addition, the National Plan and Provider Enumeration System **("NPPES")** is allowing all providers to attest to the accuracy of their NPPES data and to make corrections as needed. Provider is required to maintain accurate Provider and Provider Participating Provider information, and shall notify AHC or AHC's designee, of any Provider or Provider Participating Provider changes as set forth in this Section or upon AHC's or AHC's designee's request, including but not limited to the addition of new Provider Participating Providers, the termination of Provider Participating Providers, changes to Provider's and any Provider Participating Provider's address, telephone number, office hours or panel status (i.e. accepting new patients). In addition, Provider will require Provider Participating Providers to regularly review, update and attest to their NPPES data. If Provider fails to submit accurate and current Provider and Provider Participating Provider information, provide timely notification of Provider and Provider Participating Provider changes, respond to provider directory validation requests from AHC or AHC's designee, or fails to regularly attest to their NPPES data, AHC may suppress Provider and/or Provider Participating Providers from AHC's directories, cease to refer Members to Provider, discontinue to accept new Provider Participating Providers and terminate Provider and/or Provider Participating Provider from the AHC network. Notwithstanding the foregoing, AHC shall also have the right to the remedies available under Section 2.11 [Provider's Failure to Comply with Agreement].

2.6 Insurance. Provider at its sole expense, shall maintain self-insurance coverage as provided by Chapter 41 of the Nevada Revised Statutes for purpose of general liability, professional liability and other insurance, as may be necessary to insure it and its employees against any claims for damages arising by reason of personal injuries or death occasioned, directly or indirectly, in connection with this Agreement. Each of such policies shall be in amounts as required by Nevada State law. Appropriate certificates of such insurance shall be delivered to AHC upon request. Hospital is operated by Clark County pursuant to the provisions of Chapter 450 of the Nevada Revised Statutes. Clark County is a political subdivision of the State of Nevada. As such, Clark County and Hospital are protected by the limited waiver of sovereign immunity contained in Chapter 41 of the Nevada Revised Statutes. Memorandum copies of the above insurance policies shall be provided to AHC upon AHC's Provider shall also maintain, at their sole cost and expense, all other insurance coverage and amounts as required by Law. Evidence of such insurance shall be provided to AHC and Contracted MCO upon request.

2.7 Administrative Requirements. Provider agrees to perform its duties under this Agreement in accordance with the administrative guidelines, policies and procedures set forth in the Provider Manual and Law. In the event of a conflict between this Agreement and the Provider Manual, the terms of this Agreement shall govern.

2.8 Data Requirements. Provider shall maintain and provide to AHC upon written request, any and all information required by AHC, Contracted MCOs, Law, government agencies, or Accreditation Organizations. Provider shall submit such information and data to AHC in the format and within fourteen (14) day time period agreed to by both Parties. Provider shall accurately and completely maintain all

information and data required by this Agreement, including medical records, necessary to characterize the scope and purpose of Covered Services provided to Members.

2.9 Medical Records. Provider and Provider Participating Providers shall maintain all patient medical records relating to Covered Services provided to Members in a form containing such information as required by the Accreditation Organizations, government agencies and Law. Upon request and within the time frame required, Provider and Provider Participating Providers shall provide to AHC, copies of Member medical records for purposes of conducting utilization reviews, claims processing, audits, and other activities reasonably necessary for the proper administration of the Medicare Benefit Plan consistent with Law. AHC shall pay Provider and Provider Participating Providers usual and customary charges for hard copies of medical records.

2.10 Physician Incentive Plan ("PIP") Compliance in Downstream Entity Agreements. Provider represents and covenants that it is, and will at all times during the Term of this Agreement remain, in compliance with the physician incentive plan regulations set forth in Section 422.208 of Title 42 of the Code of Federal Regulations (the "PIP Regulation"). Upon request of AHC or Contracted MCO, Provider shall, within thirty (30) days of such request, disclose all of the terms and conditions of any payment arrangement that constitutes a physician incentive plan as defined in the PIP Regulation, between Provider and any Provider Participating Provider or Downstream Entity. Such disclosure shall identify, at minimum, (i) whether services not provided by the Provider Participating Provider or Downstream Entity are included, (ii) a description of the physician incentive plan, (iii) whether any stop-loss coverage is included in the physician incentive plan and if so, a description of the coverage, and (iv) the patient panel size applicable to the physician incentive plan.

2.11 Provider's Failure to Comply with Agreement. If Provider fails to comply with any provision(s) of this Agreement, AHC may provide written notice of such failure to Provider, specifying a date at least thirty (30) days following the date of the notice by which Provider must be in compliance with such provision(s), as reasonably determined by AHC. If Provider fails to comply with such provision(s) by the date specified in the notice, AHC shall have the right to discontinue assignment of Members to Provider until such time as Provider complies with such provision(s), as reasonably determined by AHC. In addition, upon prior written notice to Provider and reasonable opportunity to respond. AHC shall have the right to terminate.

## ARTICLE III
## DUTIES OF AHC

3.1 Administration and Provision of Data. AHC or Contracted MCO shall perform administrative, accounting, enrollment, eligibility verification and other functions necessary for the administration and operation of the Medicare Benefit Plans. AHC shall provide Provider with management information and data reasonably necessary to carry out the terms and conditions of this Agreement and for the operation of the Medicare Benefit Plan.

3.2 Marketing. Provider agrees that AHC and Contracted MCO may, in their discretion, use Provider's name, address and telephone number as well as the names, addresses and telephone numbers and specialties of Provider in AHC's and Contracted MCO's marketing and informational materials including, without limitation, AHC's and Contracted MCO's inclusion of Provider in the Medicare Benefit Plan's Participating Provider directory.

## ARTICLE IV
## COMPENSATION

4.1 Payment. AHC shall reimburse Provider for Authorized Provider Services at the rates listed in Exhibit 1 as payment in full, less Member Cost-Sharing Payment. Provider's reimbursement shall not exceed

Provider's billed charges. AHC shall pay or deny each claim submitted by Provider for Authorized Provider Services provided to Members within sixty (60) days following AHC's receipt of the claim. In the event of a denial, AHC shall, within the timeframe set forth above, use reasonable efforts to advise Provider of the basis upon which a claim is not eligible for payment and specify any additional information required for AHC to pay the amount due with respect to the applicable claim. Payment to Provider is subject to Member's updated eligibility and AHC's financial responsibility.

4.2 Timely Submission of Claims. Provider shall submit all claims with the appropriate coding and on the appropriate claim form for Authorized Provider Services payable by AHC under this Agreement to AHC no later than ninety (90) calendar days from the date of service or, if a third party or coordination of benefits claim, no later than ninety (90) calendar days from the date of receipt of payment or notice of denial from a primary payor. In the event AHC requests additional information in order to process the claim, Provider will provide such additional information within ninety (90) calendar days of AHC's request. Provider's failure to submit claims within the ninety (90) day period shall result in the claim being denied by AHC, where permitted by Law. No action by AHC shall be deemed a waiver of its rights under this Section. Provider shall submit such claims in accordance with the commercially reasonable procedures and standards established by AHC.

If Provider elects to submit claims electronically to AHC, such electronic format shall be the HIPAA compliant ASC X 12 837 version 5010, or successor version and comply with the Standards for Electronic Transactions adopted by CMS and set forth at 45 CFR Parts 160, 162 and 164. Provider shall bill electronically in accordance with HIPAA regulations, this Agreement and the Provider Manual. Electronic claims submissions must be submitted either directly to AHC or through AHC's claims clearing house vendor, as determined by AHC.

4.3
\Coordination of Benefits. Provider agrees to assist AHC upon request in the coordination of benefits with any third party payors. Total payment by AHC shall be limited to the amount set forth in Exhibit 1. In the event Provider is entitled to payment from a third party payor whose payment obligations are primary (under applicable coordination of benefit rules), the amount payable to Provider pursuant to this Agreement shall be the amount set forth in Exhibit 1, less the amount of payment due from the primary carrier.

4.4 Appeal Requests. Provider requests for appeals or reconsideration of a claim determination related to payment for Covered Services must be forwarded within ninety (90) calendar days from receipt of applicable claims determination from AHC. Provider's failure to submit requests within such time period may result in the request being denied by AHC.

4.5 Recoupment. Provider agrees to refund AHC any excess payment made by AHC to Provider in the event of an overpayment for any reason within thirty (30) days of notification by AHC to Provider of said overpayment. After the thirty (30) days, AHC shall have the right to recoup any and all amounts owed by Provider to AHC against amounts owed by AHC to Provider. Provider agrees that all recoupment and any offset rights pursuant to this Agreement shall be deemed to be and to constitute rights of recoupment authorized in Law or in equity to the maximum extent possible under Law or in equity and that such rights shall not be subject to any requirement for approval from any court or other government authority with jurisdiction over Provider.

4.6 Quality Performance Program. AHC may institute a quality performance program pursuant to which Provider may be eligible to receive bonus compensation based upon its achievement of quality metrics, including those set forth in the QI program. The details of such program, if any, will be provided to Provider on an annual basis. The purpose of AHC's Quality Performance Programs is to ensure that Members receive quality and comprehensive care through early assessment, detection, identification, documentation, treatment and management of chronic and acute health conditions and to encourage

Provider to provide quality care in a cost-effective manner. AHC reserves the right to amend any such program in its sole discretion at any time.

## ARTICLE V
## TERM AND TERMINATION

5.1 Term. The initial term of this Agreement shall commence on the Effective Date, contingent on the Provider's successful completion of the Credentialing Program, and shall remain in effect until December 31 of the following calendar year ("Initial Term"). Thereafter, the term of this Agreement may renew for successive one (1) year periods upon mutual written agreement (each a "Renewal Term" and together with the Initial Term, the "Term") beginning on January 1 ("Renewal Date")

5.2 Termination of Agreement.

(a) Termination of Agreement for Cause. Either AHC or Provider may terminate this Agreement for cause as a result of a breach of any material term, covenant, or condition of this Agreement, subject to the notice requirement and cure period set forth herein. The Party asserting cause for termination of this Agreement (the "Terminating Party") shall provide written notice of termination to the other Party (the "Receiving Party"). The notice of termination shall specify the breach or deficiency underlying the cause for termination with sufficient information to allow the Receiving Party to identify the actions necessary to cure such breach. The Receiving Party shall have thirty (30) calendar days from the receipt of such notice of termination to cure the breach or deficiency to the satisfaction of the Terminating Party (the "Cure Period"). If such Receiving Party fails to cure the breach or deficiency to the reasonable satisfaction of the Terminating Party within the Cure Period, or if the breach or deficiency is not curable, the Terminating Party shall have the right to provide written notice of failure to cure the breach or deficiency to the other Party following expiration of the Cure Period. This Agreement shall terminate thirty (30) calendar days following receipt of the written notice of failure to cure or at such later date as may be specified in such notice. During the Cure Period, AHC may cease marketing efforts for Provider, discontinue enrollment and assignment of Members to Provider and begin transferring Members to other Participating Providers.

(b) Automatic Termination. This Agreement shall automatically terminate upon the revocation, suspension or restriction of any license, certificate or other authority required to be maintained by Provider or AHC in order to perform the services required under this Agreement or upon the Provider's or AHC's failure to obtain such license, certificate or authority. In addition, this Agreement shall automatically be terminated if (i) Provider files an affidavit with the Medicare program promising to furnish Medicare covered services to Medicare beneficiaries only through private contracts under Section 1802 (b) of the Social Security Act; (ii) Provider is excluded from participation in the Medicare program or is subjected to sanctions imposed by the Medicare program or the Medicaid program or is named on the List of Excluded Individuals and Entities maintained by the United States Office of Inspector General or listed on any Preclusion List published by CMS; or (iii) Provider's professional liability insurance or any other insurance required under this Agreement is reduced, cancelled, non-renewed, or is no longer in effect; (iv) Provider pleads guilty or nolo contendere to or is convicted of any crime; or (v) either party: (a) voluntarily files a petition in or for bankruptcy or reorganization; (b) makes a general assignment or another arrangement for the benefit of creditors; (c) is adjudged bankrupt; (d) is unable to pay its debts as they become due; (e) has a trustee, receiver or other custodian appointed on its behalf; or (f) has any other case or proceeding under any bankruptcy or insolvency law(s), or any dissolution or liquidation proceeding, commenced against it.

(c) Termination Without Cause. Either party may terminate this Agreement without cause, at any time, upon sixty (60) days written notice to the other.

5.3 Procedure Upon Termination.

(a) Continuing Care Obligations of Provider. Following termination of the Agreement for any reason, including termination of the CMS Agreement, insolvency of AHC or cessation of operations of AHC, Provider shall continue to provide or arrange Covered Services to Members (including any Members who become eligible during the termination notice period) at the rates included in Exhibit 1: (i) for those Members confined in an inpatient facility on the date of termination until their discharge; (ii) for all Members through the period for which payment has been made by CMS; and (iii) for those Members in active treatment of chronic conditions as of the date of termination not to exceed one hundred eighty (180) days unless otherwise required by subsection (ii) above. Provider shall not bill, charge, collect or receive any form of payment from Member for such Covered Services, except for any applicable Member Cost-Sharing Payments, during the period described in this Section. The continuing care obligations of Provider shall survive the termination of this Agreement.

(b) Medical Records. Upon AHC's or Contracted MCO's written request, Provider shall copy all requested medical files of Members and forward to another Participating Provider designated by AHC or Contracted MCO.

## ARTICLE VI
## GENERAL PROVISIONS

6.1 Indemnification. Each party to this Agreement respectively assumes responsibility for liability, real or alleged, arising from its activities performed pursuant to this Agreement.

AHC shall indemnify and hold Provider harmless from and against any and all liability, losses, damages, claims or cause of actions and expenses connected therewith (including reasonable attorney's fees and court costs) caused or asserted to have been caused directly or indirectly as a result of (a) AHC's failure to perform its obligations under the terms of this Agreement, or (b) the negligent and/or intentional actions of officers, employees, servants, agents, representatives, or any person directly engaged or retained by AHC to discharge its obligations under this Agreement.

Provider, to the extent expressly authorized by Nevada law, shall indemnify and hold harmless AHC and its directors, officers, employees, affiliates and agents against any loss, damage, cost, expense or liability (including reasonable costs of defense) arising out of or related to the performance or nonperformance by, employees or agents in performing any Covered Services and other services to be performed or arranged by Provider under this Agreement.

6.2 Disputes Between AHC and Provider.

6.2.1 Informal Dispute Resolution Procedure. The Parties shall in good faith first attempt to resolve any controversy, dispute, alleged breach or disagreement arising out of or related to this Agreement (a "Dispute"). Authorized representatives of AHC and Provider shall make a good faith attempt to resolve the Dispute within thirty (30) days (or longer if mutually agreed by the Parties in writing) after submission of the dispute notice, and if such efforts are unsuccessful, the Dispute shall be submitted to arbitration as provided in Section 6.2.2 [Arbitration] below.

6.2.2 Arbitration. Any controversy, dispute or claim of whatever nature and irrespective of the facts or circumstances or the legal theories advanced, in which the amount in controversy exceeds the jurisdiction of small claims court and which was not resolved in the dispute resolution procedure set forth in Section 6.2.1 [Informal Dispute Resolution Procedure], shall be resolved by binding arbitration by a single neutral arbitrator at the request of either Party. Any such arbitration must

be commenced not more than one hundred eighty (180) days after the dispute becomes known or should, in the exercise of reasonable diligence, have become known, and the failure to commence arbitration before the end of the one hundred eighty (180) day deadline constitutes a waiver of any claims of any and all types on account of such dispute. The arbitration shall be administered by JAMS and in accordance with the JAMS Comprehensive Arbitration Rules and Procedures. Such arbitration shall occur in Clark County, Nevada, or such other locale as the Parties may mutually agree. The Parties shall divide equally the cost of the arbitration, but the arbitrator may award such fees to the prevailing Party in the award. The Parties shall each bear their respective attorney's fees and costs. In no event may the arbitrator(s) require specific performance or grant equitable relief.

6.3 Notice. All notices required or permitted by this Agreement shall be in writing and may be delivered in person or may be sent by registered or certified mail or U.S. Postal Service Express Mail, or by Federal Express or other overnight courier that guarantees next day delivery, or by facsimile transmission or other electronic transmission, including email. The addresses specified on the signature page shall be the addresses for delivery or mailing of notice. The Parties may change the names and addresses noted above through written notice in compliance with this Section. Notices shall be effective upon receipt.

6.4 Assignment. Neither party may assign this Agreement without the other party's prior written consent of a duly authorized representative of the other party.

6.5 Amendments. The Provider Manual may be amended from time to time during the term of this Agreement by AHC. To the extent possible, such notices shall be effective upon not less than thirty (30) calendar days' prior notification to Provider from AHC. This Agreement may be amended, effective upon notification to Provider from AHC, to comply with Law as reasonably interpreted by AHC. Medicare Benefit Plan changes shall be effective upon approval of CMS. Contracted MCO additions to or deletions from this Agreement will be effective upon not less than thirty (30) days' notice to Provider. Other amendments to the Agreement proposed by AHC at least thirty (30) days prior to the proposed effective date shall be automatically effective and incorporated into this Agreement, unless AHC receives Provider's written notice of objection within the thirty (30) day notice period and such amendment(s) would represent a material adverse impact on Provider. Except as provided in this Section, no amendments or modifications to this Agreement shall be valid unless made in writing and signed by both Provider and AHC.

6.6 Solicitation of AHC Members. Provider shall not knowingly directly or indirectly engage in conduct by an officer, agent, employee, affiliate or contractor of Provider or their respective assignees or successors during the Terms of this Agreement, and during the twelve (12) months immediately following the effective date of termination of this Agreement which may be reasonably interpreted as designed to persuade Members to dis-enroll from the Medicare Benefit Plan or discontinue their relationship with a Contracted MCO or AHC. Notwithstanding any other provision of this Agreement, Provider agrees that AHC shall, in addition to any other remedies provided for under this Agreement, have the right to seek a judicial temporary restraining order, preliminary injunction, or other equitable relief against Provider to enforce its rights under this Section in a manner consistent with and to the extent permitted by Law.

6.7 Confidentiality of this Agreement. Except as otherwise necessary for ongoing performance of this Agreement or as required for regulatory compliance, each Party agrees to maintain this Agreement as a confidential document and not to disclose this Agreement or any of its terms without the approval of the other Party. Disclosure of this Agreement to government agencies or Accreditation Organizations shall not be deemed a violation of this Section.

6.8 Confidential and Proprietary Information. Each Party agrees to maintain the confidentiality of the Confidential Information of the other Party and shall not disclose or use any Confidential Information of the other Party for its own benefit either during the Term of this Agreement or after the effective date of

termination of this Agreement. Upon termination of this Agreement, the Parties shall, upon the prior written request of the other Party, return all Confidential Information in its possession to the other Party. "Confidential Information" means information which is confidential and/or proprietary to the Party disclosing it ("Disclosing Party"), including but not limited to: (i) all material, non-public information, materials or data in any form (whether disclosed before or after the Effective Date or whether oral, written, graphic, electronic, visual or fixed in any tangible medium of expression) which the other Party ("Receiving Party") knows or has reason to know is confidential to the Disclosing Party, (ii) the Disclosing Party's trade secrets, know how, current and future business plans, models, methods and practices, current and future marketing plans and strategies, historical or prospective financial information, budgets, cost and expense data, rate or pricing information and data (including, but not limited to, capitation rates or other payment amounts attributable to private or governmental payors for health care services and fee-for-service rates or pricing for patient or customer services), provider networks, health care delivery models, employee and employment-related information, records and contracts (including, but not limited to, salary and benefit information and personally identifiable information, including names, addresses, telephone numbers and social security numbers), patient, client or customer information which contains personally-identifiable health, medical or contact (including names, addresses, telephone numbers and social security numbers) information, (iii) the Disclosing Party's technology, information systems, processes and arrangements, inventions (whether or not patented), computer programs, source or object codes, algorithms, technical drawings, schematics, formulae and technology plans and specifications, and (iv) any information which the Disclosing Party identifies in writing to the Receiving Party as confidential or proprietary.

Notwithstanding the foregoing, AHC acknowledges that Provider is public county-owned hospital which is subject to the provisions of the Nevada Public Records Act, Nevada Revised Statutes Chapter 239. As such, its contracts are public documents available to copying and inspection by the public. This Agreement shall not become effective until it is presented to, and approved during a public meeting of Provider's governing board. If Provider receives a demand for the disclosure of any information related to this Agreement which AHC has claimed to be Confidential Information, Provider will immediately notify AHC of such demand and AHC shall immediately notify Provider of its intention to seek injunctive relief in a Nevada court for protective order. AHC shall indemnify and defend Provider from any claims or actions, including all associated costs and attorney's fees, demanding the disclosure of AHC documents in Provider's custody and control in which AHC claims to be confidential and proprietary.

6.8.1 Names, Logos and Service Marks. Provider shall obtain the written consent of AHC prior to using AHC's name, product names, logos and service marks in any of Provider's promotional, marketing or advertising materials or for any other reason. AHC's use of Provider's name shall be only in a manner consistent with Section 3.2 [Marketing] of this Agreement. Use of Provider's logos and service marks shall require Provider's prior written consent.

6.8.2 Exceptions. The following shall not be deemed as confidential with respect to the Confidential Information or any part thereof, which:

(a) At the time of disclosure is in the public domain;
(b) After disclosure becomes part of the public domain by publication or otherwise, except by the breach of this Agreement by a Party hereto;
(c) Was independently developed by or for the Receiving Party by any person or persons who had no knowledge of the Confidential Information as evidenced by written documentation; or
(d) Is required by Law to be disclosed.

6.9 Entire Agreement. This Agreement, including all Exhibits, attachments and amendments hereto, contains all the terms and conditions agreed upon by the Parties regarding the subject matter of this Agreement.

Any prior agreements, promises, negotiations or representations of or between the Parties, either oral or written, relating to the subject matter of this Agreement, which are not expressly set forth in this Agreement are null and void and of no further force or effect. This Agreement supersedes any other agreement Provider has with AHC.

## ARTICLE VII
## COMPLIANCE WITH LAW

7.1 Governing Law. This Agreement and the rights and obligations of the Parties hereunder shall be construed, interpreted, and enforced in accordance with, and governed by the State Laws, except where preempted by federal law, and the laws of the United States of America. Any provisions required to be in this Agreement by Law shall bind AHC and Provider whether or not expressly provided in this Agreement. AHC and Provider shall be subject to the requirements set forth in Exhibit 4 [Medicare Advantage Regulatory Exhibit] and Exhibit 5 [State of Nevada Regulatory Exhibit], hereto. In addition, Provider shall comply with all applicable rules and regulations of the applicable State medical boards.

7.2 HIPAA Compliance. Provider represents and warrants that it is presently and shall remain at all relevant times compliant with the requirements of the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"). Provider represents and warrants with respect to all Protected Health Information ("PHI"), (as defined under 45 CFR § 164.501,) that it is a business associate of AHC and/or Covered Entity under 45 CRF Section 164.501, and that it shall use all appropriate safeguards to prevent the use or disclosure of PHI other than as allowed by Law.

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**SIGNATURE PAGE TO FOLLOW**

**IN WITNESS WHEREOF,** the undersigned have executed this Agreement effective as of the Effective Date.

**ALIGNMENT HEALTHCARE NEVADA, LLC.**

_____
(Insert Provider Legal Name and DBA (if applicable) on line above)

By:_____

Print Name:_____

Title:_____

Date:_____

By: _____
(signature)

Print Name: Mason Van Houweling

Title: Chief Executive Officer

Date: _____

Tax ID #: 88-6000436_____

NPI #:1548393127_____

CAQH#_____

Notices to:

Alignment Healthcare Nevada, LLC.
1100 W. Town & Country Road # 1600
Orange, CA 92868
Attn: President
cc: VP, Network Management

_____

Notices to:_____
(Insert Provider Name and DBA (if applicable) on line above)

Address:_____

_____

_____

Attn:_____

Email #:

Phone #: _____

**TO BE COMPLETED BY AHC ONLY:**

**EFFECTIVE DATE:**

**EXHIBIT 1**
**COMPENSATION**

**I. Compensation.**

Compensation for Covered Services shall be the lesser of Provider's Billed Charges or the following rates:

1. Compensation for Authorized Covered Services shall be reimbursed at one hundred percent (100%)~~eighty percent (80%)~~ of the Medicare Allowable Rate.

2. Vaccines, subject to Authorization requirements, if any, shall be one hundred percent (100%) of the Medicare Allowable Rate.

3. Compensation for Authorized injectable drugs shall be one hundred percent (100%) of the Medicare Allowable Rate. If a Medicare rate is not available, compensation shall be eighty five percent (85%) of the Average Wholesale Price (AWP) according to DrugReimbursement.com. All injectable drugs must be billed with the appropriate HCPCS code plus the NDC number and the number of NDC units.

4. Compensation for Authorized radiology services, if any, provided in Provider's office shall be one hundred percent (100%) of the Medicare Allowable Rate.

5. All laboratory services must be provided by AHC's designated vendor(s).

6. Other than injectables reimbursable in accordance with Section I. 3. above, Covered Services not listed in the Medicare fee schedule are deemed not recognized for payment by CMS and therefore AHC will not reimburse for those services, unless otherwise Authorized in advance by AHC. If so Authorized in advance, such Covered Services not listed in the Medicare fee schedule shall be paid at thirty percent (30%) of Provider's Billed Charges, less any applicable Member Cost-Sharing Payments.

**II. Requirements for Compensation**

A. AHC shall compensate Provider for Covered Services at the rates listed in this Exhibit, subject to Authorization requirements as applicable, less any applicable Member Cost-Sharing Payment. Provider's compensation shall not exceed the Provider's Billed Charges.

B. Failure to receive prior Authorization, where applicable, may result in nonpayment.

C. "Billed Charges" is defined as the amount generated from the Provider, reflecting the Provider's charge, rate, or price at the time the service was provided.

D. Provider shall ensure that all CPT/HCPCS and ICD codes submitted on claims and encounter data are substantiated by medical record documentation and such medical record documentation adheres to then-current CPT/HCPCS codes and ICD code documentation standards.

E. Claims shall be processed and paid according to prevailing CMS Payment Guidelines including the use of the National Correct Coding Initiative (NCCI) edits and the then-current ICD, HCPCS, NDC and CPT coding to promote correct coding methodologies and to control improper coding leading to inappropriate compensation. NCCI edits are developed based on current standards of medical and surgical coding practice, input from specialty societies and analysis of current coding practice. When applicable, Provider shall show code modifiers with the CPT and HCPCS codes.

F. If coding definitions (e.g., DRGs, ICD Procedure Codes, CPT Codes and HCPCS Codes) are added, deleted or revised by CMS, such codes shall become part of this Exhibit at the time they are introduced

by the organization(s) responsible for code set updates (e.g. CMS, AMA, WHO, etc.), and therefore, such codes shall be a regular component of this Exhibit. It is understood that such changes in coding shall not alter the services. The services will be deemed to be the same as the new CPT and/or HCPCS code(s) that best applies to those services. Should Provider continue to bill using deleted codes, AHC shall have the right to deny payment, until such time as Provider re-submits the claim with the current and valid code(s), as defined by CMS.

G. Services billed with CPT Codes and/or HCPCS Codes designated as "unlisted" must be accompanied by appropriate supporting documentation sufficient to substantiate medical appropriateness and may be subject to retroactive review.

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**EXHIBIT 2**
**PROVIDER SERVICES**

1. Provider Services shall consist of the following services:

**Select One**:

☐ Primary Care Physician Services

☒ Specialist Physician Services

_____
*Licensed Specialty Type*

Description Follows:_____
_____
_____

**EXHIBIT 3**
**PROVIDER ROSTER AND INFORMATION**

Provider's roster of additional physician(s) and office location(s) of physician(s) participating with Provider in rendering Covered Services to Members under this Agreement and billing under same tax identification number as Provider (include additional pages, if needed):

| **Provider Name:** |
|---|
| |
| Provider NPI#: |
| |
| Provider Specialty: |
| |
| Practice Street Address: |
| |
| City, State, Zip: |
| |
| Practice Telephone #: |
| |
| Fax #: |
| |
| Hospital Affiliation(s) |
| |
| **Provider Name:** |
| |
| Provider NPI#: |
| |
| Provider Specialty: |
| |
| Practice Street Address: |
| |
| City, State, Zip: |
| |
| Practice Telephone #: |
| |
| Fax #: |
| |
| Hospital Affiliation(s) |
| |

Billing Information. Provider shall submit a sample claim form and W-9 that includes the billing information for each Provider Participating Provider or entity included under this Agreement. Provider shall promptly notify in writing of any changes to such information

**EXHIBIT 4**
**MEDICARE ADVANTAGE REGULATORY EXHIBIT**

This Exhibit sets forth the requirements established by CMS, in addition to those set forth elsewhere in the Agreement, applicable to Covered Services provided to Members. Unless otherwise provided in this Exhibit or the Agreement, capitalized terms have the same meaning as set forth in 42 CFR Part 422. In the event of a conflict between this Exhibit and the remainder of the Agreement, this Exhibit shall govern.

1. Compliance with CMS Agreement. Provider shall perform Covered Services and other obligations under the Agreement and this Exhibit in a manner that is consistent and compliant with the CMS Agreement. A copy of the CMS Agreement shall be made available to Provider upon request. Provider shall comply with applicable federal Laws, regulations and CMS instructions. Without limiting the above, Provider shall comply with federal Laws designed to prevent or ameliorate fraud, waste and abuse, including but not limited to applicable provisions of federal criminal Law, the False Claims Act (31 U.S.C. § 3729 et. seq.) and the anti-kickback statute (42 U.S.C. § 1320a-7b(b)); and HIPAA administrative simplification rules at 45 CFR Parts 160, 162, and 164. Additionally, Provider agrees to comply with AHC's and Contracted MCO's policies and procedures related to the Medicare Benefit Plan. AHC and Contracted MCO shall monitor the Parties' performance under the Agreement on an ongoing basis. **[[42 CFR § 422.504(i)(3)(iii)]] [[42 CFR § 422.504(h)]] [[42 CFR § 422.504(i)(4)(iii)]]**

2. Downstream Entities. Provider shall ensure that Provider's Downstream Entities agree in writing to comply with all applicable provisions of the Agreement and this Exhibit. Downstream Entities mean all subcontractors who enter into contracts directly or indirectly with Provider to provide services to Members pursuant to the Agreement. **[[42 CFR § 422.504(i)(4)(v)]]**

3. Access to Records. Provider shall permit the U.S. Department of Health and Human Services ("HHS"), the Comptroller General, or their designees to audit, evaluate, collect, and inspect any books, contracts, computer or other electronic systems, including medical records and documentation of Provider related to the CMS Agreement (collectively, the "Records"). Provider agrees to make available its premises, physical facilities and equipment, records relating to Members, and any additional relevant information that CMS may require. The right of HHS, the Comptroller General, or their designees to inspect, evaluate, and audit Provider's Records for any particular contract period under the CMS Agreement shall exist for a period of ten (10) years from the later to occur of (i) the final date of the contract period for the CMS Agreement, or (ii) the date of completion of any audit (the "Audit Period"). HHS, the Comptroller General, or their designees have the right to audit, evaluate, collect, and inspect any Records directly from Provider or any Downstream Entity. Provider shall keep and maintain accurate and complete Records throughout the term of the Agreement and the Audit Period. **[[42 CFR § 422.504(d)-(e); 422.504(h)(2); 422.504(i)(2)(i) and (ii)]]**

4. Delegated Activities. To the extent activities or responsibilities of AHC or Contracted MCO under the CMS Agreement are delegated to Provider pursuant to the Agreement ("Delegated Activities"), Provider agrees that (i) the Agreement shall specify the Delegated Activities and required reporting requirements; (ii) Provider agrees to perform Delegated Activities in accordance with the Agreement (iii) the performance of the Delegated Activities and responsibilities thereof shall be subject to monitoring on an ongoing basis by AHC or Contracted MCO; and (iv) in the event that AHC, Contracted MCO or CMS determines that Provider has not satisfactorily performed any Delegated Activity or responsibility, then AHC or Contracted MCO shall have the right, at any time in its sole discretion, to revoke the Delegated Activities by terminating the Agreement in whole or in part, to institute corrective action plans or seek other remedies or curative measures as contemplated by the Agreement. Provider shall not further delegate any activities or requirements without the prior written consent of AHC or Contracted MCO. **[[42 CFR §422.504(i)(4)(ii)-(iii)]]**

5. Member Health Records. Provider will comply with AHC's or Contracted MCO's confidentiality and Member record accuracy requirements, including: (1) abiding by all federal and State Laws regarding confidentiality and disclosure of medical records, or other health and enrollment information, (2) ensuring that medical information is released only in accordance with applicable federal and State Laws, or pursuant to court orders or subpoenas, (3) maintaining the records and information in an accurate and timely manner, and (4) ensuring timely access by Members to the records and information that pertain to them. **[[42 CFR § 422.118]] [[42 CFR § 422.504(a)(13)]]**

6. Prompt Payment. AHC shall promptly pay Provider's claims for Covered Services in accordance with the Agreement. **[[42 CFR § 422.520(b)]]**

7. Member Hold Harmless. With the exception of Member Cost-Sharing Payments and charges for non-Covered Services delivered on a fee-for-service basis with the Member's prior written acknowledgement of financial responsibility, Provider shall in no event, including, without limitation, non-payment by AHC or the Contracted MCO, insolvency of AHC or the Contracted MCO, or breach of this Agreement, bill, charge, collect a deposit from, seek compensation or remuneration from, or have any recourse against any Member or any person (other than AHC) acting on behalf of any Member for Covered Services provided or arranged pursuant to this Agreement. Provider shall not hold a Member liable for, nor maintain any action at law or equity against a Member to collect, sums that are the legal obligation of AHC or Contracted MCO. Upon notice of any such action, AHC may terminate the Agreement and take all other appropriate action consistent with the terms of this Agreement. Provider obligations under this Section shall survive the termination of this Agreement with respect to Covered Services provided or arranged during or after the term of this Agreement. This Section supersedes any oral or written contrary agreement between Provider and any Member or Member representative. **[[42 CFR § 422.504(i)(3)(i)]] [[42 CFR § 422.504(g)(1)(i)]]**

8. Dual Eligible Members. Members who are dually eligible for Medicare and Medicaid shall not be responsible for any Member Cost-Sharing Payment for Medicare Part A or Part B services when these amounts are the responsibility of the State Medicaid program. AHC or Contracted MCO shall inform Provider of Medicare and Medicaid benefits and rules for Members eligible for both Medicare and Medicaid as is necessary for Provider's compliance with this Section. Neither AHC nor Contracted MCO imposes Member Cost-Sharing Payments on Members that exceed the amount that would be permitted under Title XIX of the Social Security Act if the Members were not enrolled in a Medicare Benefit Plan. Provider shall accept payment from AHC as payment in full for such services or, where permitted, may bill the appropriate State source. **[[42 CFR § 422.504(g)(1)(iii)]]**

9. Advance Directives. Provider shall document, in a prominent part of a Member's medical record, whether or not the Member has executed an advance directive. Provider shall also comply with applicable State Laws with respect to advance directives. **[[42 CFR § 422.128(b)(1)(ii)(E)]]**

10. Accessible and Culturally Competent Services. Provider shall provide accessible clinical and non-clinical services in a culturally competent manner to all Members, including those with limited English proficiency or reading skills, diverse cultural and ethnic backgrounds. **[[42 CFR § 422.112(a)(8)]]**

11. Permitted Communications. Nothing in the Agreement shall be construed to prohibit: (i) communications necessary or appropriate for the delivery of health care services; (ii) communications to Members regarding treatment alternatives regardless of the provisions or limitations of the Member's coverage; (iii) communications to Members regarding applicable rights to appeal coverage determinations; (iv) communications to Members identifying the type of reimbursement arrangement under which Provider is compensated for Provider Services under this Agreement (i.e. fee-for-service, capitation, etc.), excluding any communications with regard to the rates of reimbursement hereunder; or (v) any other communications expressly permitted under applicable Law.

12. Excluded Individuals. Provider acknowledges and agrees that it is not excluded, and shall not employ or contract for the provision of health care services, utilization review, or administrative services pursuant to this Agreement with any individual or entity (hereafter, "person") whom Provider knows or reasonably should have known is excluded from participation in the Medicare and Medicaid program under Section 1128 or 1128A of the Social Security Act ("Excluded Person(s)"). Provider hereby certifies that no such Excluded Person currently is employed by or under contract with Provider. Provider shall review the Office of Inspector List of Excluded Individuals and Entities, the System for Award Management exclusion list, and verify on a monthly basis or as often as required by CMS guidelines, that the persons it employs or contracts for the provision of services pursuant to this Agreement are in good standing. Provider shall promptly disclose to AHC any exclusion, or other event that makes a Provider employee or Downstream Entity ineligible to perform work related to federal health care programs. [[42 CFR § 422.752(a)(8)]] Provider agrees to be bound by the provisions set forth at 2 CFR Part 376.

13. Preclusion List. Provider acknowledges and agrees that neither AHC nor Provider may make payment for a health care item or service furnished, ordered or prescribed by an individual or entity that is included on the Preclusion List as defined in 42 CFR **§** 422.2 ("Preclusion List"). Provider shall not employ nor contract for the provision of health care services, any individual or entity whom Provider knows or reasonably should have known is included in the Preclusion List. Provider shall agree to terminate from AHC's network any Provider Participating Provider(s) that are included on the Preclusion List in accordance with CMS requirements and AHC guidelines. Provider shall promptly disclose to AHC, should Provider become aware, that a Provider Participating Provider is included on the Preclusion List. Nothing in this Section is intended to replace or contradict the requirements in Section 12. [[42 CFR 422.2, 42 CFR **§** 422.222 and 42 CFR **§** 422.224]].

14. Federal Funds. Provider acknowledges that payments it receives from AHC pursuant to this Agreement are, in whole or part, from federal funds. Therefore, Provider and its Downstream Entities are subject to certain Laws that are applicable to individuals and entities receiving federal funds, which may include but are not limited to, Title VI of the Civil Rights Act of 1964 as implemented by 45 CFR Part 84; the Age Discrimination Act of 1975 as implemented by 45 CFR Part 91; the Americans with Disabilities Act; the Rehabilitation Act of 1973 and any other regulations applicable to recipients of federal funds.

15. Risk Adjustment Data. Provider shall provide to AHC or Contracted MCO risk adjustment data as required by AHC, Contracted MCO or CMS. Upon AHC's, Contracted MCO's or CMS's written request, Provider shall submit a sample of medical records for the validation of risk adjustment data. Provider acknowledges that penalties may apply for submission of false or inaccurate data. Provider certifies based on best knowledge, information and belief that the data it submits under 42 CFR § 422.310 are accurate, complete and truthful.

16. Compliance-Training, Education and Communications. Provider agrees and certifies that it, as well as its employees, Downstream Entities, and agents who provide services under this Agreement shall participate in applicable compliance training, education and/or communications (referred to as "General Compliance Training"), including Fraud, Waste and Abuse Training (referred to as "Fraud, Waste and Abuse Training")(hereinafter, "General Compliance Training and Fraud, Waste and Abuse Training, collectively referred to as "Compliance Training") mandated by CMS, and such Compliance Training must be made a part of the orientation for a new employee or new Downstream Entity.

17. Program Integrity. Provider agrees to provide notice based on best knowledge, information, and belief to AHC or Contracted MCO in the event Provider or any of its Downstream Entities is criminally convicted or has a civil judgment entered against it for fraudulent activities or is sanctioned under any federal program involving the provision of health care or prescription drug services. [[CMS Agreement, Article III.H.2]].

18. Offshore Subcontractors. In no event shall Provider employ or contract with a person or entity pursuant to which Medicare beneficiary protected health information will be sent or accessed offshore without the prior written consent of AHC or Contracted MCO. For purposes of this Section, "offshore" refers to outside the fifty United States and the United States territories (*i.e.*, American Samoa, Guam, Northern Marianas, Puerto Rico, and Virgin Islands).

19. Non-Discrimination. Provider shall not deny, limit, or condition the provision of Covered Services to Members on the basis of any factor that is related to health status, including, but not limited to: medical condition, including mental as well as physical illness; claims experience; receipt of health care; medical history; genetic information; evidence of insurability, including conditions arising out of acts of domestic violence; or, disability. Provider shall not discriminate against Members in the delivery of health care services based on race, ethnicity, national origin, religion, gender, age, mental or physical disability, sexual orientation, genetic information, or source of payment (i.e. Provider or Provider Participating Provider cannot refuse to provide Covered Service to Members because the Member receives assistance with Medicare cost-sharing from a State Medicaid program). In providing Covered Services to Members, Provider shall comply with all applicable Laws including, but not limited to, the Civil Rights Act, the Age Discrimination Act, the Rehabilitation Act of 1973, the Americans with Disabilities Act, and the Genetic Information Nondiscrimination Act of 2008.

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**EXHIBIT 5**
**STATE OF NEVADA REGULATORY EXHIBIT**

**TO BE PROVIDED AT A LATER DATE**

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**INSTRUCTIONS FOR COMPLETING THE**
**DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM**

**Purpose of the Form**

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

**General Instructions**

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

**Detailed Instructions**

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

***Business Entity Type*** – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

***Non-Profit Organization (NPO)*** - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

***Business Designation Group*** – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE**): An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

***Business Name (include d.b.a., if applicable)*** – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

***Corporate/Business Address, Business Telephone, Business Fax, and Email*** – Enter the street address, telephone and fax numbers, and email of the named business entity.

***Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email*** – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

***List of Owners/Officers*** – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

***For All Contracts*** – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

***Signature and Print Name*** – Requires signature of an authorized representative and the date signed.

***Disclosure of Relationship Form*** – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

| **Business Entity Type (Please select one)** | | | | | | |
|---|---|---|---|---|---|---|
| ☐ Sole Proprietorship | ☐Partnership | ☐ Limited Liability Company | ☒ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |

| **Business Designation Group (Please select all that apply)** | | | | | | |
|---|---|---|---|---|---|---|
| ☐ MBE | ☐ WBE | ☐ SBE | ☐ PBE | ☐ VET | ☐DVET | ☐ ESB |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

**Number of Clark County Nevada Residents Employed: 27**

| | | |
|---|---|---|
| **Corporate/Business Entity Name:** | Alignment Health Plan of Nevada, Inc. | |
| **(Include d.b.a., if applicable)** | | |
| **Street Address:** | 1600 Town and County Road, Ste 1600 | **Website:** |
| **City, State and Zip Code:** | Orange, CA 92868 | **POC Name:**<br>**Email:** |
| **Telephone No:** | 844-310-2247 | **Fax No:** |
| **Nevada Local Street Address:**<br>**(If different from above)** | 8395 West Sunset Road, Suite 110 | **Website:** alignmenthealthplan.com |
| **City, State and Zip Code:** | Las Vegas, Nevada 89119 | **Local Fax No:** |
| **Local Telephone No:** | | **Local POC Name:** Raynette Howard<br>**Email:** rhoward@ahcusa.com |

**All entities,** with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| See Attachment 1 | | |
| | | |
| | | |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☒ Yes ☐ No See Attachment 1

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

DocuSigned by:
Tammy Marovich
8AE1C6E20B7A490...
Signature

Tammy Marovich
Print Name

National SVP Network Strategy & Market Dev
Title

3/16/2022 | 12:27:14 PM PDT
Date

# DISCLOSURE OF RELATIONSHIP

**List any disclosures below:** N/A
**(Mark N/A, if not applicable.)**

| NAME OF BUSINESS OWNER/PRINCIPAL | NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE | RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL | UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT |
|---|---|---|---|
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* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

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***For UMC Use Only:***

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

DocuSign Envelope ID: 1C48C352-2C90-4461-8E8D-FF2797E77ACA

ATTACHMENT 1

100% of the ownership of Alignment Health Plan of Nevada, Inc. is held indirectly by a publicly traded company: Alignment Healthcare, Inc.

The following are the officers and directors of Alignment Health Plan of Nevada, Inc.:

Directors:

John Kao
Thomas Freeman
Donald Furman
Dawn Maroney
Vina Fuentebella

Officers:

John Kao (CEO)
Richard Cross (Secretary)
Thomas Freeman (CFO)

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | |
|---|---|
| **Issue:** **Individual / Group Provider Service Agreement with Sierra Health and Life Insurance Company, Inc. and Sierra Healthcare Options, Inc.** | **Back-up:** |
| **Petitioner:** Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Individual / Group Provider Service Agreement with Sierra Health and Life Insurance Company, Inc. and Sierra Healthcare Options, Inc. for managed care services; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000
Fund Name: UMC Operating Fund
Fund Center: 3000850000
Funded Pgm/Grant: N/A
Description: Managed Care Services
Bid/RFP/CBE: NRS 332.115(1)(f) – Insurance
Term: 1/1/2023 – 12/31/2025
Amount: Revenue based on volume
Out Clause: 90 days without cause

**BACKGROUND:**

This request is to enter into a new Individual/Group Provider Service Agreement ("Agreement") with Sierra Health and Life Insurance Company, Inc. ("Health Plan") to provide its members healthcare access to UMC's services. The Agreement term is from January 1, 2023, through December 31, 2025. Either party may terminate the Agreement without cause with a 90-day written notice to the other party.

UMC's Director of Managed Care has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Health Plan currently holds a Clark County business license.

Cleared for Agenda
March 22, 2023

Agenda Item #
**10**

**SIERRA HEALTH AND LIFE INSURANCE COMPANY, INC. /**
**SIERRA HEALTHCARE OPTIONS, INC.**

**INDIVIDUAL/GROUP PROVIDER SERVICE AGREEMENT**

THIS AGREEMENT is made and entered into by and between Sierra Health and Life Insurance Company, Inc., a corporation organized under the laws of the State of Nevada (SHL) and Sierra Healthcare Options, Inc. a corporation organized under the laws of the State of Nevada (SHO) (hereinafter, collectively referred to as "SIERRA") and University Medical Center (if group practice, see Attachment A), an acute care hospital, which employs primary care and specialty physician providers licensed or registered in the State of Nevada (hereinafter referred to as "PROVIDER").

**RECITALS**

WHEREAS, SHL is a duly licensed and authorized health insurer and payor which has contracted directly with employers and individuals to provide or arrange for the provision of healthcare benefits to employees, beneficiaries and other eligible individuals; and

WHEREAS, SHO is a duly licensed and authorized third party administrator which contracts with third party payors (such as insurance companies, self-insured employers, unions, government entities and other payors) to arrange for the delivery of Group healthcare benefits to employees, beneficiaries and other eligible individuals of such payors;

WHEREAS, PROVIDER is a licensed Clark County owned and operated acute care hospital established pursuant to Chapter 450 of the Nevada Revised Statutes and accredited by The Joint Commission and certified for participation under Medicare and Medicaid, Title XVIII and XIX of the Social Security Act that desires to provide hospital services to Participants under the terms of this Agreement.

WHEREAS, the Parties intend by entering into this Agreement to make health care and related services available to eligible recipients enrolled in various Products (referenced in Attachment A) covered under this Agreement.

NOW THEREFORE, in consideration of the promises and the agreements herein contained, it is mutually agreed as follows:

**ARTICLE I. DEFINITIONS**

A. “Aberrant Bedday” means one in which a patient is kept at a level of care (ICU, telemetry, med-surg, transitional, SNF) when a lower level of care or a discharge would have been appropriate given the medical necessity, including extraneous beddays resulting from delayed procedures and /or reporting of results.

B. "Insured(s)" or "Subscriber(s)" means individuals who have qualified for and are covered through the premium-paid period by the provisions of a SIERRA or Group’s Health Care Plan; or who have qualified for and are covered through any health benefit program administered or partially insured by SIERRA or by a subsidiary or affiliated company of SIERRA; or who are covered by another third party with which SIERRA has a reciprocal or participating provider agreement; or who are covered by another program to which SIERRA or its parent company, Sierra Health Services, has agreed to extend the terms of this Agreement.

C. “PROVIDER" means a licensed doctor of medicine or osteopathy, or a licensed or registered provider, in the specialty field of Anesthesia and Orthopedic Surgery, who, through the execution of this Agreement, agrees to provide certain Medically Necessary Covered Services to Insureds (if group practice, then includes those physicians and other providers listed on Attachment A).

D. "Plan Provider" means a licensed doctor of medicine or osteopathy, or other health professional, or any other entity or institutional health care provider which has entered into an agreement with SIERRA or is otherwise approved by SIERRA to provide Covered Services to Insureds.

E. "Covered Services" means those medical, hospital and other health care services and benefits to which Insureds are entitled under the terms of the applicable group or individual medical and hospital service certificates of coverage ("Certificates") which may be amended by SIERRA or Group, from time to time.

F. "Medical Director" means a physician who has been designated by SIERRA or Group to monitor the provision of, and the appropriate utilization of, Covered Services to Insureds.

G. “Physician Advisor” means a physician designated by Hospital to monitor and review the provision of Covered Services to patients. Physician Advisors shall also participate in any requested for peer to peer review with health plan.

H. "Medically Necessary" services and/or supplies means the use of services or supplies as provided by a hospital, skilled nursing facility, physician or any other health care provider required to identify or treat an Insured's illness or injury and which, as determined by SIERRA or Group are:

1. Consistent with the symptoms and signs, or diagnosis and treatment of the Insured's condition, disease, ailment, or injury;

2. Appropriate with regard to standards of good medical practice;

3. Not solely for the convenience or preferences of the Insured, his or her physician, hospital or any other health care provider; and

4. The most appropriate supply or level of service which can be safely provided to the Insured. When specifically applied to an inpatient, it further means that the Insured's medical symptoms or condition require that the diagnosis or treatment cannot be safely provided to the Insured as an outpatient.

Services, supplies, and accommodations will not automatically be considered Medically Necessary because they were prescribed by a physician. SIERRA or Group may consult with professional medical consultants, peer review committees, or other appropriate sources for recommendations regarding the Medical Necessity of the services, supplies, or accommodations an Insured receives.

I. "Managed Care Program" means the process by which SIERRA or Group determines Medical Necessity and directs care to the most appropriate setting so as to provide health care in the most cost-efficient manner.

J. “Emergency Services” means health care services provided to a Insured after the sudden onset of a medical condition that manifests itself by symptoms of sufficient severity that a prudent person would believe that the absence of immediate medical attention could result in:

1. Serious jeopardy to the health of an Insured; or

2. Serious jeopardy to the health of an unborn child; or

3. Serious impairment of a bodily function; or

4. Serious dysfunction of any bodily organ or part.

K. “Clean Claim” is a claim that has no defect or impropriety, including lack of required substantiating documentation, or particular circumstances requiring special treatment that prevents timely payment from being made on the claim, including but not limited to, claims where coordination of benefits is actively pursued; or medical claims review is necessary; or pre-existing conditions may exist.

L. "Group" means a person or entity, as determined by SIERRA, that has entered into an agreement with SIERRA for the purpose of using the SIERRA network of providers to make Covered Services available to its Insureds in accordance with the terms and conditions of the Group's Health Care Plan.

M. "Group's Health Care Plan" means the health benefit plan established and controlled by the Group through which the Group provides benefits for Covered Services to its Insureds.

**ARTICLE II. AGREEMENTS OF SIERRA and/or GROUP**

A. Listing of Plan Providers. SIERRA shall provide PROVIDER with a periodic listing of SIERRA's Plan Providers.

B. Insureds' Benefit Schedule. SIERRA and/or Group shall provide PROVIDER with information regarding current Insureds' Benefit Schedules, including a listing of applicable copayments, coinsurance, and/or deductibles, and shall provide PROVIDER with periodic updates of such Benefit Schedules.

C. Administrative Procedures. SIERRA, Group or Group's designated third party administrator shall make available to PROVIDER the SIERRA and/or Group administrative, quality assurance, and Managed Care Program Procedures. Such procedures shall relate to, but are not limited to, record-keeping, reporting, review and assessment of quality and appropriateness of care, prior authorization procedures, and other administrative duties of PROVIDER required under this Agreement.

D. Compensation. SHL, Group or Group's designated third party claims administrator, as applicable, shall pay to PROVIDER the compensation set forth in Attachments B, B1 and E for Covered Services provided to Insureds by PROVIDER. Clean claims shall be processed and paid in accordance with applicable state regulations.

E. Orientation and Training Assistance. SIERRA and/or Group shall provide assistance in the orientation and training of PROVIDER and his/her office staff in the administrative, utilization management and quality assurance procedures of SIERRA.

F. Identification Cards. SIERRA and/or Group will assure that each Insured is furnished with an identification card with appropriate description indicating the Insured's potential eligibility for certain Medically Necessary Covered Services.

**ARTICLE III. AGREEMENTS OF PROVIDER**

A. Health Services. PROVIDER shall have the responsibility for managing and coordinating the overall health care of Insureds who select him or her, including referral to other Plan Providers, including specialists, hospitals, extended care facilities and other health care providers; and managing and coordinating the performance of administrative functions relating to the delivery of Covered Services to Insureds in accordance with this Agreement. The decision or determination to obtain or deliver any health care service is always made only by the eligible Insured and/or his or her physician. PROVIDER agrees to maintain responsibility to provide, or arrange for, the appropriate and cost-effective provision of health care to Insureds on a 24-hour-a-day basis for after-hours urgent or emergent care. PROVIDER agrees to use best efforts to refer Insureds to Plan Providers, unless otherwise explicitly requested by the Insured, and to furnish such physicians and providers complete information on treatment procedures and diagnostic tests performed prior to such referral. Payment for services resulting from a referral to a non-Plan Provider, other than at the Insured's request or if the service is not available from a Plan Provider. In the event that services required by an Insured are not available from Plan Providers, other physicians or providers may be utilized with Group's approval. PROVIDER acknowledges that SIERRA or Group's designee does not practice medicine but only provide payment guidance to Group. PROVIDER further acknowledges that decisions relating to the medical care provided to the patient are made at his/her sole discretion regardless of payment recommendations made by SIERRA or Group's designee.

B. Hospital Admissions. In cases where an Insured requires non-emergency hospital admission by PROVIDER, PROVIDER agrees to secure prior authorization for such admission from SIERRA, Group or Group's designee certifying the Medically Necessary Covered Services and the number of inpatient days authorized for payment under the Managed Care Program.

C. Aberrant Bedday Determination and Sanctions. Hospital stay Aberrant Beddays shall be identified by SIERRA or Group's Utilization Management Department and an Aberrant Bedday report stating the number of Aberrant Beddays and the PROVIDER responsible for these days shall be sent to the Medical Director, Group's medical consultants, and/or the Utilization Management Committee. After a full and complete review of this report and the reasons therefore, the PROVIDER responsible for the Aberrant Beddays will be given a verbal warning for the first time he/she has created Aberrant Beddays, a written warning for the second such incident and for all Aberrant Beddays created thereafter, financial sanctions will be assessed against this PROVIDER. The financial sanctions will be determined by the Utilization Management Committee or other designated committee. If PROVIDER is subject to financial sanctions, PROVIDER may appeal this decision, prior to the sanctions being implemented, to the Medical Director and/or Group's medical consultants. The decision of the Medical Director and/or Group's medical consultants will be final.

D. Prior Authorization.

1. PROVIDER agrees to comply with SIERRA or Group's Managed Care Program and to obtain prior authorization from SIERRA or Group for specified non-emergency inpatient and outpatient Covered Services.

2. PROVIDER understands that prior authorization is approved by SIERRA or Group based upon the current information that has been made available to SIERRA or Group. Any payment for Medically Necessary Covered Services is subject to all of the terms of this Agreement and all provisions of the Insured's Certificate of Coverage, including Insured eligibility, compliance with SIERRA or Group's Managed Care Program, contractual limitations and exclusions, coordination of benefits, and applicable state law.

E. Claim Review. PROVIDER agrees that SIERRA, Group or Group's designee shall have the right to determine the Medical Necessity and the accuracy of all claims reported for services provided to Insureds by PROVIDER through the use of SIERRA or Group's committees, Medical Director, Group's medical consultants and claims editing software utilized for claims adjudication. SIERRA or Group, as applicable, shall have the right to refuse payment for services determined to be not Medically Necessary. In the event of a discrepancy regarding the applicability of particular code(s) within a category, for example with regard to intensity or complexity, PROVIDER agrees to abide by the final decision of the Medical Director and/or Group's medical consultants. Sierra agrees to allow Provider's Physician's Advisor participate in a peer to peer review.

F. Charges to Insureds.

1. PROVIDER agrees to collect applicable copayments, coinsurance, and/or deductibles, if any, from Insureds at the time services are provided by PROVIDER. Except for the collection of copayments, coinsurance, and/or deductibles, PROVIDER shall look only to SHL, Group or Group's designated third party claims administrator, as applicable, for compensation for Medically Necessary Covered Services. In addition, PROVIDER shall under no circumstances, including the termination of this Agreement or the insolvency of SIERRA or Group, as applicable, assert any claim for compensation against Insureds for Medically Necessary Covered Services in excess of applicable copayments, coinsurance, and/or deductibles. However, PROVIDER may provide additional, non-Covered Services to Insureds provided that the Insured clearly understands that such services are not Covered Services and that SIERRA nor Group will pay for such services under the applicable Certificate. This section shall supersede any other written or oral contrary agreement between PROVIDER and Insured that conflict with this section of the Agreement.

2. PROVIDER agrees that applicable copayments, coinsurance, and/or deductibles collected by PROVIDER shall be as set forth in the current Insureds' Benefit Schedule, which may be amended from time to time by SIERRA or Group.

G. Records, Reports and Billing.

1. PROVIDER shall submit claims to SIERRA or Group for Covered Services rendered. Such claims shall include statistical and descriptive medical and patient data and identifying information as specified by SIERRA or Group. All statements shall specify procedures accomplished using procedure codes in the most recent Physician's Current Procedural Terminology (CPT). PROVIDER shall maintain such records and provide, at usual and customary charge, copies of such medical, financial and administrative information to SIERRA, Group and state and federal government agencies as may be necessary for compliance by SIERRA and/or Group with state and federal law, as well as for SIERRA program management purposes. PROVIDER shall maintain medical records in accordance with any applicable state and/or federal laws or regulations. This includes maintaining medical records for a period of time which complies with CMS's medical record retention requirement. As of the effective date of this Agreement the CMS medical record retention requirement is (ten) 10 years. PROVIDER understands that this medical record retention requirement is subject to change at the discretion of CMS and it is PROVIDER's responsibility to ensure compliance with any future modified medical record retention requirements mandated by CMS. SIERRA, Group and applicable state and federal government agencies shall have access at reasonable times to the books, records, and papers of PROVIDER relating to the health care services provided to Insureds and to the cost thereof, and to copayments, coinsurance, and/or deductibles received by PROVIDER from Insureds for Covered Services.

2. PROVIDER shall submit claims for all Covered Services within thirty (30) days of the date of service but, in any event, no later than ninety (90) days following the date of service. Claims which are not submitted within this timely filing period shall not be honored for payment. PROVIDER agrees not to bill SIERRA, Group or Insureds for services associated with such claims. This provision shall not apply to any claim wherein SIERRA was the cause of the delay. PROVIDER certifies the accuracy, completeness and truthfulness of claims and/or encounter data.

3. PROVIDER shall maintain a medical record for each Insured. Medical records of Insureds will include reports from referral providers, discharge summaries, records of emergency care received by the Insured and such other information as is medically appropriate, including documentation of whether or not the Insured has executed an Advance Directive in accordance with the Omnibus Budget Reconciliation Act of 1990, Public Law 101-508. Medical records of Insureds shall be treated as confidential so as to comply with all federal and state laws and regulations regarding the confidentiality of patient records. In the event of termination of the Agreement, PROVIDER shall cooperate with the transfer of Insured's medical records to Insured's new provider. This provision is intended to apply only when a new treating physician or provider has a medical need for such medical records.

H. Provision of Services and Professional Requirements.

1. PROVIDER agrees, insofar as the scope of PROVIDER's practice permits, (a) not to differentiate or discriminate in the treatment of patients or in the quality of services delivered to Insureds on the basis of race, gender, age, religion, place of residence, health status, health care needs or source of payment, and (b) to observe, protect and promote the rights of Insureds as patients.

2. PROVIDER agrees that all duties performed hereunder shall be consistent with the proper practice of medicine and the related healing arts, and that such duties shall be performed in accordance with the customary rules of ethics and conduct of such bodies from which Physicians and other health care providers are subject to licensing and control.

3. PROVIDER agrees, to the extent feasible, to utilize such additional allied health and other qualified personnel who are also Plan Providers as are available and appropriate for the effective and efficient delivery of health care. PROVIDER agrees to provide clean facilities and equipment; maintain adequate, courteous, neat, consumer-oriented, properly credentialed staff; maintain orderly and efficient systems for receiving patients; maintain orderly and efficient systems for the provision of patient services; and maintain medical records in accordance with all applicable state and federal laws. PROVIDER agrees to allow the Medical Director, Group's medical consultants, or its designee, to inspect medical facilities, equipment and SIERRA or Groups Insureds' medical records, and review all phases of professional ancillary care provided to Insureds by PROVIDER.

4. PROVIDER agrees that the Covered Services provided hereunder will be made available and accessible to Insureds promptly and in a manner which assures continuity and quality of care.

I. Insurance. Provider is owned and operated by Clark pursuant to the provisions of Chapter 450 of the Nevada Revised Statutes. Clark County is a political subdivision of the State of Nevada. As such, Clark County and UMC are protected by the limited waiver of sovereign immunity contained in Chapter 41 of the Nevada Revised Statutes. Provider is self-insured as allowed by Chapter 41 of the Nevada Revised Statutes. Provider will provide Health Plan with a Certificate of Coverage prepared by its Risk Management Department certifying such self-coverage.

Prior to the Effective Date of this Agreement and within seven (7) days of each policy renewal thereafter, Provider shall submit to Sierra in writing evidence of insurance coverage.

J. Administration.

1. PROVIDER agrees to abide by the administrative, claim, Quality Management and Managed Care Program policies and procedures of SIERRA, Group or Group's designee, as applicable, as may be published and distributed from time to time in policy statements, newsletters, and other communications to PROVIDER.

2. PROVIDER acknowledges the importance of quality management systems in providing superior customer service. Therefore, PROVIDER shall, with the support of SIERRA or Group's cooperate in a quality management program to ensure quality customer service and further agrees that SIERRA may use PROVIDER's performance data as deemed appropriate by SIERRA. PROVIDER and SIERRA agree that quality management programs may address, but are not limited to the following: administrative services, access to health care services, utilization management, clinical quality assessment, PROVIDER and SIERRA administrative interface, and management information and report systems.

3. PROVIDER agrees to cooperate fully in SIERRA's credentialing and recredentialing processes and agrees to abide by SIERRA's credentialing and recredentialing policies.

4. If PROVIDER is a group practice, PROVIDER agrees to notify SIERRA each time PROVIDER adds additional practitioners to the group practice. PROVIDER agrees that SIERRA shall have the sole option at anytime of notifying PROVIDER that practitioners will not be considered a party to this Agreement. PROVIDER agrees that SIERRA has no obligation to pay for services rendered to Members by such non-authorized practitioners. PROVIDER further agrees that reimbursement for said services cannot be sought from the Member.

5. PROVIDER agrees to comply with the Quality Management Program for both hospital-based and office-based care. This includes but is not limited to: Random office and hospital review and case specific review, appropriate response to issues identified by SIERRA or governmental agencies, and cooperation with SIERRA and quality management mechanisms. PROVIDER will respond appropriately to all quality referred issues within a reasonable time frame but not to exceed fourteen (14) days of receipt. Failure to comply can result in financial disincentives or termination of this Agreement. SIERRA shall pay usual and customary charge for copies of Insureds medical records.

6. PROVIDER agrees to immediately notify SIERRA of any action affecting his/her license(s) to practice, including but not limited to any limitation, restriction, suspension or revocation. PROVIDER also agrees to immediately notify SIERRA of any action affecting his/her hospital privileges at any hospital, including but not limited to any limitation, restriction, suspension or revocation. If PROVIDER is a group practice, PROVIDER agrees to notify SIERRA if a physician is terminated from the group practice for quality reasons.

7. PROVIDER agrees that SIERRA reserves the right to conduct periodic audits and/or site surveys for the purpose of evaluating compliance with quality management standards.

8. PROVIDER agrees to cooperate with, participate in, and comply with all final determinations of any internal peer review, quality assurance review, external audit review, Managed Care Program, and grievance review procedures, as may be established by SIERRA.

9. PROVIDER agrees that SIERRA or Group may use PROVIDER's name, address, phone number, and type of practice in SIERRA or Group's roster of Plan Providers.

10. PROVIDER acknowledges and understands that SIERRA may, from time to time, establish relationships with other related or unrelated parties, including but not limited to third party administrators, preferred provider organizations and third party payers, by which SIERRA seeks to extend to them the contracted rates and/or discounts set forth in this Agreement. PROVIDER agrees to extend the rates and/or discounts set forth in this Agreement to any party, including but not limited to third party administrators, preferred provider organizations and third party payers, whether or not related to SIERRA, with which SIERRA has established a relationship or to which SIERRA has extended the benefit of those discounts.

11. PROVIDER agrees to cooperate with SIERRA or Group's administrative procedures in the coordination of benefits with third party payors. Third party payors include, but are not limited to, workers' compensation carriers, auto insurance carriers and other insurance carriers who may be responsible for all or a portion of a claim for services provided to an Insured.

12. PROVIDER agrees not to solicit SIERRA or Group's Insureds into any other Health Maintenance Organization, Preferred Provider Organization, managed care/alternative delivery system, or prepaid health care delivery network.

13. PROVIDER agrees not to knowingly or directly advise any Insured to dis-enroll from SIERRA and will not solicit any Insured or the Insured's employer to become enrolled with any other health maintenance organization, provider organization, the PROVIDER itself or any other similar hospitalization or medical payment plan or insurance program. PROVIDER shall use its best efforts to ensure that no employee of the PROVIDER or subcontractor of the PROVIDER makes any derogatory remarks regarding SIERRA to any Insured.

14. PROVIDER agrees, in the event that PROVIDER violates Article III, Sections A, B, C, D or E, of this Agreement, the excess charges for all such services will be the responsibility of PROVIDER. SIERRA or Group, as applicable, may deduct such amounts from any future payments to be paid by SIERRA or Group, as applicable, to PROVIDER under this Agreement.

15. If PROVIDER is a group practice, then whenever a physician leaves the group practice, the physician shall no longer provide Covered Services to Insureds unless he/she executes a new PROVIDER Agreement with SIERRA.

16. PROVIDER agrees that SIERRA, in consultation with Group, may include or exclude PROVIDER and/or any PROVIDER physician(s) in any panel of providers presented by SIERRA to any Group at any time while this Agreement is in effect. PROVIDER and PROVIDER physicians further understand that they may be included or excluded in any particular panel of providers presented by SIERRA to any client or Insured at the sole discretion of SIERRA at any time while this Agreement is in effect. In consideration of this Agreement, PROVIDER further understands that SIERRA is not guaranteeing whether PROVIDER and/or any PROVIDER physicians will be included or excluded in any particular panel or that he/she will be included or excluded in all such panels and/or products. SIERRA shall notify PROVIDER and/or PROVIDER physicians in writing whenever he/she is included or excluded from in any such panel and/or product.

K. Electronic Data Interface. PROVIDER agrees to comply with SIERRA's electronic data interface, and/or electronic information exchange network for purposes including, but not limited to, claims submission, claims payment, membership eligibility reporting, referrals and prior authorizations. The cost of establishing and maintaining this electronic data interface with SIERRA shall be the responsibility of the PROVIDER.

L. PROVIDER Compliance. PROVIDER represents and warrants to SIERRA that, at all times, PROVIDER will remain in compliance with all federal, state, local and all laws and regulations and the regulations of any applicable accrediting agencies.

M. Physician-Patient Communication.

1. PROVIDER shall have the right and is encouraged to discuss with his or her patients pertinent details regarding the diagnosis of the patient's condition, the nature and purpose of any recommended procedure, the potential risks and benefits of any recommended treatment, and any reasonable alternatives to such recommended treatment regardless of benefit coverage limitations.

2. PROVIDER's obligations not to disclose confidential information does not apply to any disclosures made to a patient determined by PROVIDER to be necessary or appropriate for the diagnosis and care of a patient, except to the extent such disclosure would otherwise violate PROVIDER's legal or ethical obligations.

3. PROVIDER is encouraged to discuss reimbursement methodology with his or her patients, subject only to PROVIDER's general contractual and ethical obligations not to make false or misleading statements. Accordingly, confidential information does not include descriptions of the compensation system methodology under which PROVIDER is reimbursed, although such confidential information does include the specific rates paid by SIERRA due to their competitively sensitive nature.

**ARTICLE IV. GENERAL PROVISIONS**

A. Modifications of this Agreement. This Agreement may be modified at anytime by mutual written agreement of the parties.

B. Interpretation. This Agreement shall be governed by the applicable laws of the state of Nevada in which PROVIDER provides Covered Services to Insureds. The invalidity or unenforceability of any terms or conditions hereof shall in no way affect the validity or enforceability of any other terms or provisions. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof.

C. Assignment. This Agreement, being intended to secure the services of PROVIDER shall not be assigned by either party without the written consent

D. Relationship of Parties. None of the provisions of this Agreement is intended to create nor shall it be deemed or construed to create any relationship between the parties hereto other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement. Neither of the parties hereto, nor any of their respective employees, shall be construed to be the agent, employer, representative or joint ventures of the other.

E. Provider Incentives. Both SIERRA and the PROVIDER understand and agree that any payment made directly or indirectly to the PROVIDER under any PROVIDER incentive provisions set forth in the Agreement are not made as an inducement to reduce or limit medically necessary services to any specific Insured.

F. Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitrator(s) may, upon application of any party, provide for discovery pursuant to the Nevada Rules of Civil Procedure, except that Rule 16.1 shall not be applicable to the arbitration proceeding and the right to discovery granted in Nevada Rule of Civil Procedure 26(a) shall not be dependent on compliance with such rule 16.1. The arbitration shall be conducted at Las Vegas, Nevada, and the parties shall jointly and equally bear all costs thereof, including the fees of the arbitrator(s), but each party shall pay its own costs and expenses incurred in the conduct of the arbitration, including attorney's fees.

G. Indemnification. Each party to this Agreement respectively assumes responsibility for liability, real or alleged, arising from its activities performed pursuant to this Agreement.

1. SIERRA shall indemnify and hold PROVIDER harmless from and against any and all liability, losses, damages, claims or cause of actions and expenses connected therewith (including reasonable attorney's fees and court costs) caused or asserted to have been caused directly or indirectly as a result of (a) SIERRA failure to perform its obligations under the terms of this Agreement, or (b) the negligent and/or intentional actions of officers, employees, servants, agents, representatives, or any person directly engaged or retained by SIERRA to discharge its obligations under this Agreement.

2. To the extent expressly authorized by Nevada law, PROVIDER agrees to indemnify and hold SIERRA and/or GROUP harmless from and against any and all liability, losses, damages, claims, or causes of action, and expenses connected therewith (including reasonable attorney fees and court costs), caused or asserted to have been caused, directly or indirectly, by or as a result of (a) PROVIDER's failure to perform their obligations under the terms of this Agreement, or (b) the negligent and/or intentional actions of officers, employees, servants, agents, representatives, or any person directly engage or retained by PROVIDER to discharge their obligations under this Agreement.

H. No Presumption Against Drafter. It is agreed between the parties that this Agreement was jointly negotiated and jointly drafted by the parties and their respective attorneys and that it shall not be interpreted or construed in favor of, or against, any party on the grounds that said party drafted the Agreement.

I. Successor in Interest. In the event all or substantially all of the assets of either party to this Agreement are acquired by another party, all the rights and obligations under this Agreement shall inure to the benefit of such successor in interest.

J. Confidentiality. Sierra acknowledges that Provider is a public county-owned hospital which is subject to the provisions of the Navada Public Records Act, Nevada Revised Statutes Chapter 239 and as such its contracts are public documents available to copying and inspection by the public. This Agreement shall not become effective until it is presented to be approved during a public meeting of Provider's governing board. If Provider receives a demand for the disclosure of any information related to this Agreement Which Sierra has claimed to be confidential and proprietary, such as Sierra programs, services, business practices or procedures, Provider will immediately notify Sierra of such demand and Sierra shall immediately notify Provider of its intention to seek injunctive relief in a Nevada court for protective order.

K. Entire Agreement. This document, with its attachments/exhibits, constitutes the entire agreement between the parties, whether written or oral, and as of the effective date hereof, supersedes all other agreements between the parties which provide for the same services as contained in this Agreement. Excepting modifications or amendments as allowed by the terms of this Agreement, no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

L. Corporate Compliance Program. PROVIDER acknowledges that SIERRA has adopted a Corporate Compliance Program in order to ensure that all business is conducted with honesty and integrity and in accordance with the highest moral, legal and ethical standards. SIERRA has prepared a Compliance Fact Sheet which summarizes the obligations of the PROVIDER pursuant to the Corporate Compliance Program (see Attachment).

M. Payment Responsibility. In the event that Group becomes bankrupt, or is otherwise unable or refuses to provide reimbursement for the Covered Services provided through Group's Health Care Plan, PROVIDER shall hold SIERRA harmless from any and all debts or damages resulting from, and shall waive all rights to proceed against SIERRA for the collection of any amounts owing to PROVIDER for services rendered to Insureds pursuant to Group's Health Care Plan.

**ARTICLE V. TERM AND TERMINATION**

A. Term. The Term of this Agreement shall be effective for a thirty-six (36) month period. Beginning January 1, 2023 and ending at 11:59 on December 2025, unless terminated sooner in accordance with the provision of this agreement.

B. Either party may terminate this Agreement by giving ninety (90) days prior written notice to the other party, except as provided in Paragraphs C, D and E of this Article, or otherwise specifically provided for elsewhere in this Agreement.

C. This Agreement may be terminated by either party at any time for material breach on the part of the other party of any terms of this Agreement, by giving thirty (30) days written notice to the other party. If the breaching party does not cure the breach to the satisfaction of the terminating party within thirty (30) days of the notice date, the Agreement shall become effectively terminated at the end of such thirty (30) day notice period.

D. This Agreement shall terminate immediately if PROVIDER is censured, placed on probation, or has his/her license to practice medicine or a related healing art suspended, revoked, or nullified in any state in which PROVIDER actively practices or practiced. It shall also terminate immediately in the event PROVIDER is convicted of a felony or is expelled or suspended from the Medicare or Medicaid programs (Titles XVIII or XIX of the Social Security Act). Additionally, it shall also terminate immediately in the event PROVIDER fails to meet the quality standards which includes successful completion of credentialing and recredentialing as specified in Article III, Section J, 3. If PROVIDER is an associate of a group practice, SIERRA shall have the option to terminate participation of specific PROVIDER or the Agreement with the group.

a. Termination of a PROVIDER'S individual Plan Provider from this Agreement if PROVIDER is a group practice.

SIERRA may terminate any individual Plan Provider from this Agreement without cause by providing PROVIDER ninety (90) days advance written notice.

SIERRA may also immediately terminate from this Agreement any PROVIDER individual Plan Provider under this Agreement, upon becoming aware of any of the following:

i. the suspension, revocation, condition, limitation, qualification or other material restriction on an individual Plan Provider's license, certification and/or permit by any government agency under which the individual Plan Provider is authorized to provide health care services;

ii. the suspension, revocation, condition, limitation, qualification or other material restriction of an individual Plan Provider's staff privileges at any licensed hospital, nursing home or other facility at which the individual Plan Provider has staff privileges during the term of this Agreement;

iii. any criminal charge related to the practice of individual Plan Provider profession or for an indictment, arrest, or conviction for a felony; or

iv. a sanction imposed by any governmental agency or authority, including Medicare or Medicaid.

E. Termination for Change in Ownership. Either Party may terminate this Agreement immediately upon written notice to the other party when the ownership changes.

F. If this Agreement is terminated pursuant to Paragraphs B, C, D or E of this Article, or in the event of insolvency of SIERRA, the rights of each party shall terminate, provided, however, that such action shall not release PROVIDER, SIERRA or Group, as applicable, of their obligations with respect to:

1. SIERRA or Group's agreement, as applicable, to issue payment to PROVIDER for Medically Necessary Covered Services rendered to Insureds with dates of service prior to termination; and

2. PROVIDER's agreement not to seek compensation from Insureds for Covered Services provided prior to termination or insolvency; and

3. Completion of treatment of Insureds then receiving care until continuation of the Insureds' care can be arranged by SIERRA or Group; and

4. Completion, in the case of insolvency, of Medically Necessary Covered Services for the premium-paid period for which Insured has made prepayment, or on whose behalf prepayment has been made.

G. In the event of notice of termination of this Agreement, SIERRA and/or Group shall notify Insureds of such fact and request Insureds to select another contracted Plan Provider prior to the effective date of termination. In any event, SIERRA or Group, as applicable, shall continue to compensate PROVIDER at the rate specified in this contract for those Insureds who elect to receive services from PROVIDER during the termination period.

H. If this Agreement is terminated, PROVIDER shall continue to provide and be compensated by SIERRA or Group, as applicable, for services provided under the terms of this Agreement to Insureds who are in a treatment plan or have been prior authorized for any services to be performed by PROVIDER.

I. Notice of Insolvency. SIERRA will provide written notice to PROVIDER as soon as is practicable in the event: (i) that a court determines that SIERRA is insolvent; or (ii) of any other cessation of operations by SIERRA.

**ARTICLE VI. NOTICES**

All notices required by this Agreement shall be in writing and shall be sent first class mail to the respective parties at their principal office set forth below. However, notices of termination as provided for in Article V shall be sent by certified mail, return receipt requested. The date the notice is sent shall be considered the date of notice.

**(The remainder of this page is intentionally left blank.)**

**ARTICLE VII. ATTACHMENTS**

Upon execution by both parties, this Agreement and all its Attachments, including but not limited to Attachment B (Compensation), Attachment C (Utilization Management/Quality Assurance Plans), Attachment D (Corporate Compliance), Attachment E (Workers' Compensation) and Attachment F (Standards), shall become effective and shall supersede all previous version(s) of this Agreement, inclusive of all Amendments, Attachments, and Exhibits.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the _____ day of _____, _____, and it shall become effective on the _____ day of _____, _____.

**THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION THAT MAY BE ENFORCED BY THE PARTIES.**

**SIERRA HEALTH AND LIFE INSURANCE COMPANY, INC. / SIERRA HEALTHCARE OPTIONS, INC.**

By: _____
Signature

Name: Jean F McFarlane

Vice President, Network Development & Contracts

Address: P.O. Box 15645
Las Vegas, NV 89114-8408
(702) 242-7088

**PROVIDER**

Name: University Medical Center of Southern Nevada

By: _____
Signature

Name: Mason Van Houweling

Chief Executive Officer

1800 W. Charleston Blvd.
Street

Las Vegas, Nevada 89102

702-383-2000
Telephone Number

Fax Number
88-6000436

Fed. Tax I.D. # (For Corporation/Partnerships)

Social Security # (For Sole Proprietor/Individual)

666HOS-62
State License Number

D.E.A. (B.N.D.D.) Number

#29-0007
Medicare I.D. Number

UPIN Number
1548393127

National Provider Identifier (NPI) Number

**ATTACHMENT A**

(To be used only if more than one provider will be providing service under this agreement)

University Medical Center of Southern Nevada
(Name of Individual/Group Provider or Association)

**Physicians and Other Providers**

**For all licensed and credentialed providers who will be providing care to Insureds, list full name and title, specialty, state license number, DEA number, UPIN number and Medicare ID number. Please note that your contract cannot be executed and given an effective date until all this information is provided to our office.**

(attach separate listing if more convenient)

| Name / Address / Phone (include MD, DO, etc.) | Specialty(ties) | State License Number | DEA/ BNDD Number | UPIN Number | *Medicare ID Number | *Fed. Tax ID Number |
|---|---|---|---|---|---|---|

See attached

* NOTE: Please include Federal Tax I.D. Number and Medicare I.D. Number for each provider unless all providers in the group use a single common I.D. number(s) for billing and identification purposes.

**SIERRA HEALTH AND LIFE INSURANCE COMPANY, INC.**
**SIERRA HEALTHCARE OPTIONS, INC.**

**ATTACHMENT B**

**COMPENSATION FOR COVERED SERVICES TO INSUREDS**

**FOR ORTHOPEDIC SURGERY SERVICES**

I. Compensation. For Medically Necessary Covered Services provided by PROVIDER to Insureds, SIERRA shall pay PROVIDER one hundred fifty (150%) if the Medicare Maximum Allowable Amount for all codes with the exception of approved physician administered/office dispensed medication(s) which shall be reimbursed at one hundred f i f t y percent (150%) of the Medicare Maximum Allowable Amount, less applicable copayments, coinsurance and/or deductibles.

II. Ineligible Insureds. There may be Insureds considered eligible at the time services are provided that are found subsequently not to be eligible, and Insureds may subsequently be identified as SIERRA not being the primary carrier. Erroneous payments for these services will be adjusted from future payments to PROVIDER, and explanations will be provided to PROVIDER by SIERRA.

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**SIERRA HEALTH & LIFE INSURANCE COMPANY, INC. /**
**SIERRA HEALTHCARE OPTIONS, INC.**

**ATTACHMENT B.1**

**COMPENSATION FOR COVERED SERVICES FOR ANESTHESIA TO INSUREDS**

I. For Medically Necessary Covered Services provided by PROVIDER to Insureds, SHL, SHO, Group or Group's designee, as applicable, shall reimburse PROVIDER, less applicable copayments, coinsurance, and/or deductibles, as follows:

| A. | CPT Codes | Reimbursement |
|---|---|---|
| | 00100 – 01999 | $65.00 per ASA unit for Physicians |
| | 00100 – 01999 | $55.00 per ASA unit for CRNAs |

B. All other codes for Physicians and CRNAs shall be reimbursed at the lesser of 75% billed charges or SIERRA Fee Schedule.

II. ASA Ground Rules. Ground rules established in the ASA Relative Value Guide shall be observed by the PROVIDER in submitting claim statements.

III. Physical Status Modifiers. It is further agreed that on all SIERRA patients no physical modifiers will apply or be used.

IV. Ineligible Insureds. There may be Insureds considered eligible at the time services are provided that are found subsequently not to be eligible, and Insureds may subsequently be identified as SIERRA not being the primary carrier. Erroneous payments for these services will be adjusted from future payments to PROVIDER, and explanations will be provided to PROVIDER by SIERRA.

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**SIERRA HEALTH AND LIFE INSURANCE COMPANY, INC.**
**SIERRA HEALTHCARE OPTIONS, INC.**

**ATTACHMENT C**

**UTILIZATION MANAGEMENT PLAN / QUALITY ASSURANCE PLAN**

Sierra Health and Life Insurance Company, Inc. Utilization Management Program Description, effective 01/01/13.

Sierra Health and Life Insurance Company, Inc. Quality Program Description, effective 02/01/13.

Sierra Health Care Options, Inc. Utilization Management Plan, Sierra Policy #WRHCO-101B, effective 3/99, revised, 2/01; revised 2/02, 4/03.

**SIERRA HEALTH AND LIFE INSURANCE COMPANY, INC.**
**SIERRA HEALTHCARE OPTIONS, INC.**

**ATTACHMENT D**

**COMPLIANCE FACT SHEET**

Sierra Health Services, Inc., and its subsidiaries (the "Company"), have adopted a Corporate Compliance Program. The purpose of this Program is to ensure that the Company conducts its business with honesty and integrity, and in accordance with the highest moral, legal, and ethical standards. As a Vendor of the Company and/or one of its subsidiaries, you are also required to conduct your business with the Company in accordance with these standards. Set forth below is a summary of the standards of conduct for which you will be held accountable. If you have any questions or concerns, or if you wish to report a violation of these policies, you are instructed to immediately contact the Corporate Compliance Officer at (702) 242-7186. As used below, the term "Vendor" includes providers of goods or services, medical providers, or agents and brokers doing business with the Company or one of its subsidiaries, or the employees, agents, or representatives of such entity.

**DUTY TO NOTIFY REGARDING LEGAL STATUS**

The Company will not willingly contract with or retain any Vendor who has been listed by a state or federal agency as debarred, excluded or otherwise ineligible for federal or state program participation or whose license had been revoked or suspended. If either of these situations apply to you, or if they become applicable subsequent to the commencement of your relationship with the Company, you must notify the Corporate Compliance Officer as soon as possible. Failure to do so may result in the termination of your relationship with the Company and its subsidiaries.

The Violent Crime Control and Law Enforcement Act of 1994 places limitations on the Company's ability to conduct business with persons who have been convicted of certain types of felonies. If you have ever been convicted of a felony or if you are convicted of a felony subsequent to the receipt of the Compliance Fact Sheet, you have an affirmative duty to notify the Corporate Compliance Officer regarding the details of your conviction. However, conviction of a felony is not an automatic bar to conducting business with the Company. Convictions will be reviewed on case by case basis.

**FRAUD AND ABUSE**

It is the policy of the Company to consistently and fully comply with all laws and regulations pertaining to the delivery and billing for services which apply to the Company on account of its participation in Medicare, Medicaid, TRICARE, the Federal Employees Health Benefits Program and other government programs. As a Vendor of the Company, it is your responsibility to understand and comply with those state and federal regulations which apply to you and your relationship with the Company, and to support the Company's compliance efforts by reporting any suspected violations and cooperating in any investigation related to these issues.

**GENERAL BUSINESS PRACTICES**

Any attempt by a Vendor to influence Company employees to purchase goods or services other than on the basis of quality, services, and competitive pricing, may result in the loss of future business with the Company. If a Company employee suggests to you that you may obtain business with the Company in return for a personal benefit to that employee, you must report this incident immediately to the Corporate Compliance Officer. You are also expected to fully disclose to the Company any information regarding potential conflicts of interest you may have which could impact the Company's decision to do business with you.

## CONFIDENTIALITY

Neither party to this Agreement shall disclose proprietary or confidential information, except for items necessitated by the execution of this Agreement to any other party without the express written consent of the other party. For purpose of this Agreement, "proprietary and confidential information" includes information concerning all business practice and records, including, but not limited to, information concerning products, pricing contracts, or business methods in any form whatsoever. It shall not include information otherwise available in the public domain, information that is subject to NRS 239, as may be amended from time to time, or any information that is received by a party from a source that is not subject to confidentiality obligation.

Each party acknowledges the other party's proprietary interest in its name and derivatives thereof, as well as certain symbols, trademarks and service marks. Each party agrees not to use the other party's name marks, designs or symbols in any promotional material or any other manner without the other party's written approval, except as otherwise provide for in the Agreement. Upon request, each receiving party shall either promptly return to the disclosing party all documents and materials (and all copies thereof) containing proprietary and confidential information of the disclosing party or to destroy all such items as the disclosing party may direct.

## PROHIBITED RECEIPTS AND PAYMENTS

Vendors are prohibited from engaging in the following transactions in order to obtain business, retain business or direct business to others, or to induce Company employees, government officials or others, to fail to perform or to improperly perform their official functions:

- Payment or offer to pay anything of value, directly or indirectly, to any government official or Company employee.
- Payment or offer to pay anything of value, directly or indirectly, to any party in the form of a commercial bribe, influence payment or kickback.
- Receipt or acceptance of anything of value, directly or indirectly, from any party in the form of a commercial bribe, influence payment or kickback.

## POLICY VIOLATIONS AND REPORTING REQUIREMENTS

Vendors must report all suspected, actual or potential violations of the standards and policies outlined in this Compliance Fact Sheet to the Corporate Compliance Officer and must cooperate in all investigations relating to such violations where the Vendor has any personal knowledge of the facts. There shall be no retaliation against the Vendor as a result of such good faith reporting. In the event of an investigation by any state or federal government agency, the Vendor will respond promptly and with complete honesty as requested by government investigators. The Company requests that if you are contacted by government representatives with regards to the Company's operations, that you immediately notify the Corporate Compliance Officer. The Corporate Compliance Officer can be reached at (702) 242-7186, fax (702) 242-5439.

**SIERRA HEALTHCARE OPTIONS, INC.**

**ATTACHMENT E**

**WORKERS COMPENSATION**

For services rendered to employees of employers who participate in the Workers Compensation Managed Care product offered by SIERRA, PROVIDER agrees to the following:

1. Compensation. Compensation shall be 100% of the Division of Industrial Relations (DIR) allowable rates.

2. Managed Care. PROVIDER agrees to comply with the standards as established by SIERRA and as SIERRA is directed by the DIR or other legislative directives that are applicable to work-related injury/illness. Those standards include but are not limited to:

   A. Immediate access to care for urgent/emergent injuries.

   B. Appointment availability as soon as possible or within 5 working days of the date injury is reported to employer.

   C. PROVIDER agrees to contact the employer within 24 hours of the examination with a working diagnosis, plan of treatment, anticipated return to work date and any authorization for lost time days. Progress reports to be submitted weekly or as requested, written documentation of consult/ examination to be submitted to the Primary Care Provider and the Medical Director within 7 days of the examination.

   D. PROVIDER agrees to provide expert testimony before the Appeals officers and other courts.

   E. PROVIDER agrees to visit employee work site as requested by employer and/or Medical Director.

3. PROVIDER agrees to cooperate fully with the Case Manager, Medical Director or designee and the employer representative to determine the most effective and efficient method of treatment for the work related injury/illness.

4. PROVIDER agrees not to refer an injured worker to a health facility or service in which the health care provider, a partner of the PROVIDER (including a partnership which is unrelated to the practice of health care) or any member of the immediate family of the PROVIDER has a financial interest unless the service required by the worker is not otherwise available within a 30-mile radius of the office of the PROVIDER, the service is rendered by a provider participating in a health maintenance organization certified pursuant to Chapter 695C of NRS, the provider is a member of a group practice and the referral is made to the group practice, the referral is to a surgical center for ambulatory patients as defined in NRS 449.019 or the financial interest possessed by the provider represents an investment in securities under the Securities and Exchange Act of 1934 in a corporation that has a shareholder equity of more than $100 million.

5. Any claim for injured worker received on or after the effective date of this contract for treatment shall be reimbursed in accordance with the compensation as stated in Paragraph 1, regardless of the date of injury.

6. Provide for the resolution of complaints submitted to the PROVIDER pursuant to NRS 616B.514.

PROVIDER agrees that PROVIDER's personnel making determinations in the dispute resolution process must be made available to the SYSTEM without additional charge, and contract providers will be paid a maximum of $100 per hour to provide expert testimony at all administrative hearings and court proceedings. Where possible, the SYSTEM will arrange to allow such testimony to be provided telephonically.

7. PROVIDER shall be required to show proof of worker's compensation insurance.

8. All other terms and conditions of the provider contract with Sierra Health & Life Insurance Company will remain in effect.

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**SIERRA HEALTH AND LIFE INSURANCE COMPANY, INC.**
**SIERRA HEALTHCARE OPTIONS, INC.**

**ATTACHMENT F**

**STANDARDS**

I. PROVIDER agrees to the following access standards for the specialties of family practice, general practice, internal medicine, OB/GYN and pediatrics:

A. Access:

1. Emergent: There is an appointment available the same day/12 hours.

2. Urgent: There is an appointment available within 24 hours.

3. Routine: There is an appointment available within 7 days from the date of referral/request.

4. Preventative: There is an appointment available within 30 days from the date of referral/authorization.

All standards are based on availability of an appointment at any location. Patient requests for a particular time or site does not influence the availability standard.

II. PROVIDER agrees to the following access standards for all other specialties not listed in section I above:

A. Access:

Specialist Consultation (Outpatient)

1. STAT: Appointment is available within 24 hours.

2. Expedited: Appointment is available within 72 hours.

3. At Risk: Appointment is available within 14 days.

4. Routine: Appointment is available within 30 days.

Specialist Consultation (Inpatient)

1. Consultation referral before 12:00 noon: Same day

2. Consultation referral after 12:00 noon: Next day

All standards are based on availability of an appointment at any location. Patient requests for a particular time or site does not influence the availability standard.

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Medicaid / Nevada Check-Up Consulting Provider Agreement** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Medicaid / Nevada Check-up Consulting Provider Agreement with Health Plan of Nevada, Inc. for managed care services; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000
Fund Center: 30008480000
Description: Managed care services
Bid/RFP/CBE: NRS 332.115(1)(f) – Insurance
Term: 11/1/2022 – 10/31/2025
Amount: Revenue based on volume
Out Clause: 90 days without cause

Fund Name: UMC Operating Fund
Funded Pgm/Grant: N/A

**BACKGROUND:**

This request is to enter into a new Medicaid / Nevada Check-Up Consulting Provider Agreement ("Agreement") with Health Plan of Nevada, Inc. ("Health Plan") to provide its members healthcare access to UMC's Specialty Clinic for Anesthesia and Orthopedic Services. The Agreement term is from November 1, 2022, through October 31, 2025. Either party may terminate the Agreement with a 90-day written notice to the other party.

UMC's Director of Managed Care has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Health Plan currently holds a Clark County business license.

Cleared for Agenda
March 22, 2023

Agenda Item #
**11**

**Health Plan of Nevada, Inc.**

**MEDICAID / NEVADA √CHECK-UP**
**CONSULTING PROVIDER AGREEMENT**

THIS AGREEMENT is made and entered into by and between Health Plan of Nevada, Inc., a corporation organized under the laws of the State of Nevada (hereinafter referred to as "HEALTH PLAN") and University Medical Center Southern Nevada, a county-owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statues, which employs physician specialists licensed to practice medicine in the State of Nevada (hereinafter referred to as "Consulting Provider").

NOW THEREFORE, in consideration of the promises and the agreements herein contained, it is mutually agreed as follows:

**ARTICLE I. DEFINITIONS**

A. "Aberrant Bedday" means one in which a patient is kept at a level of care (ICU, telemetry, med-surg, transitional, SNF) when a lower level of care or a discharge would have been appropriate given the medical necessity, including extraneous beddays resulting from delayed procedures and/or reporting of results.

B. "Member(s)" or "Subscriber(s)" means those persons who are designated by the Division of Health Care Financing and Policy (DHCFP) as eligible for Medicaid / Nevada √Check-up and who have selected or are enrolled in Health Plan of Nevada, Inc.

C. "CONSULTING PROVIDER" means a duly licensed and/or certified practitioner of the health care specialty listed in this Article, Paragraph D, and who, through the execution of this Agreement, shall provide Consultant Services to Members upon appropriate referral from a Primary Care Physician (if Agreement is with a group practice, then "CONSULTING PROVIDER" includes those providers listed on Attachment A).

D. "Consultant Services" means those Covered Services provided to Members by CONSULTING PROVIDER, in the specialty field of Anesthesia and Orthopedic Surgery, upon appropriate referral of a Primary Care Physician.

E. "Physician Advisor" means a physician designated by Hospital to monitor and review the provision of Covered Services to patients. Physician Advisors shall participate in any requested peer to peer review with Health Plan's Medical Directors.

F. "Primary Care Physician" means a duly licensed doctor of medicine or osteopathy who has entered into an agreement with HEALTH PLAN to provide certain Covered Services to Members who have selected or been assigned to him/her, and to assume primary responsibility for arranging and coordinating the overall health care of such Members.

G. "Plan Provider" means a health professional or any other entity or institutional health care provider which has entered into a written agreement with HEALTH PLAN or is otherwise approved by HEALTH PLAN to provide Covered Services to Members.

H. "Covered Services" means those medical, hospital and other health care services and benefits to which Members are entitled under the terms of the applicable group or individual medical and hospital service certificates of coverage which may be amended by HEALTH PLAN from time to time.

I. "Medical Director" means a duly licensed physician whom has been designated by HEALTH PLAN to monitor the provision of, and the appropriate utilization of, Covered Services to Members.

J. "Medically Necessary" services and/or supplies means the use of services or supplies as provided by a hospital, skilled nursing facility, CONSULTING PROVIDER or any other health care provider required to identify or treat a Member's illness or injury and which, as determined by the HEALTH PLAN are:

1. Consistent with the symptoms and signs, or diagnosis and treatment of the Member's condition, disease, ailment or injury;

2. Appropriate with regard to standards of good medical practice;

3. Not solely for the convenience or preferences of the Member, his or her CONSULTING PROVIDER, Primary Care Physician, Plan Provider, hospital or any other health care provider; and

4. The most appropriate supply or level of service, which can be safely provided to the Member. When specifically applied to an inpatient, it further means that the Member's medical symptoms or condition requires that the diagnosis or treatment cannot be safely provided to the Member as an outpatient.

   Services, supplies and accommodations will not automatically be considered Medically Necessary because they were prescribed by a physician. HEALTH PLAN may consult with professional medical consultants, peer review committees, and other appropriate sources for recommendations regarding the Medical Necessity of the services, supplies and accommodations a Member receives.

K. "Managed Care Program" means the prior authorization process by which HEALTH PLAN determines medical necessity and directs care to the most appropriate setting so as to provide health care in the most cost-effective manner.

L. "Emergency Services" means health care services provided to a Member after the sudden onset of a medical condition that manifests itself by symptoms of sufficient severity that a prudent person would believe that the absence of immediate medical attention could result in:

1. Serious jeopardy to the health of a Member; or

2. Serious jeopardy to the health of an unborn child; or

3. Serious impairment of a bodily function; or

4. Serious dysfunction of any bodily organ or part.

M. "Joint Operations Committee" means a committee made up of four (4) representatives, two (2) representatives each appointed by HEALTH PLAN and CONSULTING PROVIDER. The number of committee members may be increased or decreased by mutual agreement of HEALTH PLAN and CONSULTING PROVIDER. The committee may be called by any Committee member on at least seven (7) days prior notice; the Committee shall conduct business only when all four (4) representatives are present at any such meeting, either in person, telephonically, or by proxy. The Committee shall ordinarily discuss and make recommendations to resolve routine operating problems, and such as shall be determined by HEALTH PLAN and CONSULTING PROVIDER; provided, however, that the committee shall not have the power to make decisions binding upon the parties hereto.

N. "Clean Claim" is a claim that has no defect or impropriety, including lack of required substantiating documentation, or particular circumstances requiring special treatment that prevents timely payment from being made on the claim, including, but not limited to, claims where coordination of benefits is actively pursued; or medical claims review is necessary; or pre-existing conditions may exist.

**ARTICLE II. AGREEMENTS OF HEALTH PLAN**

A. Administrative Procedures. HEALTH PLAN shall make available to CONSULTING PROVIDER the HEALTH PLAN's administrative procedures, required under this Agreement. These procedures include but are not limited to the Provider Summary Guide (PSG). The PSG is available online at https://www.myhpnonline.com. HEALTH PLAN may provide periodic updates and/or revisions to the PSG as may be published and distributed from time to time through a variety of mechanisms: in policy statements, newsletters, fax blasts, mailings, emails, website postings, and other communications available to the CONSULTING PROVIDER. In the event of a conflict between administrative procedures, including but limited to the PSG, and any provision of this Agreement, the administrative procedures shall control except with regard to benefit plans outside the scope of this Agreement or unless otherwise required by law. In the event HEALTH PLAN is required to amend or supplement this Agreement or administrative procedures, including but limited to the PSG, as required or requested by the DHCFP, or other authorized regulatory body, to comply with federal or state regulations, HEALTH PLAN will unilaterally initiate such additions, deletions, or modifications.

B. Listing of Plan Providers. HEALTH PLAN shall provide CONSULTING PROVIDER with a periodic listing of HEALTH PLAN'S Plan Providers.

C. Members' Schedule of Benefits. HEALTH PLAN shall provide or make available to CONSULTING PROVIDER the current Members' Schedule of Benefits, including a listing of applicable copayments, and shall provide CONSULTING PROVIDER with periodic updates of such Schedule.

D. Identification Cards. HEALTH PLAN shall furnish each Member with an identification card with appropriate description indicating the Member's eligibility for certain Covered Services.

E. Compensation. HEALTH PLAN shall pay to CONSULTING PROVIDER the compensation set forth in Attachment B, for Covered Services provided to Members by CONSULTING PROVIDER. Clean claims shall be processed and paid in accordance with applicable state regulations.

F. Confidentiality. HEALTH PLAN shall hold in confidence CONSULTING PROVIDER's charges on file with HEALTH PLAN, and under no circumstances disclose such charges unless legally compelled to do so, or for the purposes of peer or utilization management, or for coordination of benefits.

G. Orientation and Training Assistance. HEALTH PLAN shall provide assistance in the orientation and training of CONSULTING PROVIDER and his/her office staff in the administrative, utilization management, and quality assurance procedures of HEALTH PLAN.

**ARTICLE III. AGREEMENTS OF CONSULTING PROVIDER**

A. Health Services.

1. CONSULTING PROVIDER agrees to provide to Members, for the compensation set forth in Attachment B, Consultant Services in his/her office or in other such facilities and locations as are mutually agreed upon by the parties.

2. CONSULTING PROVIDER shall provide Consultant Services to Members for Covered Services only upon referral of a Primary Care Physician. CONSULTING PROVIDER agrees to discuss with, and seek the approval of, the referring Primary Care Physician prior to rendering or arranging any continuing treatment of a Member, including hospitalization, which is beyond the specific treatment authorized by the referring Primary Care Physician's referral authorization.

3. CONSULTING PROVIDER agrees not to refer a Member to another physician, health professional, or other health care provider without the prior concurrence of the referring Primary Care Physician.

4. CONSULTING PROVIDER agrees to use best efforts to use Plan's network Providers including specialist physicians, hospitals, extended care facilities and other health care providers in the care of Members. In the event that services required by a Member are not available from such providers, other physicians or providers may be utilized with the prior approval of the Health Plan's Medical Director or his/her designee.

5. CONSULTING PROVIDER agrees to submit to referring Primary Care Physician, a report of the treatment, if any provided to such Member. Such reports may initially be given to referring Primary Care Physician verbally, provided that a written report is sent within ten (l0) working days following the treatment. Reports shall be in a form acceptable to HEALTH PLAN.

6. CONSULTING PROVIDER agrees to abide by the terms of the Primary Care Physician Agreement relating to self-referral care provided to any Members for whom CONSULTING PROVIDER is also such Members' Primary Care Physician.

7. CONSULTING PROVIDER agrees in emergency (life-threatening) situations to provide necessary emergency services. In those situations, CONSULTING PROVIDER agrees to notify Primary Care Physician within 24 hours.

B. Hospital Admissions. In cases where a Member requires non-emergency hospital admission, CONSULTING PROVIDER agrees to have the referring Primary Care Physician secure prior authorization for such admission from the Medical Director or his/her designee, certifying the Covered Services and the number of inpatient days authorized under the Managed Care Program. In addition, CONSULTING PROVIDER agrees not to extend the initial length of stay authorized by HEALTH PLAN without Prior Authorization from HEALTH PLAN'S Medical Director or his/her designee.

C. Aberrant Bedday Determination and Sanctions. Hospital stay Aberrant Beddays shall be identified by HEALTH PLAN's Utilization Management Department and an Aberrant Bedday report stating the number of Aberrant Beddays and the CONSULTING PROVIDER responsible for these days shall be sent to the Medical Director, and the Utilization Management committee. After a full and complete review of this report and the reasons therefore, the CONSULTING PROVIDER responsible for the Aberrant Beddays will be given a verbal warning for the first time he/she has created Aberrant Beddays, a written warning for the second such incident and for all Aberrant Beddays created thereafter, financial sanctions will be assessed against this CONSULTING PROVIDER. The financial sanctions will be determined by the Utilization Management Committee or other designated committee as determined by HEALTH PLAN. A provider subject to financial sanctions may appeal this decision, prior to the sanctions being implemented, to the Medical Director. The decision of the Medical Director will be final.

D. Prior Authorization.

1. CONSULTING PROVIDER agrees to comply with HEALTH PLAN's Managed Care Program and to obtain Prior Authorization from HEALTH PLAN for specified non-emergent inpatient and outpatient Covered Services, and for all referrals to non-Plan Providers, as set forth in the HEALTH PLAN's current listing of Covered Services requiring Prior Authorization.

2. CONSULTING PROVIDER understands that Prior Authorization is approved by HEALTH PLAN based upon the current information that has been made available to HEALTH PLAN. Any payment for Covered Services is subject to Member eligibility, Primary Care Physician referral, compliance with HEALTH PLAN'S Managed Care Program, contractual limitations and exclusions, and coordination of benefits.

E. Physician-Patient Communication.

1. CONSULTING PROVIDER shall have the right and is encouraged to discuss with his or her patients pertinent details regarding the diagnosis of the patient's condition, the nature and purpose of any recommended procedure, the potential risks and benefits of any recommended treatment, and any reasonable alternatives to such recommended treatment.

2. CONSULTING PROVIDER's obligations not to disclose Proprietary Information do not apply to any disclosures made to a patient determined by CONSULTING PROVIDER to be necessary or appropriate for the diagnosis and care of a patient, except to the extent such disclosure would otherwise violate CONSULTING PROVIDER's legal or ethical obligations.

3. CONSULTING PROVIDER is encouraged to discuss reimbursement methodology with his or her patients, subject only to CONSULTING PROVIDER's general contractual and ethical obligations not to make false or misleading statements. Accordingly, proprietary information does not include descriptions of the Compensation System methodology under which CONSULTING PROVIDER is reimbursed, although such Proprietary Information does include the specific rates paid by HEALTH PLAN due to their competitively sensitive nature.

F. Claim Review. CONSULTING PROVIDER agrees that HEALTH PLAN shall have the right to determine the Medical Necessity and the accuracy of all claims reported for services provided to Members by CONSULTING PROVIDER through the use of HEALTH PLAN's committees, Medical Director, consultants and claims editing software utilized for claims adjudication. HEALTH PLAN shall have the right to refuse payment for services determined to be not Medically Necessary.

G. Charges to Members.

1. CONSULTING PROVIDER agrees to collect applicable copayments, if any, from Members at the time services are provided by the CONSULTING PROVIDER. Except for the collection of copayments as set forth above, the CONSULTING PROVIDER shall look only to HEALTH PLAN for compensation for Medically Necessary Covered Services. In addition, CONSULTING PROVIDER shall under no circumstances, including the termination of this Agreement or the insolvency of HEALTH PLAN, assert any claim for compensation against Members for Covered Services in excess of applicable copayments. However, CONSULTING PROVIDER may provide additional, non-Covered Services to Members, provided that the Member clearly understands that such services are not Covered Services and that HEALTH PLAN shall not pay for such services. This section shall supersede any other written or oral contrary agreement between CONSULTING PROVIDER and Member that conflict with this section of the Agreement.

2. CONSULTING PROVIDER, or agent, or trustee or assignee thereof may not maintain any action at law against a subscriber or enrollee to collect sums owed by HEALTH PLAN.

3. CONSULTING PROVIDER agrees that this provision shall survive the termination of this

Agreement for authorized services rendered prior to the termination of the Agreement, regardless of the cause giving rise to termination, and shall be construed to be for the benefit of the HMO subscribers/enrollees. This provision is not intended to apply to services provided after this Agreement has been terminated.

4. CONSULTING PROVIDER agrees that applicable copayments collected by CONSULTING PROVIDER shall be as set forth in the current Members' Schedule of Benefits, which may be amended from time to time by HEALTH PLAN.

5. CONSULTING PROVIDER shall follow the appeals process for Medicare Enrollees as set forth by federal law and regulation. CONSULTING PROVIDER shall be bound by any and all Federal Centers for Medicare and Medicaid Services (CMS; formerly Health Care Financing Administration [HCFA]) language requirements of initial determination letters and other correspondence directed to Medicare Enrollees. CONSULTING PROVIDER shall be bound by HEALTH PLAN's determination of appeal cases.

H. Records and Reports.

1. CONSULTING PROVIDER shall submit claims or encounter reports to HEALTH PLAN for Covered Services rendered to Members, which include such statistical and descriptive medical and patient data, and identifying information as specified by HEALTH PLAN. All statements shall specify procedures accomplished using procedure codes in the most recent Physician's Current Procedural Terminology (CPT). CONSULTING PROVIDER shall maintain such records and provide, at usual and customary charges for hard copies of such medical, financial and administrative information to HEALTH PLAN and state and federal government agencies as may be necessary for compliance by HEALTH PLAN with state and federal law, as well as for HEALTH PLAN program management purposes. CONSULTING PROVIDER shall maintain medical records in accordance with any applicable state and/or federal laws or regulations. This includes maintaining medical records for a period of time which complies with CMS's medical record retention requirement. As of the effective date of this Agreement the CMS medical record retention requirement is (ten) 10 years. CONSULTING PROVIDER understands that this medical record retention requirement is subject to change at the discretion of CMS and it is CONSULTING PROVIDER's responsibility to ensure compliance with any future modified medical record retention requirements mandated by CMS. HEALTH PLAN and applicable state and federal government agencies shall have access at reasonable times to the books, records, and papers of the CONSULTING PROVIDER relating to the Consultant Services provided Members and to the cost thereof, and to copayments received by CONSULTING PROVIDER from Members for Covered Services.

2. CONSULTING PROVIDER shall cooperate with HEALTH PLAN in its compilation of quarterly, and all other reports, contracts, or other information required of HEALTH PLAN by NCQA or any other accreditation or regulatory agency, including without limitation, all information contained in HEDIS data fields applicable to services. For these purposes, CONSULTING PROVIDER shall use any format reasonably required by HEALTH PLAN.

3. CONSULTING PROVIDER shall submit claims for all Covered Services directly to HEALTH PLAN, together with any required referral authorizations signed by the appropriate referring Primary Care Physician, within thirty (30) days of the date of service but, in any event, no later than one hundred eighty (180) days following the date of service. Claims which are not submitted within this timely filing period or with incomplete or inaccurate information shall not be honored for payment. CONSULTING PROVIDER agrees not to bill HEALTH PLAN or Members for services associated with such claims. This provision shall not apply to any claim wherein HEALTH PLAN was the cause of the delay. CONSULTING PROVIDER certifies the accuracy, completeness and truthfulness of claims and/or encounter data.

4. CONSULTING PROVIDER shall maintain a medical record for each Member in accordance with the requirements established by HEALTH PLAN. Medical records of Members will include reports from referral providers, discharge summaries, records of emergency care received by the Member and such other information as HEALTH PLAN requires, including documentation of whether or not the Member has executed an Advance Directive in accordance with the Omnibus Budget Reconciliation Act of 1990, Public Law 101-508. Medical records of Members shall be treated as confidential so as to comply with all federal and state laws and regulations regarding the confidentiality of patient records. In the event of termination of this Agreement, CONSULTING PROVIDER shall cooperate with the transfer of Member's medical records to Member's new HEALTH PLAN provider. This provision is intended to apply only when a new treating physician or provider has a medical need for such medical records.

I. Provision of Services and Professional Requirements.

1. CONSULTING PROVIDER agrees, insofar as the scope of CONSULTING PROVIDER's practice permits, (a) not to differentiate or discriminate in the treatment of patients or in the quality of services delivered to Members on the basis of race, gender, age, religion, place of residence, health status, health care needs or source of payment, and (b) to observe, protect and promote the rights of Members as patients.

2. CONSULTING PROVIDER agrees that all duties performed hereunder shall be consistent with the proper practice of medicine, and related healing arts, and that such duties shall be performed in accordance with the customary rules of ethics and conduct of such bodies, formal or informal, governmental or otherwise, from which CONSULTING PROVIDER seeks advice and guidance or to which he/she is subject to licensing and control.

3. CONSULTING PROVIDER agrees, to the extent feasible, to utilize such additional allied health and other qualified personnel who are also Plan Providers as are available and appropriate for effective and efficient delivery of health care. CONSULTING PROVIDER agrees to provide clean facilities and equipment; maintain adequate, courteous, neat, consumer-oriented, properly credentialed staff; maintain orderly and efficient systems for receiving patients; maintain orderly and efficient systems for the provision of patient services; and maintain medical records. CONSULTING PROVIDER agrees to allow HEALTH PLAN'S Medical Director, or his designee, to inspect Medical facilities, equipment and HEALTH PLAN Members' medical records, and review all phases of professional ancillary care provided to Members by CONSULTING PROVIDER.

4. CONSULTING PROVIDER agrees that the Covered Services provided hereunder will be made available and accessible to Members promptly and in a manner which assures continuity and quality of care.

5. CONSULTING PROVIDER understands that HEALTH PLAN may be required to provide CMS with the care/treatment plan for Medicare enrollees with complex medical conditions. CONSULTING PROVIDER agrees to cooperate with HEALTH PLAN to ensure compliance with this requirement.

J. Insurance. Consulting Provider is owned and operated by Clark pursuant to the provisions of Chapter 450 of the Nevada Revised Statutes. Clark County is a political subdivision of the State of Nevada. As such, Clark County and UMC are protected by the limited waiver of sovereign immunity contained in Chapter 41 of the Nevada Revised Statutues. Consulting Provider is self-insured as allowed by Chapter 41 of the Nevada Revised Statutes. Consulting Provider will provide Health Plan with a Certificate of Coverage prepared by its Risk Manaement Department certifying such self-coverage.

Prior to the Effective Date of this Agreement and within ten (10) days of each policy renewal thereafter, Consulting Provider shall submit to Health Plan in writing evidence of insurance coverage.

CONSULTING PROVIDER shall immediately notify HEALTH PLAN of any lapse in coverage, change in insurance carrier, or change in insurance limits. CONSULTING PROVIDER agrees to notify HEALTH PLAN of any actions filed by Members arising out of, or related to, health care services provided by CONSULTING PROVIDER to any Member, within seven (7) days of receipt of notification of such actions.

K. Administration.

1a. CONSULTING PROVIDER agrees to abide by the administrative procedures of HEALTH PLAN as may be published and distributed from time to time in policy statements, newsletters, and other communications to CONSULTING PROVIDER, as referred to in Article II. A. of this Agreement.

1b. CONSULTING PROVIDER agrees that should a conflict occur between a provision of this Agreement, including Attachments B or C, respectively, and the Provider Summary Guide (PSG) in place at the time of the conflict, the PSG shall control.

2. CONSULTING PROVIDER acknowledges the importance of quality management systems in providing superior customer service. Therefore, CONSULTING PROVIDER shall, with the support of HEALTH PLAN cooperate in a quality management program to ensure quality customer service and further agrees that HEALTH PLAN may use CONSULTING PROVIDER performance data as deemed appropriate by HEALTH PLAN. CONSULTING PROVIDER and HEALTH PLAN agree that quality management programs may address, but are not limited to the following: administrative services, access to health care services, utilization management, clinical quality assessment, CONSULTING PROVIDER and HEALTH PLAN administrative interface, and management information and report systems.

3. CONSULTING PROVIDER agrees to cooperate fully in HEALTH PLAN's credentialing and recredentialing processes and agrees to abide by HEALTH PLAN's credentialing and recredentialing policies.

4. If CONSULTING PROVIDER is a group practice, CONSULTING PROVIDER agrees to notify HEALTH PLAN each time CONSULTING PROVIDER adds additional practitioners to the group practice. CONSULTING PROVIDER agrees that HEALTH PLAN shall have the sole option at anytime of notifying CONSULTING PROVIDER that practitioners will not be considered a party to this Agreement. CONSULTING PROVIDER agrees that HEALTH PLAN has no obligation to pay for services rendered to Members by such non-authorized practitioners. CONSULTING PROVIDER further agrees that reimbursement for said services cannot be sought from the Member, unless member is notified in advance that provider is not a in-network provider with plan.

5. CONSULTING PROVIDER agrees to comply with the Quality Management Program for both hospital-based and office-based care. This includes but is not limited to: Random office and hospital review and case specific review, appropriate response to issues identified by HEALTH PLAN or governmental agencies, and cooperation with HEALTH PLAN and quality management mechanisms.

CONSULTING PROVIDER will respond appropriately to all quality-referred issues within a reasonable time frame but not to exceed fourteen (14) days of receipt. Failure to comply may result in termination of this Agreement. HEALTH PLAN shall have electronic access to all medical records. In the event hard copies of medical records are requested, usual and customary charges shall apply.

6. CONSULTING PROVIDER agrees to immediately notify HEALTH PLAN of any action affecting his/her license(s) to practice, including but not limited to any limitation, restriction, suspension or revocation. CONSULTING PROVIDER also agrees to immediately notify HEALTH PLAN of any action affecting his/her hospital privileges at any hospital, including but not limited to any limitation, restriction, suspension or revocation. If CONSULTING PROVIDER is a group practice, CONSULTING PROVIDER agrees to notify HEALTH PLAN if a physician is terminated from the group practice for quality reasons.

7. CONSULTING PROVIDER agrees that HEALTH PLAN reserves the right to conduct periodic audits and/or site surveys for the purpose of evaluating compliance with quality management standards.

8. CONSULTING PROVIDER agrees to cooperate with, participate in, and comply with all final determinations of any internal peer review, quality assurance review, external audit review, and grievance review procedures, as may be established by HEALTH PLAN.

9. HEALTHPLAN agrees to collaborate with HOSPITAL'S Physician Advisors for any internal peer review, quality assurance review, external audit review, and grievance review procedures, as by be established by Health Plan.

10. CONSULTING PROVIDER agrees that HEALTH PLAN may use CONSULTING PROVIDER name, address, phone number, type of practice and an indication of CONSULTING PROVIDER willingness to accept additional Members in HEALTH PLAN's roster of Plan Providers.

11. CONSULTING PROVIDER agrees to cooperate with HEALTH PLAN's administrative procedures in the coordination of benefits with third party payers. Third party payers include, but are not limited to, workers' compensation carriers, auto insurance carriers and other insurance carriers who may be responsible for all or a portion of a claim for services provided to a Member.

12. CONSULTING PROVIDER will ensure all subcontractors abide by the terms and conditions set forth in this Agreement, including, compliance with all state, federal and CMS laws and regulations.

13. CONSULTING PROVIDER agrees not to solicit HEALTH PLAN members into any other Health Maintenance Organization, Preferred Provider Organization, managed care/alternative delivery system, or prepaid health care delivery network.

14. CONSULTING PROVIDER agrees during the initial and any succeeding term of this Agreement and for a period of one (1) year following the date of termination of this Agreement, CONSULTING PROVIDER will not knowingly or directly advise any Member to disenroll form HEALTH PLAN and will not solicit any Member or the Member's employer to become enrolled with any other health maintenance organization, provider organization, CONSULTING PROVIDER itself or any other similar hospitalization or medical payment plan or insurance program. CONSULTING PROVIDER shall use its best efforts to ensure that no employee of CONSULTING PROVIDER or subcontractor of the CONSULTING PROVIDER makes any derogatory remarks regarding HEALTH PLAN to any Member.

15 If CONSULTING PROVIDER is a group practice, then whenever a physician leaves the group practice, the physician shall no longer provide Covered Services to Members unless he/she executes a new CONSULTING PROVIDER Agreement with HEALTH PLAN.

15. CONSULTING PROVIDER does not now and shall not during the life of this agreement employ

or contract with individuals excluded from participation in Medicare under section 1128 or 1128A of the Social Security Act.

L. Electronic Data Interface. CONSULTING PROVIDER agrees to comply with HEALTH PLAN's electronic data interface, and/or electronic information exchange network for purposes including, but not limited to, claims submission, claims payment, membership eligibility reporting, referral, prior authorizations. HEALTH PLAN will provide technical specifications and requirements to CONSULTING PROVIDER one hundred and twenty (120) days prior to implementation of such electronic exchange system. The cost of establishing and maintaining this electronic data interface with HEALTH PLAN shall be the responsibility of the CONSULTING PROVIDER.

M. CONSULTING PROVIDER Compliance. CONSULTING PROVIDER represents and warrants to HEALTH PLAN that, at all times, CONSULTING PROVIDER will remain in compliance with all federal, state, local and all laws and regulations and the regulations of any applicable accrediting agencies.

**ARTICLE IV. GENERAL PROVISIONS**

A. Modifications of this Agreement. This Agreement may be modified at any time by mutual written agreement of the parties.

B. Interpretation. This Agreement shall be governed by the applicable laws of the State of Nevada and the Federal Health Maintenance Organization Act of 1973, as amended 42 U.S.C. 300e *et seq.* The invalidity or unenforceability of any terms or conditions hereof shall in no way affect the validity or enforceability of any other terms or provisions. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof.

C. Assignment. Neither party may assign this agreement without the mutual written consent of the other party.

D. Relationship of Parties. None of the provisions of this Agreement is intended to create nor shall it be deemed or construed to create any relationship between the parties hereto other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement. Neither of the parties hereto, nor any of their respective employees, shall be construed to be the agent, employer, representative or joint ventures of the other.

E. Provider Incentives. Both HEALTH PLAN and the CONSULTING PROVIDER understand and agree that any payment made directly or indirectly to the CONSULTING PROVIDER under any CONSULTING PROVIDER incentive provisions set forth in the Agreement are not made as an inducement to reduce or limit medically necessary services to any specific HEALTH PLAN Member.

F. Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitrator(s) may, upon application of any party, provide for discovery pursuant to the Nevada Rules of Civil Procedure, except that Rule 16.1 shall not be applicable to the arbitration proceeding and the right to discovery granted in Nevada Rule of Civil Procedure 26(a) shall not be dependent on compliance with such rule 16.1. The arbitration shall be conducted at Las Vegas, Nevada, and the parties shall jointly and equally bear all costs thereof, including the fees of the arbitrator(s), but each party shall pay its own costs and expenses incurred in the conduct of the arbitration, including attorney's fees.

G. Indemnification. Each party to this Agreement respectively assumes responsibility for liability, real or alleged, arising from its activities performed pursuant to this Agreement.

1. HEALTH PLAN shall indemnify and hold CONSULTING PROVIDER harmless from and against any and all liability, losses, damages, claims or cause of actions and expenses connected therewith (including reasonable attorney's fees and court costs) caused or asserted to have been caused directly or indirectly as a result of (a) HEALTH PLAN's failure to perform its obligations under the terms of this Agreement, or (b) the negligent and/or intentional actions of officers, employees, servants, agents, representatives, or any person directly engaged or retained by HEALTH PLAN to discharge its obligations under this Agreement.

2. CONSULTING PROVIDER To the extent expressly authorized by Nevada law, HEALTH PLAN agrees to indemnify and hold HEALTH PLAN harmless from and against any and all liability, losses, damages, claims, or causes of action, and expenses connected therewith (including reasonable attorney fees and court costs), caused or asserted to have been caused, directly or indirectly, by or as a result of (a) CONSULTING PROVIDER's failure to perform their obligations under the terms of this Agreement, or (b) the negligent and/or intentional actions of officers, employees, servants, agents, representatives, or any person directly engaged or retained by CONSULTING PROVIDER to discharge their obligations under this Agreement.

H. No Presumption Against Drafter. It is agreed between the parties that this Agreement was jointly negotiated and jointly drafted by the parties and their respective attorneys and that it shall not be interpreted or construed in favor of or against, any party on the grounds that said party drafted the Agreement.

I. Successor in Interest. In the event all or substantially all of the assets of either party to this Agreement are acquired by another party, all the rights and obligations under this Agreement shall inure to the benefit of such successor in interest.

J. Confidentiality.

Neither party to this Agreement shall disclose proprietary or confidential information, except for items necessitated by the execution of this Agreement to any other party without the express written consent of the other party. For purpose of this Agreement, "proprietary and confidential information" includes information concerning all business practice and records, including, but not limited to, information concerning products, pricing contracts, or business methods in any form whatsoever. It shall not include information otherwise available in the public domain, information that is subject to NRS 239, as may be amended from time to time, or any information that is received by a party from a source that is not subject to confidentiality obligation.

Each party acknowledges the other party's proprietary interest in its name and derivatives thereof, as well as certain symbols, trademarks and service marks. Each party agrees not to use the other party's name marks, designs or symbols in any promotional material or any other manner without the other party's written approval, except as otherwise provide for in the Agreement. Upon request, each receiving party shall either promptly return to the disclosing party all documents and

materials (and all copies thereof) containing proprietary and confidential information of the disclosing party or to destroy all such items as the disclosing party may direct.

K. Corporate Compliance Program. CONSULTING PROVIDER acknowledges that HEALTH PLAN has adopted a Corporate Compliance Program in order to ensure that all business is conducted with honesty and integrity and in accordance with the highest moral, legal and ethical standards. HEALTH PLAN has prepared a Compliance Fact Sheet, which summarizes the obligations of the CONSULTING PROVIDER pursuant to the Corporate Compliance Program (see Attachment C).

L. CMS Compliance. HEALTH PLAN oversees and is accountable to CMS for any functions and responsibilities described in the CMS regulations.

**ARTICLE V. TERM AND TERMINATION**

A. Term. The term of this Agreement shall be in effect for a thirty-six (36) month period. Beginning November 1, 2022 and ending at 11:50 pm on October 31, 2025, unless terminated sooner in accordance with the provision of tis Agreement.

B. Either party may terminate this Agreement by giving ninety (90) days prior written notice to the other party, except as provided in Paragraphs C, D and E of this Article, or otherwise specifically provided for elsewhere in this Agreement.

C. This Agreement may be terminated by either party at any time for material breach on the part of the other party of any terms of this Agreement, by giving thirty (30) days written notice to the other party. If the breaching party does not cure the breach to the satisfaction of the terminating party within thirty (30) days of the notice date, the Agreement shall become effectively terminated at the end of such thirty (30) day notice period.

D. This Agreement shall terminate immediately if CONSULTING PROVIDER is censured placed on probation, or has his/her license to practice suspended, revoked, or nullified in any state in which CONSULTING PROVIDER actively practices or practiced. It shall also terminate immediately in the event CONSULTING PROVIDER is convicted of a felony or is expelled or suspended from the Medicare or Medicaid programs (Titles XVIII or XIX of the Social Security Act). Additionally, it shall also terminate immediately in the event

CONSULTING PROVIDER fails to meet the quality standards which includes successful completion of credentialing and recredentialing as specified in Article III, Section K, 3. If CONSULTING PROVIDER is an associate of a group practice, HEALTH PLAN shall have the option to terminate participation of specific CONSULTING PROVIDER or the agreement with the group practice.

D.1 Termination of a CONSULTING PROVIDER's individual Plan Provider from this Agreement if PRIMARY CARE PHYSICIAN is a group practice.

HEALTH PLAN may terminate any individual Plan Provider from this Agreement without cause by providing CONSULTING PROVIDER ninety (90) days advance written notice.

HEALTH PLAN may also immediately terminate from this Agreement any CONSULTING PROVIDER individual Plan Provider under this Agreement, upon becoming aware of any of the following:

i) the suspension, revocation, condition, limitation, qualification or other material restriction on an individual Plan Provider's license, certification and/or permit by any government agency under which the individual Plan Provider is authorized to provide health care services;

ii) the suspension, revocation, condition, limitation, qualification or other material restriction of an individual Plan Provider's staff privileges at any licensed hospital, nursing home or other facility at which the individual Plan Provider has staff privileges during the term of this Agreement;

iii) any criminal charge related to the practice of individual Plan Provider profession or for an indictment, arrest, or conviction for a felony; or

iv) a sanction imposed by any governmental agency or authority, including Medicare or Medicaid.

E. If this Agreement is terminated pursuant to Paragraphs B, C, D or E of this Article, or in the event of insolvency of HEALTH PLAN, the rights of each party shall terminate, provided, however, that such action shall not release CONSULTING PROVIDER or HEALTH PLAN of their obligations with respect to:

1. Payments accrued to the CONSULTING PROVIDER prior to termination; and

2. CONSULTING PROVIDER's agreement not to seek compensation from Members for Covered Services provided prior to termination or insolvency; and

3. Completion of treatment of Members then receiving care until continuation of the Members' care can be arranged by HEALTH PLAN; and

4. Completion, in the case of insolvency, of Medically Necessary Covered Services for the premium-paid period for which Member has made prepayment, or on whose behalf prepayment has been made.

F. In the event of notice of termination, HEALTH PLAN shall notify Members of such fact and arrange transfer to the care of another consulting physician prior to the effective date of termination. In any event, HEALTH PLAN shall continue to compensate CONSULTING PROVIDER as provided herein for those Members who, because of health reasons, cannot be transferred to the care of another Plan Provider or other health care provider during the termination period and as approved by the HEALTH PLAN'S Medical Director.

G. Notice of Insolvency. HEALTH PLAN will provide written notice to CONSULTING PROVIDER as soon as is practicable in the event: (i) that a court determines that HEALTH PLAN is insolvent; or (ii) of any other cessation of operations by HEALTH PLAN.

H. In the event of insolvency of HEALTH PLAN, HEALTH PLAN shall cooperate with CONSULTING PROVIDER in CONSULTING PROVIDER's attempt to obtain reimbursement from HEALTH PLAN'S reinsurance company.

I. If this Agreement is terminated, CONSULTING PROVIDER shall continue to provide and be compensated for services provided under the terms of this Agreement to Members who are in a treatment plan or have been prior authorized for any services to be performed by CONSULTING PROVIDER.

**ARTICLE VI. NOTICES**

All notices required by this Agreement shall be in writing and shall be sent first class mail to the respective parties at their principal office set forth below. However, notice of termination as provided for in Article V shall be sent by certified mail, return receipt requested. The date the notice is sent shall be considered the date of notice.

**(This space left intentionally blank.)**

**ARTICLE VII. ATTACHMENTS**

Upon execution by both parties, this Agreement and all its Attachments, including but not limited to Attachment B (Medicaid / Nevada Check-up) and Attachment C (Corporate Compliance), and take effect and shall supersede all previous version(s) of this Agreement, inclusive of all Attachments, Amendments and Exhibits.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the_____day of_____,

_____, and it shall become effective on the_____day of_____, _____.

**THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION THAT MAY BE ENFORCED BY THE PARTIES.**

**HEALTH PLAN OF NEVADA, INC.**

By:_____
Signature

Name: Jean F McFarlane
Vice President/Network Development & Contracts

Address: P.O. Box 15645
Las Vegas, NV 89114-5645
(702) 242-7088

**CONSULTING PROVIDER**

By: _____
Signature

Name: Mason Van Houweling
Please Print

1800 W. Charleston Blvd.
Street address

Las Vegas Nevada 89102
City State Zip

702-383-2000
Telephone

_____
Fax Number

88-6000436
Federal Tax ID # (For Corporation/Partnerships)

N/A
Soc. Sec. # (For Sole Proprietor/Individual)

666-HOS-68
State License Number

AS0253219
D.E.A. (B.N.D.D.) Number

29-0007
Medicare ID Number

1548393127
National Provider Identifier (NPI) Number

1202877
Medicaid Number (Required)

_____
UPIN Number

**ATTACHMENT A**

(To be used only if more than one provider will be providing service under this agreement)

_____
(Name of Individual/Group Provider or Association)

**Physicians and Other Providers**

**For all licensed providers who will be providing care to Insureds, list full name and title, specialty, state license number, DEA number, UPIN number and Medicare ID number. Please note that your contract cannot be executed and given an effective date until all this information is provided to our office.**

(Attach separate listing if more convenient)

| Name / Address / Phone (Include MD, DO, etc.) | Specialty(ties) | State License Number | DEA/ BNDD Number | UPIN Number | *Medicare ID Number | *Fed. Tax ID Number |
|---|---|---|---|---|---|---|

## Specialty Clinic

| **UMC Orthopedic & Spine Institute** | **NPI: 1548393127** | **TIN: 88-6000436** | | |
|---|---|---|---|---|
| **Office Address**<br>2231 W. Charleston Blvd.<br>Las Vegas, NV 89102 | **Phone Number**<br>(702) 383-2663<br>(702) 383-2682 Fax | **Billing Address**<br>P.O. Box 749556<br>Los Angeles, CA 90074-9556 | **Hours**<br>M-F 8:00am-5:00pm | |
| **Provider** | **Degree** | **Specialty** | **Clinic** | **NPI** |
| Shannon Boffeli | APRN | Nurse Practitioner - Orthopedics | Specialty | 1861582447 |
| Anthony Bratton | MD | Orthopedic Surgery | Specialty | 1992061808 |
| Gregory Daubs | MD | Orthopedic Surgery | Specialty | 1811428758 |
| Michael Daubs | MD | Orthopedic Surgery | Specialty | 1275528416 |
| John DeVries | MD | Orthopedic Surgery | Specialty | 1174919799 |
| Iain Elliott | MD | Orthopedic Surgery | Specialty | 1942629688 |
| Benjamin Hansen | MD | Orthopedic Surgery | Specialty | 1811183536 |
| Abby Howenstein | MD | Orthopedic Surgery | Specialty | 1750709242 |
| Brittany Hough | PA-C | Orthopedic Surgery | Specialty | 1164728135 |
| Erik Kubiak | MD | Orthopedic Surgery | Specialty | 1003825753 |
| Eugene Libby | DO | Physician Assistant - Orthopedics | Specialty | 1376550434 |
| Sukanta Maitra | MD | Orthopedic Surgery | Specialty | 1114159720 |
| Karen Nelson | DO | Orthopedic Surgery | Specialty | 1447660097 |
| Brandon Romero | MD | Orthopedic Surgery | Specialty | 1508228321 |
| Gerald Mark Sylvain | MD | Orthopedic Surgery | Specialty | 1730174061 |
| Richard Wulff | MD | Orthopedic Surgery | Specialty | 1326185984 |

NOTE: Please include Federal Tax I.D. Number and Medicare I.D. Number for each provider unless all providers in the group use a single common I.D. number(s) for billing and identification purposes.

**ATTACHMENT B**

**MEDICAID / NEVADA CHECK-UP**

ARTICLE I. ACKNOWLEDGEMENT OF AGREEMENT

CONSULTING PROVIDER and HEALTH PLAN have agreed to specify terms and conditions of CONSULTING PROVIDER's provision of services rendered to Medicaid / Nevada Check-up participants who have selected HEALTH PLAN as their health maintenance organization, and CONSULTING PROVIDER acknowledges that HEALTH PLAN has entered a contract with the DIVISION OF HEALTHCARE FINANCING & POLICY ("DHCFP") to provide managed care services to Medicaid / Nevada Check-up recipients, and that the terms and conditions of that contract are hereby incorporated by reference in this Agreement, (a copy of said contract will be given to CONSULTING PROVIDER upon request).

ARTICLE II. GENERAL REQUIREMENTS

A. Discrimination in Employment. In connection with the performance of work under this contract, CONSULTING PROVIDER agrees not to discriminate against any employee or offer for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions).

This provision shall include, but not be limited to, the following: employment; subcontracts; upgrading; demotion or transfer; recruitment or recruitment advertising, layoff or termination; rate of pay or other forms of compensation; and, selection for training, including apprenticeships. CONSULTING PROVIDER will not discriminate against Medicaid participants based on the same civil rights identifiers mentioned above (See section B. below.) CONSULTING PROVIDER will post non-discrimination notices to inform employees and participants of CONSULTING PROVIDER'S non-discrimination policies and practices.

B. Discrimination Against Medicaid Participants. Covered services shall be provided to Medicaid participants without regard to race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions), or health status except where medically indicated. Prohibited practices include but are not limited to:

1. Denying or not providing a participant a covered service or available facility.

2. Providing a participant a covered service which is different or is provided in a different manner or at a different time from that provided to other participants, other public or private patients or the public at large.

3. Subjecting a participant to segregation or separate treatment in any manner related to the receipt of any covered service.

4. The assignment of times or places for the provision of services on the basis of race, national origin, creed, color, sex, religion, age disability or handicap condition (including AIDS and AIDS-related conditions), or health status of the participant to be served.

C. Cultural Competency. CONSULTING PROVIDER agrees to relate to the participant and provide care with sensitivity, understanding and respect for the participant's culture and background.

D. Advanced Directives. CONSULTING PROVIDER agrees to document in the participant's medical record whether or not the individual has executed an advanced directive, and not to condition the provision of care or otherwise discriminate against an individual based on whether or not the individual has executed an advanced directive.

E. Workers' Compensation Insurance.

CONSULTING PROVIDER agrees to provide and maintain workers' compensation insurance as required by NRS 616B.627. In the event of cancellation of insurance coverage, CONSULTING PROVIDER shall immediately notify HEALTH PLAN of such cancellation.

F. Non-Discrimination Notice. Non-discrimination notices must be posted to inform Members and employees of the CONSULTING PROVIDER's non-discrimination policies and practices.

G. Compliance. CONSULTING PROVIDER agrees to abide by HEALTH PLAN Policies and Procedures as delegated by the Division of Healthcare Financing and Policy (DHCFP).

ARTICLE III. PERFORMANCE STANDARDS

CONSULTING PROVIDER agrees to the following performance standards that are required by DHCFP.

1. Primary Care Physician (PCP) Standards

   a. Emergency PCP appointments (e.g., high temperature, persistent vomiting or diarrhea, symptoms which are of sudden or severe onset but which do not require emergency room services) are available the same day.

   b. Urgent care PCP appointments (e.g., persistent rash, recurring high-grade temperature, nonspecific pain, and fever) are available with two calendar days.

   c. Routine care PCP appointments (e.g., well child exams, and routine follow-up of chronic conditions, routine physical exams) are available upon request within two weeks. This two-week standard does not apply to regularly scheduled visits to monitor a chronic medical condition if the schedule calls for visits less frequently than once every two weeks.

2. Specialty Standards

   a. Emergency appointments within twenty-four hours of referral.

   b. Urgent care appointments within three calendar days of referral.

   c. Routine appointments within thirty calendar days of referral.

3. Maternity Care

   a. Prenatal care visits/delivery will be provided to all Medicaid HMO participants who are pregnant. Referral to the Nevada Medicaid Maternal Obstetrical Management Services (MOMS) Program will be made for participants who have identified risk factors.

   b. For Medicaid participants who are pregnant, the following will be evaluated: Pregnant women (with no documented evidence of a complicated pregnancy) will be seen monthly through the 6th month of gestation and two times a month from the 7th month to the 9th month and weekly from the 36th week of gestation forward. An average of thirteen visits would be expected for those participants enrolled throughout their pregnancy.

   c. Initial prenatal care appointments for enrolled pregnant participants will be as follows:
      i. First trimester within seven calendar days of first request.
      ii. Second trimester within seven calendar days of first request.
      iii. Third trimester within three calendar days of first request.
      iv. High-risk pregnancies within three calendar days of identification of high risk to

the HMO or maternity care provider, or immediately if an emergency exists.

v. C-section threshold will not be more than 20%.

vi. Standards for low birth weight (1500 - 2500 gms) will not exceed 7% of live births.

CONSULTING PROVIDER agrees it will reimburse HEALTH PLAN for any liquidated damages assessed against HEALTH PLAN for failure to comply with the minimum standards set forth in its contract with DHCFP in regards to prenatal care appointments, which can be traced to the failure of CONSULTING PROVIDER to comply with this provision.

4. Healthy Kids (EPSDT) screenings

Medicaid eligible children must have an age appropriate screening within 60 days of notification by DHCFP that screening is due. CONSULTING PROVIDER agrees it will reimburse HEALTH PLAN for any liquidated damages assessed against HEALTH PLAN for failure to comply with the minimum standards set forth in its contract with DHCFP in regards to EPSDT screenings, which can be traced to the failure of CONSULTING PROVIDER to comply with this provision.

5. Child immunization

Medicaid eligible non-exempt individuals must be appropriately immunized.

6. Lead toxicity

Eligible participants between six months and 72 months of age must be tested and results reported.

7. Family planning

a. Eligible participants of childbearing age will receive age appropriate education and services regarding family planning.

b. Pregnant participants who are enrolled will receive family planning information during the seventh month of their pregnancy and at their post partum check visit.

8. Medical records

Medical records must be maintained in accordance with standard XII of the "Guidelines for Internal Quality Assurance Programs" as set forth in the CMS Medicaid Guidelines. CONSULTING PROVIDER must cooperate with HEALTH PLAN in obtaining and/or allowing access to an enrollee's medical records, upon written request, within ten (10) calendar days of request, whether electronic or paper, and the right to obtain copies. CONSULTING PROVIDER must provide one (1) copy of medical records free of charge, in a timely manner. Fees for additional copies shall not exceed the actual cost of time and materials used to compile copy and furnish such records.

When a Member changes providers, CONSULTING PROVIDER must forward all medical records in their possession to the new provider within ten (10) working days from receipt of the request.

9. Early childhood intervention

All Medicaid eligible children designated as requiring intervention and treatment by "Special Children's Clinic" or "First Step" will have HMO records documenting the recommendations were followed and appropriate re-evaluations and treatment services were provided.

10. For vision and behavioral health services appointments, standards are as follows:

a. Emergency within twenty-four hours of request.

b. Urgent care appointments within three calendar days of referral.

c. Routine appointments within thirty calendar days of referral.

11. Office Waiting Times

Participant's waiting time at the PCP or specialist office shall be no more than one hour from the scheduled appointment time, except when CONSULTING PROVIDER is unavailable due to an emergency. Acceptable delays can result when services are provided for urgent cases, when a serious problem with a patient is found, or when a patient had an unknown need that requires more services or education than was described at the time the appointment was made.

ARTICLE IV. MISCELLANEOUS PROVISIONS

A. Encounter Data. For capitation contracts, CONSULTING PROVIDER agrees to submit valid Encounter Data by the 8th of each following month in the HIPAA compliant file format. CONSULTING PROVIDER agrees it will reimburse HEALTH PLAN for any liquidated damages assessed against HEALTH PLAN for failure to comply with the minimum standards set forth in its contract with DHCFP, in regards to the submission of encounter data which can be traced to the failure of CONSULTING PROVIDER to comply with this provision.

B. Americans with Disabilities Act. Provider agrees to comply with all terms, conditions and requirements of Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.P.S.C. 12101 and regulations adopted thereunder contained in 28 C.F.R section 36.101 through 36.999, inclusive.

C. Specific Provider. Provider agrees that each participant may select a specific provider within a group practice.

D. Payment. Reimbursement will be at 100% of the current year rates as listed in the Nevada Medicaid Fee Schedule.

E. Non Compliance. Provider agrees that it will reimburse Health Plan for any liquidated damages assessed against Health Plan for failure to comply.

F. Vaccines For Children Program. CONSULTING PROVIDER shall be required to enroll in the Vaccines for Children Program (VCP), which is administered by the Nevada State Health Division. CONSULTING PROVIDER shall be required to cooperate with the Nevada State Health Division for purposes of performing orientation and monitoring activities regarding VFC Program requirements. Upon CONSULTING PROVIDER's enrollment in the VFC Program, CONSULTING PROVIDER may request state supplied vaccine to be administered to enrollees through 18 years of age in accordance with the most current Advisory Committee on Immunization Practices (ACIP) schedule and/or recommendation and following VFC Program requirements as defined in the VFC Provider Enrollment Agreement. Once enrolled in the VFC Program, CONSULTING PROVIDER must participate in the Nevada State Health Division's Immunization Registry to ensure the DHCFP's goal to fully immunize children up to the age of two (2) years.

G. Ineligible Members. There may be Members considered eligible at the time services are provided that are found subsequently not to be eligible, and Members may subsequently be identified as HEALTH PLAN not being the primary carrier. Request for refund will be submitted for Erroneous payments for these services rendered and explanations will be provided to CONSULTING PROVIDER by HEALTH PLAN.

## ATTACHMENT C

## COMPLIANCE FACT SHEET

Sierra Health Services, Inc., and its subsidiaries (the "Company"), have adopted a Corporate Compliance Program. The purpose of this Program is to ensure that the Company conducts its business with honesty and integrity, and in accordance with the highest moral, legal, and ethical standards. As a Vendor of the Company and/or one of its subsidiaries, you are also required to conduct your business with the Company in accordance with these standards. Set forth below is a summary of the standards of conduct for which you will be held accountable. If you have any questions or concerns, or if you wish to report a violation of these policies, you are instructed to immediately contact the Corporate Compliance Officer at (702) 242-7186. As used below, the term "Vendor" includes providers of goods or services, medical providers, or agents and brokers doing business with the Company or one of its subsidiaries, or the employees, agents, or representatives of such entity.

### DUTY TO NOTIFY REGARDING LEGAL STATUS

The Company will not willingly contract with or retain any Vendor who has been listed by a state or federal agency as debarred, excluded or otherwise ineligible for federal or state program participation or whose license had been revoked or suspended. If either of these situations apply to you, or if they become applicable subsequent to the commencement of your relationship with the Company, you must notify the Corporate Compliance Officer as soon as possible. Failure to do so may result in the termination of your relationship with the Company and its subsidiaries.

The Violent Crime Control and Law Enforcement Act of 1994 places limitations on the Company's ability to conduct business with persons who have been convicted of certain types of felonies. If you have ever been convicted of a felony or if you are convicted of a felony subsequent to the receipt of the Compliance Fact Sheet, you have an affirmative duty to notify the Corporate Compliance Officer regarding the details of your conviction. However, conviction of a felony is not an automatic bar to conducting business with the Company. Convictions will be reviewed on case by case basis.

### FRAUD AND ABUSE

It is the policy of the Company to consistently and fully comply with all laws and regulations pertaining to the delivery and billing for services which apply to the Company on account of its participation in Medicare, Medicaid, TRICARE, the Federal Employees Health Benefits Program and other government programs. As a Vendor of the Company, it is your responsibility to understand and comply with those state and federal regulations which apply to you and your relationship with the Company, and to support the Company's compliance efforts by reporting any suspected violations and cooperating in any investigation related to these issues.

### GENERAL BUSINESS PRACTICES

Any attempt by a Vendor to influence Company employees to purchase goods or services other than on the basis of quality, services, and competitive pricing, may result in the loss of future business with the Company. If a Company employee suggests to you that you may obtain business with the Company in return for a personal benefit to that employee, you must report this incident immediately to the Corporate Compliance Officer. You are also expected to fully disclose to the Company any information regarding potential conflicts of interest you may have, which could impact the Company's decision to do business with you.

## CONFIDENTIALITY

Confidentiality. Health Plan acknowledges that Hospital is a public county owned hospital which is subject to the provisions of the Nevada Public Records Act, Nevada Revised Statutes Chapter 239 and as such its contracts are public documents available to copying and inspection by the public. This Agreement shall not become effective until it is presented to and approved during a public meeting of Hospital's governing board. If Hospital receives a demand for the disclosure of any information related to programs, services, business practices or procedures, Hospital will immediately notify Health Plan of such demand and Health Plan shall immediately notify Hospital of its intention to seek injunctive relief in a Nevada court for protective order.

## PROHIBITED RECEIPTS AND PAYMENTS

Vendors are prohibited from engaging in the following transactions in order to obtain business, retain business or direct business to others, or to induce Company employees, government officials or others, to fail to perform or to improperly perform their official functions:

- Payment or offer to pay anything of value, directly or indirectly, to any government official or Company employee.
- Payment or offer to pay anything of value, directly or indirectly, to any party in the form of a commercial bribe, influences payment or kickback.
- Receipt or acceptance of anything of value, directly or indirectly, to any party in the form of a commercial bribe, influence payment or kickback.

## POLICY VIOLATIONS AND REPORTING REQUIREMENTS

Vendors must report all suspected, actual or potential violations of the standards and policies outlined in this Compliance Fact Sheet to the Corporate Compliance Officer and must cooperate in all investigations relating to such violations where the Vendor has any personal knowledge of the facts. There shall be no retaliation against the Vendor as a result of such good faith reporting. In the event of an investigation by any state or federal government agency, the Vendor will respond promptly and with complete honesty as requested by government investigators. The Company requests that if government representatives with regards to the Company's operations contact you, that you immediately notify the Corporate Compliance Officer. The Corporate Compliance Officer can be reached at (702) 242-7186, fax (702) 242-5439.

## INSTRUCTIONS FOR COMPLETING THE DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM

**Purpose of the Form**

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the Board of County Commissioners ("BCC") in determining whether members of the BCC should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

**General Instructions**

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and the appropriate Clark County government entity. Failure to submit the requested information may result in a refusal by the BCC to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

**Detailed Instructions**

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

***Business Entity Type*** – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

***Non-Profit Organization (NPO)*** - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

***Business Designation Group*** – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB). This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

***Business Name (include d.b.a., if applicable)*** – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

***Corporate/Business Address, Business Telephone, Business Fax, and Email*** – Enter the street address, telephone and fax numbers, and email of the named business entity.

***Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email*** – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm.*** **(Do not leave blank. If none or zero, put the number 0 in the space provided.)**

***List of Owners/Officers*** – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

***For All Contracts*** – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a Clark County full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a Clark County full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form. Clark County is comprised of the following government entities: Clark County, Department of Aviation (McCarran Airport), and Clark County Water Reclamation District. Note: The Department of Aviation includes all of the General Aviation Airports (Henderson, North Las Vegas, and Jean). **This will also include Clark County Detention Center.**



A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

***Signature and Print Name*** – Requires signature of an authorized representative and the date signed.

***Disclosure of Relationship Form*** – If any individual members, partners, owners or principals of the business entity is presently a Clark County employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a Clark County employee, public officer or official, this section must be completed in its entirety.

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

| **Business Entity Type (Please select one)** | | | | | | |
|---|---|---|---|---|---|---|
| ☐ Sole Proprietorship | ☐Partnership | ☐ Limited Liability Company | ☑ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |

| **Business Designation Group (Please select all that apply)** | | | | | | |
|---|---|---|---|---|---|---|
| ☐ MBE | ☐ WBE | ☐ SBE | ☐ PBE | ☐ VET | ☐DVET | ☐ ESB |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

## Number of Clark County Nevada Residents Employed:

| | | |
|---|---|---|
| **Corporate/Business Entity Name:** | United Healthcare Services, Inc. | |
| **(Include d.b.a., if applicable)** | | |
| **Street Address:** | 9900 Bren Road East | **Website:** |
| **City, State and Zip Code:** | Minnetonka, MN 55343 | **POC Name:** **Email:** |
| **Telephone No:** | | **Fax No:** |
| **Nevada Local Street Address:** **(If different from above)** | | **Website:** |
| **City, State and Zip Code:** | | **Local Fax No:** |
| **Local Telephone No:** | | **Local POC Name:** **Email:** |

**All entities,** with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| UnitedHealth Group Incorporated | Delaware Corporation (publicly traded as UHN) | 100% |
| | | |
| | | |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☐ Yes ☑ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☑ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☑ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)



I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Signature — Print Name: Heather Lang

Title: Asst. Secretary — Date: 11/15/22

# DISCLOSURE OF RELATIONSHIP

**List any disclosures below:**
**(Mark N/A, if not applicable.)**

| NAME OF BUSINESS OWNER/PRINCIPAL | NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE | RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL | UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT |
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* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

---

***For UMC Use Only:***

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:



_____
Signature

_____
Print Name
Authorized Department Representative

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Ratification of Amendment Number Three to Provider Services Agreement with Intermountain IPA NV, LLC f/k/a HCP IPA Nevada, LLC** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for ratification by the Governing Board the Amendment Number Three to Provider Services Agreement with Intermountain IPA NV, LLC f/k/a HCP IPA Nevada, LLC for managed care services; or take action as deemed appropriate. *(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000
Fund Name: UMC Operating Fund
Fund Center: 3000850000
Funded Pgm/Grant: N/A
Description: Managed Care Services
Bid/RFP/CBE: NRS 332.115(1)(f) – Insurance
Term: Amendment 3 – effective February 1, 2023
Amount: Revenue based on volume
Out Clause: 180 days for convenience

**BACKGROUND:**

On December 16, 2020, the Governing Board approved the Provider Service Agreement ("Agreement") with HCP IPA Nevada, LLC ("HCP") to provide its members continued healthcare access to UMC, its associated Urgent Care facilities, and to adjust the Urgent Care reimbursement. The initial Agreement term is from January 1, 2021 through December 31, 2023, unless terminated for convenience with a 180-day written notice prior to any anniversary period. The First Amendment, effective January 1, 2021, added a new managed care organization to Attachment D-3 of the Agreement. Amendment Number Two, effective February 1, 2023, changed any reference of HCP to INTERMOUNTAIN IPA NV, LLC, and updated the fee schedule to include payment for orthopedic services.

This request is for ratification of the Amendment Number Three to the Agreement to add Medicare Advantage Health Plans and update the fee schedule to include payments for Anesthesia services excluding spinal surgery. The Amendment was entered into immediately so that UMC could take advantage of immediate billing for services as of February 1, 2023.

Cleared for Agenda
March 22, 2023

Agenda Item #
**12**

UMC's Director of Managed Care has reviewed and recommends ratification of this Amendment. This Amendment has been approved as to form by UMC's Office of General Counsel.

A Clark County business license is not required as UMC is the provider of hospital services to this insurance fund.

AMENDMENT NUMBER THREE

This Amendment number three ("Amendment"), dated and effective February 1, 2023 (the "Effective Date"), is entered into by and between **INTERMOUNTAIN IPA NV, LLC f/k/a HCP IPA Nevada, LLC** ("Company") and **University Medical Center of Southern Nevada** ("Provider") originally dated January 1, 2021, as amended.

**WHEREAS**, the parties have previously executed a Provider Service Agreement effective January 1, 2021, and a Second Amendment effective February 1, 2023 (collectively, the "Agreement); and

Whereas, Company and Provider now desire to amend the Agreement.

**NOW, THEREFORE,** in consideration of the mutual promise contained herein, the parties agree to amend the Agreement as follows:

1. **Subsection h.** Payments for Anesthesia Services (excludes spinal surgery) **is added to ATTACHMENT A-2 Fee For Service Compensation** as follows:

h. Payments for Anesthesia Services (excludes spinal surgery). Notwithstanding anything to the contrary in the Agreement, payment to Provider shall be according to Fee Schedule defined herein:

| Product | Company Fee Schedule<br>ASA Codes: 00100-01999<br>CPT4 Codes: 99100, 99116, 99135, and 99140 |
|---|---|
| Medicare Advantage Health Plans | of CY Par MFS |
| Commercial HMO Plans | per ASA/Unit<br>% of CY Par MFS for CPT codes |
| Commercial POS Plans | per ASA/Unit<br>% of CY Par MFS for CPT codes |
| Commercial PPO | per ASA/Unit<br>% of CY Par MFS for CPT codes |

For the purpose of calculating fee-for-service payment and/or encounter data information under capitation, Company shall use percent %) of Provider's billed charges in the event that a CPT and/or HCPCS code has no applicable Medicare allowable. Reimbursement for Medically Necessary medication shall be based on the Medicare ASP. Where no Medicare ASP exists, Provider shall pre-authorize use of those drugs, and shall be reimbursed at a rate of percent ) of Provider's billed charges.

l. This Amendment supersedes any terms of the Agreement (including previous amendments) in conflict with the terms herein. All other terms of the Agreement remain in full force and effect. All capitalized terms used in this Amendment and not otherwise defined shall have the meanings set forth in the Agreement. A party's signature below denotes agreement to these terms by its authorized representative.

**IN WITNESS WHEREOF,** the parties hereto have executed and delivered this Amendment to be effective as of the Effective Date.

**PROVIDER**

Mason Van Houweling

By

Mason Van Houweling

Name

Chief Executive Officer

Title

3/10/23

Date

**INTERMOUNTAIN IPA NV, LLC**

David Liu Digitally signed by David Liu Date: 2023.02.27 16:43:50 -08'00'

By

Name

Title

Date

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

| Business Entity Type (Please select one) | | | | | | |
|---|---|---|---|---|---|---|
| ☐ Sole Proprietorship | ☐ Partnership | ☑ Limited Liability Company | ☐ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |

| Business Designation Group (Please select all that apply) | | | | | | |
|---|---|---|---|---|---|---|
| ☐ MBE | ☐ WBE | ☐ SBE | ☐ PBE | ☐ VET | ☐ DVET | ☐ ESB |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

**Number of Clark County Nevada Residents Employed:** 98

| | | | |
|---|---|---|---|
| **Corporate/Business Entity Name:** | HCP IPA Nevada, LLC | | |
| **(Include d.b.a., if applicable)** | Health Care Partners Nevada | | |
| **Street Address:** | 700 E. Warm Springs | **Website:** | www.hcpnv.com |
| **City, State and Zip Code:** | Las Vegas, NV 89119 | **POC Name:** | John D. Lach |
| | | **Email:** | jlach@hcpnv.com |
| **Telephone No:** | 702-318-2400 | **Fax No:** | 702-777-1201 |
| **Nevada Local Street Address:** (If different from above) | | **Website:** | |
| **City, State and Zip Code:** | | **Local Fax No:** | |
| **Local Telephone No:** | | **Local POC Name:** | |
| | | **Email:** | |

**All entities**, with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| | | |
| | | |
| | | |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☐ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☐ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☐ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Signature — Print Name: Mark Price

Title: President — Date: 5/7/2020



REVISED 7/25/2014

## Executive Leadership Team

Mark Price, MBA
President

Bard Coats, MD, MBA
President Emeritus

Kirk Miller
Chief Operating Officer

Cora Case, PhD, CMA, CHC
Chief Financial Officer

Ama Brobbey, MD
Chief Medical Officer

Warren Volker, MD, PhD, MS, FACOG
Chief Clinical Officer

Sloan Albert, MHA, FACHE
VP of Operations

Jim Sturgeon
VP of People Services

Jeremy Cox
VP of Operations

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Amendment to Client Service Agreement for Core Measures with DASpecialists, LLC** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Amendment to the Client Service Agreement with DASpecialists, LLC for registry abstraction services; authorize the Chief Executive Officer to execute amendments or renewal options within his delegation of authority; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000 Fund Name: UMC Operating Fund
Fund Center: 3000876000 Funded Pgm/Grant: N/A
Description: Registries Abstraction Services
Bid/RFP/CBE: NRS 332.115.1(b) – Professional Services
Term: Amendment – through May 25, 2027
Amount: Amendment – additional $2,090,000.00; cumulative funding $2,758,000.00
Out Clause: 60 days' notice for convenience or prior to any 12-month renewal; Budget Act and Fiscal Fund Out

**BACKGROUND:**

On May 25, 2022, the Governing Board approved the Services Agreement for Core Measures and Other Registries Abstraction Services ("Agreement") with DASpecialists, LLC ("DAS") to provide quality performance measure abstraction services (data collection, abstraction and support services) in compliance with CMS and Joint Commission requirements. UMC agreed to compensate DAS $120,000.00 per year or an aggregate not-to-exceed amount $600,000.00 for five years. Either party may terminate this Agreement for convenience with a 60-day written notice to the other. An Addendum entered into on June 12, 2022, added additional abstraction services and increased the funding by $68,000.00.

This Amendment requests to increase the funding under the Agreement by an additional $2,090,000.00 to support the addition of oncology registry services and to cover the increase of utilization through the term of the Agreement.

Staff also requests authorization for the Hospital CEO to execute future amendments or renewal options at his discretion and within his delegation of authority if deemed beneficial to UMC.

Cleared for Agenda
March 22, 2023

Agenda Item #
**13**

UMC’s Quality, Safety and Regulatory Officer has reviewed and recommends approval of this Amendment. This Amendment has been approved as to form by UMC’s Office of General Counsel.

DAS is not required to obtain a Clark County business license nor a vendor registration

DASpecialists, LLC

# Amendment
## To the Client Service Agreement for Core Measures and Other Registries Abstraction Services
## Dated March 15, 2023
## Between
## University Medical Center of Southern Nevada (UMCSN)
## AND
## DASpecialists, LLC ("Contractor")

**The parties set forth above hereby agree that the terms of this Amendment shall be incorporated in and be a part of that certain Client Services Agreement for Core Measures and Other Registries Abstraction Services, dated April 27, 2022 and executed on May 26, 2022, between the parties ("Agreement").**

**The parties intending to be legally bound hereby agree as follows:**

1. **The Agreement section titled Overview of Services/Scope of Work shall be amended to include the following:**

SCOPE OF WORK

DAS shall furnish to Client the following additional described services (i.e., Statement of Work): Data Collection, Data Abstraction and Data Entry of various existing and future assigned hospital registries or required hospital measures. Breakdown of current services listed below.

2. **The Agreement Schedule A to Exhibit A shall be amended to include the following:**

**COMPENSATION AND REIMBURSEMENT OF EXPENSES** shall be paid based upon measure/registry at the per case hospital rate as delineated on the attached table **for services provided**



**between August 1, 2022 (retroactively) to May 25, 2027.**

**The following hospital registries or measures are currently included under the existing Outside Services Agreement**

| Measure / Registry | Per Case Hospital rate |
|---|---|
| OP Stroke | |
| Sepsis Tier 1 (not 2,3,4,) | |
| Sepsis Tier 2 - Severe Sepsis question completed | |
| Sepsis Tier 3 - Initial Hypotension Question Completed | |
| Sepsis Tier 4 - Persistent Hypotension Question Completed | |
| OP ED (aka HOP ED TPT) | |
| PC-Mothers (01-03) | |
| PC - Baby BSI (04) | |
| PC-Baby BF (05) | |
| PC-Baby UC (06) | |
| GWTG-Stroke (Comprehensive) | |
| GWTG-HF | |
| CathPCI Version 5.0 | |
| CP-MI Version 3 | |
| STS-ACS Tier 1 (< 7 day LOS) | |
| STS-ACS Tier 2 (> 7 day LOS) | |
| TVT Tier 1 (< 7 day LOS) | |

| | |
|---|---|
| TVT Tier 2 (> 7 day LOS) | |
| Monthly Project Management and Maintenance Fees | |
| Ineligible Cases (if applies) | |
| Re-abstraction of Cases | |

IN WITNESS WHEREOF, the parties have entered into this Amendment as of March 1, 2023.

**DASpecialists, LLC**

Pamela Rottman (electronically signed)

Pamela Rottman, President

03/15/2023

**University Medical Center of Southern Nevada**

_____

Signature

Mason Van Houweling/Chief Executive Officer

_____

Date

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

**Business Entity Type (Please select one)**

| ☐ Sole Proprietorship | ☐ Partnership | ☑ Limited Liability Company | ☐ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |
|---|---|---|---|---|---|---|

**Business Designation Group (Please select all that apply)**

| ☐ MBE | ☑ WBE | ☐ SBE | ☐ PBE | ☐ VET | ☐ DVET | ☐ ESB |
|---|---|---|---|---|---|---|
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

**Number of Clark County Nevada Residents Employed:** 0

| | | |
|---|---|---|
| **Corporate/Business Entity Name:** | DASpecialists, LLC | www.daspecialists.com |
| **(Include d.b.a., if applicable)** | | |
| **Street Address:** | 3788 Altamahaw Church St #248 | **Website:** |
| **City, State and Zip Code:** | Altamahaw, NC 27202 | **POC Name:** |
| | | **Email:** |
| **Telephone No:** | | **Fax No:** |
| **Nevada Local Street Address:** (If different from above) | N/A | **Website:** |
| **City, State and Zip Code:** | | **Local Fax No:** |
| **Local Telephone No:** | | **Local POC Name:** |
| | | **Email:** |

**All entities,** with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| Pamela Rottman | President | 100% |
| | | |
| | | |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☐ Yes ☑ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☑ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☑ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Signature — Print Name: Pamela Rottman

Title: President — Date: 05/06/22



REVISED 7/25/2014

# DISCLOSURE OF RELATIONSHIP

**List any disclosures below:**
**(Mark N/A, if not applicable.)**

| NAME OF BUSINESS OWNER/PRINCIPAL | NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE | RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL | UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT |
|---|---|---|---|
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* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

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***For UMC Use Only:***

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Amendment Three to Agreement for Locum Tenens Coverage with Staff Care, Inc.** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Amendment Three to Agreement for Locum Tenens Coverage with Staff Care, Inc.; or take action as deemed appropriate. *(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000 Fund Name: UMC Operating Fund
Fund Center: Various Funded Pgm/Grant: N/A
Description: Locum Tenens Physician Staffing Services
Bid/RFP/CBE: NRS 332.115.1(b) – Professional Services
Term: Amendment 3 – extend for one (1) year from 4/29/2023 to 4/28/2024
Amount: Amendment 3 – additional NTE $1,200,000 for this one (1) year extension (NTE $1,000,000 for locum tenens services and NTE $200,000 for travel and housing expenses)
Out Clause: 30 days w/o cause

**BACKGROUND:**

On April 29, 2020, the Governing Board approved the Agreement for Locum Tenens Coverage ("Agreement") with Staff Care to provide locum physicians in critical need areas of the hospital. At times, this service may be used to solicit and fill a full-time UMC employee position. The NTE cost of this Agreement is $300,000 per year. The initial Term was from April 29, 2020 through April 28, 2021 with the option to extend for one (1) year periods unless terminated with a 30-day written notice. Amendment One, effective July 28, 2021, extended the Term for one (1) year through April 28, 2022. Amendment Two, effective April 27, 2022, extended the Term for one (1) year through April 28, 2023 and added funds.

This Amendment Three requests to extend the Term for one (1) year through April 28, 2024 and supplementary funds of NTE $1,200,000 during the extension period.

UMC's Support Services Executive Director has reviewed and recommends approval of this Amendment. This Amendment has been approved as to form by UMC's Office of General Counsel.

Staff Care currently holds a Clark County business license.

Cleared for Agenda
March 22, 2023

Agenda Item #
**14**

DocuSign Envelope ID: 80EA52E4-423D-4534-8465-A23EA756CDAB

# AMENDMENT THREE TO AGREEMENT FOR LOCUM TENENS COVERAGE

This Amendment Three ("Amendment Three") is made and entered into as of this 29th day of March, 2023, by and between UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA ("**CLIENT**") and STAFF CARE, INC. and its subsidiaries and affiliates ("**AGENCY**").

RECITALS:

WHEREAS, CLIENT and AGENCY entered into an Agreement for Locum Tenens Coverage dated April 29, 2020 (hereinafter referred to as "Agreement") to provide physician staffing services;

WHEREAS, on July 28, 2021, the parties entered into Amendment One which extended the Term of the Agreement through April 28, 2022;

WHEREAS, on April 27, 2022; the parties entered into Amendment Two which extended the Term and funded the Agreement through April 28, 2023; and

WHEREAS, CLIENT and AGENCY desire to amend the Agreement with this Amendment Three.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, CLIENT and AGENCY agree to amend the Agreement as follows:

1. Sections B(2) and B(5), the Fees for this Amendment Three is hereby amended to add a NTE $1,200,000 total during this one (1) year extension (NTE $1,000,000 for locum tenens coverage services and NTE $200,000 for travel and housing reimbursements).

2. Section C(3), Term & Termination, CLIENT and AGENCY mutually agree to exercise the annual renewal option to reflect a new termination date of April 28, 2024.

3. This Amendment Three may be executed in one or more counterparts, each of which shall be considered to be an original for all purposes and all of which together shall constitute one and the same instrument. Any party hereto may deliver its signature to the Amendment Three electronically (including without limitation by emailing its signature in portable document format [PDF] or similar electronic format), which will be legally effective and enforceable.

4. Except as set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect provided however, that if any term or condition of the Agreement conflicts with or is inconsistent with any term or condition of this Amendment Three, the terms and conditions of this Amendment Three shall govern, prevail, and control. All references to the Agreement shall include this Amendment Three.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment Three as of the date first set forth above.

CLIENT:
UNIVERSITY MEDICAL CENTER
OF SOUTHERN NEVADA

By: _____
Mason Van Houweling
Chief Executive Officer

AGENCY:
STAFF CARE, INC.

DocuSigned by:
By: Von Mikeworth
7A443B2BC4C14C7...
Von Mikeworth
Sr. Manager, Account Management

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

| Business Entity Type (Please select one) | | | | | | |
|---|---|---|---|---|---|---|
| ☐ Sole Proprietorship | ☐ Partnership | ☐ Limited Liability Company | ☒ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |

| Business Designation Group (Please select all that apply) | | | | | | |
|---|---|---|---|---|---|---|
| ☐ MBE | ☐ WBE | ☐ SBE | ☐ PBE | ☐ VET | ☐ DVET | ☐ ESB |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

## Number of Clark County Nevada Residents Employed:

| | | |
|---|---|---|
| **Corporate/Business Entity Name:** | Staff Care, Inc. | |
| **(Include d.b.a., if applicable)** | | |
| **Street Address:** | 8840 Cypress Waters Blvd. Ste. 300 | **Website: www.staffcare.com** |
| **City, State and Zip Code:** | Dallas, TX 75019 | **POC Name: Von Mikeworth**<br>**Email: Von.Mikeworth@staffcare.com** |
| **Telephone No:** | (469) 524-1473 ext. 7222 | **Fax No:** |
| **Nevada Local Street Address:**<br>**(If different from above)** | | **Website:** |
| **City, State and Zip Code:** | | **Local Fax No:** |
| **Local Telephone No:** | | **Local POC Name:**<br>**Email:** |

**All entities,** with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| | | |
| | | |
| | | |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☐ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

DocuSigned by:
Jenna Hill
3C002EDCE156411...
Signature

Jenna Hill
Print Name

RFP Specialist
Title

3/17/23
Date



REVISED 7/25/2014

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Amendment One to Amended and Restated Professional Services Agreement (Neurological Surgery and Neurological Spine Surgery) with Duke Forage Anson Neurosurgical, LLP** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for ratification by the Governing Board the Amendment One to Amended and Restated Professional Services Agreement with Duke Forage Anson Neurosurgical, LLP for Neurological Surgery and Neurological Spine Surgery On-Call Coverage; or take action as deemed appropriate. *(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000 Fund Name: UMC Operating Fund
Fund Center: 3000723000 Funded Pgm/Grant: N/A
Description: Neurological Surgery and Neurological Spine Surgery On-Call Services
Bid/RFP/CBE: NRS 332.115.1(b) – Professional Services
Term: Amendment 1 – 3/1/2023 through end of Term
Amount: Amendment 1 – Neurological Surgery – additional $800.00 per day for on-call services; or additional NTE $292,000.00 per year
Out Clause: 30 days w/o cause

**BACKGROUND:**

On October 26, 2022, the Governing Board approved the Amended and Restated Professional Services Agreement ("Agreement") with Duke Forage Anson Neurosurgical, LLP ("Provider") to provide 24/7 consultative, emergency and on-call neurological surgery and neurological spine surgery services for UMC's inpatients and outpatients, including Emergency Department and Trauma Department patients, in accordance with the call schedule maintained by Medical Staff. UMC agreed to compensate Provider $3,000.00 per day or a not-to-exceed total of $1,095,000.00 per year for neurological surgery on-call services and $1,000.00 per day or a not-to-exceed total of $365,000.00 per year for neurological spine surgery on-call services from November 1, 2022 through October 31, 2025, with the option to extend for two, 1-year periods. Either party may terminate this Agreement with a 30-day written notice to the other.

This Amendment One requests to increase the compensation for neurological surgery on-call services by an additional $800.00 per day or a not-to-exceed total of $292,000.00 per year, effective March 1, 2023.

Cleared for Agenda
March 22, 2023

Agenda Item #
**15**

UMC's Support Services Executive Director has reviewed and recommends ratification of this Amendment. This Amendment has been approved as to form by UMC's Office of General Counsel.

Provider currently holds a Clark County business license.

**AMENDMENT ONE TO AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT (Group Physician On-Call Coverage)**

This Amendment One (**"Amendment One"**) is made and entered into as of this 1st day of March, 2023, by and between UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes (hereinafter referred to as **"Hospital"**) and DUKE FORAGE ANSON NEUROSURGICAL, LLP (hereinafter referred to as **"Provider"**).

RECITALS:

WHEREAS, the parties entered into an Amended and Restated Professional Services Agreement dated October 26, 2022 (hereinafter referred to as **"Agreement"**) for adult and pediatric neurological surgery and neurological spine surgery on-call services (hereinafter referred to as **"Services"**); and

WHEREAS, the parties desire to amend the Agreement with this Amendment One to adjust the compensation for Services in the manner described herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the parties agree to amend the Agreement as follows:

1. Section 5.1, Compensation for Services, shall be deleted in its entirety and replaced with the following:

   Compensation for Services. Effective March 1, 2023 and subject to Section 7.5, Hospital will compensate Provider **$3,800 per day for adult and pediatric Neurological Surgery On-Call Services** or for an annual amount not-to-exceed $1,387,000 and **$1,000 per day for adult and pediatric Neurological Spine Surgery On-Call Services** or for an annual amount not-to-exceed $365,000. Payment will be made after the submission of an accurate invoice setting forth with reasonable specificity such days the Services were provided during the previous month and verification of time submitted pursuant to Section 5.2. Complete and accurate invoices are due by the first (1st) day of each month. Payment will be made on the third (3rd) Friday of each following month, or if the third (3rd) Friday falls on a holiday, the following Monday. Clinical Services (which are directly billed by Provider pursuant to Section 4.1) are not separately compensated.

2. This Amendment One may be executed in one or more counterparts, each of which shall be considered to be an original for all purposes and all of which together shall constitute one and the same instrument. Any party hereto may deliver its signature to this Amendment One electronically (including without limitation by emailing its signature in portable document format [PDF] or similar electronic format), which will be legally effective and enforceable.

3. Except as set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect provided however, that if any term or condition of the Agreement conflicts with or is inconsistent with any term or condition of this Amendment One, the terms and conditions of this Amendment One shall govern, prevail, and control. All references to the Agreement shall include this Amendment One.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment One as of the date first set forth above.

Hospital:
UNIVERSITY MEDICAL CENTER
OF SOUTHERN NEVADA

By: Mason Van Houweling
Mason Van Houweling
Chief Executive Officer

Provider:
DUKE FORAGE ANSON
NEUROSURGICAL, LLP

By:
John Anson, MD
Partner

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

| Business Entity Type (Please select one) | | | | | | |
|---|---|---|---|---|---|---|
| ☐ Sole Proprietorship | ☐Partnership | ☒ Limited Liability Company | ☐ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |

| Business Designation Group (Please select all that apply) | | | | | | |
|---|---|---|---|---|---|---|
| ☐ MBE | ☐ WBE | ☐ SBE | ☐ PBE | ☐ VET | ☐DVET | ☐ ESB |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

**Number of Clark County Nevada Residents Employed: 28**

| | | |
|---|---|---|
| **Corporate/Business Entity Name:** | **Duke Forage Anson Neurosurgical, LLP** | |
| **(Include d.b.a., if applicable)** | **The Spine and Brain Institute** | |
| **Street Address:** | 8530 W. Sunset Rd., Suite 250 | **Website: www.thespinebrain.com** |
| **City, State and Zip Code:** | Las Vegas, NV 89113 | **POC Name: Trina Norton**<br>**Email: trina@pbsv.net** |
| **Telephone No:** | 702-851-0792 | **Fax No: 702-851-0797** |
| **Nevada Local Street Address:**<br>**(If different from above)** | Same as above | **Website:** |
| **City, State and Zip Code:** | | **Local Fax No:** |
| **Local Telephone No:** | | **Local POC Name:**<br>**Email:** |

**All entities,** with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| John A. Anson, M.D. | Partner | 25% |
| Derek A Duke, M.D. | Partner | 25% |
| James S. Forage, M.D. | Partner | 25% |
| Michael E. Seiff, M.D. | Partner | 25% |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☐ Yes ☒ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Signature — John A. Anson, M.D. (Print Name)

Partner (Title) — 10/13/22 (Date)

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Third Amendment to Provider Agreement with Specialized Delivery Services, Inc.** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Third Amendment to Provider Agreement with Specialized Delivery Services, Inc. for Courier Services; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000 Fund Name: UMC Operating Fund
Fund Center: 3000705000 Funded Pgm/Grant: N/A
Description: Courier Services
Bid/RFP/CBE: Bid 2018-05
Term: Amendment 3 – 06/15/2022 to 06/14/2023
Amount: Amendment 3 – additional $195,925.40; Total cumulative funding is $1,247,092.00 for all Amendments.
Out Clause: 30 days w/o cause
Budget Act and Fiscal Fund Out

**BACKGROUND:**

On June 2018, UMC entered into a Provider Agreement ("Agreement") with Specialized Delivery Services, Inc. ("Provider") to provide courier services to all existing and future Primary and Quick care locations as deemed appropriate for UMC's business needs. UMC agreed to compensate Provider $347,094.00 for the period from June 15, 2018 through June 14, 2021, with two, 1-year renewal options. Either party may terminate this Agreement without cause with a 30-day written notice to the other.

The First Amendment to the Agreement, effective June 6, 2021, extended the Agreement term through June 14, 2022, and increased the funding by an additional $150,000.00. The Second Amendment to the Agreement, effective February 24, 2022, extended the Agreement term through June 14, 2023, and increased the funding by an additional $749,998.00 to support costs incurred through the remainder of the term.

This Third Amendment requests to increase the funding under the Agreement by an additional $195,925.40 to support three new ambulatory locations and increased pickup times.

Cleared for Agenda
March 22, 2023

Agenda Item #
**16**

UMC’s Director of Supply Chain Services has reviewed and recommends approval of this Amendment. This Amendment has been approved as to form by UMC’s Office of General Counsel.

Provider currently holds a Clark County business license.

# Third Amendment to the Provider Agreement
## University Medical Center of Southern Nevada and Specialized Delivery Services, Inc.

This Third Amendment ("Third Amendment") to the Courier Service Agreement between University medical Center of Southern Nevada and Specialized Delivery Services, Inc., is effective as of the date last signed by the parties below ("Third Amendment Effective Date"), and is by and between **University Medical Center of Southern Nevada,** a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes, having its principal place of business at 1800 W Charleston Blvd, Las Vegas, NV 89102, ("UMC"), and **Specialized Delivery Services, Inc.,** having its principal place of business at 3200 N. Hayden Rd. #100, Scottsdale, AZ 85251 (**"Provider"**).

WHEREAS, Provider and UMC have agreed to that certain Provider Agreement University Medical Center of Southern Nevada and Specialized Delivery Services, Inc., having an effective date of June 15, 2018, which was amended by the parties via a First Amendment on June 15, 2021, a Second Amendment on February 24, 2022 (collectively, the "Agreement"); and

WHEREAS, Provider and UMC wish to further amend the Agreement in certain respects as provided in this Third Amendment.

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledge, Provider and UMC hereby agree as follows:

1. Add $195,925.40 in funding to support the addition of three new locations (Orthopedic Spine and Rehabilitation Center; Alliante Quick Care; LAS Quick Care), and pickup times.
2. Except as expressly amended in this Third Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment effective as of the date of countersignature below.

**Specialized Delivery Service**

Signature: _____

Printed Name: Kelly S. Mack

Title: President

Date: 3/1/2023

**University Medical Center of Southern Nevada**

Signature: _____

Printed Name: _____

Title: Chief Executive Officer

Date: _____

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Agreement for Transplant Services with Transplant Coordinators of America, Inc.** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Agreement with Transplant Coordinators of America, Inc. for Transplant Services; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000 Fund Name: UMC Operating Fund
Fund Center: 3000719200 Funded Pgm/Grant: N/A
Description: Kidney and Pancreas Transplant Organ Offers On-Call Service
Bid/RFP/CBE: NRS 332.115(1)(b) – Professional Services
Term: One year from Effective Date with four, 1-year auto renew options
Amount: NTE $262,800.00 per year or NTE $1,314,000.00 for five (5) years
Out Clause: 30 days w/o cause

**BACKGROUND:**

This request is to enter into a new Agreement for Transplant Services ("Agreement") with Transplant Coordinators of America, Inc. ("TCOA") to assist with the location and procurement of human organs for transplant on-call coverage. TCOA will perform effective screenings and evaluations on electronic offers received from UNOS DonorNet® to determine if the organs meet the Organ Quality Criteria. TCOA will also notify and provide proper presentation and transportation to UMC on offers that meet the Organ Quality Criteria.

UMC will compensate TCOA a total not-to-exceed amount of $1,314,000.00 for five (5) years. Either party may terminate this Agreement without cause with a 30-day written notice to the other.

UMC's Transplant Services Director has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

A Clark County business license is not required because this Agreement is for the provision of remote services.

Cleared for Agenda
March 22, 2023

Agenda Item #
**17**

**AGREEMENT FOR TRANSPLANT SERVICES**
**BETWEEN**
**TRANSPLANT COORDINATORS OF AMERICA, INC.**
**AND**
**UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA**

This Agreement for Transplant Services ("Agreement"), made effective on the last date of signature set forth below ("Effective Date"), is by and between University Medical Center of Southern Nevada, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes and located at 1800 West Charleston Boulevard, Las Vegas, NV 89102 ("UMC"), and Transplant Coordinators of America, Inc., a South Carolina corporation with its principal office at 636 G, Long Point Road, Suite 96, Mount Pleasant, SC 29464 ("TCOA").

WHEREAS, TCOA provides certain transplant services to assist with the location and procurement of human organs for transplant, as further set forth below; and

WHEREAS, UMC, as part of its operations, performs transplant surgeries and is desirous of the services offered by TCOA.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties agree as follows:

## 1. SERVICES TO BE PERFORMED

(a) Service Type: TCOA will provide to UMC the following on-call coverage as described in this Section 1 and in **Attachment 1**, during the hours specified (the "Services"). On-call coverage is defined as: TCOA is available to receive electronic organ offers from the United Network for Organ Sharing (UNOS) DonorNet ®system, and to respond to such electronic organ offers in accordance with the specific organ quality criteria as agreed to with the Transplant Center at the time of the request ("Criteria").

(b) Service Hours: 7:00 am - 7:00 am Pacific Standard Time, Monday - Monday (24 hours a day, 7 days a week, including all holidays).

(c) Service Procedure:
Whenever TCOA receives an electronic organ offer for an evaluation from DonorNet ®, TCOA shall review such offer(s) in accordance with the Criteria. If TCOA determines the offer has met the Criteria, then TCOA shall enter a "provisional yes" to DonorNet ® and await further information in regards to such organ offer. TCOA will also inform the hospital Transplant Center physician attending on-call, and the hospital Transplant Center in-house clinical coordinator. It is the responsibility of the hospital Transplant Center physician attending on-call, following review of the information provided by DonorNet ®, to determine the acceptance or rejection of such organ.

After the electronic offer is made to the Transplant Center (i.e., UMC), and if the organ offer falls out of the Criteria for acceptance, then TCOA will decline such an offer and record its rationale for doing so via DonorNet ®. TCOA reserves the right to

discuss with the hospital Transplant Center physician those organs that TCOA's transplant coordinator(s) consider "borderline" with the unique goal to optimize organ acceptance.

## 2. RESPONSIBILITIES OF UMC AS TRANSPLANT CENTER

UMC is a member of UNOS and is an approved Transplant Center (also known as a Transplant Hospital) in which transplants are performed. It is the responsibility of the transplanting surgeon at the Transplant Center receiving the organ offer for the surgeon's candidate to ensure the medical suitability of donor organs for transplantation into the potential recipient, including compatibility of donor and candidate by ABO blood type. Upon receipt of an organ, and prior to implantation, the Transplant Center is responsible for verifying the recorded donor ABO with the recorded ABO of the intended recipient, and UNOS Donor ID number. These actions must be documented by the Transplant Center and are subject to review upon audit.

## 3. PAYMENT AND INVOICING TERMS

(a) Payment. TCOA's rate for the Services, which includes the on-call coverage described in Section 1, is $30 per hour for up to 350 calls per month. Transportation charges, if any, are not included in this rate for on-call coverage and are billed separately at $3,500 per set up with flight monitoring.

If UMC cancels a scheduled flight set up (with pilots activated), a $1,000 cancellation fee will be charged by TCOA and a separate cancellation fee from the charter company. The charter company charges will be billed directly from the airline company.

UMC agrees to pay TCOA for the performance of Services described in this Agreement for the not-to-exceed amount of **$262,800 per year**.

(b) Invoicing. Invoices will be submitted on a monthly basis by TCOA for payment by UMC. Payment is due upon receipt of a correct invoice and will be past due sixty (60) days from the date of the invoice. If UMC has any valid reasons for disputing any portion of an invoice, UMC will notify TCOA within fourteen (14) calendar days of receipt of invoice by UMC. If no such notification is given by UMC, the invoice will be deemed valid. The portion of TCOA's invoice that is not in dispute shall be paid in accordance with the procedures set forth herein.

## 4. RELATIONSHIP OF PARTIES

It is understood by both parties that TCOA is an independent contractor with respect to UMC and is not an employee of UMC. UMC will not provide fringe benefits, including health insurance, paid vacation, or any other employee benefit, for the benefit of TCOA or its employees.

## 5. CONFIDENTIALITY

TCOA will not at any time or in any matter, either directly or indirectly, use for its benefit, or divulge, disclose, or communicate in any manner any information that is propriety to UMC. TCOA will exercise all reasonable steps to protect such information and treat it as

strictly confidential. This provision shall continue to be effective after the termination of this Agreement. Upon termination of this Agreement, TCOA will return to UMC all documentation and other items that were used, created, or otherwise controlled by TCOA during the term of this Agreement.

**6. COVENANT NOT TO COMPETE.**

In consideration of its contractual agreement with TCOA and other valuable consideration provided herein, UMC covenants and agrees that for a period commencing on the date of termination of this Agreement for any reason, and ending twenty-four (24) months thereafter, UMC is prohibited from engaging in certain competitive activities against TCOA. During this period, UMC will not directly or indirectly: (a) induce or attempt to induce any independent contractor of TCOA to leave TCOA's employment, (b) in any way interfere with the relationship between TCOA and any of its independent contractors, (c) employ, or otherwise engage as an independent contractor, employee or otherwise, any independent contractor of TCOA, (d) induce or attempt to induce any customer, supplier, licensee or business relation of TCOA to cease doing business with TCOA, or (e) in any way interference with the relationship between any customer, supplier, licensee or business relation of TCOA. Employment arising from inquiries via advertisements in newspapers, job fairs, unsolicited resumes or applications for employment with UMC shall not be construed to be a violation of this Section.

**7. TERM AND TERMINATION**

(a) Term. This Agreement shall commence on the Effective Date and continue for one (1) year (the "Initial Term"). This Agreement will automatically renew for successive one (1) year increments at the end of the Initial Term (each a "Renewal Term"), up to a total of no more than four (4) Renewal Terms. The Initial Term and all Renewal Terms shall be referred to herein collectively as the "Term".

(b) Termination. Either party may terminate this Agreement by giving the other party at least thirty (30) days written notice.

**8. SEVERABILITY**

If any of the provisions of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed and enforced as so limited.

**9. PUBLICATION AND ADVERTISEMENT**

Each party agrees that it will not use the names or logos of, or make any reference to, the other party and/or any of its components in any advertising or publications of any kind, including, but not limited to, brochures, letterhead, business cards, or office plaques, without the express written permission of the other party.

## 10. INDEMNIFICATION AND INSURANCE

To the extent expressly authorized by Nevada law, each party agrees to indemnify and hold harmless the other party, its officers, agents and employees with respect to any and all claims, damages, judgments, actions, and causes of action arising out of the acts or omissions of the Indemnifying Party's officers, agents and employees during the term of this Agreement, including all costs, expenses and attorneys' fees incurred in the defense of any and all claims and/or litigation. UMC explicitly retains all defenses to indemnification that may exist under Nevada law and any indemnification by UMC under this section shall be subject to and limited by the provisions of Chapter 41 of the Nevada Revised Statutes. Both parties agree to secure and maintain sufficient insurance coverage, in the minimum amount of $1 million per occurrence and $3 million aggregate, in order to adequately fulfill its obligations under this Section. Proof of such insurance coverage will be provided by a party upon request of the other party.

## 11. COMPLIANCE WITH LAWS

Each party represents and warrants that it shall comply with all applicable federal and state laws and regulations, including, without limitation, the federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b, and all implementing regulations; the federal False Claims Act, 31 U.S.C. § 3729 *et seq.*; the federal Physician Payment Sunshine Act, 42 U.S.C. § 1320a-7h, and all implementing regulations; as well as all comparable state and local laws and regulations relating to this Agreement. The parties acknowledge and agree that nothing contained in this Agreement shall require either party to refer business to the other party or take into account the volume or value of referrals, nor has any unlawful remuneration been solicited or received for the furnishing, arranging or recommending the purchase, lease or ordering of any goods or services reimbursable under any state or federal health care programs.

## 12. DISPUTE RESOLUTION

(a) Escalation. The parties will attempt to resolve disputes between them arising out of or relating to this Agreement: (i) in a timely and constructive manner that reflects the concerns and commercial interests of each party; and (ii) at the appropriate levels of authority within each party, including escalating issues that cannot be otherwise resolved in accordance with the terms and conditions of this Agreement prior to pursuing legal proceedings.

(b) Mediation. The parties agree that they shall seek mediation as their preferred method of handling claims, disputes, or other matters in question which may arise between them. The mediation process may be initiated by any party at such times as the parties have been unable to reach a mutually agreed upon resolution to a problem within a reasonable period of time, and at such time as it appears that such a resolution is not likely to be obtainable.

(c) Arbitration. Any issues that remain unresolved following mediation shall be resolved by arbitration between the parties before a single arbitrator under the American Arbitration Association (AAA) rules, but not the administration of the AAA if the parties can agree to use a self-administered arbitrator and procedure. If the parties are unable to agree on an arbitrator, one will be appointed by the AAA. Any decision or award of the arbitrator will be final and binding on the parties, and judgment may

be entered in any court having jurisdiction over the party against which the decision and award run.

## 13. NOTICE

Any notice required to be given hereunder shall be deemed to have been given when received by the party to whom it is directed by personal service, hand delivery, certified U.S. mail, return receipt requested, or email with acknowledgment from recipient, at the following addresses:

To UMC: University Medical Center of Southern Nevada
Attn: Legal Department
1800 W. Charleston Blvd.
Las Vegas, NV 89102

To TCOA: Transplant Coordinators of America, Inc.
Attn: Steve Pitzer, President/Owner
636 G, Long Point Rd., Suite 96
Mount Pleasant, SC 29464

## 14. BUDGET ACT AND FISCAL FUND OUT

In accordance with the Nevada Revised Statutes (NRS 354.626), the financial obligations under this Agreement between the parties shall not exceed those monies appropriated and approved by UMC for the then-current fiscal year under the Local Government Budget Act. This Agreement shall terminate and UMC's obligations under it shall be extinguished at the end of any of its fiscal years in which its governing body fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which could then become due under this Agreement. UMC agrees that this Section shall not be utilized as a subterfuge or in a discriminatory fashion as it relates to this Agreement. In the event this Section is invoked, this Agreement will expire on the thirtieth (30th) day of June of the then current fiscal year. Termination under this Section shall not relieve UMC of its obligations incurred through the thirtieth (30th) day of June of the fiscal year for which monies were appropriated.

## 15. AMENDMENTS

No modifications or amendments to this Agreement shall be valid or enforceable unless mutually agreed to in writing by the parties.

## 16. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

## 17. PUBLIC RECORDS

TCOA acknowledges that UMC is a public county-owned hospital which is subject to the provisions of the Nevada Public Records Act, Nevada Revised Statutes Chapter 239, as may be amended from time to time, and as such its records are public documents available to copying and inspection by the public. If UMC receives a demand for the

disclosure of any information related to this Agreement which TCOA has claimed to be confidential and proprietary, UMC will immediately notify TCOA of such demand and TCOA shall immediately notify UMC of its intention to seek injunctive relief in a Nevada court for protective order. TCOA shall indemnify, defend and hold harmless UMC from any claims or actions, including all associated costs and attorney's fees, regarding or related to any demand for the disclosure of TCOA documents in UMC's custody and control in which TCOA claims to be confidential and proprietary.

**18. ENTIRE AGREEMENT**

No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition. This Agreement is the entire agreement between the parties and supersedes all other representations, proposals, discussions, undertakings, communications, agreements, advertisements, and understandings, whether oral or written, between the parties and shall govern and control with respect to the subject matter herein. Any terms or conditions appearing on the face or reverse side of any purchase order, acknowledgement, or confirmation that are different from or in addition to those described herein are hereby expressly rejected and shall not be binding on the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of countersignature set forth below.

| **TRANSPLANT COORDINATORS OF AMERICA, INC.** | **UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA** |
|---|---|
| By: Steve Pitzer | By: _____ |
| Name: Steve W Pitzer | Name: Mason Van Houweling |
| Title: President/CEO | Title: Chief Executive Officer |
| Date: 03/08/2023 | Date: _____ |

**ATTACHMENT 1**
**ELECTRONIC ORGAN OFFER PROCESS VIA DONORNET ®**

**Organ Offer from DonorNet ® (Kidney, Kidney/Pancreas):**

Primary vs. Backup Organ Offers

1. Hospital Call Transplant Physician with complete donor information when offer is Primary and has been screened for automatic "rule out" criteria.
2. Hospital Transplant Physician accepts organ(s) after reviewing DonorNet ® (Physician final decision).
3. Hospital Clinical Coordinator notified either by TCOA or the accepting hospital Transplant Physician.

**For organs that are shipped to Transplant Center without a Transplant Center team procuring the organ(s):**

1. TCOA will notify the Organ Procurement Organization Administrator On-Call (OPO AOC) of the Transplant Center's acceptance of an organ, and the OPO AOC will establish transportation of organ(s) with the host OPO.
2. Transportation and ETA of organ(s) is relayed back to the TCOA Coordinator by the OPO AOC.
3 This information is then relayed to: hospital Transplant Physician, Transplant Center's Clinical Coordinator.

**For organs that require a Transplant Surgical Recovery Team and an OPO Coordinator to procure the organ(s) AKA "Fly Out":**

1. The TCOA Coordinator will contact the OPO AOC to arrange transportation.

**Local cases (Transplant Center Donor Service Area):**

1. TCOA in conjunction with the accepting hospital Transplant Physician will determine ultimate mode of transportation for Surgical Recovery Team(s) that will be performing the procurement on that particular local case. TCOA will then inform the OPO AOC.
2. TCOA will discuss this information with the attending hospital Transplant Physician and/or surgical fellow performing the recovery.
3. If there is no Transplant Surgical Recovery Team involved with the procurement of organ(s) and an organ(s) is coming to the Transplant Center, TCOA will contact the hospital Transplant Physician or the hospital Clinical Coordinator with mode of delivery and ETA of organ(s).

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

| Business Entity Type (Please select one) | | | | | | |
|---|---|---|---|---|---|---|
| X Sole Proprietorship | ☐ Partnership | ☐ Limited Liability Company | ☐ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |

| Business Designation Group (Please select all that apply) | | | | | | |
|---|---|---|---|---|---|---|
| ☐ MBE | ☐ WBE | ☐ SBE | ☐ PBE | X VET | ☐ DVET | ☐ ESB |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

**Number of Clark County Nevada Residents Employed: 1 Jacob Pitzer**

| | | |
|---|---|---|
| **Corporate/Business Entity Name:** | Transplant Coordinators of America | |
| **(Include d.b.a., if applicable)** | | |
| **Street Address:** | 636 Long Point Rd., Unit G, Ste. 96 | **Website:** |
| **City, State and Zip Code:** | Mt. Pleasant, SC 29464 | **POC Name:** **Email:** |
| **Telephone No:** | 843-270-3882 | **Fax No:** |
| **Nevada Local Street Address:** **(If different from above)** | 9710 Hiking Ave. | **Website:** |
| **City, State and Zip Code:** | Las Vegas, NV 89166 | **Local Fax No:** |
| **Local Telephone No:** | 843-532-1839 | **Local POC Name:** **Email:** |

**All entities,** with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| Jacob Pitzer | Admin Assist. | 10% |
| Whitney Vardon | RN, Transplant Coordinator | 10% |
| | | |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☐ Yes X No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes X No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes X No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Steve W Pitzer

Steve Pitzer

Signature | Print Name

owner | 02/09/2023

Title | Date



REVISED 7/25/2014

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **EMR System Access Agreement with the Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas and UNLV Medicine d/b/a UNLV Health** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Agreement with the Board of Regents of the Nevada System of Higher Education on behalf of the Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas and UNLV Medicine d/b/a UNLV Health for EMR system access; authorize the Chief Executive Officer to execute any extension options and amendments; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000
Fund Name: UMC Operating Fund
Fund Center: 3000999902
Funded Pgm/Grant: N/A
Description: EMR System Access
Bid/RFP/CBE: NRS 332.115(1)(h) – Software
Term: 6/1/2022 to 5/31/2025 with two, 1-year options
Amount: UNLV will reimburse UMC the following fees:

Monthly Access Fee (Fixed):
$32,393.14 per month or $388,717.68 per year

Monthly Fee Based on Outpatient Encounters (Variable):
Estimated $14,022.35 per month or $168,268.20 per year

Estimated Annual Total Reimbursement to UMC (subject to pass-through fee adjustments by UMC):
**Estimated $556,985.88 per year**

Out Clause: 45 days prior to the expiration of the Initial Service Period or any Renewal Service Period

Cleared for Agenda
March 22, 2023

Agenda Item #
**18**

**BACKGROUND:**

Since June 2017, UMC has had an agreement with UNLV to grant the latter with access and use of UMC's electronic medical system, Epic, when caring for its ambulatory patients.

This request is to enter into a new agreement with UNLV for their continued EMR system access where UMC will provide Epic access and use, third party software use as applicable to UNLV, consulting and training services as contracted by both parties, and maintenance and support to a maximum of 450 UNLV authorized users. UNLV will reimburse UMC an annual estimated fee of $556,985.88 based on usage, applicable Epic module access, hosting, outpatient encounters, maintenance and pass-through fees which are subject to adjustments, at any time, upon third-party increases.

The Agreement term is from June 1, 2022 through May 31, 2025 with the option to renew for two, 1-year periods. Either party may terminate this Agreement with at least a 45-day notice prior to the expiration of the renewal period. Staff also requests authorization for the Hospital CEO to execute any extension options and amendments at his discretion if deemed beneficial to UMC.

UMC's Chief Information Officer has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

The Department of Business License has determined that UNLV is not required to obtain a Clark County business license nor a vendor registration since UNLV is part of the Nevada System of Higher Education, which is an entity of the State of Nevada.

## EMR SYSTEM ACCESS AGREEMENT

This EMR System Access Agreement ("Agreement") is made and entered into by and between University Medical Center of Southern Nevada ("UMCSN"), the Board of Regents of the Nevada System of Higher Education ("NSHE"), on behalf of the Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas ("UNLVSOM"), and UNLV Medicine d.b.a UNLV Health ("UNLV Health") with the intent it be effective as of the 1st day of June, 2022 ("Effective Date"). UNLV Health and UNLVSOM shall collectively be referred to as "Entities". "UMCSN", "UNLVSOM" and "UNLV Health" may individually be referred to as a "Party" and collectively as the "Parties").

## RECITALS

A. UMCSN is a publicly owned and operated hospital created by virtue of Chapter 450 of Nevada Revised Statutes whose mission is to serve the community by providing patient-centered care in a fiscally responsible and learning focused environment;

B. UNLVSOM is working to develop a world-class center for education, patient care, and research that prepares Nevada's doctors with the most innovative and technologically advanced forms of medical training, while serving the healthcare needs of a diverse rural and urban population;

C. UNLV Health is a Nevada non-profit corporation that serves as the faculty practice plan supporting UNLVSOM by providing the billing, payment, administrative and management services, specifically designated as "Treatment, Payment or Operations," for the UNLVSOM clinical operations. Entities have entered into a First Amended and Restated Operating Agreement, dated June 15, 2020

D. UMCSN, UNLV Health and UNLVSOM have affiliated to further their respective missions with the development of an Academic Health Center and further recognize the enormous benefit to patients when medical providers have access to the EMR System (as defined below) when caring for patients; and

E. In order to realize this benefit for their patients, Entities desire to obtain the right to access and use the EMR System, and, in order to better serve the health needs of their community, UMCSN desires to provide such access, subject to the terms and conditions of this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals (which are hereby incorporated herein) and the mutual covenants and agreements set forth herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Definitions.**

1.1 Ambulatory Visits: Ambulatory Visits are calculated based on each face-to-face encounter, or other encounter that substitutes for a face-to-face encounter as technology develops, between a Medical Provider (as defined in Section 3.2) and a patient that results in the Medical Provider entering information into the EMR System at a UNLV Health facility/clinic (a "UNLV Health Clinic"); provided however multiple encounters with Medical Providers in the same scheduled appointment at a UNLV Health Clinic will count as one Ambulatory Visit.

1.2 Priority 1 Error: A priority 1 error is a problem or a series of problems that leaves the system or material program functionality unusable or severely impacts normal processing.

1.3 Priority 2 Error: A priority 2 error means a problem or a series of problems in the system which causes serious disruption of a major business function and which cannot be temporarily solved by a workaround.

1.4 Reasonable Efforts: For any Priority 1 Errors UMCSN will respond to UNLVSOM or UNLV Health, as applicable, within 4 hours of receiving call. For Priority 2 Errors UMCSN will respond to UNLVSOM or UNLV Health, as applicable, within 24 hours during normal business hours and 48 hours during weekends and holidays.

1.5 Service Period: The Service Period shall be equal to the term of this Agreement (as set forth in Section 7.1). During this period, any additional support or training needs by UNLVSOM or UNLV Health, as applicable, shall, upon request, be provided by UMCSN as Additional Services (as defined in Section 3.4) based upon the nature of the Additional Services requested and a rate consistent with those rates set forth on **Exhibit A**.

1.6 Super User(s): This category of UNLVSOM or UNLV Health employee and/or contractors is intended to provide services at a UNLV Health Clinic(s) after having undergone the training set forth in the Project Plan as provided by UMCSN and after such contractors having completed any requirements of Epic Systems Corporation (hereinafter referred to as "Epic") related to confidentiality and non-disclosure obligations. Such Super Users are expected to demonstrate additional expertise obtained during such learning process. Once fully trained by UMCSN, the Super User will have additional responsibilities and access in order to function as a first line trainer and support for the Authorized Users (as defined in Section 3.2); however final approval of administrator or privileged access to the EMR System is at the sole discretion of UMCSN, which shall not be unreasonably withheld.

1.7 Entities User Data: The electronic data inputted into the EMR System by Authorized Users, to include ePHI, medical, demographic, billing and insurance information and associated financial records.

2. **EMR System.** In order to better meet its mission to serve the public and its patients, UMCSN has invested in an electronic medical record system from Epic and certain related components as further described on **Exhibit A** (the "EMR System"). UMCSN has also obtained the right to offer to Entities the use of the EMR System. The items and services provided under this Agreement do not include hardware, software with functionality other than listed in **Exhibit A** (Section III), or staffing of Entities office(s), and may not be used primarily to conduct personal business or business unrelated to Entities.

3. **Provision of EMR System.**

3.1 Training. UMCSN shall provide training materials and train-the-trainer services to credentialed trainers of Entities' staff to provide training to Authorized Users *(after receipt of appropriate approval of such Authorized Users from Epic)* regarding use of the EMR System. UMCSN may provide access to UMCSN training facilities if desired at mutually agreed upon times. In addition to live, in-person training, UMCSN agrees to provide any available on-line or digital training protocols or presentations and/or ambulatory training programs, which are determined by UMCSN to be appropriate learning tools. UNLV Health will be responsible for providing staff to become credentialed trainers and completing the credentialed training process. These staff members may be the same individuals as identified to be Super Users.

3.2 Grant of Access to EMR System. Subject to the terms and conditions of this Agreement, UMCSN hereby grants to Entities nontransferable and non-exclusive access to the EMR System to permit no more than the maximum number of medical providers (each a "Medical Provider") set forth in **Exhibit A** and their office administrators and other authorized support staff (collectively "Authorized Users"), to electronically access and use the EMR System for storing, processing, documenting and displaying medical records and other information, images and content related to the provision of healthcare to patients of such Medical Providers. This grant of access will include as Authorized Users, those individuals involved in the treatment, payment or operations for Entities. The number of Authorized Users accessing the EMR System concurrently may not exceed the maximum number of Authorized Users listed on **Exhibit A**. Any desired increase or decrease to the maximum number of Authorized Users as described on Exhibit A shall be done pursuant to Section II of Exhibit A. The selection and/or modification of Authorized Users, and the implementation and maintenance of security relating to access to the EMR System at UNLV Health Clinics shall be the sole responsibility of UMCSN with input as required from Entities.

3.3 Maintenance. UMCSN shall provide the following maintenance and support services (the "Maintenance and Support Services") to Entities:

a. *Technical Support.* UMCSN shall make available to Entities telephone and email access to UMCSN's technical support staff ("Technical Support") to answer questions and/or assist in resolving problems regarding the general use of the EMR System.

b. *Error Correction.* UMCSN shall use best efforts, to correct or provide a workaround for any reproducible Priority 1 Error or Priority 2 Error that causes the EMR System to (i) fail to operate, (ii) generate error messages or (iii) generate errors in automatic data creation or calculations, provided such error is reported to UMCSN by UNLVSOM or UNLV Health in a writing that describes such error in detail. UMCSN shall have no obligation to provide corrections or workarounds if the error is caused in whole or in part by persons other than UMCSN, including without limitation, Entities' network service provider, or the error is caused in whole or in part by Entities' use of the EMR System in association with operating environments and platforms other than those specified by UMCSN.

c. *System Availability.* Except in the event of emergencies as reasonably determined by UMCSN, the downtime as described in this Sub-section 3.3(c) shall be scheduled with seventy-two (72) hour advance notice (to include attempted direct telephone contact and follow-up email) to both the UNLVSOM's Chief Information Officer and UNLV Health's Executive Director of Business Operations and the related maintenance services shall be performed outside of the regular business hours of UNLV Health Clinics (i.e., M-F 8am-5pm).

d. *System Updates.* UMCSN shall make available to Entities, without cost, any updates, upgrades and enhancements to the EMR System as may be made generally available by Epic during the term of this Agreement. Except in the event of emergencies as reasonably determined by UMCSN, any downtime of the EMR System associated with such updates, upgrades and enhancements described in this sub-section 3.3(d) shall be scheduled with seventy-two (72) hour advance notice (to include attempted direct telephonic contact and follow up email) to both the UNLVSOM's Chief Information Officer and UNLV Health's Executive Director of Business Operations, and the related updates, upgrades and enhancements shall be performed outside of the regular business hours of UNLV Health Clinics (i.e., M-F 8am-5pm).

e. *Service Level Credits.* The Parties agree that to the extent there is downtime of the EMR System that is reimbursed by the EMR System licensor, UMCSN will provide Entities with their prorated share of any such service level credits. Payments shall occur within thirty (30) day of receipt by UMCSN of the service level credits.

3.4 Changes to EMR System. UMCSN may, from time to time, change the components and functionality of the EMR System, provided however, UMCSN shall notify Entities in advance with direct telephone contact and at least fourteen (14) days' written notice to both the UNLVSOM's Chief Information Officer and UNLV Health's Executive Director of Business Operations of such changes if they will materially impact Entities use of the EMR System. In the event that any such changes materially and adversely impact UNLVSOM or UNLV Health's use of the EMR System, and if UMCSN cannot reasonably mitigate the impact, then the Parties will meet to discuss options for resolution. If the Parties are unable to resolve the issue, UNLVSOM or UNLV Health may terminate this Agreement consist with Section 7.1 through Section 7.5. In the event of such termination under this Section

3.4, UNLVSOM/UNLV Health shall have the right to receive a refund of any unearned portion of prepaid or advance monies.

4. **Entities Obligations.**

4.1 Third Party Components. Entities agree that in order to ensure that the EMR System will perform satisfactorily, proper connectivity and hardware must be in place. Entities acknowledge and agree that the hardware, software, network access and other components specified under the heading Necessary Third Party Components on **Exhibit A** (the "Necessary Third Party Components") are necessary in order for Entities to access and use the EMR System and must be obtained separately by Entities. Entities agree that the Necessary Third Party Components are not the subject of this Agreement, and UMCSN shall not be responsible for the procurement, installation or maintenance of the Necessary Third Party Components, and UMCSN makes no representations or warranties regarding the Necessary Third Party Components whatsoever. Any fees for the Necessary Third Party Components shall be borne by Entities and paid directly to the vendors of the Necessary Third Party Components, unless otherwise agreed to in writing by the Parties. No additional Third Party Components will be installed in or interfaced to the EMR System without UMCSN's prior written approval, which shall not be unreasonably withheld.

4.2 Staffing Resources. Entities will be required to provide two (2) full-time dedicated team members with a clinical background to participate in the design and build of specialties unique to Entities. Entities will be required to provide one (1) full-time dedicated team member for the Resolute module. Entities will also provide one (1) full-time dedicated team member to focus on infrastructure improvements.

4.3 Use of the EMR System. Entities are responsible for all use of the EMR System by Authorized Users, including all those individuals involved in treatment, payment or operations through UNLV Health, while using their user IDs and passwords assigned to or chosen by Entities. Entities shall use the EMR System in accordance with any network security policies (the "Security Policies") issued by UMCSN from time to time. UMCSN agrees to provide Entities with sufficient notice of these Security Policies and requirements, with such adequate time to respond and implement these changes, as may be necessary. Entities agree to use the EMR System in compliance with UMCSN's established workflows. If Entities fail to comply with this Section 4.3, UMCSN reserves the right to terminate access to the EMR System. If Entities desire to amend a workflow or create a new workflow, all submissions must be through the account manager or other authorized designated UMCSN personnel, and may only be implemented upon the prior approval of UMCSN. Entities understand and acknowledge that the EMR System is for the purpose of creating an integrated community patient medical record. All financial data and patient scheduling data for Entities will be accessible solely to Entities personnel; however, all patient medical data will be accessible to all authorized users of the EMR System.

4.4 Compliance with Laws. Entities shall not use or permit the EMR System to be used (i) in violation of any applicable export laws and regulations (including without limitation any U.S. export laws and regulations); (ii) in violation of any applicable national, state or local

laws or regulations, including without limitation any laws governing access to the EMR System or governing Entities use of patient medical records and other information and materials uploaded to the EMR System by Authorized Users; or (iii) in ways that infringe the rights of others, or interfere with other users of the EMR System or other networks. All Parties shall at all times comply with the provisions of the Nevada law, as applicable, including but not limited to any laws related to patient privacy.

4.5 Restrictions. Entities shall not, nor shall it permit Authorized Users to, disassemble, decompile, reverse engineer, copy, modify, create or add interfaces to, transcribe, store, translate, sell, lease, authorize third parties to access, or otherwise transfer or distribute any of the EMR System, the user documentation provided with the EMR System (the "Documentation") or any of the software applications used to provide the EMR System, in whole or in part, except as expressly permitted under this Agreement. Entities shall not use the EMR System for the benefit of third parties or in a "service bureau" capacity. Entities shall not attempt to interface the EMR System with any non-UMCSN third party system without the express written consent of UMCSN in its discretion.

5. **Ownership.**

5.1 EMR System. Except for the express rights granted to Entities under this Agreement, all right, title and interest to the EMR System, the software applications used to provide the EMR System, the Documentation and any other information, software or materials provided to Entities by UMCSN under this Agreement, including all intellectual property rights therein, shall at all times remain solely with UMCSN and/or its licensors and vendors. Entities shall reproduce all copyright and trademark notices appearing on all copies of the Documentation.

5.2 Third-Party Software. If UMCSN licenses any third-party software on Entities behalf, should it be necessary, Entities shall execute any required third-party license agreements prior to delivery or installation of the third-party software. If UMCSN installs third-party software at Entities request and acceptance of license terms is affected electronically, Entities authorize UMCSN to accept the third-party license terms on Entities behalf.

5.3 Entities User Data. As between Entities and UMCSN, all rights titles and interest in and to the Entities User Data shall at all times remain solely with Entities and shall only be used by UMCSN to the extent necessary to provide the services as set forth under this Agreement.

6. **License and Support Services Fees.**

6.1 Ongoing Annual Fees. Entities will pay UMCSN a monthly fee for licensing, maintenance, subscription and support services as set forth on **Exhibit A**. Once per calendar year, UMCSN will review Entities' business volume and Medical Provider count and shall adjust the fees accordingly.

6.2 Optional Modules, Interfaces and Customizations. In addition to core system components as detailed on **Exhibit A**, Entities may have the option or may request acquiring EPIC and/or third party additional modules, interfaces or specialized customizations in support of operations with implementation to be completed by UMCSN in a timely manner. Implementation requests by Entities for new Epic modules, interfaces to/from Epic, or additional capabilities/functionality within the EMR System must be contracted through UMCSN. Requests will be submitted in writing to the UMC Director of EHR Services and will be reviewed by UMCSN, UNLV Health and Epic to determine feasibility, level of effort, cost, and other impacts. Approved requests will be evaluated and prioritized in compliance with UMCSN's EHR Governance Program. UMCSN reserves the right to deny any request that could negatively impact UMCSN's operational, clinical or financial viability. UMCSN retains and will exercise final approval of any and all changes to or within the EMR System environment. Entities will be responsible for implementation costs, if applicable, to be calculated using the number of annual outpatient encounters consumed by Entities against the total number of outpatient encounters included in UMCSN's contract with Epic. Additionally, the new Epic modules, interfaces or additional capabilities/functionality may result in an increase in monthly expense to Entities which may require a written amendment to this Agreement.

6.3 No Payment for Referrals. Neither the fees charged to Entities under this agreement nor Entities eligibility to enter into this Agreement were determined in a manner that takes into account the volume or value of referrals or other business generated between the Parties. Except as otherwise set forth in **Exhibit A**, all undisputed invoices shall be due and payable within thirty (30) days of receipt.

6.4 Late Payments. All undisputed payments not made within thirty (30) days after they become due shall be subject to late charges of one and one-half percent (1.5%) per month, not to exceed five percent (5%) per annum. In addition to any other remedies that may be available, UMCSN may suspend access to the EMR System in the event that payment remains outstanding for more than fifteen (15) days after written notification to the Entities.

7. **Term; Termination.**

7.1 Term; Renewal. This Agreement shall be effective as of the Effective Date and shall continue, unless earlier terminated as provided herein, for a period of three (3) years. This Agreement may be renewed by mutual written agreement of the Parties for two (2) additional terms of one (1) year each (each a "Renewal Service Period"), unless either Party, by notice in writing given at least forty-five (45) days prior to the expiration of the Initial Service Period or any Renewal Service Period, advises the other Party of its desire to terminate as provided in this Agreement.

7.2 Termination by A Party. Any Party may terminate this Agreement (i) in the event another Party commits a material breach of this Agreement and such breach continues for a period of thirty (30) days following written notice of such breach; or (ii) immediately if another Party makes any assignment of assets or business for the benefit of creditors, or a trustee or receiver is appointed to conduct its business or affairs, or it is adjudged in any legal

proceeding to be in either voluntary or involuntary bankruptcy. If Entities should terminate this Agreement without cause then Entities shall have the obligation to reimburse UMCSN for any out-of-pocket advances or costs advanced by UMCSN on Entities behalf and which Entities have not repaid, subject, however, to UMCSN's obligation to mitigate its loss through alternate uses of the services for which such advances were made or costs incurred.

7.3 Termination by UMCSN. UMCSN may terminate the access granted to any component of the EMR System in the event that any license or other agreement under which UMCSN acquires rights to such component expires or terminates, in which event UMCSN shall refund to Entities any prepaid fees attributable to such component for the terminated portion of the Service Period in which such termination occurs.

7.4 Data Transition upon Termination. Upon receiving written notice from UNLVSOM or UNLV Health or Entities, which shall be delivered within ninety (90) days of an effective termination date, UMCSN will (i) provide UNLVSOM or UNLV Health or Entities, as applicable, with a tape(s) or disk(s) (or other such data access processes) containing files with a copy of all of that Party(s) User Data. Alternatively, UNLVSOM or UNLV Health (or Entities) shall be provided archived access in a text-based or other available format, such as a MySQL database export, a set of CSV files or another machine readable format agreed to by that Party(s) in writing. Any necessary informational archiving or extracting of information shall be granted for such time as is necessary (but in no event longer than 180 days) for UNLVSOM, UNLV Health or any third party vendor to complete the work requiring such access to this data. The costs arising out of this Section 7.4 shall be considered to be Additional Services and will be consistent with the UMC EHR Services Consulting rates set forth on **Exhibit A**.

7.5 Effect of Termination. Upon expiration or termination of this Agreement (i) all rights granted under this Agreement shall terminate, (ii) all Parties shall return all copies of the other Parties Confidential Information, and (iii) Entities shall promptly return all hardware, software and other materials provided by UMCSN under this Agreement. Termination shall not affect obligations that accrued prior to the effective date of termination. The obligations of the Parties under Sections 4, 6.4, 8, 9, 10, 11, 12 and 13 shall survive any expiration or termination of this Agreement.

8. **Warranties.**

8.1 By UMCSN. UMCSN represents and warrants to Entities that: (i) UMCSN has the full right, power and authority to enter into this Agreement, including all applicable licenses to license the software, services, and EMR System; (ii) it shall perform all services in a professional and workmanlike manner; (iii) the eligibility of Entities for the provision of the EMR System has not been determined in a manner that directly takes into account the volume or value of referrals or other business generated between the Parties; and (iv) neither it nor any person acting on its behalf has taken action to limit or restrict the use, compatibility, or interoperability of the EMR System.

8.2 By Entities. Entities represent and warrant to UMCSN that: (i) Entities have the full right, power and authority to enter into this Agreement; (ii) the Entities data will not infringe or violate the rights of any third party including, but not limited to, intellectual property rights; will not be abusive; will not be defamatory or obscene; and will not violate any applicable law; (iii) all Medical Providers in UNLV Health's medical practice who currently are and for new additional Providers, if appropriate, shall remain as members of UMCSN's active medical staff throughout the term of this Agreement; (iv) Entities have not made and will not make the provision of the services provided to it under this Agreement a condition of continuing to utilize the health facilities and services offered by UMCSN; (v) the EMR System will be used for no purpose prohibited by the laws or ordinances of the United States or the State of Nevada as now in force or hereinafter enacted; and (vi) the services provided to Entities under this Agreement are not technically or functionally equivalent to items and services that Entities already possesses or has obtained.

8.3 DISCLAIMER. THE WARRANTIES STATED IN THIS SECTION 8 ARE THE ONLY WARRANTIES MADE BY THE PARTIES. THE PARTIES EXPRESSLY DISCLAIM ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, ACCURACY AND FITNESS FOR A PARTICULAR PURPOSE. UMCSN DOES NOT WARRANT THAT ENTITIES USE OF THE EMR SYSTEM SHALL BE UNINTERRUPTED OR ERROR-FREE. NO REPRESENTATION OR STATEMENT SHALL BE BINDING UPON UMCSN AS A WARRANTY OR OTHERWISE UNLESS EXPRESSLY CONTAINED IN THIS AGREEMENT.

9. **Disclaimer and Limitation of Liability.**

IN NO EVENT SHALL ANY PARTY BE LIABLE FOR ANY LOST OR ANTICIPATED PROFITS, OR ANY INCIDENTAL, EXEMPLARY, SPECIAL, RELIANCE, CONSEQUENTIAL OR PUNITIVE DAMAGES, REGARDLESS OF WHETHER ANY PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. UMCSN'S ENTIRE LIABILITY TO ENTITIES FOR DAMAGES UNDER OR RELATED TO THIS AGREEMENT, WHETHER BASED IN CONTRACT, TORT OR OTHERWISE, SHALL NOT EXCEED THE AMOUNT ACTUALLY PAID TO UMCSN UNDER THIS AGREEMENT. ENTITIES ENTIRE LIABILITY TO UMCSN FOR DAMAGES UNDER OR RELATED TO THIS AGREEMENT, WHETHER BASED IN CONTRACT, TORT OR OTHERWISE, SHALL NOT EXCEED THE AMOUNT ACTUALLY DUE AND OWING TO UMCSN UNDER THIS AGREEMENT AT THE TIME OF THE OCCURRENCE GIVING RISE TO SUCH CLAIM.

10. **Privileges and Immunities Not Waived.**

Notwithstanding any other provision of this Agreement, it is acknowledged by and between the Parties that (1) NSHE is a constitutional entity of the State of Nevada, and (2) UMCSN is a county hospital organized pursuant to Chapter 450 of the Nevada Revised Statutes. Nothing contained in this Agreement shall be construed as a waiver or relinquishment by any Party of

any right to claim any exemption, privilege or immunity provided to that Party by law (including Nevada Revised Statutes Chapter 41), including without limitation, any right to terminate (1) this Agreement or (2) any agreement between the Parties contemplated by this Agreement in the event any funding authority fails to appropriate funds to enable the Party to fulfill its obligations under such agreements.

11. **Medical Records Obligations/HIPAA Business Associate Agreement.**

The Parties agree to be bound by the terms and conditions of the Business Associate Agreement attached hereto as **Exhibit B** (the "Business Associate Agreement"). It is additionally agreed and established that, UMCSN is not nor shall ever be considered the "Custodian of Records" for any Entities generated records. Any need, obligation or request to produce Entities generated medical records shall rest with Entities, whether legally requested or otherwise and Entities shall designate an employed individual to be recognized as the Custodian of Records. It is additionally agreed that all responsibilities for adherence to HIPAA or HITECH record reproduction timeframes and responsibilities related to Entities records only, shall rest and be the responsibility solely of Entities. UMCSN shall have sole responsibility for all legal and functional issues associated with UMCSN medical records.

12. **Confidentiality.**

12.1 Confidentiality. Except as otherwise provided in the Business Associate Agreement, each Party shall retain in confidence and shall not, without the prior written consent of the other Party(s) (the "Disclosing Party"), disclose in any manner or use, except in performance of its obligations or enjoyment of its rights under this Agreement, any information disclosed to a Party (the "Receiving Party") by the Disclosing Party and either marked at the time of disclosure as being confidential or identified in writing by the Disclosing Party within thirty (30) days of disclosure to the Receiving Party as being confidential ("Confidential Information"). The EMR System and the Documentation shall be deemed Confidential Information of UMCSN, regardless of how marked or identified. This section shall impose no obligation upon the Receiving Party with respect to any information that: (i) is publicly available at the time received by Receiving Party; (ii) becomes publicly available other than by breach of the Receiving Party's obligations hereunder; (iii) is known to the Receiving Party prior to receipt from the Disclosing Party; (iv) is received by Receiving Party from a third party if such third party has the right to make such disclosure; (v) is independently developed by the Receiving Party without use of Confidential Information; or (vi) is required to be disclosed by law.

Notwithstanding the preceding, the Parties acknowledge and agree that UMCSN is a public county-owned hospital and UNLVSOM is a constitutionally created entity of the State of Nevada, and both entities are subject to the provisions of the Nevada Public Records Act, Nevada Revised Statutes Chapter 239, and as such, both Parties' respective contracts are public documents available to copying and inspection by the public. If any Party receives a demand for the disclosure of any information related to this Agreement which the non-disclosing Party has claimed to be confidential and proprietary, the disclosing Party shall immediately notify the non-disclosing Party of such demand and

the non-disclosing Party shall immediately notify the Disclosing Party of its intention to seek any appropriate remedy, including but not limited to relief in a Nevada court proceeding.

12.2 Proprietary Financial Data. Without Entities express consent, UMCSN shall not access any of Entities proprietary financial information that may be present within the EMR System database by virtue of Entities implementation of the EMR System. UMCSN shall implement reasonable protections within the EMR System to prevent such access. Nothing herein shall restrict UMCSN from accessing patient health information that will be available to users of the EMR System. UMCSN additionally agrees that a method through which Entities or any other entity or group engaged by UNLVSOM, UNLV Health, or Entities to obtain financial information for billing and operational purposes will be guaranteed a method through which such data can be collected or extracted in usable form. Such access and or ability to extract data will be included in the costs of implementing this Agreement, as further described in **Exhibit A**.

13. **Covenants of Entities.**

13.1 Access to EMR System. UMCSN, or its delegate, will be permitted at any reasonable time, to enter into or upon and go through and view the EMR System.

13.2 Surrender Upon Termination. Possession of the EMR System will be surrendered promptly at the termination or expiration of this Agreement, provided however, Entities data shall be transitioned to Entities as set forth in Section 7.4.

13.3 Third-party Agreements. Entities bear the sole responsibility for the negotiation of any agreement(s) with vendors. UMCSN has not provided, nor offered to provide, legal advice with respect to any such agreement(s).

14. **General.**

14.1 Independent Contractors. Except as otherwise provided in this Agreement as to the relationship between UNLVSOM and UNLV Health, the relationship between the Parties shall be that of independent contractors. Nothing in this Agreement shall create, or be deemed to imply the creation of, any partnership, joint venture or other relationship. No Party shall have the authority to incur any obligation, contractual or otherwise, in the name or on behalf of any other Party.

14.2 Entire Agreement; Conflicting Terms; Amendment. This Agreement, including any exhibits or appendices hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous communications. This Agreement covers all of the electronic health records items and services furnished by UMCSN to Entities. In the event of a conflict between the terms contained in the body of this Agreement and the terms contained in any exhibit or appendices hereto, the terms contained in the body of this Agreement shall control, except that with respect to any conflict between the terms of this Agreement and the

Business Associate Agreement, the terms of the Business Associate Agreement shall control. This Agreement may be modified only by a written agreement dated subsequent to the Effective Date and signed on behalf of the Parties by their respective duly authorized representatives.

14.3 Compliance with Law/Severability. In the event that a Party becomes aware in the future that this arrangement does not comport with the requirements of the federal Stark Law or the federal anti-kickback laws or other applicable law, that Party shall promptly inform the other Parties of this occurrence and all Parties shall meet promptly and endeavor in good faith to take such action as is legally warranted to restore this Agreement to compliance with the law. If the Parties are unable to agree within fifteen (15) days (or such lesser time if required by law) to such amendment(s) to this Agreement as will render the offending provision(s) of this Agreement compliant with law, or if a court of competent jurisdiction or other appropriate legal agency or authority determines that any provision of this Agreement is invalid, illegal or unenforceable, that provision(s) of the Agreement shall be deemed stricken from the Agreement and the remainder of the Agreement shall remain in full force and effect.

14.4 Limitation on Actions. Any cause of action by Entities against UMCSN or by UMCSN against Entities with respect to this Agreement must be commenced within one (1) year after the accrual thereof or it shall be barred.

14.5 No Waiver. No waiver of any breach of any provisions of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof or thereof, and no waiver shall be effective unless made in writing and signed by the duly authorized representative of the Party to be charged.

14.6 Notices. All notices that any Party may give to another Party pursuant to this Agreement shall be in writing and shall be hand delivered or sent by registered or certified mail postage prepaid, return receipt requested, or by overnight courier service, postage prepaid, (i) if to UNLVSOM, to the UNLVSOM Contact set forth in Exhibit A with a mandatory copy to Director of Purchasing and Contracts, University of Nevada, Las Vegas, 4505 S. Maryland Parkway, Las Vegas, Nevada 89154-1033, (ii) if to UMCSN, to 1800 W. Charleston Blvd., Las Vegas, Nevada 89102, to the attention of the CEO and the General Counsel, (iii) if to UNLV Health, 3016 W Charleston Blvd., Las Vegas, Nevada 89102, to the attention of the CEO and President or (iv) to such other address as the receiving Party shall designate by written notice given in accordance with this section.

14.7 Assignment; Subcontractors. This Agreement may not be assigned or otherwise transferred by any Party without the prior written consent of the other Parties. Any assignment which is not in accordance with this Section will be void. Notwithstanding anything herein to the contrary, UMCSN may subcontract with other parties for the provision of the EMR System or any of its obligations hereunder. Notwithstanding anything herein to the contrary, any assignment necessary for Entities to subcontract or outsource performance of Entities internal functions to a third party is permitted,

including but not limited to services of UNLV Health and/or its subcontractor for billing purposes.

14.8 Counterparts. This Agreement may be executed in counterparts which, when taken together, shall constitute one and the same instrument.

14.9 Force Majeure. No Party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of money) on account of strikes, shortages, riots, insurrection, fires, flood, storm, explosions, acts of God, war, terrorism, governmental action, pandemics, labor conditions, earthquakes, material shortages, or any other cause (whether or not similar to any of the foregoing) beyond the reasonable control of such Party (each a "Force Majeure Event"). Upon the occurrence of a Force Majeure Event, the non-performing Party will be excused from any further performance of its obligations effected by the Force Majeure Event for so long as the Force Majeure Event continues and such Party continues to use commercially reasonable efforts to recommence performance.

14.10 Governing Law and Forum. This Agreement and all claims related to it, its execution or the performance of the Parties under it, shall be construed and governed in all respects according to the laws of the State of Nevada, without regard to the conflict of law provisions thereof. Any dispute arising hereunder which cannot be informally resolved shall be brought solely and exclusively in the federal or state courts sitting in Clark County in the State of Nevada, and each Party hereby consents to the sole and exclusive jurisdiction and venue of such courts with regard to such actions.

14.11 Budget Act and Fiscal Fund Out. In accordance with the Nevada Revised Statutes (NRS 354.626), the financial obligations under this Agreement between the parties shall not exceed those monies appropriated and approved by UMCSN and UNLVSOM for the then current fiscal year under the Local Government Budget Act. This Agreement shall terminate and UMCSN's and UNLVSOM's obligations under it shall be extinguished at the end of any of UMCSN's and UNLVSOM's fiscal years in which UMCSN's or UNLVSOM's governing body fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which could then become due under this Agreement. UMCSN and UNLVSOM agree that this section shall not be utilized as a subterfuge or in a discriminatory fashion as it relates to this Agreement. In the event this section is invoked, this Agreement will expire on the 30th day of June of the current fiscal year. Termination under this section shall not relieve UMCSN or UNLVSOM, as applicable, of its obligations incurred through the 30th day of June of the fiscal year for which monies were appropriated.

[Signature page to follow]

IN WITNESS WHEREOF, the Parties hereto, each acting with proper authority, have executed this Agreement as of the dates set forth below.

**UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA**

By: _____
Mason Van Houweling
Chief Executive Officer

Date: _____

**THE BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION, ON BEHALF OF THE UNIVERSITY OF NEVADA, LAS VEGAS**

Recommend:

By:_____ Date: _____
Marc Kahn, M.D.
Dean, Kirk Kerkorian School of Medicine

By:_____ Date: _____
Chris L. Heavey
Executive Vice President and Provost

By:_____ Date: _____
Keith E. Whitfield
President, University of Nevada, Las Vegas

Approved as to Legal Form:

By:_____ Date: _____
Elda Luna Sidhu
General Counsel, University of Nevada, Las Vegas

Approved:

By:_____
Dale A.R. Erquiaga, Acting Chancellor

**UNLV HEALTH**

Approved By:

By:_____ Date: _____
Joann Strobbe, President and CEO, UNLV Health

## EMR SYSTEM ACCESS AGREEMENT

## EXHIBIT A

### I. CLIENT CONTACT INFORMATION (subject to change with written notice)

**ENTITIES Contacts**

**Primary General Contact (UNLV Health)**
Name: Joann Strobbe, CEO
Phone: 702-780-2147
E-Mail: joann.strobbe@unlv.edu

**Primary General Contact (UNLVSOM)**
Name: Alison Netski
Phone: 702-780-2147
E-Mail: alison.netski@unlv.edu

**Billing Contact (FOR ENTITIES)**
Name: Veronica Lynch, Patient Financial Services Director
Phone: (505) 670-5119
E-Mail: veronica.lynch@unlv.edu

**Technical Contact (UNLVSOM)**
Name: Wonda Riner, MBA, Director of Information Technology
Phone: (702) 895-4212
E-Mail: wonda.riner@unlv.edu

**Technical Contact (UNLVMed)**
Name: Thomas Strahler, Executive Director of Business Operations
Phone: (702) 596-6960
E-Mail: thomas.strahler@unlv.edu

**UMC: Primary General Contact**
Name: Maria Sexton
Address: 1800 W. Charleston Blvd. Las Vegas, NV 89102
Phone: 702-671-6579
E-Mail: Maria.Sexton@umcsn.com

**UMC: Technical Contact**
Name: Kim Owen-Parker
Address: 1800 W. Charleston Blvd. Las Vegas, NV 89102
Phone: 702-765-7934
E-Mail: Kim.Owen-Parker@umcsn.com

## II. MAXIMUM NUMBER OF AUTHORIZED USERS

Total Maximum Number of Authorized Users permitted to access the EMR System: 450 (with 200 concurrent users at any one time)

Entities may, at any time during the term of this Agreement, increase the maximum number of Authorized Users permitted to access the EMR System by providing prior written notice to UMCSN and paying to UMCSN the then-applicable fees in accordance with UMCSN's then-current pricing methodology.

## III. NECESSARY THIRD-PARTY COMPONENTS

Entities are responsible for procuring the following Necessary Third-Party Components to ensure that the software will perform at appropriate speeds to be satisfactory to the end users and optimal for patient care.

- All computers will be required to meet minimal Epic specifications
- All monitors used by clinical staff must be upgraded to 22" or larger

The following is an overview of the hardware requirements that Entities must have in place at all locations that would use the type of hardware in question. All hardware must meet Epic and third party specifications as provided by UMCSN.

- Computers
- Monitors (22" or larger)
- Printers
- Credit card swipers
- Scanners
- E-signature pads, when implemented
- Kiosks, when implemented
- Tablets
- Mobile Devices

In addition, Entities will be required to establish connectivity to the UMCSN network at acceptable speeds to create an optimal Epic end-user experience.

## IV. ADMINISTRATIVE AND OTHER EXPENSES

A. *Increases Due to Third-Party Increases:*

UMCSN shall be entitled at any time with prior written notice to pass through to Entities and UMCSN's other clients on an equitable basis (i) any volume-based usage fees associated with updates, upgrades or improvements to the EMR System, (ii) any increases in communications tariffs related to the EMR Services, including, without limitation, government imposed access fees, service provider imposed fees, and (iii)

any increases in fees resulting from changes in regulation or statute, or other similar fees assessed against UMCSN.

## V. FEE SCHEDULE

### Epic Community Connect Partner Fee Schedule

### UNLV Health

| | | | |
|---|---|---|---|
| **Use of Epic modules listed below**<br>*See Page 2 for cost breakdown details*<br>• Cadence Enterprise Scheduling<br>• Resolute Professional Billing and Patient Accounting<br>• Ambulatory<br>• Grand Central ADT (Includes Prelude) | **$1,094.62** | **Monthly** | **Fixed** |
| **Epic Hosting Services** | **$27,183.00** | **Monthly** | **Fixed** |
| **Epic Infrastructure System**<br>*See Page 2 for cost breakdown details*<br>• InterSystems<br>• InterSystems IRIS | **$4,115.52** | **Monthly** | **Fixed** |
| **Outpatient Encounters*** | **$1.07 per Encounter** | **Monthly** | **Variable** |
| **UMC EHR Services Consulting** | **$80.00 per Hour** | **Ad Hoc** | **Variable** |
| **UMC Administrative Fees**** | **2%** | **Ad Hoc** | **Variable** |

*Monthly cost will be calculated based on number of encounters, as defined in Section 1.1 of the Agreement, in the month multiplied by per Encounter rate.

**Any contract or other agreement for Epic services to which UNLV Medicine enters into as the sole entity, UMC will assess an administrative fee to cover processing time and resources.

## Monthly Fixed Fee Details

| Module/Service | Used By | | Monthly Cost to UMC | Percentage of Module Cost to Total Cost | Fixed or Variable | Amount Owed by UNLV Health |
|---|---|---|---|---|---|---|
| | UMC | UNLV | | | | |
| Cadence Enterprise Scheduling | X | X | $4,869 | 2.13% | F | $51.85 |
| Resolute Professional Billing and Patient Accounting | X | X | $5,950 | 2.60% | F | $77.43 |
| EpicCare Ambulatory Electronic Health Record | X | X | $18,293 | 8.00% | F | $731.93 |
| OpTime Operating Room Management System | X | | $7,624 | 3.34% | F | |
| Grand Central ADT | X | X | $10,330 | 4.52% | F | $233.40 |
| Resolute Hospital Billing and Patient Accounting | X | | $13,696 | 5.99% | F | |
| Cupid Cardiology | X | | $3,778 | 1.65% | F | |
| Stork Obstetrics | X | | $1,621 | 0.71% | F | |
| EpicCare Link | X | | $4,287 | 1.88% | F | |
| Secure Chat | X | | $1,234 | 0.54% | F | |
| Radiant Radiology | X | | $5,524 | 2.42% | F | |
| Phoenix Transplant | X | | $2,349 | 1.03% | F | |
| EpicCare Inpatient Clinical System | X | | $84,632 | 37.02% | F | |
| Cogito Analytics | X | | $8,655 | 3.79% | F | |
| Blood Product Administration Module | X | | $354 | 0.15% | F | |
| KB Systems SQL | X | | $525 | 0.23% | F | |
| Business Objects XI 4.2 Premium | X | | $1,481 | 0.65% | F | |
| Intersystems - Non Production License | X | X | $730 | 0.32% | F | $1.17 |
| Standard Interfaces and Data Connectors | X | X | $10,611 | 4.64% | F | $246.27 |
| InterSystems IRIS - Production | X | | $42,053 | 18.40% | F | $3,868.08 |
| Epic Hosting | X | X | $181,220 | | F | $27,183 |
| | | | | | | **$32,393.14** |

[Remainder of page left intentionally blank]

## EXHIBIT B

## BUSINESS ASSOCIATE AGREEMENT

**THIS BUSINESS ASSOCIATE AGREEMENT** (the "Agreement") is effective this 1st day of June, 2022 ("Effective Date") by and between UNLV Health and Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas **(**"Covered Entities"), and University Medical Center of Southern Nevada ("Business Associate").

### RECITALS

**WHEREAS**, Covered Entities and Business Associate are parties to an agreement (the "Underlying Agreement" as defined below), pursuant to which Business Associate provides certain services to Entities and, in connection with those services, Covered Entities discloses to Business Associate certain individually identifiable protected health information ("PHI" as defined below) that is subject to protection under the Health Insurance Portability and Accountability Act of 1996, as amended and supplemented from time to time ("HIPAA") and the Health Information Technology for Economic and Clinical Health ("HITECH") Act; and

**WHEREAS,** the parties desire to comply with the HIPAA and HITECH Act Rules for the privacy and security of PHI of patients of Covered Entities.

**NOW THEREFORE**, for and in consideration of the recitals above and the mutual covenants and conditions herein contained, Covered Entities and Business Associate enter into this Agreement to provide a full statement of their respective responsibilities.

### ARTICLE 1

### DEFINITIONS

1.1 **Generally**. Unless otherwise provided herein, capitalized terms shall have the same meaning as set forth in the HIPAA regulations, 45 C.F.R. parts 160 and 164.

1.2 **Business Associate**. "Business Associate" shall mean University Medical Center of Southern Nevada.

1.3 **Breach**. "Breach" shall mean the unauthorized acquisition, access, use, or disclosure of protected health information that compromises the security or privacy of such information, except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information.

1.4 **Covered Entities**. "Covered Entities" shall mean UNLV Health and Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas.

1.5 **Designated Record Set.** "Designated Record Set" shall mean a group of medical records maintained by or for a covered Entities that is: (i) The medical records and billing records about individuals maintained by or for a covered health care provider, (ii) The enrollment, payment, claims adjudication, and case management record systems maintained by or for a health plan; or (iii) Used in whole or part, by or for the covered Entities to make decisions about individuals. For the purposes of this paragraph, the term *record* means any item, collection or grouping of information that includes protected health information and is maintained, collected, used or disseminated by or for a covered Entities.

1.6 **Disclosure**. "Disclosure" shall mean the release, transfer, provision of, access to, or divulging in any other manner of the information outside the Entities holding the information.

1.7 **Electronic Protected Health Information (ePHI)**. Electronic Protected Health Information (ePHI) shall have the same meaning as the term Electronic Protected Health Information (ePHI) in 45 C.F.R. § 164.103.

1.8 **HIPAA Rules**. "HIPAA Rules" shall mean the Privacy, Security, Breach Enforcement and Enforcement Rules at 45 C.F.R., Parts 160 and 164.

1.9 **Individual**. "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

1.10 **Privacy Rule**. "Privacy Rule" shall mean the privacy provisions of the Standards for Privacy and Security of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E.

1.11 **Protected Health Information or PHI**. The term "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entities.

1.12 **Required By Law**. "Required By Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.

1.13 **Secretary**. "Secretary" shall mean the Secretary of the Department of Health and Human Services, or his/her designee.

1.14 **Security Incident**. "Security Incident" shall have the same meaning as the term "Security Incident" in 45 C.F.R. § 164.304.

1.15 **Standards for Privacy and Security**. "Standards for Privacy and Security" shall mean the provisions of the Standards for Privacy and Security of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E.

1.16 **Underlying Agreement**. Pursuant to an arrangement between the Parties, Business Associate provides services (the "Services") to Covered Entities that involve the use and disclosure of PHI. Business Associate agrees to use and disclose PHI only as authorized by this Agreement. The Underlying Agreement is dated June 1, 2022 and is titled EMR SYSTEM ACCESS AGREEMENT.

1.17 **Use**. With respect to individually identifiable health information, "Use" shall mean the sharing, employment, application, utilization, examination, or analysis of such information within an Entities that maintains such information.

## ARTICLE 2

## SCOPE OF USE OF PHI

2.1 **Performance of Agreement**. Business Associate, its employees, agents and independent contractors (collectively referred to as "Business Associate") may use PHI solely (1) to perform its duties under the Underlying Agreement, (2) as directed by the Covered Entities, (3) as permitted or required by the terms of the Underlying Agreement and this Agreement, and (4) as required by law. All other uses or disclosures not authorized by this Agreement or required by law are prohibited. Business Associate agrees to make uses and disclosures and requests for PHI consistent with Covered Entities minimum necessary policies and procedures.

2.1.1 Additional Permitted Uses. In addition to those uses and disclosures permitted in order to provide the services referenced above, and except as otherwise provided in this BAA, the Business Associate may also use or disclose PHI it obtains from, maintains, or creates from Covered Entities as follows:

(a) *Use of PHI for Internal Management Purposes*. Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

(b) *Disclosure of PHI for Management/Administration of Business Associate's Business*. Business Associate may disclose PHI for the proper management and administration of the Business Associate or to carry out its legal responsibilities, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(c) *Assurances from Subcontractors/Agents.* Business Associate shall not disclose PHI received from, or created or received by Business Associate on behalf of Covered Entities to any agent, including a subcontractor, unless the agent or subcontractor agrees in writing to abide by the same restrictions and conditions on the use or disclosure of PHI that apply throughout this BAA to Business Associate, including those provisions requiring notice to Covered Entities upon the discovery of any misuse or inappropriate disclosure of PHI.

2.2 **Safeguards for Protection of PHI**. Business Associate agrees that it will:

(a) use commercially reasonable efforts to protect and safeguard from any oral and written disclosure all PHI and ePHI, regardless of the type of media on which it is stored (e.g., written or electronic, etc.), with which it may come into contact in accordance with applicable statutes and regulations, including, but not limited to, HIPAA and the HITECH Act;

(b) implement and maintain administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of the PHI and ePHI that Business Associate creates, receives, maintains or transmits;

(c) use appropriate safeguards to prevent use or disclosure of PHI and ePHI other than as permitted by this Agreement or required by law;

(d) comply, where applicable, to the Security Rule with regard to ePHI; and

(e) to the extent that Business Associate is to carry out any of Covered Entities obligations under the Privacy Rule, comply with the requirements of the Privacy Rule applicable to Covered Entities in the performance of such obligations.

2.3 **Reporting of Unauthorized Use**. Business Associate shall promptly report to Covered Entities, in writing, within ten (10) days of discovery or as soon as reasonably practical and in no case later than that allowed under HIPAA, any unauthorized acquisition, access, use or disclosure of PHI in violation of this Agreement or any law, or any Security Incident ("Breach"). Such written notice to Covered Entities shall include the id of each individual whose PHI was, or was reasonably believed to have been, breached; a brief description of what happened, including the date of the Breach and date of discovery of the Breach; a description of the PHI that was involved in the Breach; any steps the individual(s) should take to protect themselves from potential harm from the Breach; a description of what Business Associate is doing to investigate the breach, mitigate harm to the individual(s) and protect against further Breaches; and contact procedures for individual(s) to ask questions or get additional information. Business Associate shall implement and maintain sanctions against any employee, subcontractor or agent who violates the requirements of this Agreement or the HIPAA or HITECH Act regulations. Business Associate shall take steps to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

2.4 **Use of Subcontractors**. To the extent Business Associate uses one or more subcontractors or agents to provide services under the Underlying Agreement, and such subcontractors or agents create, receive, transmit or access PHI, Business Associate agrees that it will ensure that each such subcontractor or agent shall agree, in writing, to all of the same restrictions, terms and conditions that apply to Business Associate in this Agreement, including but not limited to implementation of reasonable and appropriate safeguards to protect ePHI.

2.5 **Breach or Misuse of PHI**. Business Associate understands and agrees that any breach of confidentiality or misuse of information found in and obtained from PHI may result in the termination of the Underlying Agreement.

## ARTICLE 3

## AVAILABILITY, AMENDMENT OF PHI

3.1 **Availability of PHI**. If Business Associate maintains a Designated Record Set on behalf of Covered Entities, Business Associate agrees to provide access, at the request of Covered Entities, and in the time and manner designated by Covered Entities, to PHI in the Designated Record Set, to Covered Entities or, as directed by Covered Entities, to an Individual in order to meet the requirements of 45 C.F.R. §164.524.

3.2 **Amendments to PHI**. If Business Associate maintains a Designated Record Set on behalf of Covered Entities, Business Associate agrees to make any amendment(s) to the PHI in a Designated Record Set that the Covered Entities directs or agrees to pursuant to 45 C.F.R. §164.526 at the request of Covered Entities or an Individual, and in the time and manner designated by Covered Entities.

## ARTICLE 4

## ACCOUNTING AND INSPECTIONS

4.1 **Accounting of Disclosures**. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entities to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

4.2 **Provide Accounting**. Business Associate agrees to provide to Covered Entities or an Individual, in time and manner designated by Covered Entities, information collected in accordance with Section 4.1 of this Agreement, to permit Covered Entities to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

4.3 **Access by DHHS**. Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI received from Covered Entities or created or received by Business Associate on behalf of Covered Entities available to the Secretary of the Department of Health and Human Services or designee ("DHHS") for purposes of determining Covered Entities compliance with HIPAA, the HITECH Act and the corresponding privacy and security regulations. Upon Covered Entities request, Business Associate shall provide Covered Entities with copies of any information it has made available to DHHS under this section of the Agreement.

## ARTICLE 5

## OBLIGATIONS OF COVERED ENTITIES

5.1 **Notice of Privacy Practices**. Covered Entities shall provide Business Associate with the notice of privacy practices that Covered Entities produces in accordance with 45 C.F.R. §164.520, as well as any changes to such notice.

5.2 **Changes in Use of PHI**. Covered Entities shall provide Business Associate with any changes in, or revocation of, permission by Individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses and disclosures.

5.3 **Restrictions on Use of PHI**. Covered Entities shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entities has agreed to in accordance with 45 C.F.R. § 164.522.

## ARTICLE 6

## TERM/TERMINATION

6.1 **Term and Termination**. This Agreement shall terminate when all of the PHI and ePHI provided by Covered Entities to Business Associate or created or received by Business Associate on behalf of Covered Entities, is destroyed or returned to Covered Entities, or, if it is not feasible to return or destroy the PHI or ePHI, protections are to extend to such information, in accordance with the provisions of this Agreement.

6.2 **Termination After Notice and Right to Cure**. If the Covered Entities reasonably determine that the Business Associate has committed a material breach of this Agreement, Business Associate shall have thirty (30) calendar days, after delivery from Covered Entities of written notice pursuant to Section 8.2, to remedy the breach and provide evidence of cure to the Covered Entities. If such material breach is not cured within that time, Covered Entities may terminate this Agreement or the Underlying Agreement without additional notice to Business Associate. For the purposes of this Agreement, material breach shall include, but not be limited to, improper use or disclosure of PHI or failure to implement protective safeguards or diminution of Business Associates' reported security procedures which are satisfactory to the Covered Entities, as determined by the Covered Entities in its sole discretion.

6.3 **Termination After Repeated Material Breaches**. Covered Entities may terminate this Agreement and the Underlying Agreement without penalty if Business Associate commits repeated material breaches of this Agreement or any provision hereof, irrespective of whether, or how promptly, Business Associate may remedy such violation after being notified of the same. Repeated material breach means more than one material breach of this Agreement.

6.4 **Return and Destruction of PHI**. Within fifteen (15) business days of the expiration or earlier termination of this Agreement or Underlying Agreement for whatever reason, Business Associate agrees that it will return or destroy all PHI, if feasible, received from, or created or received by it on behalf of Covered Entities, that Business Associate maintains in any form, and retain no copies of such information.

6.5 **No Feasible Return and Destruction of PHI**. To the extent such return or destruction of PHI is not feasible, Business Associate shall extend the precautions of this Agreement to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information unfeasible. Business Associate shall remain bound by the provisions of this Agreement, even after termination of this Agreement or the Underlying

Agreement until such time as all PHI has been returned or otherwise destroyed as provided in this section.

6.6 **Effect of Termination**. All rights, duties and obligations of Business Associate established in this Agreement shall survive the termination of this Agreement.

## ARTICLE 7

## INDEMNIFICATION

7.1 Intentionally omitted.

7.2 Intentionally omitted.

7.3 Intentionally omitted.

## ARTICLE 8

## OTHER PROVISIONS

8.1 **Construction**. This Agreement shall be construed as broadly as necessary to implement and comply with HIPAA and the HITECH Act and the regulations promulgated thereunder. The parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entities to comply with the Standards for Privacy and Security, HIPAA, the HITECH Act and any amendments thereto.

8.2 **Notice**. All notices and other communications required or permitted pursuant to this Agreement shall be in writing, addressed to the party at the address set forth at the end of this Agreement, or to such other address as either party may designate from time to time. All notices and other communications shall be mailed by registered or certified mail, return receipt requested, postage pre-paid, or transmitted by hand delivery or telegram. All notices shall be effective as of the date of delivery of personal notice or on the date of receipt, whichever is applicable.

8.3 **Amendments**. The parties recognize that this Agreement may need to be modified from time to time to ensure consistency with amendments to and changes in applicable federal and state laws and regulations, including, but not limited to, HIPAA and the HITECH Act. This Agreement constitutes the entire agreement between the parties with respect to its subject matter. No oral statement or prior written material not specifically mentioned herein shall be of any force or effect and no change in or addition to this Agreement shall be recognized unless evidenced by a writing executed by Covered Entities and Business Associate, such amendment(s) to become effective on the date stipulated therein. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entities to comply with the requirements of the Standards for Privacy and Security, HIPAA, the HITECH Act and any amendments thereto.

8.4 **Assignment**. Covered Entities has entered into this Agreement in specific reliance on the expertise and qualifications of Business Associate. Consequently, Business

Associate's interest under this Agreement may not be transferred or assigned or assumed by any other person, in whole or in part, without the prior written consent of Covered Entities.

8.5 **Governing Law**. The parties agree that the laws of the State of Nevada shall govern the validity, construction, interpretation, and effect of this Agreement, excluding any laws or principals regarding the conflict or choice of laws. Any and all disputes arising out of or in connection with this Agreement shall be litigated in a court of competent jurisdiction in Clark County, State of Nevada, and Business Associate expressly consents to the jurisdiction of said court.

8.6 **Headings**. Headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.7 **Binding Effect**. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective permitted successors and assigns.

8.8 **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall constitute an original and all of which shall constitute but one Agreement.

8.9 **Gender and Number**. The use of the masculine, feminine or neuter genders, and the use of the singular and plural, shall not be given an effect of any exclusion or limitation herein. The use of the word "person" or "party" shall mean and include any individual, trust, corporation, partnership or other Entities.

8.10 **Priority of Agreement**. If any portion of this Agreement is inconsistent with the terms of the Underlying Agreement, the terms of this Agreement shall prevail. Except as set forth above, the remaining provisions of the Underlying Agreement are to be ratified in their entirety.

8.11 **No Construction Against Drafter**. This Agreement is not to be construed against the drafting party.

8.12 **Authority To Contract**. Each party represents and warrants that said party is authorized to enter into this Agreement and to be bound by the terms of it.

8.13 **Waiver**. The waiver by either party of a breach or a violation of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of same or other provision hereof. No waiver shall be effective against any party hereto unless in writing signed by that party.

8.14 **Severability**. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected unless the invalid provision substantially impairs the benefits of the remaining provisions of this Agreement.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

***IN WITNESS WHEREOF***, the parties have hereunto caused this instrument to be effective the day and year first above written.

**BUSINESS ASSOCIATE:**

**APPROVED:**

BY: _____
Name: Date

Title: _____

Address for Notices
Attn: Legal Department, 1800 W. Charleston Blvd., Las Vegas, NV 89102

**COVERED ENTITIES:**

**APPROVED:**

UNLV Health

BY: _____
Name: Date

Title: _____

Address for Notices:
3016 W. Charleston Blvd, Suite 100, Las Vegas, NV 89102

**APPROVED:**

Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas

BY: _____
Name: Date

Title: _____

Address for Notices:
3014 W. Charleston Blvd, Suite 150, Las Vegas, NV 89102

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Project Statement of Work with Iron Mountain Information Management, LLC** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Project Statement of Work with Iron Mountain Information Management, LLC for the filing sorting and destruction project; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000
Fund Center: 3000870000
Description: File Sorting and Destruction Services
CBE: NRS 450.525 & NRS 450.530 – GPO
Term: 5 years from Effective Date
Amount: NTE $2,839,333.50
Out Clause: 90 days for convenience

Fund Name: UMC Operating Fund
Funded Pgm/Grant: N/A

**BACKGROUND:**

This request is for approval of the Statement of Work with Iron Mountain Information Management, LLC ("Iron Mountain") for UMC's file sorting and destruction project. This project will allow UMC's records to be sorted and organized according to destruction eligibility year to confidently destroy paper documents as they meet retention dates. Iron Mountain will process an estimated 186,365 cubic feet and an additional 29,470 linear feet of patient records through their SmartSort workflow. Iron Mountain will also provide standard operating procedures for all standard workflows including, but not limited to, transportation, inbound/outbound processing, inventory staging, and archival destruction. This project will enable UMC to purge documents and reduce annual storage costs.

UMC will compensate Iron Mountain a not-to-exceed amount of $2,839,333.50 for five (5) years from the Effective Date. Either party may terminate this SOW for convenience with a 90-day written notice to the other.

This SOW is being entered into pursuant to HPG contract HPG-6445. HealthTrust Purchasing Group ("HPG") is a group purchasing organization of which UMC is a member. This request is in compliance with NRS 450.525 and NRS 450.530; attached is the bid summary sheet and a sworn statement from an HPG executive verifying that the pricing was obtained through a competitive bid process.

Cleared for Agenda
March 22, 2023

Agenda Item #
**19**

UMC's Health Information Management Director has reviewed and recommends award approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Iron Mountain Information Management, LLC currently holds a Clark County business license.

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IRON MOUNTAIN®

PROJECT

# STATEMENT OF WORK

# STATEMENT OF WORK

FOR

## University Medical Center of Southern Nevada

**UMC Southern Nevada: File Sorting & Destruction Project**

Version 2022.05170749
March 16, 2023
0062H00001Hoh25QAB



Submitted To:
Jesse Ramirez | Contracts Specialist | jesse.ramirez@umcsn.com | 702-765-7995
Submitted By:
:james Hamlin | Senior Business Development Executive | james.hamlin@ironmountain.com | 916-832-8037
Prepared By:
| | |

DocuSign Envelope ID: 20330A9F-697F-4B69-A465-868070DCACE3

# STATEMENT OF WORK

This Statement of Work ("SOW") is made and entered into as of the last date of signature set forth below (the "Effective Date"), by and between University Medical Center of Southern Nevada, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes ("Customer"),and Iron Mountain Information Management, LLC ("Iron Mountain"), and is governed by the Records Management Services Purchaser Agreement, HPG-6445, executed between Iron Mountain and HealthTrust Purchasing Group, L.P., dated December 1, 2022, (the "Agreement").

Unless terminated earlier pursuant to this Section of the SOW, the Term will commence on the Effective Date and will continue in effect for five (5) years ("Initial Term").

Capitalized terms used but not otherwise defined in this SOW shall have the same meaning as set forth in the Agreement. Definitions for other terms used in this SOW may be found in the Iron Mountain Glossary at https://www.ironmountain.com/support/how-it-works/records-management/glossary, which is incorporated herein by reference. The definitions of terms contained within this SOW and the Agreement shall govern in the event of a conflict with the definitions contained in the Iron Mountain Glossary.

The duly authorized representatives of Customer and Iron Mountain have each affixed his or her signature below.

In the event the agreement in the preamble has been incorrectly identified as the governing agreement of this SOW, the parties acknowledge and agree that Iron Mountain's liability shall be limited to the amount paid by Customer for a discrete project under this SOW or, if the loss is related to service of an ongoing and continuing nature, six months of fees paid by Customer for such service.

## Change Control

A Change Control documents any changes to the resource requirements, engagement scope or schedule that materially change Iron Mountain's estimated fees and must be mutually agreed ("Change Control"). A Change Control will require a review of the SOW and financial arrangements as follows:

- Each party must mutually agree to any changes to the SOW scope or deliverables and review the workday impact based on an agreed estimating model. Iron Mountain will determine the cost impact based on the additional work required.
- Any mutually agreed and approved changes to the SOW scope or deliverables will be reflected in addenda to this SOW, or in a new SOW, which shall be duly executed by each party.

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## SAFE MATERIALS AND PREMISES

Customer shall not store with Iron Mountain (or place in shredding bins) any material that is highly flammable, may attract vermin or insects, is otherwise dangerous or unsafe to store or handle, or is regulated by federal or state law or regulation relating to the environment or hazardous materials. Customer shall not store (or place in shredding bins) negotiable instruments, jewelry, check stock or other items that have intrinsic value. Customer shall only place paper-based materials in the shredding bins. Customer warrants and covenants that its premises where Iron Mountain employees perform services (including pickups and deliveries) are and shall be free of hazardous substances or dangerous conditions. Customer shall reimburse Iron Mountain for damage to equipment or injury to personnel resulting from Customer's breach of this Section to the extent such breach arises as a direct result of Customer's gross negligence or willful misconduct and such reimbursement shall not exceed $10,000.

## Scope

*Scope information is for assumption purposes only.*

Iron Mountain will process an estimated 186,365 cubic feet and an additional 29,470 linear feet of patient records through the SmartSort workflow. Pricing for this project assumes an average of 30 files per box and we estimate that this project will take 60 months to complete (based on the total estimated services and quantities listed below).

For clarity, total project cost will not increase if the estimated amount of destroyed files increases. Additionally, the project cost may increase if the estimated amount of destroyed decreases, as this will increase the overall cost of storage. Any increase in project cost must be approved by both Customer and Iron Mountain in writing.

| Service | Quantity | Unit Type |
|---|---|---|
| Setup | 1 | Initial Setup Fee |
| Carton Retrieval | 215,835 | Cubic & Linear Feet |
| File Scan & Sort | 6,475,050 | File Count |
| File Scan (Individual Listing) | 6,475,050 | File Count |
| New Supply Boxes | 107,917 | Box Count |
| Packing / Repacking | 215,835 | Cubic Feet |
| Transmittal Prep / Labeling | 184,774 | Box Count |
| Retention Carton Inbound | 129,501 | Cubic Feet |
| Retention Carton Putaway | 129,501 | Cubic Feet |
| Transportation Handling for destruction | 86,334 | Cubic Feet |
| File Destruction | 2,590,020 | File Count |

All services will be inclusive at an average of 1,135 hours per month or 68,112.4 total hours over 60 months.

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Within receipt of signed Statement of Work, Iron Mountain will contact Customer to schedule execution of the workflow described herein.

## Workflow

Unless otherwise stated, Iron Mountain will follow standard operating procedures for all standard workflows including, but not limited to, transportation, inbound/outbound processing, inventory staging, and archival destruction. All work associated with this SOW will take place during standard Iron Mountain operating hours, 8AM – 5PM Monday through Friday (local time – excluding Iron Mountain holidays), unless otherwise specified and mutually agreed upon. These services will be executed in a mutually agreed upon service window based on the availability of Iron Mountain project teams while accommodating any service restrictions noted by Customer.

## Project Pricing

Refer to Schedule A attached hereto for Additional Pricing Information.

## Annual Estimate of Services Completed

43,167 cubic feet of cartons retrieved from shelf
1,295,010 files scanned and sorted
1,295,010 files individually listed
21,583 new supply boxes
43,167 cubic feet of files sorted and repacked
36,955 boxes labeled and indexed
25,900 cubic feet of storage inbounded and put away
17,266 cubic feet of files transported for destruction
518,004 files destroyed

## Estimated Annual Labor Hours to complete services above:

## 13,622.5 hours

## Estimated Annual Labor Expense: $567,784.97

**5 year cost estimate:**



| Billcode | Quantity | Service | Rate | Total | Notes |
|---|---|---|---|---|---|
| 3000 | 68,112.4 | Project Services: Hourly Labor | $41.68 | $2,838,924.83 | Estimated Hourly Labor needed to complete 60 month project: Includes All Services Listed Above. |
| | | | Total Not-to-Exceed | $2,838,924.83 | |

Charges associated with this Statement of Work will be allocated to the Customer Division / Department indicated below. If left blank project will bill following Customer's current billing allocation parameters.

| | |
|---|---|
| Invoice: | Separate SKP Invoice |
| Customer ID: | NL369 |
| Division ID: | MASTER |
| Department ID: | MASTER |
| Purchase Order: | N/A |

- Projects requiring timeline acceleration billed with a surcharge on all billable services
- Charges will be determined based on actual hours or units upon completion
- Any additional work not described above will be charged the contract rate

## Iron Mountain's Responsibilities

A. It is understood that in the performance of the services herein provided for, Iron Mountain shall be, and is, an independent contractor, and is not an agent, representative or employee of Customer and shall furnish such services in its own manner and method except as required by this SOW. Further, Iron Mountain has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Iron Mountain in the performance of the services hereunder. Iron Mountain shall be solely responsible for, and shall indemnify, defend and hold Customer harmless from all matters relating to the payment of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, demands, and regulations of any nature whatsoever.

B. Iron Mountain has, or will, retain such employees as it may need to perform the services required by this SOW. Such employees shall not be employed by the Customer.

C. Iron Mountain agrees that its officers and employees will cooperate with Customer in the performance of services under this SOW and will be available for consultation with Customer at such reasonable times with advance notice as to not conflict with their other responsibilities.

## Notices

Any notice required to be given hereunder shall be deemed to have been given when received by the party to whom it is directed by personal service, hand delivery, certified U.S. mail, return receipt requested or facsimile, at the following addresses:

TO CUSTOMER:
University Medical Center of Southern Nevada
Attn: Contracts Management
1800 W. Charleston Blvd. Las Vegas, NV 89102

TO IRON MOUNTAIN:
Iron Mountain Information Management, LLC
One Federal Street
Boston, MA, 02110

## Miscellaneous

D. PUBLICITY: Neither Customer nor Iron Mountain shall cause to be published or disseminated any advertising materials, either printed or electronically transmitted which identify the other party or its facilities with respect to this SOW without the prior written consent of the other party.

E. BUDGET ACT AND FISCAL FUND OUT: In accordance with the Nevada Revised Statutes (NRS 354.626), the financial obligations under the SOW between the parties shall not exceed those monies appropriated and approved by Customer for the then current fiscal year under the Local Government Budget Act. The SOW shall terminate and Customer's obligations under it shall be extinguished at the end of any of Customer's fiscal years in which Customer's governing body fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which could then become due under the SOW. Customer agrees that this Section shall not be utilized as a subterfuge or in a discriminatory fashion as it relates to the SOW. In the event this Section is invoked, the SOW will expire on the 30th day of June of the then current fiscal year. Termination under this Section shall not relieve Customer of its obligations incurred through the 30th day of June of the fiscal year for which monies were appropriated.

F. TERMINATION FOR CONVENIENCE: Either party may terminate this SOW for convenience by providing a ninety (90) day written notice to the other.

G. PUBLIC RECORDS: Iron Mountain acknowledges that Customer is a public county-owned hospital which is subject to the provisions of the Nevada Public Records Act, Nevada Revised Statutes Chapter 239, as may be amended from time to time, and as such its records are public documents available to copying and inspection by the public. If Customer receives a demand for the disclosure of any information related to the SOW which Iron Mountain has claimed to be confidential and proprietary, Customer will immediately notify Iron Mountain of such demand and Iron Mountain shall immediately notify Customer of its intention to seek injunctive relief in a Nevada court for protective order. Iron Mountain shall indemnify, defend and hold harmless Customer from any claims or actions, including all associated costs and attorney's fees, regarding or related to any demand for the disclosure of Iron Mountain documents in Customer's custody and control in which Iron Mountain claims to be confidential and proprietary.

H. Iron Mountain is required to safeguard the use, publication and disclosure of information about individuals that it creates, maintains, transmits or receives pursuant to this SOW, in accordance with all applicable federal and state laws regarding confidentiality, including, without limitation, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and more specifically the Privacy and Security Rules at 45 C.F.R. part 160 and part 164, subparts A, C, and E; and the parties agree to comply with HIPAA, the requirements of Subtitle D of the Health Information Technology for Economic and Clinical Health Act (Pub. L. 111-5, §§ 13400 to 13423) ("HITECH Act"), and more specifically with the Privacy and Security Rules at 45 C.F.R. part 160 and part 164, subparts A, C, D and E (collectively referred to herein as the "HIPAA Standards").

I. If a conflict arises between the terms of the SOW and Nevada law exists, Nevada law will prevail.

**[signature page follows]**

***Accepted and Agreed to as of the Effective Date:***

| **Customer** | **Iron Mountain** |
|---|---|
| *Authorized by (signature)*: | *Authorized by (signature):* DocuSigned by: Lance Paczkowski 8674E909C96D48D... |
| Name of Individual Signing (Print): Mason Van Houweling | Name of Individual Signing (Print): Lance Paczkowski |
| Title: CEO | Title: Vice President, West Operations |
| Signing Date: | Signing Date: 16 March 2023 |
| Address: 1800 W. Charleston Blvd. Las Vegas, NV 89102 | Address: One Federal Street Boston, MA, 02110 |

*APPROVED*
Iron Mountain - Global Commercial Contracts Support
By: Brock Anderson at Mar 16, 2023 9:40 am

# Schedule A

**AGREEMENT NO. HPG-6445**
**VENDOR: IRON MOUNTAIN INFORMATION MANAGEMENT, LLC**

**EFFECTIVE DATE**

5 Year Term

- Year 1 – December 1, 2022 – November 30, 2023
- Year 2 – December 1, 2023 – November 30, 2024
- Year 3 – December 1, 2024 – November 30, 2025
- Year 4 – December 1, 2025 – November 30, 2026
- Year 5 – December 1, 2026 – November 30, 2027

# IRON MOUNTAIN RECORDS MANAGEMENT

## PRICING FOR CORE SERVICES

| **Standard Storage and Services** (SEE: https://www.ironmountain.com/support/how-it-works FOR SERVICE DEFINITIONS) | | | | | | |
|---|---|---|---|---|---|---|
| Description | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Per |
| Carton Storage | | | | | | Cubic Foot |
| Carton Storage, New | | | | | | Cubic Foot |
| Receiving and Entering - Carton | | | | | | Cubic Foot |
| Regular Retrieval - Carton | | | | | | Cubic Foot |
| Regular Retrieval - File from Carton | | | | | | File |
| Regular Refile - Carton | | | | | | Cubic Foot |
| Regular Refile - File to Carton | | | | | | File |
| Archival Destruction - Carton | | | | | | CF plus Regular Retrieval Charge and Handling Charge |
| Storage LF, Medical | | | | | | Linear Foot |
| Open Shelf Storage (X-Ray) | | | | | | Linear Foot |
| Receiving & Entering - Open Shelf File | | | | | | Linear Foot |
| Regular Retrieval - File from Open Shelf | | | | | | File |
| Regular Refile - File to Open Shelf | | | | | | File |
| Archival Destruction - File from Open shelf | | | | | | File plus Regular Retrieval Charge and Handling Charge |
| Standard Delivery | | | | | | Visit plus Handling Charge |
| Standard Pickup | | | | | | Visit plus Handling Charge |
| Handling Charge | | | | | | Cubic Foot |
| Trip Charge, Standard Delivery, Zone 2 | | | | | | Visit plus Handling Charge |
| Trip Charge, Standard Delivery, Zone 3 | | | | | | Visit plus Handling Charge |
| Trip Charge, Standard Delivery, Zone 4 | | | | | | Visit plus Handling Charge |
| Trip Charge, Standard Delivery, Zone Metro | | | | | | Visit plus Handling Charge |

| | | | | | | |
|---|---|---|---|---|---|---|
| Trip Charge, Standard Delivery, Zone Metro NY | | | | | | Visit plus Handling Charge |
| Trip Charge, Standard Pickup, Zone 2 | | | | | | Visit plus Handling Charge |
| Trip Charge, Standard Pickup, Zone 3 | | | | | | Visit plus Handling Charge |

**Standard Storage and Services** (SEE: https://www.ironmountain.com/support/how-it-works FOR SERVICE DEFINITIONS)

| Description | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Per |
|---|---|---|---|---|---|---|
| Trip Charge, Standard Pickup, Zone 4 | | | | | | Visit plus Handling Charge |
| Trip Charge, Standard Pickup, Zone Metro | | | | | | Visit plus Handling Charge |
| Trip Charge, Standard Pickup, Zone Metro NY | | | | | | Visit plus Handling Charge |

**Premium Storage and Services** (SEE: https://www.ironmountain.com/support/how-it-works FOR SERVICE DEFINITIONS)

| Description | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Per |
|---|---|---|---|---|---|---|
| Archival Destruction - File from Carton | | | | | | File plus Regular Retrieval Charge and Handling Charge |
| Permanent Withdrawal - File from Carton | | | | | | File plus Regular Retrieval Charge |
| Permanent Withdrawal - Carton | | | | | | CF plus Regular Retrieval Charge |
| Permanent Withdrawal - File From Open Shelf | | | | | | File plus Regular Retrieval Charge |
| Rush Retrieval - Carton | | | | | | Cubic Foot |
| Rush Retrieval - File from Carton | | | | | | File |
| Regular Interfile - Carton | | | | | | Each |
| Rush Retrieval - File from Open Shelf | | | | | | File |
| Regular Interfile - Open Shelf | | | | | | Each |
| Rush Delivery - Business Day | | | | | | Visit plus Handling Charge |
| Rush Pickup - Business Day | | | | | | Visit plus Handling Charge |
| Rush Delivery - Weekends/Holidays/After Hours | | | | | | Visit plus Handling Charge |
| Miscellaneous Services - Labor | | | | | | Hour |
| Re-boxing Charge | | | | | | Labor Plus New Carton |
| Re-lid Charge | | | | | | Labor Plus New Lid |

**Other Program Fees** (SEE: https://www.ironmountain.com/support/how-it-works FOR SERVICE DEFINITIONS)

| Description | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Per |
|---|---|---|---|---|---|---|
| Administrative Fee (Summary Billing) | | | | | | Account ID per Month |
| Administrative Fee (Detailed Billing) | | | | | | Account ID per Month |
| Fuel Surcharge | | | | | | Transportation Visit |

***Note:*** Minimum Storage accounts are not charged a monthly Administrative Fee.

***Note:*** A Fuel Surcharge is applied monthly based upon changes in the price of diesel fuel as published by the US Department of Energy. This charge is calculated monthly and included as a percentage of transportation related service charges. The current monthly Fuel Surcharge information can be found at https://www.ironmountain.com/support/how-it-works/resources/transportation/fuel-surcharge/us-fuel-surcharge



**Custom Storage and Services** (SEE: https://www.ironmountain.com/support/how-it-works FOR SERVICE DEFINITIONS)

| Description | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Per |
|---|---|---|---|---|---|---|
| Outside Courier/Customer Representative Handling | | | | | | Each |
| Storage Minimum | | | | | | Account ID per Month |

| | |
|---|---|
| Minimum Service Order Charge | Order |
| Individual List/Indexing | File |
| Individual List/Indexing - Open Shelf | File |
| RFID Z Label | Each |
| RFID T Label | Each |
| Standard Letter/Legal | Each |

| | |
|---|---|
| Auto-Fold Letter/Legal | Each |
| #251 Std Attached Lid | Each |
| Image on Demand – Digital Images Scanned (in excess of the first 50 images) | Image |
| Image on Demand – Imaging Minimum (includes first 50 images) | Order |
| Image on Demand – Hourly Labor | Hour |
| Image on Demand Professional Services | Hour |
| Professional Services | Hour |

***Note:*** Image on Demand is not available in all markets. If the customer's requirements differ from those described in Image on Demand – Overview within the Glossary of the Customer Information Center (https://www.ironmountain.com/support/how-it-works), then custom services are available and must be described in an agreed upon statement of work.

# ADDITIONAL DEAL TERMS

| Deal Term | Details |
|---|---|
| **Multi-year Pricing** | The pricing offered in this Schedule A for each year of the agreement has been outlined above. Upon anniversary date Iron Mountain will automatically apply pricing for the new year as outlined above. |

Approved as to Form and Pricing Content: Iron Mountain Sales Support and Price Desk

SA-99365
Approved Date: 4/29/2022

Created By: DHan
Created Date: 5/23/2022
Customer: University Medical Center

March 17th, 2023

John Goodnow
Contract Specialist
University Medical Center of Southern Nevada
1800 W. Charleston Blvd.
Las Vegas, NV 89102

Re: Request for competitive bidding information regarding Document Shredding And Media Destruction.

Dear Mr. Goodnow:

This letter is provided in response to the University Medical Center of Southern Nevada's ("UMC") request for information about HealthTrust Purchasing Group, L.P.'s ("HealthTrust") competitive bidding process for Document Shredding And Media Destruction. We are pleased to provide this information to UMC in your capacity as a Participant of HealthTrust, as defined in and subject to the Participation Agreement between HealthTrust and UMC, effective August 3, 2016.

HealthTrust's bid and award process is described in its Contracting Process Policy [HT.008] available on its public website {http://healthtrustpg.com/about-healthtrust/healthcare-code-of-ethics/). As described in the policy, HealthTrust operates a member-driven contracting process. Advisory Boards are engaged to determine the clinical, technical, operational, conversion, business and other criteria important for each specific bid category. The boards are comprised of representatives from HealthTrust's membership who have appropriate experience, credentials/licensures, and decision-making authority within their respective health systems for the board on which they serve.

HealthTrust's requirements for specific products and services are published on its Contract Schedule on its public website. HealthTrust's requirements for vendors are outlined in its Supplier Criteria Policy [HT.010]. A listing of the minimum Supplier Criteria is also published on HealthTrust's public website, as well as an on-line form for prospective vendor submission.

The Contracting Process Policy includes criteria for the selection of contract products and services and documents and the procedures followed by HealthTrust's contracting team to select vendors for consideration. HealthTrust's Advisory Boards may provide additional requirements or other criteria that would be incorporated into the RFP (request for proposals) process, where appropriate. Vendor proposals submitted in response to RFPs are analyzed using an extensive clinical/technical review as described above, as well as a financial/operational review.

The above-described process was followed with respect to the Document Shredding And Media Destruction category. HealthTrust issued RFPs and received proposals from identified suppliers in the Document Shredding And Media Destruction category. A contract was executed with Iron Mountain, Vital Records Control, and National Records Center in March of 2020. I hope this satisfies your request. Please contact me with any additional questions.

Sincerely,

Craig Dabbs

Account Director, Member Services

## DISCLOSURE OF OWNERSHIP/PRINCIPALS

| Business Entity Type (Please select one) | | | | | | |
|---|---|---|---|---|---|---|
| ☐ Sole Proprietorship | ☐Partnership | ☒ Limited Liability Company | ☐ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |

| Business Designation Group (Please select all that apply) N/A | | | | | | |
|---|---|---|---|---|---|---|
| ☐ MBE Minority Business Enterprise | ☐ WBE Women-Owned Business Enterprise | ☐ SBE Small Business Enterprise | ☐ PBE Physically Challenged Business Enterprise | ☐ VET Veteran Owned Business | ☐DVET Disabled Veteran Owned Business | ☐ ESB Emerging Small Business |

**Number of Clark County Nevada Residents Employed:** 30

| | | |
|---|---|---|
| **Corporate/Business Entity Name:** | Iron Mountain Information Management LLC | |
| **(Include d.b.a., if applicable)** | | |
| **Street Address:** | One Federal Street | **Website:www.ironmountain.com** |
| **City, State and Zip Code:** | Boston, MA 02110 | **POC Name: Andrea Wyatt** **Email:andrea.wyatt@ironmountain.com** |
| **Telephone No:** | **714-408-8257** | **Fax No:** |
| **Nevada Local Street Address:** **(If different from above)** | 4105 North Lamb Blvd | **Website:www.ironmountain.com** |
| **City, State and Zip Code:** | Las Vegas, NV 89110 | **Local Fax No:** |
| **Local Telephone No:** | 702-635-3203 | **Local POC Name: Bill Hoeft** **Email:William.hoeft@ironmountain.com** |

**All entities,** with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| http://investors.ironmountain.com/company/for-investors/investors-overview/default.aspx | | |
| http://www.ironmountain.com/about-us/leadership | | |
| | | |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☒ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Bill Hoeft — Signature

BILL HOEFT — Print Name

DISTRICT MANAGER

5-24-18

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Second Amendment to Equipment Placement Services Agreement with SmallGuy, LLC dba Integrated Telehealth Solutions** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Second Amendment to Equipment Placement Services Agreement with SmallGuy, LLC dba Integrated Telehealth Solutions for TeleVisitor™ hardware and TeleTether™ software solutions; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5420.000
Fund Name: UMC Operating Fund
Fund Center: 3000872000
Funded Pgm/Grant: N/A
Description: TeleVisitor™ and TeleTether™ Patient Monitoring System
Bid/RFP/CBE: NRS 332.115.1 (g) & (h) – Computer Hardware & Software
Term: Amendment 2 – 06/29/2022 to 06/28/2023 with four, 1-year extension options
Amount: Amendment 2 – Additional $1,793,253.51; New potential aggregate of NTE $3,603,552.07 for five (5) years
Out Clause: 30 days w/o cause; Budget Act and Fiscal Fund Out

**BACKGROUND:**

On June 29, 2022, UMC entered into an Equipment Placement Services Agreement ("Agreement") with SmallGuy, LLC dba Integrated Telehealth Solutions ("ITS") for the placement of equipment at UMC that will assist in telehealth patient observation, scheduling, and conduction of virtual social and clinical visitations, and/or for discharge medication management in conjunction with a pharmacy. The solution eliminates the need for human monitoring for risks such as falling. Either party may terminate this Agreement with a 30-day written notice to the other. The First Amendment, effective October 1, 2022, updated the order form and fee schedule.

This Second Amendment requests to increase funding under the Agreement by an additional amount of $1,793,253.51 to support the installation of security cameras and DVR's for constant monitoring in patient care areas, including the Pyxis Stations.

Cleared for Agenda
March 22, 2023

Agenda Item #
**20**

UMC's Assistant Chief Nursing Officer has reviewed and recommends approval of this Amendment. This Amendment has been approved as to form by UMC's Office of General Counsel.

**SECOND AMENDMENT TO THE EQUIPMENT PLACEMENT SERVICE AGREEMENT BETWEEN SMALLGUY, LLC AND UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA**

THIS SECOND AMENDMENT ("Amendment") to the Equipment Placement Service Agreement between University Medical Center of Southern Nevada ("Customer") and SmallGuy, LLC d/b/a Integrated Telehealth Solutions, a Nevada Limited Liability Company ("ITS") is effective as of April 1, 2023 ("Second Amendment Effective Date").

WHEREAS, ITS and Customer entered into that Equipment Placement Service Agreement having an effective date of June 29, 2022; subsequently amended with the First Amendment (the "Agreement") effective October 1, 2022; and

WHEREAS, ITS and Customer desire to amend the Agreement with this Second Amendment.

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, ITS and Customer hereby agree as follows:

1. Delete in its entirety Exhibit A and replace with Exhibit A attached hereto.
2. Section 5 Compensation. d., shall be amended to reflect a new aggregate budget allowance not-to-exceed $3,603,552.07.
3. Except as expressly amended in this Second Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to be effective as of the Second Amendment Effective Date.

| **UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA** | **SMALLGUY, LLC** |
|---|---|
| Signature: _____ | Signature: _____ |
| Name: Mason Van Houweling | Name: _____ |
| Title: Chief Executive Officer | Title: _____ |
| Date: _____ | Date: _____ |

# EXHIBIT A
# ORDER FORM AND FEE SCHEDULE

1. Statement of Work.
Customer agrees to the deliverables, roles and responsibilities of the Parties, and timelines as agreed in the attached Statement of Work, herein included as part of this Agreement.

2. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| |
|---|
| TeleTether™ Software – Enterprise Package<br>48 end-user licenses<br><br>Including functions/features:<br>Initial software configuration<br>Contact loading and management enablement<br>Bidirectional text<br>Outbound broadcast messaging<br>Customizable messaging<br>Scheduling, confirmation, reminders<br>Email<br>Contact loading and management<br>Zoom access for video interactions |
| TeleVisitor™ Robotic Device<br><br>Seamless integration and auto-pairing with Zoom<br>300° Pan, 45Tilt<br>4-hour battery life<br>Removable base<br>2.25″ W x 2.25″ L x 11.75″ H<br>Unit weight 340 g<br><br>Apple iPad Air II 9.7” Wi-Fi or LTE:<br>Display:<br>*Type:* LED-backlit IPS LCD, capacitive touchscreen, 16M colors<br>*Size:* 9.7” (~65.1% screen-to-body ratio)<br>*Resolution:* 1536 x 2048 pixels (~26 ppi pixel density)<br>*Multi-touch:* Yes; Protection Scratch-resistant glass, oleophobic coating |

| |
|---|
| Cart System<br>-Tripod<br>-ITS mobile Patient Monitoring workstation: This Mobile Height Adjustable Laptop Computer Workstation is perfect for hospital, facility, office, or medical urgent care environments.<br><br>**Specifications:**<br>• Overall Dimensions: 27"W x 19-11/16"D x 42"H<br>• Base Dimensions: 22"W x 19-11/16"D x 5-3/8"H<br>• Work surface Dimensions: 27"W x 14-1/4"D<br>• Max. Weight Capacity: 132 lbs.<br>• Unit Weight: 40 lbs. |

| **Payment Schedule** | | | |
|---|---|---|---|
| **Item** | **Count** | **One-time Cost** | **Monthly Investment** |
| **Phase 1:** Oncology Department<br>-Oncology North and South- Includes four (4) TeleVisitor™ Cart Devices<br>-Oncology – Location #2 – Includes two (2) TeleVisitor™ Cart Devices | 6 | N/A | $2,520 |
| Oncology Department<br>Implementation, Install and Training for staff end user groups - Three (3) Administration panels – stationary - 1 for each of the North and South Oncology nursing stations and 1 for the Additional Oncology location nurse's station | 3 | $6,720 | N/A |
| Med-Surg (General) Intro/Set-up for staff end user group/Depts<br>Forty-five (45) TeleVisitor™ Cart Devices in locations to be specified by UMC | 45 | N/A | $18,875 |
| Med-Surg<br>Implementation, Install and– Forty-five (45) Administrative panels – stationary in UMC designated locations | 45 | $100,800 | N/A |
| **Phase 1**: Security Hardware (2-South & ED)<br>Security camera – equipment and supplies purchase<br><br>Axis M55 Camera — 68 / Each — $1,584.86 — $107,770.21<br>Ceiling grid camera mount — 68 / Each — $165.65 — $11,264.20<br>Cat6 E roll 1000ft — 16 / Each — $394.51 — $6,312.16<br>Flex .5 conn. — 128 / Each — $0.56 — $71.68<br>.5 metal flex 100ft — 80 / Each — $81.31 — $6,504.80<br>metal box w bracket — 68 / Each — $11.88 — $807.84<br>NVR 64 channel — 2 / Each — $15,786.61 — $31,573.22<br>Control board — 1 / Each — $4,254.85 — $4,254.85<br>Miscellaneous hardware — 1 /Each — $9,125.60 — $9,125.60 | As itemized | $177,684.56 | N/A |

| | | | |
|---|---|---|---|
| ***Requires a minimum of 25% advanced payment for equipment to be purchased** | | | |
| **Phase 1 Cont:** Security camera installation – Units 2-South and the Emergency Department<br>-2 Installers for 208 hours each @ $95.65/hour | N/A | $39,794 | N/A |
| **Phase 1 Cont –** Security supply and install DVR(s) for backup storage for all cameras as specified and Supply and install control board(s) for constant monitoring capabilities of new system. | N/A | Included in Phase 1 costs | N/A |
| **Post Implementation Security System Maintenance and Support** | | | $3,360 |
| TeleTether™ Software License for End-Users | 96 | Included | Included |
| Implementation Specialist, thru implementation phase | 1 | N/A | Included |
| Client Account Manager for life of relationship | 1 | N/A | Included |
| 24/7 Remote equipment and Technical Support – ITS | N/A | N/A | Included |
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| Marketing Assistance<br>-One internal facing new initiative awareness/announcement collateral piece<br>-Three patient/visitor informational pieces<br>-Targeted use case collateral pieces (two per use case) | N/A | N/A | Included |
| **TOTAL INVESTMENT** | | **$324,998.56** | **$ 24,755 Per Month** |

| **Payment Schedule (PEDS)** | | | | | |
|---|---|---|---|---|---|
| **Item** | | | | **Count** | **One-time Cost** | **Monthly Investment** |
| Med-Surg (PEDS)<br>Implementation, Install Administrative panels – stationary in UMC designated location (PEDS) | | | | 1 | $1,500 | N/A |
| **Phase 1**: Security Hardware (PEDS)<br>Security camera – equipment and supplies purchase | | | | As itemized | $35,785 | N/A |
| Axis M55 Camera | 6 / Each | $1,784.86 | $10,709.16 | | | |
| Ceiling grid camera mount | 6 / Each | $165.65 | $993.90 | | | |
| Cat6 E roll 1000ft | 3 / Each | $394.51 | $1,183.53 | | | |
| Flex .5 conn. | 18 / Each | $0.56 | $10.08 | | | |
| .5 metal flex 100ft | 8 / Each | $81.31 | $650.48 | | | |
| metal box w bracket | 6 / Each | $11.88 | $71.28 | | | |
| NVR 64 channel | 1 / Each | $15,786.61 | $15,786.61 | | | |
| Control board | 1 / Each | $4,254.85 | $4,254.85 | | | |
| Miscellaneous hardware | 1 /Each | $2,125.60 | $2,125.60 | | | |
| ***Requires a minimum of 25% advanced payment for equipment to be purchased** | | | | | | |

| | | | |
|---|---|---|---|
| **PEDS Cont:** - Security camera installation – Units 2-South and the Emergency Department<br>-2 Installers for 30 hours each @ $95.65/hour | N/A | $5,739 | N/A |
| **PEDS Cont: –** Security supply and install DVR(s) for backup storage for all cameras as specified and Supply and install control board(s) for constant monitoring capabilities of new system. | N/A | Included in Phase 1 costs | N/A |
| **Post Implementation Security System Maintenance and Support** | | | $1160 |
| TeleTether™ Software License for End-Users | 10 | Included | Included |
| Implementation Specialist, thru implementation phase | 1 | N/A | Included |
| Client Account Manager for life of relationship | 1 | N/A | Included |
| 24/7 Remote equipment and Technical Support – ITS | N/A | N/A | Included |
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| Marketing Assistance<br>-One internal facing new initiative awareness/announcement collateral piece<br>-Three patient/visitor informational pieces<br>-Targeted use case collateral pieces (two per use case) | N/A | N/A | Included |
| **TOTAL INVESTMENT** | | **$43,024.00** | **$ 1,160.00 Per Month** |

a. Customer will serve as software administrator for ITS provided equipment. Customer is strongly encouraged to identify a Champion to serve as administrator. ITS will provide Customer administrator with training and education to fulfill role on behalf of Customer.

b. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

c. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

3. Professional Services.
   a. Implementation services.
   ITS shall provide implementation support services as indicated in attached "Statement of Work."

   b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-

user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
   - ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

d. Reporting
   ITS and Customer will track, and report number of uses conducted and the ease of use of the device on staff, patients, and visitors, as mutually determined. If collected, this information will be reviewed at the Mastermind (i.e., status) meetings between the Parties.

**UMC PATIENT TELESITTER**
**ADD-ON**
**ORDER FORM AND FEE**
**SCHEDULE**
**(UMC P.O. #480001156-2156)**
**AMENDENT #2**

1. Statement of Work.
Customer agrees to the deliverables, roles and responsibilities of the Parties, and timelines as agreed in the attached Statement of Work, herein included as part of this Agreement.

2. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| |
|---|
| TeleTether™ Software – Enterprise Package<br>42 end-user licenses<br><br>Including functions/features:<br>Initial software configuration<br>Contact loading and management enablement<br>Bidirectional text<br>Outbound broadcast messaging<br>Customizable messaging<br>Scheduling, confirmation, reminders<br>Email<br>Contact loading and management<br>Zoom access for video interactions |
| TeleVisitor™ Robotic Device<br><br>Seamless integration and auto-pairing with Zoom<br>300° Pan, 45Tilt<br>4-hour battery life<br>Removable base<br>2.25″ W x 2.25″ L x 11.75″ H<br>Unit weight 340 g<br><br>Apple iPad Air II 9.7” Wi-Fi or LTE:<br>Display:<br>*Type:* LED-backlit IPS LCD, capacitive touchscreen, 16M colors<br>*Size:* 9.7” (~65.1% screen-to-body ratio)<br>*Resolution:* 1536 x 2048 pixels (~26 ppi pixel density)<br>*Multi-touch:* Yes; Protection Scratch-resistant glass, oleophobic coating |

| |
|---|
| Cart System<br>-Tripod<br>-ITS mobile Patient Monitoring workstation: This Mobile Height Adjustable Laptop Computer Workstation is perfect for hospital, facility, office, or medical urgent care environments.<br><br>**Specifications:**<br>• Overall Dimensions: 27"W x 19-11/16"D x 42"H<br>• Base Dimensions: 22"W x 19-11/16"D x 5-3/8"H<br>• Work surface Dimensions: 27"W x 14-1/4"D<br>• Max. Weight Capacity: 132 lbs.<br>• Unit Weight: 40 lbs. |

| **Payment Schedule Effective: January 01, 2023** | | | |
|---|---|---|---|
| **Item** | **Count** | **One-time Cost** | **Monthly Investment** |
| Adding: Portable TeleVisitor™ Cart Devices 7th Floor Tower to include (7 South, 7 North, 7 East, 7 West), PICU, PED's General, 3 South & 3 West & CDS | 9 | N/A | $4,360.00 |
| New departments:<br>Implementation, Install and Training for staff end user groups – Twenty (21) stationary Administration panels. One located at each nursing station | 1 | $3,850.00 | N/A |
| (General) Intro/Set-up for staff end user group/Depts<br>Twenty-One (21) Portable TeleVisitor™ Cart Devices in locations specified | 21 | N/A | |
| Adding: Portable TeleVisitor™ Cart Devices within CCU and other Intensive Care Units to include (CCU, CVCU, CPU, BCU South, BCU North, SICU, NSCU, MICU South, MICU North, Adult ED South, North, East, West & TICU) | 14 | | $6,460.00 |
| TeleTether™ Software License for End-Users | 44 | Included | Included |
| Implementation Specialist, thru implementation phase | 1 | N/A | Included |
| Client Account Manager for life of relationship | 1 | N/A | Included |
| 24/7 Remote equipment and Technical Support – ITS | N/A | N/A | Included |
| Program Assistance<br>-One internal facing new initiative awareness/announcement collateral piece<br>-Three patient/visitor informational pieces<br>-Targeted use case collateral pieces (two per use case) | N/A | N/A | Included |
| **TOTAL INVESTMENT** | | **$3,850** | **$ 10,820.00 Per Month** |

a. Customer will serve as software administrator for ITS provided equipment. Customer is strongly encouraged to identify a Champion to serve as administrator. ITS will provide Customer administrator with training and education to fulfill role on behalf of Customer.

b. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

For security, Republic Electric will provide training of identified UMC staff upon completion of installation pursuant to Section 13 of the Agreement.

c. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 7775-402-8177 or by email at Supprt@itshqnv.com.

Security system maintenance will be provided by Republic Electric and will occur as indicated and needed, including a per call basis and/or monthly site visit to ensure operational status of system.

Security system technical support will be provided by Republic Electric. They will provide availability 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. Republic Electric will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

3. Professional Services.
   a. Implementation services.
   ITS shall provide implementation support services as indicated in attached "Statement of Work" provided in original contract.

   b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at Supprt@itshqnv.com.

   c. Consultative services.
      - ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE NSCU

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (NSCU) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware NSCU<br>Security camera – equipment and supplies purchase | | | | As itemized | $35,349.82 | N/A |
| 360 PTZ HD Camera | 12 / Each | $923.88 | $11,086.56 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 2 / Each | $186.06 | $372.12 | | | |
| CAT6 1000Ft. | 10 / Each | $416.53 | $4,165.32 | | | |
| .75 Metal Flex 100Ft. | 40 / Each | $127.68 | $5,107.20 | | | |
| Ceiling grid Camera Mt. | 12 / Each | $132.92 | $1,595.09 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | | | |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 12 /Each | $300.00 | $3,600.00 | | | |
| Programming | 12 /Each | $120.00 | $1,440.00 | | | |
| Hardware other | 12 /Each | $108.00 | $1,296.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **NSCU Labor 2-guys** | | | | 1st Person 132 hrs. ea. @$85.00 per hour<br>2nd Person 88 hrs. ea. @$65.00 per hour | $11,220.00<br>$5,720.00 | N/A |
| **NSCU Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$52,714.82** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE
# MICU

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (MICU) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware MICU<br>Security camera – equipment and supplies purchase<br>360 PTZ HD Camera<br>NVR 64 Channel<br>8 Port POE<br>CAT6 1000Ft.<br>.75 Metal Flex 100Ft.<br>Ceiling grid Camera Mt.<br>12x12x6 Nema 1 Box<br>18x18x6 Nema Box<br>Plastic Wall Material<br>Programming<br>Hardware other<br>***Requires a minimum of 50% advanced payment for equipment to be purchased** | 10 / Each<br>1 / Each<br>4 / Each<br>9 / Each<br>35 / Each<br>10 / Each<br>2 / Each<br>1 / Each<br>10 /Each<br>10 /Each<br>10 /Each | $923.88<br>$6,240.74<br>$186.06<br>$416.53<br>$127.68<br>$132.92<br>$93.08<br>$130.31<br>$300.00<br>$120.00<br>$108.00 | $9,238.80<br>$6,240.74<br>$744.24<br>$3,748.79<br>$4,468.80<br>$1,329.24<br>$186.17<br>$130.31<br>$3,000.00<br>$1,200.00<br>$1,080.00 | As itemized | $31,367.09 | N/A |
| **MICU Labor 2-guys** | | | | 1st Person 96 hrs. ea. @$85.00 per hour<br>2nd Person 52 hrs. ea. @$65.00 per hour | $8,160.00<br>$3,380.00 | N/A |
| **MICU Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$43,332.09** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE CDS

1. Monthly Equipment Fees
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (CDS) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware CDS<br>Security camera – equipment and supplies purchase | | | | As itemized | $26,120.32 | N/A |
| 360 PTZ HD Camera | 9 / Each | $923.88 | $8,314.92 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 2 / Each | $186.06 | $372.12 | | | |
| CAT6 1000Ft. | 6 / Each | $416.53 | $2,499.19 | | | |
| 75 Metal Flex 100Ft. | 18 / Each | $127.68 | $2,298.24 | | | |
| Ceiling grid Camera Mt. | 9 / Each | $132.92 | $1,196.32 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | | | |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 9 /Each | $300.00 | $2,700.00 | | | |
| Programming | 9 /Each | $120.00 | $1,080.00 | | | |
| Hardware other | 9 /Each | $108.00 | $972.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **CDS Labor 2-guys** | | | | 1st Person 84 hrs. ea. @$85.00 per hour<br>2nd Person 56 hrs. ea. @$65.00 per hour | $7,140.00<br>$3,640.00 | N/A |
| **CDS Continued:** – Trip Cost | | | | 2 | $170.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$37,070.32** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE PICU/PEDs

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (PICU/PEDS) | | | | 1 | N/A | N/A |
| **Phase 1:** Security Hardware PICU/PEDS<br>Security camera – equipment and supplies purchase | | | | | | |
| 360 PTZ HD Camera | 17 / Each | $923.88 | $15,705.96 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 2 / Each | $186.06 | $372.12 | | | |
| CAT6 1000Ft. | 12 / Each | $416.53 | $4,998.38 | | | |
| .75 Metal Flex 100Ft. | 45 / Each | $127.68 | $5,745.60 | | | |
| Ceiling grid Camera Mt. | 17 / Each | $132.92 | $2,259.714 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | As itemized | $44,745.33 | N/A |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 17 /Each | $300.00 | $5,100.00 | | | |
| Programming | 17 /Each | $120.00 | $2,040.00 | | | |
| Hardware other | 17 /Each | $108.00 | $1,836.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **PICU/PEDS Labor 2-guys** | | | | 1st Person 129 hrs. ea. @$85.00 per hour<br>2nd Person 53 hrs. ea. @$65.00 per hour | $10,965.00<br>$3,444.70 | N/A |
| **PICU/PEDS Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$59,580.00** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE
## ER 1ST FLOOR

TRED

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (ER 1ST FLOOR) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware ER 1ST FLOOR<br>Security camera – equipment and supplies purchase | | | | As itemized | $61,386.53 | N/A |
| 360 PTZ HD Camera | 11 / Each | $923.88 | $10,162.68 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 3 / Each | $186.06 | $558.18 | | | |
| CAT6 1000Ft. | 8 / Each | $416.53 | $3,332.26 | | | |
| .75 Metal Flex 100Ft | 25 / Each | $127.68 | $3,192.00 | | | |
| Ceiling grid Camera Mt. | 11 / Each | $132.92 | $1,462.16 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | | | |
| 18x18x6 Nema Box | 1 / Each | $130.31 | $130.31 | | | |
| Plastic Wall Material | 11 /Each | $300.00 | $3,300.00 | | | |
| Programming | 11 /Each | $120.00 | $1,320.00 | | | |
| Hardware other | 11 /Each | $108.00 | $1,188.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **ER 1ST FLOOR Labor 2-guys** | | | | 1st Person 88 hrs. ea. @$85.00 per hour<br>2nd Person 50 hrs. ea. @$65.00 per hour | $7,480.00<br>$3,250.00 | N/A |
| **ER 1ST FLOOR Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$42,227.50** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE

## ~~TRAUMA 2ND~~ TICU FLOOR

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (TRAUMA 2ND FLOOR) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware TRAUMA 2ND FLOOR<br>Security camera – equipment and supplies purchase<br>360 PTZ HD Camera<br>NVR 64 Channel<br>8 Port POE<br>CAT6 1000Ft.<br>.75 Metal Flex 100Ft.<br>Ceiling grid Camera Mt.<br>12x12x6 Nema 1 Box<br>18x18x6 Nema Box<br>Plastic Wall Material<br>Programming<br>Hardware other<br>***Requires a minimum of 50% advanced payment for equipment to be purchased** | 10 / Each<br>1 / Each<br>2 / Each<br>8 / Each<br>30 Each<br>10 / Each<br>3 / Each<br>2 / Each<br>10 /Each<br>10 /Each<br>10 /Each | $923.88<br>$6,240.74<br>$186.06<br>$416.53<br>$127.68<br>$132.92<br>$93.08<br>$130.31<br>$300.00<br>$120.00<br>$108.00 | $9,238.80<br>$6,240.74<br>$372.12<br>$3,332.26<br>$3,830.40<br>$1,329.24<br>$279.25<br>$260.62<br>$3,000.00<br>$1,200.00<br>$1,080.00 | As itemized | $30,163.43 | N/A |
| **TRAUMA 2ND FLOOR Labor 2-guys** | | | | 1st Person 120 hrs. ea. @$85.00 per hour<br>2nd Person 80 hrs. ea. @$65.00 per hour | $10,200.00<br>$5,200.00 | N/A |
| **TRAUMA 2ND FLOOR Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$45,988.43** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE (4th Floor NORTH/SOUTH Option One)

1. **4th Floor NORTH/SOUTH**

2. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg (4th Floor NORTH/SOUTH)<br>Install fixed cameras in various locations throughout the department in UMC designated location (4th Floor NORTH/SOUTH MS) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware (4th Floor NORTH/SOUTH)<br>Security camera – equipment and supplies purchase | | | | As itemized | $71,822.78 | N/A |
| 360 PTZ HD Camera | 28 / Each | $923.88 | $25,868.64 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 4 / Each | $186.06 | $744.24 | | | |
| CAT6 1000Ft. | 22 / Each | $416.53 | $9,163.70 | | | |
| .75 Metal Flex 100Ft. | 85 / Each | $127.68 | $10,852.80 | | | |
| Ceiling grid Camera Mt. | 28 / Each | $132.92 | $3,721.87 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | | | |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 28 /Each | $300.00 | $8,400.00 | | | |
| Programming | 28 /Each | $120.00 | $3,360.00 | | | |
| Hardware other | 28 /Each | $108.00 | $3,024.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **4th Floor NORTH/SOUTH MS Labor 2-guys** | | | | 1st Person 240 hrs. ea. @$85.00 per hour<br>2nd Person 168 hrs. ea. @$65.00 per hour | $20,400.00<br>$10,920.00 | N/A |

| | | | |
|---|---|---|---|
| **4th Floor NORTH/SOUTH Continued:** – Trip Cost | N/A | | N/A |
| **Post Implementation Security System Maintenance and Support** | | | |
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$103,142.78** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

3. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE (5th Floor NORTH/SOUTH Option One)

1. **5th Floor NORTH/SOUTH**

2. Monthly Equipment Fees.
   Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg (5th Floor NORTH/SOUTH)<br>Install fixed cameras in various locations throughout the department in UMC designated location (5th Floor NORTH/SOUTH MS) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware (5th Floor NORTH/SOUTH)<br>Security camera – equipment and supplies purchase | | | | As itemized | $71,822.78 | N/A |
| 360 PTZ HD Camera | 28 / Each | $923.88 | $25,868.64 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 4 / Each | $186.06 | $744.24 | | | |
| CAT6 1000Ft. | 22 / Each | $416.53 | $9,163.70 | | | |
| .75 Metal Flex 100Ft. | 85 / Each | $127.68 | $10,852.80 | | | |
| Ceiling grid Camera Mt. | 28 / Each | $132.92 | $3,721.87 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | | | |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 28 /Each | $300.00 | $8,400.00 | | | |
| Programming | 28 /Each | $120.00 | $3,360.00 | | | |
| Hardware other | 28 /Each | $108.00 | $3,024.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **5th Floor NORTH/SOUTH MS Labor 2-guys** | | | | 1st Person 240 hrs. ea. @$85.00 per hour<br>2nd Person 168 hrs. ea. @$65.00 per hour | $20,400.00<br>$10,920.00 | N/A |

| | | | |
|---|---|---|---|
| **5th Floor NORTH/SOUTH Continued:** – Trip Cost | N/A | | N/A |
| **Post Implementation Security System Maintenance and Support** | | | |
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$103,142.78** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

3. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE
# TCU OPTION 2

1. Monthly Equipment Fees
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (TCU OPTION 2) | | | | 1 | N/A | N/A |
| **Phase 1:** Security Hardware TCU OPTION 2<br>Security camera – equipment and supplies purchase | | | | | | |
| 360 PTZ HD Camera | 15 / Each | $923.88 | $13,858.20 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 2 / Each | $186.06 | $372.12 | | | |
| CAT6 1000Ft. | 11 / Each | $416.53 | $4,581.85 | | | |
| .75 Metal Flex 100Ft. | 48 / Each | $127.68 | $6,128.64 | | | |
| Ceiling grid Camera Mt. | 15 / Each | $132.92 | $1,993.86 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | As itemized | $41,542.20 | N/A |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 15 /Each | $300.00 | $4,500.00 | | | |
| Programming | 15 /Each | $120.00 | $1,800.00 | | | |
| Hardware other | 15 /Each | $108.00 | $1,620.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **TCU OPTION 2 Labor 2-guys** | | | | 1st Person 180 hrs. ea. @$85.00 per hour<br>2nd Person 120 hrs. ea. @$65.00 per hour | $15,300.00<br>$7,800.00 | N/A |
| **TCU OPTION 2 Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$65,067.20** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE
# 2-WEST (MS)

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg 2-WEST<br>Install fixed cameras in various locations throughout the department in UMC designated location (2-WEST MS) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware 2-WEST<br>Security camera – equipment and supplies purchase | | | | As itemized | $35,988.22 | N/A |
| 360 PTZ HD Camera | 12 / Each | $923.88 | $11,086.56 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 2 / Each | $186.06 | $372.12 | | | |
| CAT6 1000Ft. | 10 / Each | $416.53 | $4,165.32 | | | |
| .75 Metal Flex 100Ft. | 45 / Each | $127.68 | $5,745.60 | | | |
| Ceiling grid Camera Mt. | 12 / Each | $132.92 | $1,595.09 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | | | |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 12 /Each | $300.00 | $3,600.00 | | | |
| Programming | 12 /Each | $120.00 | $1,440.00 | | | |
| Hardware other | 12 /Each | $108.00 | $1,296.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **2-WEST MS Labor 2-guys** | | | | 1st Person 144 hrs. ea. @$85.00 per hour<br>2nd Person 96 hrs. ea. @$65.00 per hour | $12,240.00<br>$6,240.00 | N/A |
| **2-WEST Continued:** – Trip Cost | | | | 5 | 425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$54,893.22** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE
## 3-South

1. Monthly Equipment Fees
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (3-South) | | | | 1 | N/A | N/A |
| **Phase I**: Security Hardware 3-South<br>Security camera – equipment and supplies purchase<br>360 PTZ IID Camera<br>NVR 64 Channel<br>8 Port POE<br>CAT6 1000Ft.<br>.75 Metal Flex 100Ft.<br>Ceiling grid Camera Mt.<br>12x12x6 Nema 1 Box<br>18x18x6 Nema Box<br>Plastic Wall Material<br>Programming<br>Hardware other<br>***Requires a minimum of 50% advanced payment for equipment to be purchased** | 10 / Each<br>1 / Each<br>2 / Each<br>7 / Each<br>36 / Each<br>10 / Each<br>2 / Each<br>1 / Each<br>10 /Each<br>10 /Each<br>10 /Each | $923.88<br>$6,240.74<br>$186.06<br>$416.53<br>$127.68<br>$132.92<br>$93.08<br>$130.31<br>$300.00<br>$120.00<br>$108.00 | $9,238.80<br>$6,240.74<br>$372.12<br>$2915.71<br>$4,596.48<br>$1,329.24<br>$186.17<br>$130.31<br>$3,000.00<br>$1,200.00<br>$1,080.00 | As itemized | $30,289.58 | N/A |
| **3-Floor Labor 2-guys** | | | | 1st Person 120 hrs. ea. @$85.00 per hour<br>2nd Person 80 hrs. ea. @$65.00 per hour | $10,200.00<br>$5,200.00 | N/A |
| **3-Floor Continued:** – Trip Cost | | | | 3 | $255.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$45,954.58** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE
## 3-West

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (3-West) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware 3-West<br>Security camera – equipment and supplies purchase | | | | As itemized | $33,348.52 | N/A |
| 360 PTZ HD Camera | 11 / Each | $923.88 | $10,162.68 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 2 / Each | $186.06 | $372.12 | | | |
| CAT6 1000Ft. | 9 / Each | $416.53 | $3,748.77 | | | |
| .75 Metal Flex 100Ft. | 40 / Each | $127.68 | $5,107.20 | | | |
| Ceiling grid Camera Mt. | 11 / Each | $132.92 | $1,462.12 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | | | |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 11 /Each | $300.00 | $3,300.00 | | | |
| Programming | 11 /Each | $120.00 | $1,320.00 | | | |
| Hardware other | 11 /Each | $108.00 | $1,188.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **3-West Labor 2-guys** | | | | 1st Person 132 hrs. ea. @$85.00 per hour<br>2nd Person 88 hrs. ea. @$65.00 per hour | $11,220.00<br>$5,720.00 | N/A |
| **3-West Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$50,713.48** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE CCU

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (CCU) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware CCU<br>Security camera – equipment and supplies purchase | | | | As itemized | $38,774.78 | N/A |
| 360 PTZ HD Camera | 14 / Each | $923.88 | $12,934.32 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 2 / Each | $186.06 | $372.12 | | | |
| CAT6 1000Ft. | 10 / Each | $416.53 | $4,165.32 | | | |
| .75 Metal Flex 100Ft. | 42 / Each | $127.68 | $5,362.56 | | | |
| Ceiling grid Camera Mt. | 14 / Each | $132.92 | $1,860.94 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | | | |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 14 /Each | $300.00 | $4,200.00 | | | |
| Programming | 14 /Each | $120.00 | $1,680.00 | | | |
| Hardware other | 14 /Each | $108.00 | $1,512.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **CCU Labor 2-guys** | | | | 1st Person 144 hrs. ea. @$85.00 per hour<br>2nd Person 88 hrs. ea. @$65.00 per hour | $12,240.00<br>$5,720.00 | N/A |
| **CCU Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$57,159.78** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE CVCU

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (CVCU) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware CVCU<br>Security camera – equipment and supplies purchase | | | | As itemized | $41,031.48 | N/A |
| 360 PTZ HD Camera | 15 / Each | $923.88 | $13,858.20 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 2 / Each | $186.06 | $372.12 | | | |
| CAT6 1000Ft. | 11 / Each | $416.53 | $4,581.85 | | | |
| .75 Metal Flex 100Ft. | 44 / Each | $127.68 | $5,617.92 | | | |
| Ceiling grid Camera Mt. | 15 / Each | $132.92 | $1,993.86 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | | | |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 15 /Each | $300.00 | $4,500.00 | | | |
| Programming | 15 /Each | $120.00 | $1,800.00 | | | |
| Hardware other | 15 /Each | $108.00 | $1,620.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **CVCU Labor 2-guys** | | | | 1st Person 144 hrs. ea. @$85.00 per hour<br>2nd Person 96 hrs. ea. @$65.00 per hour | $12,240.00<br>$6,240.00 | N/A |
| **CVCU Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$59,936.48** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE CPU

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (CPU) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware CPU<br>Security camera – equipment and supplies purchase | | | | As itemized | $44,745.30 | N/A |
| 360 PTZ HD Camera | 17 / Each | $923.88 | $15,705.96 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 2 / Each | $186.06 | $372.12 | | | |
| CAT6 1000Ft. | 12 / Each | $416.53 | $4,998.38 | | | |
| .75 Metal Flex 100Ft. | 45 / Each | $127.68 | $5,745.60 | | | |
| Ceiling grid Camera Mt. | 17 / Each | $132.92 | $2,259.71 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | | | |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 17 /Each | $300.00 | $5,100.00 | | | |
| Programming | 17 /Each | $120.00 | $2,040.00 | | | |
| Hardware other | 17 /Each | $108.00 | $1,836.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **CPU Labor 2-guys** | | | | 1st Person 152 hrs. ea. @$85.00 per hour<br>2nd Person 96 hrs. ea. @$65.00 per hour | $12,920.00<br>$6,240.00 | N/A |
| **CPU Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$64,330.30** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE
# BCU NORTH/SOUTH

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (BCU NORTH/SOUTH) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware BCU NORTH/SOUTH<br>Security camera – equipment and supplies purchase | | | | As itemized | $42,778.40 | N/A |
| 360 PTZ HD Camera | 16 / Each | $923.88 | $14,782.08 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 6 / Each | $186.06 | $1,116.36 | | | |
| CAT6 1000Ft. | 13 / Each | $416.53 | $5,414.92 | | | |
| .75 Metal Flex 100Ft. | 30 / Each | $127.68 | $3,830.40 | | | |
| Ceiling grid Camera Mt. | 16 / Each | $132.92 | $2,126.78 | | | |
| 12x12x6 Nema 1 Box | 6 / Each | $93.08 | $558.50 | | | |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 16 /Each | $300.00 | $4,800.00 | | | |
| Programming | 16 /Each | $120.00 | $1,920.00 | | | |
| Hardware other | 16 /Each | $108.00 | $1,728.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **BCU NORTH/SOUTH Labor 2-guys** | | | | 1st Person 120 hrs. ea @$85.00 per hour<br>2nd Person 80 hrs. ea. @$65.00 per hour | $10,200.00<br>$5,200.00 | N/A |
| **BCU NORTH/SOUTH Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$58,603.40** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE SICU

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (SICU) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware SICU<br>Security camera – equipment and supplies purchase | | | | As itemized | $35,349.82 | N/A |
| 360 PTZ HD Camera | 12 / Each | $923.88 | $11,086.56 | | | |
| NVR 64 Channel | 1 / Each | $6,240.74 | $6,240.74 | | | |
| 8 Port POE | 2 / Each | $186.06 | $372.12 | | | |
| CAT6 1000Ft. | 10 / Each | $416.53 | $4,165.32 | | | |
| .75 Metal Flex 100Ft. | 40 / Each | $127.68 | $5,107.20 | | | |
| Ceiling grid Camera Mt. | 12 / Each | $132.92 | $1,595.09 | | | |
| 12x12x6 Nema 1 Box | 2 / Each | $93.08 | $186.17 | | | |
| 18x18x6 Nema Box | 2 / Each | $130.31 | $260.62 | | | |
| Plastic Wall Material | 12 /Each | $300.00 | $3,600.00 | | | |
| Programming | 12 /Each | $120.00 | $1,440.00 | | | |
| Hardware other | 12 /Each | $108.00 | $1,296.00 | | | |
| ***Requires a minimum of 50% advanced payment for equipment to be purchased** | | | | | | |
| **SICU Labor 2-guys** | | | | 1st Person 132 hrs. ea. @$85.00 per hour<br>2nd Person 88 hrs. ea. @$65.00 per hour | $11,220.00<br>$5,720.00 | N/A |
| **SICU Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

| | | | |
|---|---|---|---|
| 24/7 Technical support – Republic Electric | N/A | N/A | Included |
| **TOTAL COST** | | **$52,714.82** | |

a. Training and Education. ITS will provide implementation assistance, including training and education of identified Customer personnel on ITS provided device/equipment usage as per the functions/features noted above and for the use cases as per the attached Statement of Work. After implementation, ongoing end-user training and education resides with the Customer, except that as Customer adds additional use cases or ITS modifies or adds additional features or functionalities to software pertinent to Customer and that warrant additional initial training and education, ITS will provide Customer with such initial training and education.

b. Technology Support. For ITS provided Equipment, Customer may contact tech support Monday thru Friday, from 8am to 5 pm PST. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

Security system technical support will be provided by ITS 24 hours per day for emergency service requests with maximum two-hour response time. A dedicated local phone number and technician's name will be provided upon completion of the installation. The initial site visit upon receipt of such request will determine if solution can be implemented immediately or if any material, etc. may be needed and expedited for functional repairs to be made. ITS will keep at least one of each item included in the system secured in stock to expedite replacement/repairs and will make every reasonable effort to repair/replace hardware during initial emergency site visit.

2. Professional Services.

a. Implementation services.
ITS shall provide implementation support services as indicated in attached "Statement of Work."

b. Customer End-User Support. Customers may contact customer support for implementation, usage, end-user help, etc. Monday thru Friday, from 9am to 5 pm PST for assistance with ITS provided Equipment. The team can be reached by text at 775-402-8177 or by email at support@itshqnv.com.

c. Consultative services.
- ITS shall offer suggestions for additional use cases that would utilize ITS provided Equipment, as appropriate, during engagement.

Integrated TELEHEALTH Solutions

# FIXED CAMERA(S) FEE SCHEDULE NSCU

1. Monthly Equipment Fees.
Customer agrees to pay the fees for the Equipment described below as per the following schedule:

| Item/Description | | | | Count | One-time Cost | Monthly Investment |
|---|---|---|---|---|---|---|
| Med-Surg<br>Install fixed cameras in various locations throughout the department in UMC designated location (NSCU) | | | | 1 | N/A | N/A |
| **Phase 1**: Security Hardware NSCU<br>Security camera – equipment and supplies purchase<br>360 PTZ HD Camera<br>NVR 64 Channel<br>8 Port POE<br>CAT6 1000Ft.<br>.75 Metal Flex 100Ft.<br>Ceiling grid Camera Mt.<br>12x12x6 Nema 1 Box<br>18x18x6 Nema Box<br>Plastic Wall Material<br>Programming<br>Hardware other<br>***Requires a minimum of 50% advanced payment for equipment to be purchased** | 12 / Each<br>1 / Each<br>2 / Each<br>10 / Each<br>40 / Each<br>12 / Each<br>2 / Each<br>2 / Each<br>12 /Each<br>12 /Each<br>12 /Each | $923.88<br>$6,240.74<br>$186.06<br>$416.53<br>$127.68<br>$132.92<br>$93.08<br>$130.31<br>$300.00<br>$120.00<br>$108.00 | $11,086.56<br>$6,240.74<br>$372.12<br>$4,165.32<br>$5,107.20<br>$1,595.09<br>$186.17<br>$260.62<br>$3,600.00<br>$1,440.00<br>$1,296.00 | As itemized | $35,349.82 | N/A |
| **NSCU Labor 2-guys** | | | | 1st Person 132 hrs. ea. @$85.00 per hour<br>2nd Person 88 hrs. ea. @$65.00 per hour | $11,220.00<br>$5,720.00 | N/A |
| **NSCU Continued:** – Trip Cost | | | | 5 | $425.00 | N/A |
| **Post Implementation Security System Maintenance and Support** | | | | | | |

## INSTRUCTIONS FOR COMPLETING THE DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM

**Purpose of the Form**

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

**General Instructions**

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

**Detailed Instructions**

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

***Business Entity Type*** – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting "Other", provide a description of the legal entity.

***Non-Profit Organization (NPO)*** - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

***Business Designation Group*** – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

***Business Name (include d.b.a., if applicable)*** – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

***Corporate/Business Address, Business Telephone, Business Fax, and Email*** – Enter the street address, telephone and fax numbers, and email of the named business entity.

***Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email*** – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm.*** **(Do not leave blank. If none or zero, put the number 0 in the space provided.)**

***List of Owners/Officers*** – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

***For All Contracts*** – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If YES, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

***Signature and Print Name*** – Requires signature of an authorized representative and the date signed.

***Disclosure of Relationship Form*** – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

**Business Entity Type (Please select one)**

| ☐ Sole Proprietorship | ☐ Partnership | ☑ Limited Liability Company | ☐ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |
|---|---|---|---|---|---|---|

**Business Designation Group (Please select all that apply)**

| ☐ MBE | ☐ WBE | ☐ SBE | ☐ PBE | ☐ VET | ☐ DVET | ☐ ESB |
|---|---|---|---|---|---|---|
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

**Number of Clark County Nevada Residents Employed:** 10

| | | |
|---|---|---|
| Corporate/Business Entity Name: | SmallGuy, LLC | |
| (Include d.b.a., if applicable) | Integrated Telehealth Solutions | |
| Street Address: | 2505 Anthem Village DR. | Website: www.itshgNV.com |
| City, State and Zip Code: | Henderson, NV 89052 | POC Name: Email: dhart@itshgNV.com |
| Telephone No: | 248-756-1027 | Fax No: N/A |
| Nevada Local Street Address: (If different from above) | | Website: |
| City, State and Zip Code: | | Local Fax No: |
| Local Telephone No: | | Local POC Name: Email: |

All entities, with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| Darryl R. Hart | CEO | 24% |
| Lori A. Hart | CFO | 26% |
| Franklin K. Hart | President | 25% |
| Alexia K. Hart | EVP | 25% |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☐ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☑ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☑ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Signature — Print Name: Darryl R. Hart

Title: CEO — Date: 5-19-2022



REVISED 7/25/2014

# DISCLOSURE OF RELATIONSHIP

**List any disclosures below:**
**(Mark N/A, if not applicable.)**

| NAME OF BUSINESS OWNER/PRINCIPAL | NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE | RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL | UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT |
|---|---|---|---|
| Darryl Hart | N/A | N/A | N/A |
| Lori Hart | N/A | N/A | N/A |
| Franklin Hart | N/A | N/A | N/A |
| Alexa Hart | N/A | N/A | N/A |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

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***For UMC Use Only:***

If any Disclosure of Relationship is noted above, please complete the following.

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

Signature

Print Name
Authorized Department Representative



REVISED 7/25/2014

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Professional Service Agreement with Steris Corporation** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Professional Service Agreement with Steris Corporation for architectural design services; authorize the Chief Executive Officer to exercise any future amendments within his delegated authority; or take action as deemed appropriate. *(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5430.011
Fund Center: 3000999901 / 3000702100
Description: Architectural Design – Phase 3
Bid/RFP/CBE: NRS 450.525 & NRS 450.530 – GPO
Term: 4/1/2023 – 3/31/2026
Amount: NTE $535,317.78
Out Clause: 15 days for convenience

Fund Name: CC Cap Equip Transfer
Fund Name: UMC Operating Fund
Funded Pgm/Grant: N/A

**BACKGROUND:**

This request is to enter into a new Professional Service Agreement ("Agreement") for Architectural Design with Steris Corporation ("Steris"). Steris will provide master planning, architecture, and engineering services for Phase 3 of the OR Refresh Project, which includes 14 operating rooms, 3 trauma rooms, and 3 endoscopy units. UMC will compensate Steris a not-to-exceed amount of $535,317.78 for three (3) years from April 1, 2023 through March 30, 2026. Staff also requests authority for the Hospital CEO to execute any future amendments that are within his delegation of authority if deemed beneficial to UMC. Either party may terminate this Agreement for convenience with a 15-day written notice to the other.

This Agreement is being entered into pursuant to HPG contract #379. HealthTrust Purchasing Group ("HPG") is a Group Purchasing Organization of which UMC is a member. This request is in compliance with NRS 450.525 and NRS 450.530; attached is the bid summary sheet and a sworn statement from an HPG executive verifying that the pricing was obtained through a competitive bid process.

Cleared for Agenda
March 22, 2023

Agenda Item #
**21**

UMC's Director of Surgical Services has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Steris currently holds a Clark County business license.

**Agreement between University Medical Center of Southern Nevada and STERIS Corporation for Architectural Design Services**

This Agreement ("Agreement") is made and entered into as of the last date of signature set forth below (the "Effective Date"), by and between University Medical Center of Southern Nevada, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes (hereinafter referred to as "Customer" or "Owner"), and STERIS Corporation (hereinafter referred to as "STERIS") and shall incorporate all the terms and conditions of the purchasing agreement between STERIS and HEALTHTRUST PURCHASING GROUP, L. P. ("HealthTrust") dated January 01, 2022. (Customer and STERIS are each referred to herein individually as a "Party" and collectively as the "Parties").

**RECITALS:**

A. Owner and STERIS have entered into this Agreement that incorporates the STERIS HealthTrust Purchasing Agreement for Surgical Lights and Equipment Booms dated as of January 01, 2022 (the "Original Agreement"; the Original Agreement). The Agreement terminates the date Owner is no longer a member of HealthTrust. In the event of any inconsistencies between the terms of the Original Agreement and this Agreement, the terms of this Agreement shall prevail.

B. Pursuant to the terms of the Original Agreement, Owner desires to procure from STERIS Architectural Design Services for multiple operating rooms at University Medical Center of Southern Nevada (the "Architectural Design").

C. The Architectural Design includes fourteen operating rooms, three trauma rooms and three endocrine rooms.

D. This Agreement evidences and relates only to Architectural Design (hereinafter referred to as the "Project").

E. STERIS has submitted, and Owner has accepted, that certain Quotation from STERIS dated February 02, 2023 relating to Architectural Design, a copy of which is attached hereto as **Exhibit A** and by such attachment made a part hereof (the "STERIS Quotation").

F. STERIS has submitted, and Owner has accepted, that certain installation and renovation services Design Scope of Work, attached hereto as **Exhibit B** and by such attachment made a part hereof (the "Design Scope of Work").

In consideration of good and valuable consideration, the Parties agree to amend the Agreement and the following provisions are hereby added to the Agreement:

**I. GENERAL**

1.1. STERIS, as development and management agent for and on behalf of the Customer, agrees to engage Sub Contractor Name ("Design-Creator") to provide Architectural Design services. The parties acknowledge that Design-Creator is trained in the specialized processes associated with architectural design of multiple **operating rooms** as described in the Architectural Design Scope of Work. Notwithstanding any term or provision of the Agreement to the contrary, the parties acknowledge and agree that STERIS' obligations under this Agreement include appropriately contracting with Design-Creator on behalf of Customer as required by the terms of this Agreement and to use all commercially reasonable efforts to cause Design-Creator to comply with the terms and conditions of this Agreement and the terms of the design-creator agreement to be entered into by and between Design-Creator and STERIS on behalf of Customer (the "Design-

Creator Agreement"), all as more particularly set forth in this Agreement. STERIS, however, remains solely liable to Customer and fully responsible for obligations, services, and functions performed by Design-Creator on the Project to the same extent as if such obligations, services and functions were performed by STERIS' employees or agents and for purposes of this Agreement, such work will be deemed work performed by STERIS. Furthermore, STERIS shall be the primary point of contact with Customer concerning issues associated with the Project, including but not limited to, all issues of subcontracted work with Design-Creator or any other parties engaged by or on behalf of Design-Creator.

1.2. In no event shall STERIS or any affiliate or employee of STERIS be responsible for the negligence of Design-Creator or any consultant or contractor by or on behalf of Design-Creator. Design-Creator shall remain solely responsible directly to Customer for any such negligence or failure and STERIS shall require such language in its agreements with Design-Creator.

1.3. For the Design Scope of Work to be provided by Design-Creator, Customer agrees to pay the amount of **$535,317.78**, all as more fully set forth in the Design Scope of Work (the "Contract Price"). The Contract Price shall not be subject to increase as a result of force majeure, changes or delays caused by Owner, unknown or unforeseen circumstances or conditions, price escalation, supply-chain disruption, epidemics, pandemics, changes in law, fire, weather, labor disputes, war, civil unrest, strikes, unavailability of labor or materials, delays in deliveries, unanticipated fees, allowances or unit prices being exceeded, or any other reason beyond the reasonable control of STERIS or Design-Creator. Customer also agrees that the time for performance of the Design Scope of Work shall be extended to the extent any of the foregoing causes identified in this Section 1.3 causes a delay in the performance of the Design Scope of Work.

1.4. STERIS has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed directly by STERIS in the performance of the services hereunder. STERIS shall indemnify, defend and hold Customer harmless from all matters relating to the payment of STERIS' employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, demands, and regulations of any nature whatsoever.

1.5. Subcontractor is an independent contractor engaged by STERIS on behalf of the Customer.

1.6. STERIS shall, on behalf of Customer, use all commercially reasonable efforts to require, and shall require in its contracts and agreements with Design-Creator that, the Design-Creator comply with all requirements of Nevada Revised Statute Chapter 618, Occupational Safety and Health, Nevada Administrative Code Chapter 618 and have established an active Safety Program in accordance therewith.

1.7. STERIS and its Design-Creator acknowledges that Customer has an obligation to ensure that public funds are not used to subsidize private discrimination. STERIS recognizes that if it is found guilty by an appropriate authority of refusing to hire or do business with an individual or company due to reasons of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, national origin, or any other protected status; Customer may, during the performance of the Project, declare STERIS in breach of this Agreement, terminate the Agreement, and designate STERIS as non-responsible.

1.8. STERIS acknowledges that STERIS, Design-Creator and any subcontractors, agents or employees employed by STERIS or Design-Creator, as the case may be, shall not, under any circumstances, be considered employees of Customer, and that they shall not be entitled to any of the benefits or rights afforded employees of Customer, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits. Customer will not provide or pay for any liability or medical insurance, retirement

contributions or any other benefits for or on behalf of STERIS or any of its officers, employees or other agents.

1.9. STERIS shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished by STERIS, its principals, officers, employees, agents, subcontractors and suppliers required to complete the Design Scope of Work. STERIS will, on behalf of Customer, use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, the Design-Creator be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished by Design-Creator, its principals, officers, employees, agents, subcontractors and suppliers required to complete the Design Scope of Work. In performing the specified services, STERIS shall use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, Design-Creator follow practices consistent with generally accepted professional and technical standards.

1.10. STERIS shall, on behalf of Customer, use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, the Design-Builder ensure all services performed as part of the Project are in conformance with all pertinent Federal, State and Local statutes, codes, ordinances, resolutions and other regulations. STERIS will cause Design-Creator to agree that the services performed as part of the Project will not violate or infringe on any copyright or patent rights. STERIS shall, on behalf of Customer, use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, the Design-Creator, without additional compensation, correct or revise any errors or omissions in the services performed as part of the Project which are not in accordance with the representations and warranties provided in this Agreement. Permitted or required approval by Customer of any products or services furnished by STERIS, or its agents or subcontractors, shall not in any way relieve STERIS of responsibility for the professional quality and technical accuracy and adequacy of services provided by STERIS. Customer's review, approval, acceptance, or payment for any of STERIS's services herein shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and STERIS shall be and remain liable in accordance with the terms of this Amendment and applicable law for all damages to Customer caused by STERIS's negligent performance or failures to perform under this Agreement.

1.11. STERIS shall, on behalf of Customer, use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, Design-Creator follow all Infection Control measures in the work areas for the Project; negative pressure, dust control, and constant housekeeping to prevent the spread of dust at and around Customer's facilities.

1.12. Off-Site parking will be provided for STERIS and Design-Creator. The parking is located at 625 Shadow Lane, 89102 (Clark County Health District Facility). STERIS, Design-Builder and subcontractor(s) will not be allowed to park any vehicles on site, other than for temporary loading and unloading.

1.13. Personnel on site - STERIS shall, on behalf of Customer, use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, Design-Creator abide by the relevant compliance policies of the Customer, including its corporate compliance program, Vendor Access Roles and Responsibilities policy, I-66 policy and Code of Ethics, the relevant portions of which are available to STERIS and Design-Creator upon request, and Customer's Vaccine Policy, as may be amended from time to time, and must register through Customer's vendor management/credentialing system prior to arriving onsite at any of Customer's facilities. Design-Creator's employees,

agents, subcontractors and/or designees who do not abide by Customer's policies may be barred from physical access to Customer's premises

1.14. Infection Control Requirements - at STERIS' and/or Design-Creator's sole cost and expense, all STERIS and Design-Creator personnel working on-site on the Project are required to adhere to Customer's Infection Control requirements as outlined below:

a. Evidence of annual TB testing (2 years), a current 2 step TB test, or a current IGRA blood test. Individuals with a positive TB test must have proof of a past positive test, a negative sign and symptom review and a negative chest x-ray within the last year if applicable.

b. Or, in-lieu of the above TB testing, STERIS and Design-Creator personnel may elect to complete weekly health screening forms and abide by any/all recommendations/requirements set forth by Customer's Infection Control Department.

c. Current seasons' Influenza vaccine is encouraged for all STERIS/Design-Creator personnel. However, Customer's Infection Control Department reserves the right to require this vaccine at any time. All personnel will follow Customer's EH6.5 Influenza Policy (Influenza season is generally November through March).

**II. LICENSE**

2.1. STERIS shall, on behalf of Customer, engage the Design-Creator who shall be appropriately qualified and properly licensed to perform the particular work pursuant to the provisions of the Nevada Revised Statutes Chapter 624.

a. STERIS shall require Design-Creator/Independent Contractors, to comply with all provisions of Nevada Revised Statutes, Chapter 624, during the bidding phase and Nevada Administrative Code, Chapter 624, through completion of the project.

b. STERIS shall require Design-Creator to comply with all provisions of Nevada Revised Statutes, Chapter 338.017, Section 1, Paragraph 2, regarding Federal Debarment.

2.2. STERIS shall, on behalf of Customer, use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, Design-Creator to comply with the Journeyman and Master Electrician and Plumbing Examination Program as follows:

a. All electricians providing supervision of electrical work on this project are required to possess a valid Clark County Development Services card appropriate to the scope of work being performed. The categories are Master Electrician and Journeyman Electrician, which have passed the International Code Council (ICC) Contractor Examination Services testing at www2.ICCSAFE.org or by calling 1-888-422-7233.

b. All plumbers providing supervision of the plumbing work on this project are required to possess a valid Clark County Development Services card for the appropriate scope of work being performed. The categories are Master Plumber and Journeyman Plumber. Tests are administered by the Southern Nevada Board of Plumbing Examiners (SNBOPE) at www.NBOPE.org or by calling 1-877-457-6482.

c. STERIS shall, on behalf of Customer, use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, Design-Creator validate that its employee(s) providing supervision for the scope performed maintain current valid cards, and to provide within twenty-four (24) hours of a request by Customer, proof of current and valid cards for individuals planned or performing the supervision identified herein. Should any of these supervising

employee's cards expire, that employee shall be replaced immediately with another qualified valid cardholder without any additional cost to Customer.

d. Customer staff, including but not limited to, from Imaging Services, Plant Operations, Administration and/or their contracted staff will perform unscheduled site visits to validate that the workers performing the electrical and plumbing work are in compliance with these requirements. Employees found performing work without the proper proof of compliance (valid card) shall be immediately replaced as specified above without any additional cost or associated impacts to Customer.

2.3. STERIS shall, on behalf of Customer, use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, Design-Creator to comply with the Apprenticeship Utilization Act as follows:

a. Design-Creator shall be bound by and comply with Senate Bill 207 of the 2019 Nevada Legislative Session ("Statute"), which requires employment of Apprentices in Public Works, whenever the actual value of the contract totals $100,000 or more. Design-Builder shall abide by the Apprenticeship Standards, including the ratio of four (4) journeyworkers for each Apprentice and the Committee's (local joint committee on apprenticeship) jurisdiction to determine all Apprentice disputes with STERIS or STERIS shall request a waiver from Client, providing documentation justifying the waiver.

b. Design-Creator shall agree to pay: (i) wages to the Apprentice, less authorized deductions, according to the Apprentice wage schedule set forth in the Apprenticeship Standards (Form 5910), and (ii) fringe benefit contributions pursuant to the terms of the Trust Agreements creating them and the Apprenticeship Standards. Design-Creator shall agree to pay the appropriate hourly contributions rates to each applicable Trust Fund, and any other employee benefit Fund required, for each hour worked by the Apprentice on the Public Works Project. Contribution payments shall be made at the time, place and in the manner directed by the Trust Funds' Administrator.

c. STERIS agrees to submit and shall, on behalf of Customer, use all commercially reasonable efforts to cause the Design-Creator to submit a complete monthly fringe benefit Contribution Report, identifying all work performed by the named Apprentice on the Public Works Project (subject to this Agreement), together with payment of any amounts owed. Both the Contribution Report and payments shall be submitted to the Administrator designated by the employee benefit Trust Funds, and to any other employee benefit Fund listed.

d. STERIS shall, on behalf of Customer, use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, Design-Creator review SB 207, including any addenda, as well as all the forms needed to comply, as specified on the State of Nevada Labor Commissioner's web site: http://www.labor.nv.gov, or by calling (702) 486-2650. Per NAC 338.040, after a contract has been awarded, the Apprenticeship Utilization Act is in effect for the duration of the project. **Please note that if a change order causes a contract to exceed $100,000, the Customer will audit the entire contract period.**

**III. PREVAILING WAGES**

3.1. STERIS, Design-Creator and its subcontractors shall be bound by and comply with all federal, state and local laws with regard to minimum wages, overtime work, hiring and

discrimination, including NRS 338.020 through 338.090. STERIS shall, on behalf of Customer, use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, Design-Creator ensure that all employees on the work are paid in accordance with the CURRENT PREVAILING WAGE RATES AS APPROVED BY THE STATE LABOR COMMISSIONER, whenever the actual value of the contract totals $100,000 or more. Design-Creator is responsible to identify and use the correct prevailing wage rates, including any addenda, as well as all the forms needed to comply, as specified on the State of Nevada Labor Commissioner's web site: http://www.labor.nv.gov, or by calling (702) 486-2650. Per NAC 338.040, after a contract has been awarded, the prevailing rates of wages in effect at the time of the opening of bids remains in effect for the duration of the project. **Please note that if a change order causes a contract to exceed $100,000, Customer will audit the entire contract period.**

3.2. In accordance with NRS 338.013.3, STERIS shall, on behalf of Customer, use all commercially reasonable efforts to require, and shall require in its contracts and agreements with Design-Creator that, Design-Creator to report to the Labor Commissioner and Customer the name and address of each subcontractor performing work on the project within 10 days after the subcontractor commences work on the project and the identifying (PWP) number for the public work.

3.3. In accordance with NRS 338.060 and 338.070, STERIS and Design-Creator shall forfeit as a penalty to the Customer amounts specified in NRS 338.060, for each calendar day or portion thereof that each workman employed on the Customer's project is paid less than the designated rate for any work done under the Agreement by STERIS, Design-Builder or any subcontractor under it. If STERIS, Design-Creator or any subcontractor on the project fails to submit the certified payroll reports to the Customer within **15 calendar days** after the end of the month, STERIS and Design-Creator shall forfeit as a penalty to the Customer, amounts specified in NRS 338.060, for each calendar day or portion thereof for each workman employed on the project during the reporting period. The Labor Commissioner shall establish a sliding scale based on the size of STERIS' business to determine the amount per worker per day to be imposed. Any subcontractor, or agent or representative thereof, performing work on the project, who neglects to comply with the prevailing wage, is guilty of a misdemeanor. If a penalty is imposed, in addition to any penalties allowed by NRS 338.060, STERIS shall reimburse Customer for all costs associated with wage complaint investigations for the project, including but not limited to, actual staff time, materials used, and attorneys' fees.

3.4. In accordance with NRS 338.070, STERIS shall require that Design-Creator and each of its subcontractors, shall keep or cause to be kept on the forms provided in **Exhibit** D:

a. An accurate record showing for each worker employed by the subcontractor;

   i. The name of the worker;

   ii. The occupation of the worker;

   iii. If the worker has a driver's license or identification card, an indication of the state or other jurisdiction that issued the license or card; and

   iv. The actual per diem, wages, and benefits paid to the worker; and

b. An additional accurate record showing for each worker employed by the subcontractor who has a driver's license or identification card;

   i. The name of the worker;

ii. The driver's license or identification card number of the worker; and

iii. The state or other jurisdiction that issued the license or card.

c. The records maintained pursuant to the requirements indicated above must be open at all reasonable hours to inspection by the State of Nevada. STERIS, Design-Creator and all its subcontractors shall ensure that a copy of each record for each calendar month, together with a cumulative summary of the percentage of workers that hold a valid driver's license or identification card issued by the State of Nevada, is received by the Customer no later than 15 days after the end of the month. The copy of the record maintained pursuant to paragraph one (1) of this section must be open to public inspection, as provided in NRS 239.010. The copy of the record maintained pursuant to paragraph two (2) of this section is **confidential and not open to public inspection**. STERIS, Design-Creator or any subcontractor or agent or representative thereof, doing work on the Project who neglects to comply with the terms of this provision is guilty of a misdemeanor. A copy of the records of work performed on the Project by STERIS, Design-Creator and each subcontractor shall be submitted to the Customer at the following address:

University Medical Center of Southern Nevada
Attn: Contracts Management
1800 West Charleston Blvd.
Las Vegas, Nevada 89102

Two years after the project's final payment is made by the Customer; the records in Customer's possession may be destroyed.

3.5. **STERIS shall, on behalf of Customer, use all commercially reasonable efforts to require**, and shall require in its contracts and agreements with Design-Creator that, **the Design-Creator comply with the requirements of NRS 338.020 and post, in a generally visible place to the Workmen, the Nevada prevailing Wage Rates and all addenda.**

3.6. **Certified Payroll Reports**: Pursuant to NRS 338.070, on any public work contract awarded for more than $100,000, STERIS, Design-Creator and each subcontractor are required to keep an accurate record showing the name, the occupation and the actual per diem wages and benefits paid to each workman employed by it in connection with the public work. STERIS, Design-Creator and each subcontractor are required to submit a copy of the record for each calendar month to the Customer no later than 15 calendar days after the end of the month for the purposes of public inspection. Design-Creator shall be responsible for coordinating the submittal of all the certified payroll reports for the project, including its reports and the reports of all the subcontractors who are performing work on the project. Design-Creator shall not withhold from a subcontractor the sums necessary to cover any penalties withheld from STERIS by the public body because Design-Creator failed to submit certified payroll reports within 15 calendar days after the end of the month if the subcontractor provided certified payroll reports to Design-Creator within 10 calendar days after the end of the month or the date agreed upon by STERIS, Design-Creator and subcontractor. Design-Creator shall submit a copy of its certified payroll and the certified payroll of each of the subcontractors performing work on the project. Certified Payroll Reports will be available for public viewing.

**IV. INSURANCE**

4.1. STERIS and Customer agree that for the Total Project only, STERIS will provide the insurance as required herein in a form as provided in **Exhibit C** and these requirements

supersede and replace the insurance requirements in the Original Agreement. STERIS further agrees, as a precondition to the performance of any work under this contract and as a precondition to any obligation of the Customer to make any payment under this Agreement, to provide the Customer with a certificate of insurance evidencing the required insurance. STERIS shall require Design-Creator, procure and maintain, during the term of the Project, insurance coverage equal to that required of STERIS in this Agreement.

4.2. STERIS agrees to maintain required workers' compensation coverage throughout the entire term of the contract. If STERIS does not maintain coverage throughout the entire term of the contract, STERIS agrees that Customer may, at any time the coverage is not maintained by STERIS, order STERIS to stop work, assess liquidated damages as defined herein, suspend the contract, or terminate the contract. Such insurer shall be qualified to underwrite workers' compensation insurance in the state of Nevada in accordance with Nevada Revised Statutes Chapters §616A through 616D, inclusive, whether or not STERIS has employees.

4.3. STERIS shall furnish not later than **ten (10) business days** after Customer's written request for certificates, certificates evidencing the insurance as indicated below. The certificates for each insurance policy shall be completed and signed by STERIS's broker authorized to bind coverage on its behalf.

4.4. As a condition precedent to receiving payments, STERIS shall have on file with Customer current certificates of insurance evidencing the required coverage.

4.5. Customer requires insurance carriers to maintain a Best's Key Rating of A.VII or higher (i.e., A.VII, A.VIII, A.IX, A.X, etc.).

4.6. STERIS shall furnish renewal certificates to the Customer for the required insurance during the period of coverage required by this Agreement. STERIS will furnish renewal certificates on an annual basis for the same coverage as required in this Agreement. The request for updated renewal certificates will be sent by the Customer to STERIS thirty (30) calendar days in advance of the expiration date shown on the certificate of insurance. A second request will be sent if the renewal certificate is not received from within **seven business days of expiration**.

4.7. Customer, its Officers, employees, agent, and volunteers shall be included as additional insured's under the Commercial General Liability policies required to be carried under this Agreement.

a. STERIS' insurance shall be primary under the required General Liability and Auto Liability insurance as respects Customer, its officers, employees, agents, and volunteers on this Project. Any other coverage (insurance or otherwise) available to Customer, its officers, employees, and volunteers shall be excess over the insurance required of STERIS and shall not contribute with it.

4.8. Intentionally omitted.

4.9. Intentionally omitted.

4.10. STERIS shall obtain and maintain, or cause to be obtained and maintained, for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder provided by STERIS, it agents, representatives, employees or subcontractors of any tier. The cost of such insurance shall be included in STERIS' Quote or the Contract Price. Insurance and surety companies issuing certificates of insurance and bonds must be licensed by the State of Nevada Insurance Division and certificates of insurance and

bonds must be issued by an appointed producer of insurance pursuant to Nevada Revised Statute Chapter 683A.

4.11. STERIS is required to obtain and maintain, or cause to be obtained or maintained, the following coverage:

a. Commercial General Liability: Commercial General Liability coverage shall be on "occurrence" basis only and not "claims made." The coverage must be provided on either an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability insurance form or equivalent. Policies must contain a primary and non-contributory clause or endorsement and must contain a waiver of subrogation endorsement. Policies must include coverage for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual liability and independent contractors. STERIS shall maintain limits of no less than **$1,000,000** combined single limit per occurrence for bodily injury (including death), personal and advertising injury and property damages and **$2,000,000** in general aggregate and products/completed operations aggregate. **A separate copy of the waiver of subrogation endorsement must be provided. A separate copy of the additional insured endorsement is required and must be provided for Commercial General Liability. Policy number must be referenced on endorsement or the form number must be referenced on certificate.**

b. Auto Liability: If STERIS uses vehicles in its performance under this Agreement, Auto Liability must be carried and maintained, including coverage for claims for damage due to bodily injury or death of any person, or property damage arising out of the Customer ownership, maintenance or use of **any motor vehicles whether owned, hired or non-owned**. STERIS shall maintain limits of **$1,000,000** combined single limit "per accident" for bodily injury and property damage**. A separate copy of the additional insured endorsement is required and must be provided for Automobile Liability policies. Policy number must be referenced on endorsement or the form number must be referenced on certificate.**

c. Builders Risk / Course of Construction: STERIS shall or cause, and shall require in its contracts and agreements with Design-Creator that, Design-Creator purchase and maintain, property insurance (builders' risk) upon the work at the site to the full insurable value. STERIS shall cause this insurance to include the interests of University Medical Center of Southern Nevada, the Customer, Customer's designated representative which shall be disclosed in writing to STERIS, STERIS, Design-Creator, subcontractors, and subcontractors of any tier. Coverage shall be written on forms to include Fire, Extended Coverage, and Special Form including theft. All deductibles required under the builders' risk policy shall be paid by Customer as an increase in the Contract Price. Customer acknowledges that the builder's risk insurance required for this Project may be included in an overall builder's risk policy that includes the Total Project and, in such event, the premium for such policy shall be added to the Contract Price.

d. Pollution Insurance: STERIS shall cause Design-Creator to purchase and maintain, pollution insurance which includes Asbestos Liability or include an additional Asbestos Liability endorsement in the amount of $1,000,000 including Asbestos Abatement Liability (proof of Design-Creator certificate of insurance must be provided) and Workers' Compensation insurance issued by an insurer qualified to underwrite

Workers' Compensation insurance in the State of Nevada, as required by law. All deductibles required under the pollution liability policy shall be paid by Customer as an increase in the Contract Price.

4.12. STERIS shall cause Design-Creator to be responsible for and require Design-Creator to remedy all damage or loss to any property, including property of Customer, caused in whole or in part by Design-Creator, any subcontractor or anyone employed, directed or supervised by Design-Creator. Design-Creator is responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work.

4.13. STERIS shall pay, or shall cause to be paid, STERIS' own premiums and costs of insurance.

4.14. Customer acknowledges that the Project involves the renovation of portions of the existing medical center facilities and buildings within which the Project will be located ("Existing Facility"). Customer shall maintain normal and customary property insurance in the full replacement cost of such Existing Facility. Customer is owned and operated by Clark County pursuant to the provisions of Chapter 450 of the Nevada Revised Statutes. Clark County is a political subdivision of the State of Nevada. As such, Clark County and Customer are protected by the limited waiver of sovereign immunity contained in Chapter 41 of the Nevada Revised Statutes. Customer is self-insured as allowed by Chapter 41 of the Nevada Revised Statutes. Upon request, Customer will provide a Certificate of Coverage prepared by its Risk Management Department certifying such self-coverage.

4.15. Regardless of the coverage provided by any insurance policy, STERIS shall indemnify, defend and hold Customer harmless from any and all claims, demands, actions, attorneys' fees, costs, and expenses based upon or arising out of the negligence of STERIS or its principals, employees, subcontractors or other agents while performing services under this Agreement to the extent such claims relate to bodily injury, property damage or personal injury ("Claims"). STERIS shall indemnify, defend and hold harmless the Customer and others specified from any reasonable attorney's fees or other costs of defense relating to such Claims.

4.16. STERIS shall, on behalf of Customer, use all commercially reasonable efforts to cause, and shall require in its contracts and agreements with Design-Creator that, Design-Creator agree that its officers, employees, subcontractors at every tier and suppliers shall perform all work in accordance with any and all current and adopted local, state, and federal building, demolition, and fire codes as applicable to jurisdiction and shall be held liable for any actions, damages, or costs caused by or arising from non-conformance with this requirement.

## V. PAYMENT TERMS

6.1. Based upon applications for payments, payments are due and payable within thirty (30) days of presentation of STERIS' invoice.

6.2. Customer shall retain from each payment any applicable retainage, as required by state law.

## VI. ADDITONAL TERMS

7.1. Based Public Funds / Non-Discrimination

STERIS acknowledges that the Customer has an obligation to ensure that public funds are not used to subsidize private discrimination. STERIS recognizes that if they or their subcontractors are found guilty by an appropriate authority of refusing to hire or do business with an individual or STERIS due to reasons of race, color, religion, sex, sexual orientation, gender identity or gender expression, age, disability, handicapping condition (including AIDS or AIDS related conditions), national origin, or any other class protected by law or regulation, Customer may declare STERIS in breach of the Agreement, terminate the Agreement, and designate STERIS as non-responsible.

7.2. Public Records

STERIS acknowledges that Customer is a public, county-owned Customer which is subject to the provisions of the Nevada Public Records Act, Nevada Revised Statutes Chapter 239, as may be amended from time to time. As such, its records are public documents available for copying and inspection by the public. If Customer receives a demand for the disclosure of any information related to this Agreement that STERIS has claimed to be confidential and proprietary, Customer will immediately notify STERIS of such demand and STERIS shall immediately notify Customer of its intention to seek injunctive relief in a Nevada court for protective order. STERIS shall indemnify and defend Customer from any claims or actions, including all associated costs and attorney's fees, demanding the disclosure of STERIS document in Customer's custody and control in which STERIS claims to be confidential and proprietary.

**STERIS CORPORATION**

By: _____

Name: Jeff Wheeler

Title: V.P. Procedural Solutions

Reviewed and approved as to form by the
STERIS Legal Department

CLM 10/03/2022

Attorney Initials Date

**UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA**

By: _____

Name: Mason VanHouweling

Title: CEO

Date:

**Exhibit A**

**Architectural Design  Quotation**

**(See Attached)**

STERIS Corporation
5960 Heisley Road
Mentor, OH 44060-1834 • USA
440-354-2600
GLN: 0724995000004

# QUOTATION

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
Acct:42100 GLN: 1100004495587
1800 W CHARLESTON BLVD
LAS VEGAS, NV 89102, US

ATTN: Janet  david Lustina, Dir surgery (Phone: 7023832574)

Please submit your quote and purchase order directly to your Account Manager or to RegionalSalesSupport@steris.com

STERIS Quote No: DSTAUDE1509218

Revision No: 0

Date: 02-Feb-2023

Submitted By:
Darcy Schroeder, Account Manager

STERIS is pleased to make the following proposal for your consideration:
Customer is a Member of and purchasing under the Group Purchasing Agreement by and between STERIS and HealthTrust, ("GPO Agreement"). As a result, the GPO Agreements negotiated by HealthTrust listed below, on behalf of Customer, shall govern this Quotation Number and Purchase. STERIS HealthTrust GPO Agreements are:

HPG 997 Chemicals-Instrument Decontamination, HPG 1428 Low Temperature Liquid Chemical, 40952 Sterilization Monitoring – Steam & EO, HPG 4660 Surgical Lights & Equipment Booms, HPG 4667 Surgical Tables & Accessories, HPG 4675 Sterilizers, Washers, and Warming Cabinets, HPG 4974 Sterilizers - Low Temperature, HPG 5354 Instrument & Scope Care, Cleaning & Protection Accessories, HPG 5916 AER, and HPG 5920 US Endoscopy Instrument & Scope Care, Cleaning & Protection Accessories. V-PRO® Sterilizer Upgrade Promotion

**NOTICE: The sale of Products or Services covered by this Quotation is subject to STERIS Corporation's Terms and Conditions of Sale which can be found at https://www.steris.com/media/terms/STERIS-US-HC-TCs-5-22.pdf. Warranty terms for Certified Pre-Owned Equipment can be found at https://www.steris.com/about/terms_sale/certified-pre-owned-equipment-warranty. Any additional or different terms or conditions proposed by Customer are rejected and will not be binding upon STERIS unless specifically agreed in writing by an authorized representative of STERIS.**

| Item | Equipment # | Description | Quantity | Extended Discount Price |
|---|---|---|---|---|
| **1.0000** | **SE60190** | Design service fees for Phase 3. 14 ORS, 3 trauma and 3 endo with Cleansuite and MedGlas<br>**SS Renovation Site Services** | 1 | 535,317.78 |
| **Currency: USD** | | **Quote Total Excluding Taxes** | | **535,317.78** |

NOTE: ALL TAXES ARE EXCLUDED UNLESS OTHERWISE STATED. IF EXEMPT, PROOF OF TAX EXEMPTION MUST ACCOMPANY ALL PURCHASE ORDERS.

NOTE: Under present circumstances, this quotation may be considered firm for thirty (30) days from this date. Acceptance later is subject to confirmation. Our quotation is extended on the basis of shipment being made within twelve (12) months after receipt of purchase order or contract. For extended shipments, add ½% per month for any subsequent period beyond (12) months.

Term of Payment: NET 30

Terms of Shipping: PPA (Prepay & Add)

FOB: Origin

## DELIVERY INSTRUCTIONS

Customer Purchase Order: _____

STERIS Sales Order Number: _____

Delivery Address: _____

Dock Days: **M-F**

Dock Hours: **8:00am-2:00pm**

Precall Required Yes No

*Note: Carrier will call 24 hours in advance of shipment to notify of delivery the following day.*

Appointment Required Yes No

*Note: If appointment required, carrier will hold shipment till contact below is reached to set a delivery appointment.*

Receiving Contact for Required Precall _____

Receiving Contact Phone _____

Receiving Contact Email _____

Dock with Leveler **Yes**

Standard Size Dock (48-52" High) **Yes**

Accommodate 75ft x 13.5ft H Tractor Trailer (Trailer plus sleeper unit) **Yes**

If no, please specify max length/height of truck that can deliver _____

Proper equipment available at Customer site to unload the equipment Yes No

*Note: <1,000lbs: a pallet jack probably would suffice; >1,000lbs a fork lift would probably be the preferred method*

Liftgate Required* **No**

Inside Delivery Beyond the Dock* Yes No

If yes, provide final delivery location (e.g. Room 204, Floor 4) _____

Equipment to be delivered to a construction site Yes No

If yes, PPE may be required by carrier. Please specify what PP will be required for delivery. _____

Union Drivers Required on Site Yes No

Updated on: **4/27/2022**

* = Additional Charges Apply

By:
Darcy Schroeder
Account Manager

STERIS Corporation
5960 Heisley Road
Mentor, OH 44060
Tel: 440-354-2600
Fax: 440-639-4450

Accepted For:
UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
Acct:42100 GLN: 1100004495587

Signature: _____

Title: _____

Date: _____

E-mail: _____

Purchase Order: _____

Want Date: _____

Ship To Address: _____

_____

Bill To Address: _____

_____

View order history and place orders for accessories, consumables and parts on-line. Visit us at https://shop.steris.com

**Exhibit B**

STERIS Scope of Work

**(See Attached)**

STERIS®

# Installation / Renovation Services

## Scope of Work
## For

## UMC
## Las Vegas, NV

## Architectural Design  Services

John Derry, Installation Project Manager
STERIS Corporation
951-691-2684

# Qualifications & Clarifications

## General Notes

1. This proposal is valid for thirty (30) days and maybe withdrawn at any time by STERIS Corporation.
2. Any condition that is hidden/undetectable that could not be identified by a visual inspection are not included as a cost inclusion in this proposal. No investigation was performed to uncover/detect all existing building conditions.
3. STERIS to provide Design services to renovate (14)OR's, 3 Trauma OR's and 3 Endo rooms to include STERIS CLEANSUITE, MEDGlass walls, STERIS Hexavue integration and Harmony Lights and Booms This work includes all design, drawings, state and local permits to achieve licensing and release for use of the newly renovated area.
4. We anticipate a schedule of approximately 4 months for Design and drawings.
5. In general, this Proposal is based upon a normal five (5) day work week with normal hours and work shifts.
6. This proposal includes general liability insurance.
7. We do not include any expedited reviews, quick ship, or similar items in our proposal.
8. We are excluding bringing the existing building up to code unless the item of work is specifically included on the documents with the exception of the rooms within the scope of work which will be design and built to 2018 FGI Guidelines and current building codes for work associated with the project.
9. UMC will be notified of any increased costs or extended scope during demolition and construction through the change order process as follows. UMC will be presented with a written change order. If approved UMC will provide written approval to authorize the use of construction contingency funds or issue a P.O. or P.O addendum prior to commencement of work. If not approved UMC will decline in writing. Please note that Contingency lines do not require UMC review and approval until such time that approved permit drawings are received from CLV, State Health and State Fire agencies and STERIS has the opportunity to price the final design/permit drawings and review any changes in price and scope with UMC prior to commencement of construction.
10. We excluded removal of asbestos or hazardous material.
11. Design, engineering, and preconstruction costs have been included.

12. Customer shall provide access to the loading dock (from time to time) for the loading and unloading of tools, equipment, materials, and debris.
13. Customer shall provide an area near the loading dock for a job trailer or area for laydown yard (if required) that can be parked for the duration of the project.
14. We will attempt to match all existing finishes as closely as possible, using local suppliers. However, it may not be possible to exactly match all finishes.

## A: Project Description

UMC – Steris Clean Suite Project – Phase 3 (Project #21-01-1684)

Remodel Operating Rooms #1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 17, 18, 19, Trauma 1, Trauma 2, Trauma 3 Approx 8,820 sf

The OR's listed above are intended to receive the Steris CleanSuite and MEDGlas systems. Careful attention is needed to document wall device, door openings, and overall dimensions to coordinate with glass panel layout. Ceilings are intended to be replaced with Plascore ceiling panels. Replace flooring with welded sheet vinyl. Steris to provide laser scan and layout of existing outlet locations for coordination with MEDGlas walls. Assumed that no additional scrub sink is required for OR#19. Assa Abloy automated swing doors at suite boundary smoke partition (affects OR 9,10,11). MEDGlas automated swing doors on all remaining OR's. The 3 Trauma rooms located in the adjacent Trauma building may need to be submitted as a separate permit package.

Remodel Corridors in Main OR area
Approx. 4,708 sf
Add MEDGlas system to OR corridors in main OR area and replace all existing scrub sinks. Careful attention is needed to document existing wall devices, door openings, and overall dimensions to coordinate with glass panel layout. Ceilings are intended to be replaced with Plascore ceiling panels.

Remodel Endo Rooms #2, 3, 4
Approx 890 sf
Remodel Endo #2, 3, and 4 to include new Steris lights and Booms and Indigo Clean disinfecting lighting system. Endo #3 and Endo #4 are also to receive Steris CleanSuite system.

Other finishes and fixtures are to be assessed and replaced as needed.

## B: Scope of Services

Architectural Design services:

· SD/DD/CD drawing sets and typical coordination with design team for MEPF design.
· Incorporation of design details provided by Steris in relation to CleanSuite and MEDGlas systems as needed for permit documentation.
· Documentation of Plans for submission to State Health for review/approval per 2018 FGI Guidelines and applicable codes as required by AHJ's.

Qualifications:
· Permit set to included floor plans, reflected ceiling plans, elevations, life safety egress plan, construction details. Anticipated to include Phase 3 as a one combined permit set for submission. Coordination assumed with AHJ to provide separate inspections for 2 OR's at a time to facilitate work sequencing.
· Preliminary discussions to be had with State Health regarding proposed drawing packages and
phased approvals as needed per project phasing and turn-overs.
· Functional Program and Safety Risk Assessment per 2018 FGI is to be developed primarily by UMC staff and revised in conjunction with input from team to satisfy project requirements. ICRA plans and assessment to be developed and provided by GC.
· Life Safety Consultant/Report NOT included herein
· Typical design coordination with MEP and Interiors included
· Full BIM Coordination with trades NOT included herein
· Anticipated design schedule 12-16 weeks for phase 3.
· Respond to AHJ as needed for permitting
· No additional consultants are included herein

Exhibit C

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/28/2023

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

| | |
|---|---|
| **PRODUCER**<br>Marsh USA Inc.<br>200 Public Square, Suite 3760<br>Cleveland, OH 44114-1824<br><br>CN102364077-STERI-GAXW-23-24 | **CONTACT NAME:** ...<br>**PHONE (A/C, No, Ext):** **FAX (A/C, No):**<br>**E-MAIL ADDRESS:** |
| **INSURED**<br>STERIS Corporation<br>5960 Heisley Road<br>Mentor, OH 44060 | **INSURER(S) AFFORDING COVERAGE** — **NAIC #**<br>**INSURER A :** Homesite Insurance Company of Florida<br>**INSURER B :** National Union Fire Ins Co. of Pittsburgh PA — 19445<br>**INSURER C :** AIU Insurance Co — 19399<br>**INSURER D :**<br>**INSURER E :**<br>**INSURER F :** |

**COVERAGES** **CERTIFICATE NUMBER:** CLE-006994922-03 **REVISION NUMBER:** 4

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS | |
|---|---|---|---|---|---|---|---|---|
| A | X **COMMERCIAL GENERAL LIABILITY**<br>[ ] CLAIMS-MADE [X] OCCUR<br>[ ] SIR applies per policy<br>[ ] terms and conditions<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br>[X] POLICY [ ] PRO-JECT [ ] LOC<br>[ ] OTHER: | | | POC-166826740-00 | 03/01/2023 | 03/01/2024 | EACH OCCURRENCE<br>DAMAGE TO RENTED PREMISES (Ea occurrence)<br>MED EXP (Any one person)<br>PERSONAL & ADV INJURY<br>GENERAL AGGREGATE<br>PRODUCTS - COMP/OP AGG | $ 1,500,000<br>$ 500,000<br>$ Excluded<br>$ 1,500,000<br>$ 3,000,000<br>$ 3,000,000 |
| B<br>B<br>C | **AUTOMOBILE LIABILITY**<br>X ANY AUTO<br>[ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS<br>[ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY | | | AL 6890186 (AOS)<br>AL 6890187 (VA)<br>AL 6890188 (MA) | 03/01/2023<br>03/01/2023<br>03/01/2023 | 03/01/2024<br>03/01/2024<br>03/01/2024 | COMBINED SINGLE LIMIT (Ea accident)<br>BODILY INJURY (Per person)<br>BODILY INJURY (Per accident)<br>PROPERTY DAMAGE (Per accident) | $ 3,000,000<br>$<br>$<br>$ |
| | [ ] **UMBRELLA LIAB** [ ] OCCUR<br>[ ] **EXCESS LIAB** [ ] CLAIMS-MADE<br>[ ] DED [ ] RETENTION $ | | | | | | EACH OCCURRENCE<br>AGGREGATE | $<br>$ |
| C<br>C<br>C | **WORKERS COMPENSATION AND EMPLOYERS' LIABILITY**<br>ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N: N<br>**(Mandatory in NH)**<br>If yes, describe under DESCRIPTION OF OPERATIONS below | N / A | | WC 015824844 (AOS)<br>WC 015824845 (CA)<br>WC 015824846 (WI) | 03/01/2023<br>03/01/2023<br>03/01/2023 | 03/01/2024<br>03/01/2024<br>03/01/2024 | X PER STATUTE [ ] OTH-ER<br>E.L. EACH ACCIDENT<br>E.L. DISEASE - EA EMPLOYEE<br>E.L. DISEASE - POLICY LIMIT | <br>$ 1,000,000<br>$ 1,000,000<br>$ 1,000,000 |

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Re: phase II of the UMC Project.

University Medical Center of Southern Nevada, its Officers, employees, agent, and volunteers shall be included is/are included as additional insured (except workers compensation) where required by written contract. This insurance is primary and non-contributory over any existing insurance and limited to liability arising out of the operations of the named insured subject to policy terms and conditions. Waiver of subrogation is applicable where required by written contract and subject to policy terms and conditions.

**CERTIFICATE HOLDER**

University Medical Center of Southern Nevada
1800 W. Charleston Blvd
Las Vegas, NV 89012

**CANCELLATION**

**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.**

**AUTHORIZED REPRESENTATIVE**

Marsh USA Inc.

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**Exhibit D**
Prevailing Wage Reports

# WORKERS EMPLOYED REPORT (A) (PER N.R.S. 338.070)

**Project Number:** _____ **Date:** _____

_____ **Project Name:** _____ **PWP Number:** _____

_____ **Subcontractor:** _____

**General Contractor:** _____ **Contact Number:** _____

**Prepared by:** _____

| | Worker Name | Workers Occupation | Has a Drivers License or Identification Card | State Issued | Wages | Per Diem | Benefits |
|---|---|---|---|---|---|---|---|
| 1 | | | ☐YES or ☐NO | | | | |
| 2 | | | ☐YES or ☐NO | | | | |
| 3 | | | ☐YES or ☐NO | | | | |
| 4 | | | ☐YES or ☐NO | | | | |
| 5 | | | ☐YES or ☐NO | | | | |
| 6 | | | ☐YES or ☐NO | | | | |
| 7 | | | ☐YES or ☐NO | | | | |
| 8 | | | ☐YES or ☐NO | | | | |
| 9 | | | ☐YES or ☐NO | | | | |
| 10 | | | ☐YES or ☐NO | | | | |
| 11 | | | ☐YES or ☐NO | | | | |
| 12 | | | ☐YES or ☐NO | | | | |
| 13 | | | ☐YES or ☐NO | | | | |
| 14 | | | ☐YES or ☐NO | | | | |
| 15 | | | ☐YES or ☐NO | | | | |

**DO NOT INCLUDE ANY LICENSE OR I.D. NUMBERS**

**INSTRUCTIONS FOR COMPLETING THE**
**DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM**

**Purpose of the Form**

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

**General Instructions**

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

**Detailed Instructions**

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

***Business Entity Type*** – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

***Non-Profit Organization (NPO)*** - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

***Business Designation Group*** – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE**): An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

***Business Name (include d.b.a., if applicable)*** – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

***Corporate/Business Address, Business Telephone, Business Fax, and Email*** – Enter the street address, telephone and fax numbers, and email of the named business entity.

***Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email*** – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

***List of Owners/Officers*** – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

***For All Contracts*** – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

***Signature and Print Name*** – Requires signature of an authorized representative and the date signed.

***Disclosure of Relationship Form*** – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

| **Business Entity Type (Please select one)** | | | | | | |
|---|---|---|---|---|---|---|
| ☐ Sole Proprietorship | ☐Partnership | ☐ Limited Liability Company | ☒ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |

| **Business Designation Group (Please select all that apply)** | | | | | | |
|---|---|---|---|---|---|---|
| ☐ MBE | ☐ WBE | ☐ SBE | ☐ PBE | ☐ VET | ☐DVET | ☐ ESB |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

## Number of Clark County Nevada Residents Employed:

| | | |
|---|---|---|
| **Corporate/Business Entity Name:** | STERIS Corporation | |
| **(Include d.b.a., if applicable)** | | |
| **Street Address:** | 5960 Heisley Road | **Website: www.steris.com** |
| **City, State and Zip Code:** | Mentor, OH 44060 | **POC Name: Human Resources**<br>**Email: humanresources@steris.com** |
| **Telephone No:** | 800-548-4873 | **Fax No:** |
| **Nevada Local Street Address:**<br>**(If different from above)** | | **Website:** |
| **City, State and Zip Code:** | | **Local Fax No:** |
| **Local Telephone No:** | | **Local POC Name:**<br>**Email:** |

**All entities,** with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.
STERIS Corporation is a privately-owned child company of STERIS plc an Ireland based company that is publicly held. Below lists STERIS Corporation's officers. No Officer owns any substantial financial Interest.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| Dan Carestio | President & CEO | 0 |
| Mike Tokich | Senior Vice President, Chief Financial Officer | 0 |
| Cary Majors | Senior Vice President and President, Healthcare | 0 |
| Adam Zangerle | Senior Vice President, General Counsel & Secretary Legal | 0 |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☐ Yes ☒ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Julie Ann Dengate — Signature

Julie Ann Dengate — Print Name

Contract Administrator — Title

January 10, 2023 — Date

# DISCLOSURE OF RELATIONSHIP

**List any disclosures below:**
**(Mark N/A, if not applicable.)**

| NAME OF BUSINESS OWNER/PRINCIPAL | NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE | RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL | UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT |
|---|---|---|---|
| N/A | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

---

***For UMC Use Only:***

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

Julie Ann Dengate
Signature

Julie Ann Dengate
Authorized Department Representative

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Amendment Two to Agreement for Exterior Signage Products with INNERFACE Architectural Signage, Inc.** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Amendment Two to Agreement for Exterior Signage Products with INNERFACE Architectural Signage, Inc. for UMC Main Campus exterior signage services; authorize the Chief Executive Officer to exercise any extension options and execute future amendments within the not-to-exceed amount of this Project; or take action as deemed appropriate. *(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5430.011 Fund Name: Clark County Capital Equipment Transfer
Fund Center: 3000999901 Funded Pgm/Grant: N/A
Description: Main Campus Exterior Signage Services
Bid/RFP/CBE: NRS 332.115.1(b) & (c) – Professional Services & Additions, Repairs and Maintenance of Equipment by certain Person
Term: Amendment 2 – Effective Date to June 30, 2025
Amount: Amendment 2 – additional NTE $844,522.46 (includes 15% contingency)
Out Clause: 30 days w/o cause

**BACKGROUND:**

On October 31, 2018, UMC entered into an agreement with INNERFACE Architectural Signage, Inc. ("INNERFACE") to provide consulting services in connection with the design development of the exterior monument signage and wayfinding requirements for the façade remodel of UMC's master plan. Concurrent with this effort, UMC and INNERFACE entered into an Agreement for Exterior Signage Products ("Agreement") for the design, fabrication and installation of such exterior signage.

Amendment One, effective October 31, 2019, added supplementary exterior signage fabrication to the Agreement (i.e., Phase 1 and Phase 2 to Exterior Wayfinding) at an additional NTE cost of $375,000 (includes discretionary funding of approximately 15%).

Cleared for Agenda
March 22, 2023

Agenda Item #
**22**

This Amendment Two seeks to add a Phase 3 to the scope of work in order to complete the signage component of the façade remodel project. The timeframe to complete Phase 3 is from the Effective Date to June 30, 2025, or for an amount of time mutually agreed upon by the parties, if so requested by UMC, at an additional NTE cost of $844,522.46 (includes discretionary funding of 15%); for a new NTE total Agreement value of $1,497,259.51. Staff also requests authorization for the Hospital CEO to be able to exercise any extension options and execute future amendments within the not-to-exceed amount of this project if deemed beneficial to UMC.

UMC's Academic and External Affairs Administrator has reviewed and recommends approval of this Amendment Two. This Amendment Two has been approved as to form by UMC's Office of General Counsel.

INNERFACE is coordinating with the Department of Business License in obtaining a Clark County vendor registration.

**AMENDMENT TWO**
**TO**
**UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA**
**AGREEMENT FOR EXTERIOR SIGNAGE PRODUCTS**

**THIS AMENDMENT TWO** is made and entered into as of the last date of signature set forth below ("Effective Date"), by and between UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes ("UMCSN"), and INNERFACE Architectural Signage, Inc., a Georgia Corporation ("INNERFACE"). UMCSN and INNERFACE are collectively referred to as the "Parties".

**WITNESSETH:**

**WHEREAS**, the Parties entered into that certain University Medical Center of Southern Nevada Agreement for Exterior Signage Products dated October 31, 2018 ("Agreement");

**WHEREAS**, on October 31, 2019, the Parties entered into Amendment One which added additional exterior signage fabrication (Phase 1 and Phase 2 of Exterior Wayfinding) at an additional cost of $375,000;

**WHEREAS**, the Parties desire to amend the Agreement with this Amendment Two for additional exterior signage services for Phase 3 of the UMCSN Façade Remodel Project; and

**WHEREAS**, the Parties now wish to further amend the Agreement.

**NOW, THEREFORE**, the Parties agree as follows:

A. Section 1 is hereby amended to add the following Phase 3 scope of work:

UMCSN agrees to pay INNERFACE for the fabrication and development of the exterior signage described on **Exhibit B**, Phase 3 of UMCSN Façade Remodel Project Scope of Work, attached hereto and by this reference incorporated herein, at the unit cost and quantity set forth in **Exhibit B**, and based upon the final design reviewed and approved by UMCSN in the aggregate amount not to exceed $734,367.46. UMCSN will allocate an additional 15% contingency, to be utilized only upon UMCSN's prior written approval.

Phase 3 will commence on the Effective Date herein and continue through June 30, 2025, or for an amount of time mutually agreed upon by the Parties, if so requested by UMCSN.

Upon receipt of a correct invoice, UMCSN agrees to pay INNERFACE according to the following schedule for ***each*** phase of work performed in Phase 3:

- 50% upon commencement of work; and

- 50% upon delivery/receipt of the specified signage, testing and/or written sign-off between the Parties that such work is not exhibiting any defects.

In the event of any conflicting terms or conditions in this Amendment Two, the terms and conditions of the Agreement shall control. For clarification, the terms of the Agreement control, even over those "Terms and Conditions" referenced in the attached Quotation (**Exhibit B**).

B. The attached **Exhibit B** (Phase 3 of UMCSN Façade Remodel Project Scope of Work) will be appended to the Agreement and subsequent Amendments.

C. The attached **Exhibit C** (Phase 3 of UMCSN Façade Remodel Project Additional Terms) will be appended to the Agreement and subsequent Amendments.

Except as expressly amended in this Amendment Two, the remainder of the Agreement shall remain in full force and effect. All references to the Agreement shall include this Amendment Two.

| | |
|---|---|
| **UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA** | **INNERFACE ARCHITECTURAL SIGNAGE, INC.** |
| By: _____ | By: _____ |
| Mason Van Houweling | Suzanne Greene |
| Chief Executive Officer | Vice President |
| Date: _____ | Date: _____ |

**EXHIBIT B**
**SCOPE OF WORK**
**PHASE 3 OF UMCSN FAÇADE REMODEL PROJECT**

**[See next page]**

INNERFACE
ARCHITECTURAL SIGNAGE, INC.

Made in the USA

5849 Peachtree Road
Atlanta, GA 30341
P (800) 445-4796; P (770) 921-5566
F (770) 279-1327

UNIV MED CTR OF S NV

Attn: Shana Tello

New Customer

# Quotation

Mar. 17, 2023

Project Number: R20132

**Version: 15**

Main Campus Master Plan

Customer request/instructions:

Artwork must be submitted in the following vector formats: .CDR (CorelDraw), .EPS (generic Mac or PC), or a .AI (Adobe Illustrator) file. If extensive work is required to clean up submitted artwork, there will be an additional charge of $75.00 per hour at a minimum of $330.00.

| Qty | Location | Desc & Special Instructions | Unit Price | Total Price |
|---|---|---|---|---|
| | NOTES | DOCUMENT EXHIBIT "B" SIGNAGE SCOPE OF WORK - UPDATED 12/2022<br><br>Pricing is based on a 2-color logo. Artwork must be submitted in the following vector formats: .CDR (Corel Draw), .EPS (generic Mac or PC), or an .AI (Adobe Illustrator) file. If extensive work is required to "clean up artwork, there will be an additional charge of $75.00 per hour at a minimum of $300.00.<br><br>Pricing is based on all vinyls being selected from the Calon color chart. If custom color vinyls are required, there will be an additional cost.<br><br>All paint colors are to be selected from the Matthews Acrylic Polyurethane (MAP) or Pantone Matching Systems (PMS) color charts. If custom colors are required, there will be an additional cost. | | |
| 1 | East Elevation<br>Area "D2"<br>Shadow Lane Entry<br><br>Page 3 | 172" high x 636½" (53'-½") x 3" deep NON-ILLUMINATED custom fabricated reverse channel logo mounted on an existing metal screen structure with mechanical fasteners. "UNIVERSITY MEDICAL CENTER" will be routed out to show background. Faces and returns will be painted one (1) standard color. Logo typestyle.<br><br>NOTE: Ground Lighting provided by others. | $51,080.00 | $51,080.00 |
| 1 | South<br>Bldg G<br>Elevation<br><br>pg 7 | 74" high x 273-7/8" wide x 12" deep LED FACELIT custom contoured channel letters/logo mounted on an existing building facade with concealed fasteners. Faces will be 3/16" thick clear acrylic with second surface applied white diffuser and 1" standard Jewelite trimcaps. Graphics will be | $26,805.00 | $26,805.00 |

| Qty | Location | Desc & Special Instructions | Unit Price | Total Price |
|---|---|---|---|---|
| | | surface applied in 3M Dual Color perforated film printed to match one (1) standard color Blue. "UNIVERSITY MEDICAL CENTER" will be reversed out to show white. Returns and trimcaps will be painted one (1) standard color Blue. Logo typestyle. Illuminated - 120 volts with white LEDs and an external on/off switch. | | |
| 2 | East and West Elevations<br>Bldg G<br>pg 5 & 9 | Overall Size: 72¼" high x 1462½" (121'-10½")<br><br>72¼" high x 8-12" deep LED FACELIT channel letters individually mounted on an existing building facade with concealed fasteners. Faces will be 3/16" thick clear acrylic with second surface applied white diffuser and 1" standard Jewelite trimcaps. Graphics will be surface applied in 3M Dual Color perforated film printed to match one (1) standard color Blue. Returns and trimcaps will be painted one (1) standard color Blue. Optima Extra Black typestyle (all caps). Illuminated - 120 volts with white LEDs and an external on/off switch.<br><br>Message:<br><br>UNIVERSITY MEDICAL CENTER | $62,765.00 | $125,530.00 |
| 4 | West, East, North and South Elevations<br>Bldg A<br><br>Pages 12-15 | Overall Size: 56" high x 207¼" (17'-3¼")<br><br>56" high x 12" deep LED FACELIT channel letters/logo individually mounted on an existing building facade with concealed fasteners. Faces will be 3/16" thick clear acrylic with second surface applied white diffuser and 1" standard Jewelite trimcaps. Graphics will be surface applied in 3M Dual Color perforated film printed to match one (1) standard color Blue. Returns and trimcaps will be painted one (1) standard color Blue. Logo typestyle. Illuminated - 120 volts with white LEDs and an external on/off switch. | $18,645.00 | $74,580.00 |
| 1 | Surgery Center | Existing SURGERY CENTER U-shaped wall mount sign was replaced previously by Innerface.<br>THIS LINE ITEM IS FOR A NEW NON-ILLUMINATED FILLER PIECE (to wrap around corner) ONLY. | $2,800.00 | $2,800.00 |
| 1 | West Elevation Area "L"<br><br>Page 18<br><br>Charleston Blvd/St | 132" high x 488½" (40'-8½") x 6" deep NON-ILLUMINATED custom fabricated reverse channel logo mounted on an existing metal screen structure with mechanical fasteners. "UNIVERSITY MEDICAL CENTER" will be routed out to show background. Faces and returns will be painted one (1) standard color. Logo typestyle.<br><br>NOTE: Lighting provided by others. | $40,204.00 | $40,204.00 |

| Qty | Location | Desc & Special Instructions | Unit Price | Total Price |
|---|---|---|---|---|
| 1 | Shadow Lane Entry<br><br>pg 22 | 81" high x 188" wide x 16" deep overall Double Sided Illuminated LED Monument Sign. Fabrication details to match Innerface standards as built for UMC. All details to be verified prior to finalizing pricing.<br><br>See OPTION 1 DRAWING in Innerface Drawing package 11-9-22 | $31,845.00 | $31,845.00 |
| 1 | Ground Monolith w/ EMC<br><br>Option C - Per Innerface Dwg Rev Oct 2022 | Overall Size: 366" (30'-6") high x 172" wide x 16-24" deep. All Pending Engineering<br><br>Core Cabinet: 360" (30'-0"") x 172" wide x 24" deep NON-illuminated custom fabricated cabinet with Black Rule Lines to match UMC Standards. Core MAP Brushed Aluminum.<br><br>Header Cabinets: Two (2) 60" high x 156" wide cabinets with LED's, one per side, with flex faces and retro bleed retainers. Cabinet will be painted White.<br><br>NOTE: Sign has (2) single sided electronic message boards - NOT INCLUDED IN THIS LINE ITEM; SEE NEXT LINE ITEM<br><br>Filler Cabinets: Two (2) 12" high x 172" wide x 11" deep NON-illuminated cabinet, one per side. Cabinets will be painted White.<br><br>Bottom Portion: Two (2) 150" high x 165" wide x 11" deep NON-illuminated custom fabricated decorative tube accents. Painted Silver.<br><br>Dual internal steel poles (assume 8"-10" diameter) extended for direct burial installation into dirt.<br><br>Illuminated - 120 volts with white LEDs, a photo cell, and an external on/off switch. | $66,605.00 | $66,605.00 |
| 1 | Electronic Message Center | Two (2) Single Faced Electronic Message Centers for the above referenced ground sign<br><br>Model# GT6x-360x495-8-RGB-2V<br>Galaxy GT6x 8 mm Outdoor LED Display<br><br>SPECIFICATIONS:<br>- Cabinet: 122" high x 165" wide x 11" deep<br><br>- Line Spacing: 8 mm<br><br>- Includes Verizon 4G Cellular Modem Only - Requires | $222,150.00 | $222,150.00 |

| Qty | Location | Desc & Special Instructions | Unit Price | Total Price |
|---|---|---|---|---|
| | | Daktronics Verizon cellular Data Plan<br><br>- Includes External Temperature Sensor with 25 feet quick connect cable<br><br>Full Specification sheet to be provided upon request. | | |
| | Installation Assurance Plus (IAP) | On site software set-up which includes verification of final hook-up and communication with electronic display. The field service technician will be on site for the majority of the installation process. While the technician is not expected to weld or perform electrical services, he is expected to assist the installer and provide guidance on proper installation procedures. Tasks include answering questions, assisting with connections and making sure the installation guidelines are followed. | $2,500.00 | |
| 0 | Install by GC | Removal / Installation ESTIMATE HAS BEEN REMOVED from SCOPE OF WORK as of 3/15/2023. | $0.00 | $0.00 |

| | |
|---|---|
| Exterior Signage Total | $641,599.00 |
| Installation Assurance Plus (IAP) | $2,500.00 |
| Design + Build Fee: | $3,225.00 |
| Contingency (15%) | $110,155.00 |
| Handling | **$22,543.46** |
| Estimated Ground Freight | $64,500.00 |
| SubTotal | **$844,522.46** |
| **NTE** EXTERIOR PROJECT TOTAL | **$844,522.46** |

**ASK INNERFACE ABOUT OUR SIGN LEASING PROGRAMS**

FREIGHT COSTS ARE PREPAID AND ADDED AT TIME OF INVOICING.

UNLESS OTHERWISE SPECIFIED, ALL QUOTATIONS ARE SUBJECT TO STANDARD TERMS AND CONDITIONS

[Does not include installation or sales tax]

*Freight is billed as shown unless Next Day Air is requested. Next Day freight is billed as charged by the carrier.*

~~Terms: 50% Deposit - Balance Net 45 Days~~

INNERFACE ARCHITECTURAL SIGNAGE, INC.

# Quotation

Mar. 17, 2023 - 12:55:54 PM

UNIV MED CTR OF S NV - Project: R20132

*Main Campus Master Plan*

If you have questions regarding this quotation, contact Innerface Customer Service at 800-445-4796

TERMS AND CONDITIONS:

1. ~~This quotation is subject to 30 day acceptance and delivery within 180 days of date shown on quotation unless otherwise indicated. Price and delivery after expiration date are subject to Factory approval.~~
2. Delivery Schedule is estimated and is calculated from date of receipt of approval from customer of all shop drawings, submittals, samples, etc., and subject to production schedule at the time of manufacture. Production time is estimated at time of quotation and may be amended upon order entry based upon workload at the time.
3. Prices are based on the use of INNERFACE standard letter styles, spacing, layouts, colors, finishes, materials, etc., unless otherwise indicated.
4. This quotation is referred to and made an integral part of any contract between the Customer and INNERFACE Architectural Signage, Inc. Terms contradictory to this quotation must be made in writing and signed by an officer of INNERFACE Architectural Signage, Inc. and Customer.
5. Cost of licenses, permits, or fees not specifically noted in proposal are not included.
6. This quotation does not include mounting fasteners and hardware unless so stated.
7. Sizes and quantities are determined from bid documents provided by INNERFACE Architectural Signage, Inc. INNERFACE Architectural Signage, Inc. does not guarantee the correctness of sizes or quantities, ~~if~~ except for those items ~~are~~ shown in this quotation. If requirements vary from those shown, this quotation is subject to revision to conform to the final requirements.
8. Quotations offered on products manufactured by companies other than INNERFACE Architectural Signage, Inc. (where INNERFACE Architectural Signage, Inc. is acting as Supplier), are not valid, except as Estimates, until such quotation is accepted and confirmed by respective manufacturer. This applies only to products not manufactured by INNERFACE Architectural Signage, Inc.
9. Estimates are for reference and/or budget purposes only and are not binding in any way whatsoever.
10. INNERFACE Architectural Signage, Inc. reserves the right to file property liens on any projects resulting from this Quotation, provided that all necessary Notices of Liens are filed by INNERFACE Architectural Signage, Inc.
11. State and Local Taxes are not included unless specifically shown, but may be added to final invoice unless a bona fide certificate of exemption is submitted.
12. ~~If payment within terms is not met, the customer shall be responsible for interest charges of 1/2 percent per month and any collection and/or reasonable attorney's fees incurred in obtaining full payment.~~ INNERFACE reserves the right to withhold processing orders for any account for which past due balances exist.
13. In no case shall the total liability of INNERFACE Architectural Signage, Inc. or its affiliates for any design and planning errors or omissions exceed the value of the contract covered by this Quotation.
14. INNERFACE is not responsible for any damage and associated costs caused by hidden, non-disclosed or unmarked obstacles or hazards below surface or within walls or ceilings including but not limited to public or private utilities lines, irrigation systems, pipes, rock, cement and water.
15. INNERFACE Officers, staff, representatives and/or consultations assume no legal responsibility for interpretations of The Americans with Disabilities Act (ADA). Neither is liability assumed for the outcome of decisions, contracts, commitments or obligation made on the basis of interpretation of ADA.

Notes: Revisions to the Message Schedule and/or Quotation may require pricing changes. Final Message Schedule and Quotation must be approved by client prior to order entry. Unless specifically stated, prices quoted are for INNERFACE standard colors, sizes, formats, typestyles, fabrication and mounting methods.

**NTE** EXTERIOR PROJECT TOTAL **$844,522.46**

INNERFACE REPRESENTATIVE:

Project Manager: Paula Wofford

Sales Representative: AZ/NV Chris Gould

~~QUOTATION IS SUBJECT TO 30 DAY ACCEPTANCE~~

QUOTATION ACCEPTED BY:

Authorized Signature

New Customer

Printed or Typed Name

**EXHIBIT C**
**PHASE 3 OF UMCSN FAÇADE REMODEL PROJECT ADDITIONAL TERMS**

For completion of Phase 3 of the UMCSN Façade Remodel Project ("Project"), as fully described in **Exhibit B**, INNERFACE agrees to the following additional terms and conditions:

A. INNERFACE will maintain the required licenses and/or authorizations pursuant to all federal, State of Nevada and local laws in order to conduct business relative to this Project.

B. Each invoice received by UMCSN must include a Progress Report based on actual work performed to date in accordance with the completion of tasks as indicated in **Exhibit B**, Phase 3 of UMCSN Façade Remodel Project.

C. INNERFACE shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished by INNERFACE, its subcontractors and its and their principals, officers, employees and agents in this Project. In performing the specified services, INNERFACE shall follow practices consistent with generally accepted professional and technical standards, and in conformance with all pertinent federal, state and local statutes, codes, ordinances, resolutions and other regulations.

D. Drawings and specifications remain the property of INNERFACE. Copies of the drawings and specifications retained by UMCSN may be utilized only for its use and for occupying the Project for which they were prepared, and not for the construction of any other project. A copy of all materials, information and documents, whether finished, unfinished, or drafted, developed, prepared, completed, or acquired by INNERFACE during the performance of services for which it has been compensated under this Project, shall become the property of UMCSN and shall be delivered to UMCSN's representative upon completion or termination of this Project, whichever occurs first. INNERFACE shall not be liable for damages, claims, and losses arising out of any reuse of any work products on any other project conducted by UMCSN. UMCSN shall have the right to reproduce all documentation supplied pursuant to this Project. INNERFACE shall furnish UMCSN's representative copies of all correspondence to regulatory agencies for review prior to mailing such correspondence.

E. Change Orders. INNERFACE shall comply with all provisions and conditions which are required by the Project for change order(s) which increases the Project amount. INNERFACE represents that change order(s) will include all related costs prior to presentation to UMCSN for consideration. Retroactive change order(s) will be rejected. Work which is specifically required by UMCSN or its representative, and which is in addition to work required for the Project, will be charged against a formal change order executed by both Parties.

F. Inspection. INNERFACE shall notify UMCSN when its work is substantially complete, whereupon the Parties shall promptly inspect the work together, and identify any defects, deficiencies or work remaining.

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

| Business Entity Type (Please select one) | | | | | | |
|---|---|---|---|---|---|---|
| ☐ Sole Proprietorship | ☐ Partnership | ☐ Limited Liability Company | ☒ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |

| Business Designation Group (Please select all that apply) | | | | | | |
|---|---|---|---|---|---|---|
| ☐ MBE | ☐ WBE | ☒ SBE | ☐ PBE | ☐ VET | ☐ DVET | ☐ ESB |
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

**Number of Clark County Nevada Residents Employed:** 0

| | | | |
|---|---|---|---|
| **Corporate/Business Entity Name:** | Innerface Architectural Signage Inc. | | |
| **(Include d.b.a., if applicable)** | | | |
| **Street Address:** | 5849 Peachtree Road | **Website:** | www.innerfacesign.com |
| **City, State and Zip Code:** | Atlanta, GA 30341 | **POC Name:** | Chris Gould |
| | | **Email:** | cgould@innerfacesign.com |
| **Telephone No:** | 770.921.5566 | **Fax No:** | 770.279.1327 |
| **Nevada Local Street Address:** **(If different from above)** | N/A | **Website:** | N/A |
| **City, State and Zip Code:** | N/A | **Local Fax No:** | N/A |
| **Local Telephone No:** | N/A | **Local POC Name:** | N/A |
| | | **Email:** | |

**All entities,** with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| James E. McWiliams | CEO/Owner | 100% |
| | | |
| | | |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☐ Yes ☒ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)



I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Signature — Suzanne Greene (Print Name)

VP/Controller (Title) — 2/21/2023 (Date)

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | | |
|---|---|---|
| **Issue:** | **Award of Bid No. 2022-15, Central Plant Infrastructure, to Monument Construction** | **Back-up:** |
| **Petitioner:** | Jennifer Wakem, Chief Financial Officer | **Clerk Ref. #** |

**Recommendation:**

**That the Governing Board Audit and Finance Committee review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Bid No. 2022-15, Central Plant Infrastructure, to Monument Construction, the lowest responsive and responsible bidder; authorize the Chief Executive Officer to exercise any Change Orders within his delegation of authority; or take action as deemed appropriate.** ***(For possible action)***

**FISCAL IMPACT:**

Fund Number: 5430.011 Fund Name: Clark County Capital Equipment Transfer
Fund Center: 3000999901 Funded Pgm/Grant: N/A
Description: Award of Bid 2022-15, Central Plant Infrastructure
Bid/RFP/CBE: Formal bid pursuant to NRS 338.1385
Term: 240 days from Notice to Proceed
Amount: NTE $9,811,111.00
Out Clause: Immediate w/o cause, Budget Act and Fiscal Fund Out

**BACKGROUND:**

On January 25, 2023, Bid No. 2022-15 Central Plant Infrastructure, PWP CL-2023-203 was published in the Las Vegas Review-Journal. This project entails the installation and removal of the end of life infrastructure, including, chiller, boilers, and components, at various UMC locations, including the 2040 building, main central plant, and trauma center.

On Thursday, March 2, 2023, UMC received responses from:

| Bids Received | Total Base Bid Amount |
|---|---|
| Monument Construction | $ 9,811,111.00 |
| Martin Harris Construction, LLC | $ 10,351,893.00 |

All of the above bids were received and opened on March 2, 2023. The apparent low bid of $9,811,111.00 was received from Monument Construction, who submitted all required documentation within the relevant deadlines. The recommendation of award to Monument Construction is in accordance with NRS

Cleared for Agenda
March 22, 2023

Agenda Item #
**23**

338.1385(5), a public body or its authorized representative shall award a contract to the lowest responsive and responsible bidder.

The term of the agreement is 240 days from the date of the Notice to Proceed. UMC may terminate the agreement at any time for its convenience, upon written notice to Monument Construction.

UMC's Director of Facilities Maintenance and Manager of Facilities Maintenance have reviewed the bid documents and recommends award by the Governing Board.

The bid documents and notice of award have been approved as to form by UMC's Office of General Counsel.

Monument Construction currently holds a valid Clark County Business License.

**UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA**

**BID FORM**

**BID NO. 2022-15**
**CENTRAL PLANT INFRASTRUCTURE**
**PWP NUMBER: CL- 2023-203**

Monument Construction
(NAME)

7787 Eastgate Road, #110, Henderson, NV 89011
(ADDRESS)

**I, THE UNDERSIGNED BIDDER:**

1. Agree, if awarded this Contract, I will complete all work for which a Contract may be awarded and to furnish any and all labor, equipment, materials, transportation, and other facilities required for the services as set forth in the Bidding and Contract Documents.

2. Have examined the Contract Documents and the site(s) for the proposed work and satisfied themselves as to the character, quality of work to be performed, materials to be furnished and as to the requirements of the specifications.

3. Have completed all information in the blanks provided and have submitted the following within this Bid:

   a) Have listed the name of each Subcontractor which will be paid an amount exceeding five percent (5%) of the Total Base Bid amount.

   b) Attached a bid security in the form of, at my option, a Cashier's Check, Certified Check, Money Order, or Bid Bond in favor of the OWNER in the amount of five percent (5%) of the Total Base Bid amount.

   c) If claiming the preference eligibility, I have submitted a valid Certificate of Eligibility with this Bid.

4. I acknowledge that if I am one of the three apparent low bidders at the bid opening, and if I have listed Subcontractor(s) pursuant to NRS 338.141, I must submit Bid Attachment 2 within two-hours after completion of the bid opening pursuant to the Instructions to Bidders, forms must be submitted via email to john.goodnow@umcsn.com and I understand that hand delivery is recommended, and OWNER shall not be responsible for lists received after the two- hour time limit, regardless of the reason. I understand that submission after the two-hour time limit is not allowed and will be returned to me and the bid will be deemed non-responsive. I acknowledge that for all projects, I will list:

   a) My firm's name on the list If my firm will perform any work which is more than 1 percent (1%) of the BIDDER's total bid and which is not being performed by a subcontractor. The BIDDER shall also include on the list:

      1) A description of the labor or portion of the work that the BIDDER will perform: or

      2) A statement that the BIDDER will perform all work other than that being performed by a subcontractor listed.

   b) The name of each first tier subcontractor who will provide labor or a portion of the work on the public work to the BIDDER for which the first tier subcontractor will be paid an amount exceeding $250,000.

   c) If I will employ a first tier subcontractor who will provide labor or a portion of the work on the public work to the BIDDER for which the first tier subcontractor will not be paid an amount exceeding $250,000, the name of each first tier subcontractor who will provide labor or a portion of the work on the public work to the BIDDER for which the first tier subcontractor will be paid 1 percent (1%) of the BIDDER's total bid or $50,000, whichever is greater.

***5.*** I acknowledge that if I am one of the three apparent low BIDDER(s)at bid opening, and if I have submitted a valid Certificate of Eligibility as described in 3 (c) above, I must submit Bid Attachment 4, Affidavit Pertaining to Preference Eligibility, within two-hours after completion of the bid opening pursuant to the General Conditions. The forms must be submitted via hand delivery or email to john.goodnow@umcsn.com and I understand hand delivery is recommended. OWNER shall not be responsible for lists received after the two-hour time limit, regardless of the reason. I understand that submission of the Certificate after the two-hour time limit is not allowed and it will be returned to me and the bid will be deemed non-responsive.

6. I acknowledge that if I am one of the three apparent low BIDDER(s) for the base bid at the bid opening, I must submit the **Disclosure of Ownership/Principals** form within 24-hours of request.

7. I acknowledge that if I am one of the three apparent low BIDDER(s) for the base bid at the bid opening, I must submit the **Bid Attachment 8, Schedule of Values**, by 5:00 PM of the next business day.

8. I acknowledge that if I am one of the three apparent low BIDDER(s)for the base bid at the bid opening, I must submit the **Bid Attachment 6, Project Workforce Checklist**, by 5:00 PM of the next business day.

9. I acknowledge that if notified that I am the low BIDDER, I must submit Exhibit D, **Prime Contractor Acknowledgement of UMC Procedures & Practices and the Representations and Certifications** form by 5:00 PM of the next business day.

10. I acknowledge that my bid is based on the current State of Nevada prevailing wages, if applicable.

11. I acknowledge that I have not breached a public work contract for which the cost exceeds $25,000,000, within the preceding year, for failing to comply with NRS 338.147 and the requirements of a contract in which I have submitted within 2 hours of the bid opening an Affidavit pertaining to preference eligibility.

12. I will provide the following submittals within ten (10) business days from receipt of Notice of Intent to Award:

    a) Performance Bond, Labor and Material Payment Bond and a Guaranty Bond, for 100% of the Contract amount as required.

    b) Certificates of insurance for Commercial General Liability in the amount of $1,000,000, Automobile Liability in the amount of $1,000,000, Pollution Liability, which includes Asbestos Liability or include an additional Asbestos Liability endorsement in the amount of $1,000,000 including Asbestos Abatement Liability (proof of subcontractor certificate of insurance must be provided) and Workers' Compensation insurance issued by an insurer qualified to underwrite Workers' Compensation insurance in the State of Nevada, as required by law.

    c) The apparent low BIDDER must submit a Request for Waiver form, included in Attachments, for the Bidder and all named (used) subcontractors. All supporting documentation for waiver(s) must be submitted with the Request for Waiver form.

13. I acknowledge that if I do not provide the above submittals on or before the **tenth** business day after Notice of Intent to Award or do not keep the bonds or insurance policies in effect, or allow them to lapse during the performance of the Contract; I will pay over to the OWNER the amount of **$100.00** per day as liquidated damages.

14. I confirm this bid is genuine and is not a sham or collusive, or made in the interest of, or on behalf of any person not herein named, nor that the Bidder in any manner sought to secure for themselves an advantage over any bidders.

15. I further propose and agree that if my bid is accepted, I will commence to perform the work called for by the contract documents on the date specified in the Notice to Proceed and I will complete all work within the calendar days **specified in the General Conditions.**

16. I further propose and agree that I will accept as full compensation for the work to be performed the price written in the Bid Schedule below.

17. I have carefully checked the figures below and the OWNER will not be responsible for any error or omissions in the preparation or submission of this Bid.

18. I agree no verbal agreement or conversation with an officer, agent or employee of the OWNER, either before or after the execution of the contract, shall affect or modify any of the terms or obligations of this Bid.

19. I am responsible to ascertain the number of addenda issued, and I hereby acknowledge receipt of the following addenda:

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Addendum No. | 1 | dated, | 2/3/2023 | Addendum No. | 7 | dated, | 3/1/2023 |
| Addendum No. | 2 | dated, | 2/9/2023 | Addendum No. | ___ | dated, | _ |
| Addendum No. | 3 | dated, | 2/15/2023 | Addendum No. | ___ | dated, | _ |
| Addendum No. | 4 | dated, | 2/23/2023 | Addendum No. | ___ | dated, | _ |
| Addendum No. | 5 | dated, | 2/24/2023 | Addendum No. | ___ | dated, | _ |
| Addendum No. | 6 | dated, | 2/27/2023 | Addendum No. | ___ | dated, | _ |

Addendum No. _____ dated, _____ Addendum No. ___ dated, _

20. I agree to perform all work described in the drawings, specifications, and other documents for the amounts quoted below:

| ITEM NUMBER | ITEM DESCRIPTION | LUMP SUM |
|---|---|---|
| 1. | GENERAL REQUIREMENTS/OVERHEAD AND PROFIT INCLUDING SUPERVISION; MOBILIZATION, INCLUDING BONDS, INSURANCES | $ 1,251,095 |
| 2. | CONTINGENCY ALLOWANCE | $ 800,000.00 |
| 3. | PERMITS AND FEES ALLOWANCE | $ 140,000.00 |
| 4. | CRANES AND RIGGING | $ 55,220.00 |
| 5. | INSTALLATION AND FINAL CONNECTIONS TO OWNER SUPPLIED EQUIPMENT | $ 523,500.00 |
| 6. | COMMISSIONING AND STAFF TRAINING | $ 500.00 |
| 7. | STRUCTURAL UPGRADES/IMPROVEMENTS | $ 76,714.94 |
| 8. | THERMAL AND MOISTURE PROTECTION (Insulation) | $ 43,065.00 |
| 9. | BUILDING AUTOMATION AND CONTROLS (HONEYWELL) INCLUDING ALL CONDUIT AND LOW VALTAGE CABLING | $ 1,965,530.85 |
| 10. | ELECTRICAL | $ 705,971.16 |
| 11. | PIPING/PLUMBING (INCLUDING ANY NECESSARY SENSOR WELLS/CONNECTIONS) | $ 1,870,750.00 |
| 12. | CONCRETE SUPPORTS (PADS) | $ 34,224.25 |
| 13. | WATER/LINE TREATMENT | $ 72,890.00 |
| 14. | WATER FLOW TESTING AND BALANCING | $ 55,000.00 |
| 15. | DEMOLITION/REMOVAL OF EXISITING EQUIPMENT AND ABANDONED PIPING ABOVE GROUND | $ 1,021,500.00 |
| 16. | TEMPORARY HEATING/COOLING EQUIPMENT | $550,000.00 |
| 17. | SPECIAL INSPECTIONS (3RD PARTY) | $ 19,879.20 |
| 18. | RESTORATION OF FINISHES DAMAGED/REMOVED AS PART OF THE PROJECT | $ 556,870 |
| 19. | ICRA COMPLIANCE MEASURES | $ 12,700.60 |
| 20 | REPLACEMENT FILL FOR EXISTING BAC COOLING TOWERS IN CENTERAL PLANT COOLING TOWERS | $ 27,850.00 |
| 21 | REPLACEMENT FILL FOR EXISTING BAC COOLING TOWERS IN TRAUMA BUILDING COOLING TOWERS | $ 27,850.00 |
| | TOTAL BID AMOUNT | $ 9,811,111.00 |

Quantities stated are to be used to evaluate proposals and will not alleviate the BIDDER from completing all work as required in the Contract Documents and Plans. Each BIDDER is held responsible for the examination and/ or to have acquainted themselves with any conditions at the job site which would affect their work before submitting a bid. Failure to meet these criteria shall not relieve the BIDDER of the responsibility of completing the Bid without extra cost to the project OWNER. **Estimates of quantities of the various items of work and materials, as set forth in the Proposal Form, are approximates only and given solely to be used as a uniform basis for the comparison.**

## ADDITIVE ALTERNATES

The OWNER may exercise the following items subject to the availability of funds. The additive alternate price quoted shall remain firm throughout the Contract term, as detailed in Instruction to Bidders.

| Alternative | ITEM DESCRIPTION | TOTAL |
|---|---|---|
| 1. | | $ |

| | | |
|---|---|---|
| 2. | | $ |
| 3. | | $ |
| 4. | | $ |
| 5. | | $ |
| 6. | | $ |
| 7. | | $ |
| | ADD ALTERNATES AMOUNT | $ 0.00 |
| | GRAND TOTAL BID AMOUNT | $ 9,811,111.00 |

21. BUSINESS ENTERPRISE INFORMATION:

The BIDDER submitting this Bid is a ☐ MBE ☐ WBE ☐ PBE ☐ SBE ☐ VET ☐ DVET ☐ ESB as defined in the Instructions to Bidders.

22. BUSINESS ETHNICITY INFORMATION:

The BIDDER submitting the Bid Ethnicity is ☑ Caucasian (CX) ☐ African American (AA) ☐ Hispanic American (HA) ☐ Asian Pacific American (AX) ☐ Native American (NA) ☐ Pacific Islander (PI)

☐ Other as defined in the Instructions to Bidders.

23. BIDDERS' PREFERENCE Is the Bidder claiming Bidders' Preference?

☑ Yes If yes, the Bidder acknowledges that he/she is required to follow the requirements set forth in the Affidavit (Bid Attachment 3).

☐ No **I do not have a Certificate of Eligibility to receive preference in bidding.**

24. Monument Construction
**LEGAL NAME OF FIRM AS IT WOULD APPEAR IN CONTRACT**

7787 Eastgate Road, #110
ADDRESS OF FIRM

Henderson, NV 89011
CITY, STATE, ZIP CODE

702.530.2303
TELEPHONE NUMBER

702-947-2602
FAX NUMBER

NEVADA STATE CONTRACTORS' BOARD LICENSE INFORMATION:

I certify that the license(s) listed below will be the license(s) used to perform the majority of the work on this project.

LICENSE NUMBER: 0080649, 0075502

LICENSE CLASS: A, 13

LICENSE LIMIT: Unlimited

ONE TIME LICENSE LIMIT INCREASE $_____ IF YES, DATE REQUESTED _____

DUN & BRADSTREET NUMBER 019608290

CLARK COUNTY BUSINESS LICENSE NO. 2006806-240, ID: 1002121653

STATE OF NEVADA BUSINESS LICENSE NO. NV20101633041

Parth Gandhi
AUTHORIZED REPRESENTATIVE (PRINT OR TYPE)

parth@buildmonuments.com
E-MAIL ADDRESS

P. G.
SIGNATURE OF AUTHORIZED REPRESENTATIVE

03.02.2023
TODAY'S DATE

April 18, 2023

Monument Construction
Attn: Parth Gandhi
7787 Eastgate Rd. #110
Henderson, NV 89011

Dear Mr. Gandhi:

On behalf of University Medical Center of Southern Nevada, I want to inform you that *Monument Construction* is hereby awarded Bid No. 2022-15 for Central Plant Infrastructure. The Agreement will commence on April 18, 2023.

Should you have any questions, please direct them to:

John Goodnow
Contracts Specialist
Phone: 702.671-1076
E-mail: john.goodnow@umcsn.com

I thank you for your interest in doing business with UMC and I look forward to a great working relationship with your company.

Sincerely,

Mason Van Houweling
Chief Executive Officer

**INSTRUCTIONS FOR COMPLETING THE**
**DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM**

**Purpose of the Form**

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

**General Instructions**

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

**Detailed Instructions**

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

***Business Entity Type*** – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

***Non-Profit Organization (NPO)*** - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

***Business Designation Group*** – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE**): An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

***Business Name (include d.b.a., if applicable)*** – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

***Corporate/Business Address, Business Telephone, Business Fax, and Email*** – Enter the street address, telephone and fax numbers, and email of the named business entity.

***Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email*** – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

***List of Owners/Officers*** – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

***For All Contracts*** – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

***Signature and Print Name*** – Requires signature of an authorized representative and the date signed.

***Disclosure of Relationship Form*** – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

# DISCLOSURE OF OWNERSHIP/PRINCIPALS

**Business Entity Type (Please select one)**

| ☐ Sole Proprietorship | ☐ Partnership | ☐ Limited Liability Company | ☑ Corporation | ☐ Trust | ☐ Non-Profit Organization | ☐ Other |
|---|---|---|---|---|---|---|

**Business Designation Group (Please select all that apply)**

| ☐ MBE | ☐ WBE | ☐ SBE | ☐ PBE | ☐ VET | ☐ DVET | ☐ ESB |
|---|---|---|---|---|---|---|
| Minority Business Enterprise | Women-Owned Business Enterprise | Small Business Enterprise | Physically Challenged Business Enterprise | Veteran Owned Business | Disabled Veteran Owned Business | Emerging Small Business |

**Number of Clark County Nevada Residents Employed:** 14

| | | | |
|---|---|---|---|
| **Corporate/Business Entity Name:** | Monument Construction | | |
| **(Include d.b.a., if applicable)** | Monument | | |
| **Street Address:** | 7787 Eastgate Road, Unit 110 | **Website:** | www.buildmonuments.com |
| **City, State and Zip Code:** | Henderson,Nevada 89011 | **POC Name:**<br>**Email:** | Parth Gandhi<br>parth@buildmonuments.com |
| **Telephone No:** | 702.530.2303 | **Fax No:** | 702.947.2602 |
| **Nevada Local Street Address:**<br>**(If different from above)** | | **Website:** | |
| **City, State and Zip Code:** | | **Local Fax No:** | |
| **Local Telephone No:** | | **Local POC Name:**<br>**Email:** | |

**All entities,** with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

**Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors** in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

**Entities** include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

| Full Name | Title | % Owned (Not required for Publicly Traded Corporations/Non-profit organizations) |
|---|---|---|
| Jon Wayne Nielsen | President | 100% |
| | | |
| | | |

***This section is not required for publicly-traded corporations. Are you a publicly-traded corporation?*** ☐ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☐ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☐ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Parth Gandhi Digitally signed by Parth Gandhi DN: C=US, E=parth@buildmonuments.com, O=Monument Construction, CN=Parth Gandhi

Signature

Parth Gandhi

Print Name

Project Manager

Title

03.10.2022

Date

# DISCLOSURE OF RELATIONSHIP

**List any disclosures below:**
**(Mark N/A, if not applicable.)**

| NAME OF BUSINESS OWNER/PRINCIPAL | NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE | RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL | UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT |
|---|---|---|---|
| N/A | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

---

***For UMC Use Only:***

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | |
|---|---|
| **Issue:** **Tentative Budget for FY 2024** | **Back-up:** |
| **Petitioner:** Jennifer Wakem, Chief Financial Officer | |

**Recommendation:**

**That the Audit and Finance Committee review and receive feedback on the tentative FY 2024 Preliminary Operating Budget to be considered by Clark County and discuss any changes; and direct staff accordingly. *(For possible action)***

**FISCAL IMPACT:**

None

**BACKGROUND:**

The Chief Financial Officer will present the tentative FY 2024 Preliminary Operating Budget.

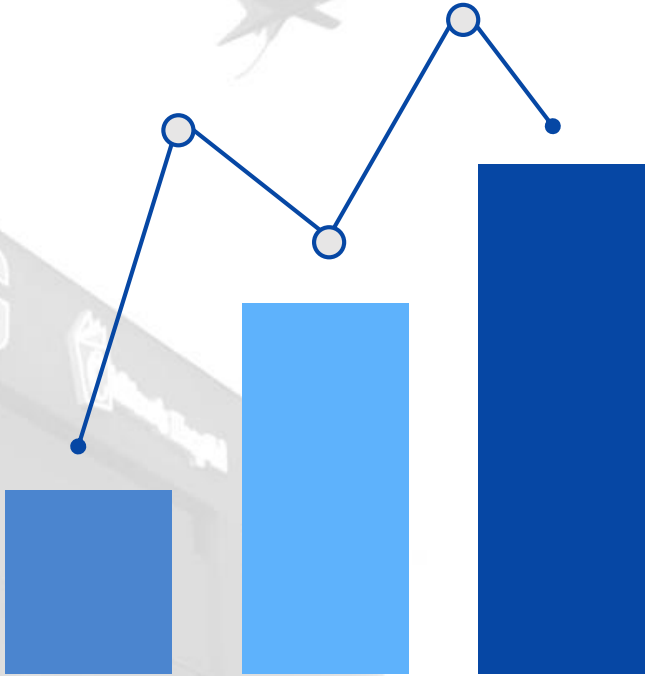
Cleared for Agenda
March 22, 2023

Agenda Item #
**24**

# FY 2024
# Prelim Budget

March 22, 2023

Audit & Finance Committee



# FY 2023 PROJECTED KEY STATS

| | FY23 Projection | FY23 Budget | Variance | % |
|---|---|---|---|---|
| APDs | 245,349 | 213,870 | 31,479 | 12.83% |
| Total Admissions | 23,272 | 23,867 | (595) | (2.56%) |
| Observation Days | 8,752 | 13,977 | (5,225) | (59.69%) |
| AADC | 672 | 586 | 86 | 12.82% |
| ALOS (Adm) | 6.95 | 5.77 | 1.18 | 16.98% |
| Hospital CMI | 1.87 | 2.00 | (0.13) | (6.93%) |
| Medicare CMI | 1.98 | 2.06 | (0.07) | (3.77%) |
| IP Surgery Cases | 9,568 | 9,801 | (233) | (2.43%) |
| OP Surgery Cases | 5,416 | 6,082 | (666) | (12.30%) |
| Total ER Visits | 116,282 | 113,407 | 2,874 | 2.47% |
| Quick Care | 222,320 | 212,039 | 10,281 | 4.62% |
| Primary Care | 78,590 | 65,196 | 13,394 | 17.04% |
| Deliveries | 1,608 | 1,471 | 137 | 8.53% |

# FY 2023 PROJECTED INCOME STATEMENT SUMMARY

| REVENUE | FY23 Projection | FY23 Budget | Variance | % Variance | |
|---|---|---|---|---|---|
| Total Gross Patient Revenue | $4,393,859,334 | $4,076,553,693 | $317,305,641 | 7.22% | ▲ |
| Adjusted Net Patient Revenue | $563,365,131 | $534,370,030 | $28,995,101 | 5.15% | ▲ |
| Supplemental Payments | $256,814,047 | $232,216,157 | $24,597,890 | 9.58% | ▲ |
| **Net Patient Revenue** | **$820,179,178** | **$766,586,157** | **$53,593,021** | **6.53%** | ▲ |
| Other Revenue | $39,753,750 | $31,095,723 | $8,658,027 | 21.78% | ▲ |
| **Total Operating Revenue** | **$859,932,928** | **$797,681,880** | **$62,251,048** | **7.24%** | ▲ |
| Net Patient Revenue as a % of Gross | 18.67% | 18.80% | (0.14%) | | |

| EXPENSE | FY23 Projection | FY23 Budget | Variance | % Variance | |
|---|---|---|---|---|---|
| SWB | $516,522,445 | $461,140,745 | ($55,381,700) | (10.72%) | ▼ |
| Professional Fees | $40,239,728 | $45,417,932 | $5,178,204 | 12.87% | ▲ |
| All other Expenses | $295,450,290 | $286,125,508 | ($9,324,782) | (3.16%) | ▼ |
| **Total Operating Expense** | **$852,212,463** | **$792,684,185** | **($59,528,278)** | **(6.99%)** | ▼ |

| INCOME FROM OPS | FY23 Projection | FY23 Budget | Variance | % Variance | |
|---|---|---|---|---|---|
| **Total Inc from Ops** | **$7,720,465** | **$4,997,695** | **$2,722,770** | **35.27%** | ▲ |
| Add back: Depr & Amort. | $35,015,257 | $35,027,421 | ($12,164) | 0.03% | ▲ |
| **Tot Inc from Ops plus Depr & Amort.** | **$42,735,722** | **$40,025,116** | **$2,710,606** | **6.34%** | ▲ |
| **Operating Margin (w/Depr & Amort.)** | **4.97%** | **5.02%** | **(0.05%)** | | |

**Operating Revenue Variances**

- **Adjusted Net Patient Revenue**
  - $3.5M - Ortho PB Billing
  - $4.8M - Anesthesia PB Billing

**Operating Expense Variances**

- **SWB**
  - ($9.1M) - Anesthesia
  - ($9.8M) - Ortho
  - ($6.9M) - Contract Labor (Medicus @ $5.1M)
- **Professional Fees**
  - $1.8M - Decrease in Orthopedics on-call services
  - $3.4M - Decrease in Anesthesia on-call services

# FY 2023 PROJECTED INCOME STATEMENT W/O MAJOR INITIATIVES

| REVENUE | FY23 Projection | FY23 Budget | Variance | % Variance |
|---|---|---|---|---|
| Total Gross Patient Revenue | $4,339,912,395 | $4,076,553,693 | $263,358,702 | 6.07% |
| Adjusted Net Patient Revenue | $555,065,131 | $534,370,030 | $20,695,101 | 3.73% |
| Supplemental Payments | $232,216,157 | $232,216,157 | $0 | 0.00% |
| **Net Patient Revenue** | **$787,281,288** | **$766,586,157** | **$20,695,131** | **2.63%** |
| Other Revenue | $39,753,750 | $31,095,723 | $8,658,027 | 21.78% |
| **Total Operating Revenue** | **$827,035,038** | **$797,681,880** | **$29,353,158** | **3.55%** |
| Net Patient Revenue as a % of Gross | 18.14% | 18.80% | (0.66%) | |

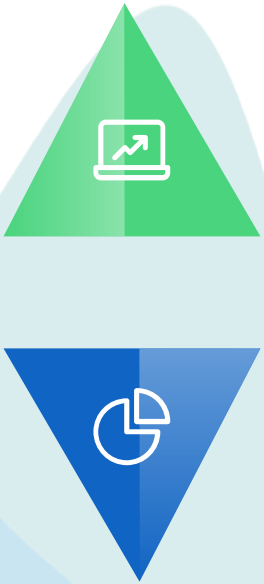
| EXPENSE | FY23 Projection | FY23 Budget | Variance | % Variance |
|---|---|---|---|---|
| SWB | $492,522,445 | $461,140,745 | ($31,381,700) | (6.37%) |
| Professional Fees | $45,439,728 | $45,417,932 | ($21,796) | (0.05%) |
| All other Expenses | $295,450,290 | $286,125,508 | ($9,324,782) | (3.16%) |
| **Total Operating Expense** | **$833,412,463** | **$792,684,185** | **($40,728,278)** | **(4.89%)** |

| INCOME FROM OPS | FY23 Projection | FY23 Budget | Variance | % Variance |
|---|---|---|---|---|
| **Total Inc from Ops** | **($6,377,425)** | **$4,997,695** | **($11,375,120)** | **178.37%** |
| Add back: Depr & Amort. | $35,015,257 | $35,027,421 | ($12,164) | 0.03% |
| **Tot Inc from Ops plus Depr & Amort.** | **$28,637,832** | **$40,025,116** | **($11,387,284)** | **(39.76%)** |
| **Operating Margin (w/Depr & Amort.)** | **3.46%** | **5.02%** | **(1.55%)** | |

- Anesthesia and Orthopedics impacts removed
- Supplemental Payments are at FY23 Budgeted amount

# FY 2024 KEY ASSUMPTIONS

| | |
|---|---|
| **Gross Charges** | • FY 23 YTD Jan actual Gross Charges, annualized for 12 months and adjusted for volume<br>• Strategic Service Line initiatives included in budget<br>• 5% CDM increase effective July 1, 2023<br>• Payor mix determined by insurance plan and patient type (IP Hosp, OP Hosp, QC or PC) utilizing Epic data Jul 22 – Jan 23 |
| **Net Revenue** | • Net Revenue calculated per IP admission, per IP day or per OP Visit<br>  • NR based on Payor reimbursement, utilizing closed accounts Jul 22 – Jan 23<br>  • OP Hosp, QC & PC separately<br>• Federal Supplemental Payments built separately into budget, significant changes to DSH and Directed Payments for FY 2024 |
| **Expenses** | • PERS increase of 3.75% (UMC impact: 1.875% / Employee impact: 1.875%)<br>• SEIU negotiated Retention Bonus<br>• Full year employed Anesthesia model<br>• Full year employed Orthopedic Surgeon model<br>• Built in HealthTrust inflationary projections for Supplies by major category<br>• Strategic Service Line initiatives included |



# FY 2024 HIGH IMPACT STRATEGIES

| Strategy | Action Items |
|---|---|
| **Length of Stay Management** | • On site full-time Physician Advisor based in the ED focused on patient statusing<br>• Revised administrative policy to require 24/7 on-site hospitalist coverage<br>• Collaboration with Clark County<br>• Dedicated mobility team |
| **Expense Management/ Efficiencies** | • Manage SWB consistent with volume<br>• Implement dynamic productivity solution<br>• Revamp inventory system/upgrade Intellishelf machines<br>• HPG Contract Ortho/Spine & overall hospital compliance |
| **Revenue Enhancement** | • PB Billing for Ortho and Anesthesia physicians due to new employment model<br>• Maximize Managed Medicaid Supplemental Payments<br>• Expand CDI Program to improve quality of physician documentation<br>• Managed Care contract increases |
| **Focus on Forward Four** | • Marketing campaign focused on Forward Four |

# FY 2024 BUDGET INITIATIVES

| Strategic Service Line | Action Items | |
|---|---|---|
| **Ambulatory** | • Southern Highlands PC expansion<br>• New Southern Highlands Express Care<br>• Full year Aliante QC/PC<br>• New Lied Continuity Clinic<br>• Increase incentive payments<br>• EPIC Optimization Project in PC | • Telemedicine expansion (PC + Specialty)<br>• LAS Express Care “booster”<br>• Self/Open scheduling in MyChart<br>• Network capture<br>• Revise Comp Plan |
| **Cardiac Services** | • Cardiology Telehealth<br>• Expand CVT<br>• Building a 3rd Cath Lab<br>• Increase in open heart surgeries<br>• Minimally invasive CT surgery<br>• Bloodless medicine | • Dedicated Cardiac Anesthesiologists<br>• Structural Heart Program<br>• Dedicated CVCU<br>• Transfer center focused on accepting cardio patients |
| **Orthopedics** | • Employed physicians<br>• Implant consolidation/cost savings | • Sports Medicine<br>• Marketing |
| **All Other Surgeries** | • Lean TAAS OR efficiency software<br>• Anesthesiology employment model<br>  • Weekend staffing to increase elective surgeries<br>  • Pain management program<br>  • PAT implementation | • OR refresh<br>• Pancreas Transplant growth<br>• Revamped Peri-op Committees |

# FY 2024 BUDGET INITIATIVES

| FY2024 Strategic Service Line Initiative | Visits | Patient Days | Admissions | Surgery/ Cath Cases | ALOS | Gross Rev | Net Rev | Other Revenue | Expenses | Income from Ops |
|---|---|---|---|---|---|---|---|---|---|---|
| Ambulatory | 52,924 | - | - | - | - | $32,419,708 | $10,565,275 | $839,485 | $11,073,413 | $331,347 |
| Cardiology | - | 2,565 | 382 | 912 | 6.71 | $131,111,359 | $17,882,396 | $0 | $14,440,260 | $3,442,136 |
| Orthopedics | 11,527 | 701 | 89 | 489 | 7.87 | $37,705,038 | $4,930,735 | $0 | $3,969,847 | $960,888 |
| All Other Surgeries | - | 6,926 | 863 | 1,036 | 8.03 | $218,947,045 | $23,972,572 | $0 | $21,805,489 | $2,167,082 |
| **Total Impact** | **64,451** | **10,192** | **1,334** | **2,437** | **7.64** | **$420,183,150** | **$57,350,978** | **$839,485** | **$51,289,009** | **$6,901,454** |

# FY 2024 BUDGET KEY STATS

| | FY24 Budget | FY23 Projection | Variance | % |
|---|---|---|---|---|
| APDs | 253,038 | 245,349 | 7,689 | 3.13% |
| Total Admissions | 24,839 | 23,272 | 1,567 | 6.73% |
| Observation Days | 8,318 | 8,752 | (434) | (4.96%) |
| AADC | 693 | 672 | 21 | 3.13% |
| ALOS (Adm) | 6.79 | 6.95 | (0.16) | (2.29%) |
| Hospital CMI | 1.87 | 1.87 | 0.00 | 0.00% |
| Medicare CMI | 1.98 | 1.98 | 0.00 | 0.00% |
| IP Surgery Cases | 10,741 | 9,568 | 1,173 | 12.26% |
| OP Surgery Cases | 6,043 | 5,416 | 627 | 11.58% |
| Total ER Visits | 119,770 | 116,282 | 3,488 | 3.00% |
| Quick Care | 255,498 | 222,320 | 33,179 | 14.92% |
| Primary Care | 107,362 | 78,590 | 28,773 | 36.61% |
| Deliveries | 1,624 | 1,608 | 16 | 1.00% |

# FY 2024 BUDGET INCOME STATEMENT SUMMARY

| REVENUE | FY24 Budget | FY23 Projection | Variance | % Variance | |
|---|---|---|---|---|---|
| Total Gross Patient Revenue | $5,288,597,242 | $4,393,859,334 | $894,737,908 | 20.36% | ▲ |
| Adjusted Net Patient Revenue | $649,627,113 | $563,365,131 | $86,261,982 | 15.31% | ▲ |
| Supplemental Payments | $288,128,777 | $256,814,047 | $31,314,729 | 12.19% | ▲ |
| **Net Patient Revenue** | **$937,755,889** | **$820,179,178** | **$117,576,711** | **14.34%** | ▲ |
| Other Revenue | $41,812,003 | $39,753,750 | $2,058,253 | 5.18% | ▲ |
| **Total Operating Revenue** | **$979,567,892** | **$859,932,928** | **$119,634,964** | **13.91%** | ▲ |
| Net Patient Revenue as a % of Gross | 17.73% | 18.67% | (0.93%) | | |

| EXPENSE | FY24 Budget | FY23 Projection | Variance | % Variance | |
|---|---|---|---|---|---|
| **Total Operating Expense** | **$950,522,744** | **$852,212,463** | **($98,310,281)** | **(11.54%)** | ▼ |

| INCOME FROM OPS | FY24 Budget | FY23 Projection | Variance | % Variance | |
|---|---|---|---|---|---|
| **Total Inc from Ops** | **$29,045,148** | **$7,720,465** | **$21,324,683** | **276.21%** | ▲ |
| Add back: Depr & Amort. | $35,509,674 | $35,015,257 | $494,417 | (1.41%) | ▼ |
| **Tot Inc from Ops plus Depr & Amort.** | **$64,554,823** | **$42,735,722** | **$21,819,101** | **51.06%** | ▲ |
| **Operating Margin (w/Depr & Amort.)** | **6.59%** | **4.97%** | **1.62%** | | |

**Operating Revenue Variances**

- **Adjusted Net Patient Revenue $86.3M**
  - $55.4M - Strategic Service Line Initiatives
  - $22.2M - Increase in Anesthesia/Ortho PB Billing
  - $8.9M - Managed Care Rate Increase
  - $3.0M - OP Hospital Volume Impact
  - $700K - QC Volume Impact
  - $200K - PC Volume Impact
  - ($4.1M) - IP Volume Impact
- **Federal Supplemental Payments $31.3M**
  - $60.5M - Increase in Hospital Services MCO Medicaid State Directed Payments
  - $6.3M - Increase in Outpatient UPL
  - ($2.0M) - Decrease in GME
  - ($8.9M) - Decrease in Inpatient UPL
  - ($9.3M) - Decrease in Professional Services MCO Medicaid State Directed Payments
  - ($16.4M) - Decrease in DSH
- **Other Operating Revenue $2.0M**
  - $1.2M - 340B Increase
  - $840K - Strategic Service Line Initiatives

# FY 2024 BUDGET SWB

| | FY24 Budget | FY23 Projection | Variance | % Variance | |
|---|---|---|---|---|---|
| Salaries | $387,637,195 | $334,397,663 | ($53,239,533) | (15.92%) | ▼ |
| Benefits | $182,561,261 | $152,007,649 | ($30,553,612) | (20.10%) | ▼ |
| Overtime | $13,611,546 | $13,029,156 | ($582,390) | (4.47%) | ▼ |
| Contract Labor | $11,520,131 | $17,087,977 | $5,567,846 | 32.58% | ▲ |
| **TOTAL** | **$595,330,133** | **$516,522,445** | **($78,807,688)** | **(15.26%)** | ▼ |
| OT as % of Salaries | 3.51% | 3.90% | 0.38% | | ▲ |
| **Total Paid FTEs** | **3,963** | **3,649** | **(314)** | **(8.60%)** | ▼ |
| SWB per FTE | $150,215 | $141,540 | ($8,675) | (6.13%) | ▼ |
| SWB/APD | $2,353 | $2,105 | ($247) | (11.75%) | ▼ |
| SWB % of Net | 63.48% | 62.98% | (0.51%) | | ▼ |
| AEPOB | 5.72 | 5.43 | (0.29) | (5.30%) | ▼ |

## SWB Influences

- Estimated Wage Adjustments
- Strategic Service Line Business/Expansion
- PERS contribution increase
- Employed Physicians for Ortho and Anesthesia
- SEIU negotiated Retention Bonus
- Longevity (based on years of services)

# FY 2024 BUDGET EXPENSES

| | FY24 Budget | FY23 Projection | Variance | % Variance | |
|---|---|---|---|---|---|
| Salaries, Wages, and Benefits | $595,330,133 | $516,522,445 | ($78,807,688) | (15.26%) | ▼ |
| Professional Fees | $36,567,291 | $40,239,728 | $3,672,437 | 9.13% | ▲ |
| Supplies | $168,830,113 | $150,865,372 | ($17,964,741) | (11.91%) | ▼ |
| Purchased Services | $73,686,675 | $73,200,030 | ($486,645) | (0.66%) | ▼ |
| Depreciation | $28,569,533 | $28,433,259 | ($136,274) | (0.48%) | ▼ |
| Amortization | $6,940,142 | $6,581,998 | ($358,144) | (5.44%) | ▼ |
| Repairs & Maintenance | $11,320,665 | $10,063,403 | ($1,257,262) | (12.49%) | ▼ |
| Utilities | $8,192,331 | $7,299,180 | ($893,151) | (12.24%) | ▼ |
| Other Expenses | $17,919,609 | $16,647,591 | ($1,272,018) | (7.64%) | ▼ |
| Rental/Leases | $3,166,251 | $2,359,457 | ($806,794) | (34.19%) | ▼ |
| **Total Expenses** | **$950,522,744** | **$852,212,463** | **($98,310,281)** | **(11.54%)** | ▼ |

**Operating Expense Variances**

- **Professional Fees**
  - ($2.4M) - Strategic Service Line Initiatives
  - ($280K) - Increase in UNLV services
  - $680K - Decrease in Orthopedics on-call services
  - $5.7M - Decrease in Anesthesia on-call services
- **Supplies**
  - ($13.2M) - Strategic Service Line Initiatives
  - ($4.8M) - Supplies increase due to inflation and volume
- **Purchased Services**
  - ($1.0M) - Strategic Service Line Initiatives
  - $380K - Decrease in UNLV Resident Salaries
- **Rentals/Leases**
  - ($800K) - Strategic Service Line Initiatives
- **Repairs & Maintenance**
  - ($580K) - Strategic Service Line Initiatives
  - ($670K) - Increase in contracts and general maintenance
- **Utilities**
  - ($440K) - Increased power costs
  - ($310K) - Strategic Service Line Initiatives
  - ($145K) - Increase in waste pickup and disposal
- **Other Expenses**
  - ($950K) - Strategic Service Line Initiatives
  - ($141K) - Increase in EPIC license fees
  - ($68K) - Surgeon Preference Card Software

# FY 2024 CAPITAL PLAN

**Total Capital**
**$72.2M**

**Façade Project**
$19.3M

**Service Line Enhancement**
$9.9M

**ReVITALize**
$35.5M

**Technology**
$7.4M

# FY 2024 CAPITAL PLAN

| Category | Project | FY 2024 Capital |
|---|---|---|
| Service Line Enhancement | Cath Lab #3 Imaging Equipment | 4,655,513 |
| | Southern Highlands remodel | 2,000,000 |
| | Trauma 4th/5th Floors Patient Care Build Out - Design Costs | 1,800,000 |
| | Balloon Pumps | 198,000 |
| | ECMO for Pediatrics | 174,420 |
| | Mizuho Surgery Tables | 169,845 |
| | GE VIVID Ultrasound Machine | 141,835 |
| | Wexler Cardiovascular Instruments | 133,456 |
| | Instruments for Heart Room | 91,000 |
| | Surgery Humidification Equipment | 82,424 |
| | Mizuho Table Base and Spinal Top | 59,113 |
| | Philips ECG Pagewriters | 56,700 |
| | Ortho Instruments | 53,424 |
| | Southern Highlands Architectural Design | 42,265 |
| | Cardiac Chair | 38,408 |
| | Rigid Scope for Pulmonary | 36,103 |
| | Headlight for Dr. Ciuffo | 35,020 |
| | Medivator Backup Blocks/Hookups | 34,309 |
| | Cortrak | 30,837 |
| | Procedure Carts | 25,535 |
| | New Hearing Booth | 15,723 |
| | EKG Machine | 9,437 |
| | Blood Bank Refrigerator | 7,765 |
| **Service Line Enhancement Total** | | **9,891,133** |

| Category | Project | FY 2024 Capital |
|---|---|---|
| ReVITALize | 7 story tower refresh | 18,000,000 |
| | Plant Ops infrastructure improvements | 12,000,000 |
| | 7 story tower elevator upgrades | 5,000,000 |
| | Sterile Stores Refresh Project | 200,000 |
| | Employee Break Room Refresh | 174,340 |
| | Pharmacy Furniture | 71,799 |
| | Kitchen Equipment Replacement | 69,064 |
| | Carousel Move Pharmacy | 36,345 |
| **ReVITALize Total** | | **35,551,547** |
| Technology | Fiber Network Infrastructure | 5,000,000 |
| | WOW Fleet | 1,300,000 |
| | Telephone System | 500,000 |
| | Emerald Conference Room A/V Remodel | 325,000 |
| | Enduser Devices and Peripherals | 250,000 |
| | Refresh Clinic Welcome Kiosks | 27,816 |
| | Installation of Power & Monitors for all Ambulatory Clinics | 15,000 |
| **Technology Total** | | **7,417,816** |
| Façade Project | Façade YR1 | 19,300,000 |
| **Façade Project Total** | | **19,300,000** |
| **Grand Total** | | **72,160,496** |

# UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
# GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
# AGENDA ITEM

| | |
|---|---|
| **Issue:** **Emerging Issues** | **Back-up:** |
| **Petitioner:** Jennifer Wakem, Chief Financial Officer | |

**Recommendation:**

**That the Audit and Finance Committee identify emerging issues to be addressed by staff or by the Audit and Finance Committee at future meetings; and direct staff accordingly.** ***(For possible action)***

**FISCAL IMPACT:**

None

**BACKGROUND:**

None

Cleared for Agenda
January19, 2022

Agenda Item #
**12**