



Audit and Finance Committee Meeting

Wednesday, December 8, 2021 2:00 p.m.

ProVidence Suite - Trauma Building 5th Floor

AGENDA

University Medical Center of Southern Nevada
GOVERNING BOARD
AUDIT & FINANCE COMMITTEE
December 8, 2021 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 November 10, 2021. *(For possible action)*.
3. Approval of Agenda. *(For possible action)*

SECTION 2: BUSINESS ITEMS

4. Receive and recommend for acceptance by the Governing Board the Fiscal Year 2021 Audit Reports, Financial Statements and Schedule of Expenditures of Federal Awards from BDO USA, LLP, Certified Public Accountants for University Medical Center of Southern Nevada; and direct staff accordingly. *(For possible action)*

5. Receive the monthly financial report for October FY22; 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 First Amendment to Provider Services Agreement with HCP IPA Nevada, LLC; or take action as deemed appropriate. *(For possible action)*
8. Review and recommend for approval by the Governing Board the Seventh Amendment to Memorandum of Understanding with HCP IPA Nevada, LLC; or take action as deemed appropriate. *(For possible action)*
9. Review and recommend for approval by the Governing Board the First Amendment to Hospital Services Agreement with P3 Health Partners-Nevada, LLC; or take action as deemed appropriate. *(For possible action)*
10. Review and recommend for approval by the Governing Board the Fifteenth Amendment with Nevada Preferred Healthcare Providers for extension of the Hospital Participating Agreement; or take action as deemed appropriate. *(For possible action)*
11. Review and recommend for approval by the Governing Board the Master Agreement and Professional Services Proposals with Hyland Software, Inc. for the OnBase Information Management platform; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)*
12. Review and recommend for approval by the Governing Board the Agreement for Application and Strategic Project Support with Tegria Services Group - US, Inc.; or take action as deemed appropriate. *(For possible action)*
13. Review and recommend for approval by the Governing Board the Health Plan Integration Quotation with American Well Corporation; authorize the Chief Executive Officer to execute future orders 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 Quote for Hardware Support and Maintenance with Extreme Networks, Inc. for network infrastructure equipment; or take action as deemed appropriate. *(For possible action)*
15. Review and recommend for approval by the Governing Board the Professional Services Agreement for Nephrology Clinical Coverage with Bernstein, Pokroy & Lehrner, Ltd. d/b/a Kidney Specialists of Southern Nevada; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)*
16. Review and recommend for approval by the Governing Board the Professional Services Agreement for Transplant Nephrology Clinical Coverage with Bernstein, Pokroy & Lehrner, Ltd. d/b/a Kidney Specialists of Southern Nevada; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)*
17. Review and recommend for approval by the Governing Board the Notice of Subaward with the State of Nevada Division of Public & Behavioral Health for COVID-19 testing of passengers traveling to, throughout and from Nevada; authorize the Chief Executive

Officer to execute the monthly Request for Reimbursement Form; or take action as deemed appropriate. *(For possible action)*

SECTION 3: EMERGING ISSUES

18. 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

A period devoted to comments by the general public about matters relevant to the Committee's jurisdiction will be held. No action may be taken on a matter not listed on the posted 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.

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
November 10, 2021**

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, November 10, 2021
2:00 p.m.

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 2:00 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:

Robyn Caspersen
Dr. Donald Mackay
Mary Lynn Palenik (via WebEx)
Jeff Ellis (via WebEx)
Barb Fraser (Ex-Officio) (via WebEx)

Absent:

Christian Haase (Excused)
Harry Hagerty (Excused)

Others Present:

Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Rose Coker, Director of Managed Care
Maria Sexton, Chief Information Officer
Susan Pitz, General Counsel
Lia Allen, Assistant General Counsel – Contracts
Stephanie Ceccarelli, Governing 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 October 20, 2021. (For possible action)

FINAL ACTION:

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

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

FINAL ACTION:

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive an update report from the Chief Financial Officer; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:

- None

DISCUSSION:

Jennifer Wakem, Chief Financial Officer, provided an update to the Committee.

Ms. Wakem reminded the Committee, due to the timing of the November meeting and the holiday schedule, the financial statements for October are not finalized and will therefore be presented in December.

Epic Beaker went live on November 2nd.

The State has delayed the changes to the NICU revenue code mapping until April 2022.

RAC audits will begin again on random patient accounts to ensure they are paid appropriately based on medical necessity.

Notification has been received that the telehealth grant application that was submitted will likely be denied. Staff will review opportunities to provide additional information to qualify UMC for this grant.

ITEM NO. 5 Receive a report on coding structure in the Health Information Management Department; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:

- PowerPoint

DISCUSSION:

Ms. Wakem presented the UMC coding structures from FY18 and FY21. In FY18, UMC employed approximately 47 full time remote coders. She added that all coders had the same job description. As of FY21, UMC brought the coders back onsite and right-sized the workforce to 26 FTEs, through attrition and VSP. Ongoing regular training has been provided and more specific job classifications have been created. The expectation and goal is accuracy and quality. UMC is currently using six contract coders. Contract coders would be replaced by employed FTEs, if we could find qualified candidates willing to live in Clark County and work onsite. The conversation continued with the challenges and benefits of coders working onsite. A comparison of the opportunities provided in other area hospital markets was shown.

Ms. Wakem concluded her presentation by sharing the opportunities and barriers at UMC for coders. There are many positions available in the state, as well as nationwide, which increases competition. UMC requires that coders live in Clark County and work onsite. Lastly, she highlighted the difference in the rate of pay for an inpatient coder with benefits versus contract labor. A conversation ensued regarding the rate standards in the market.

FINAL ACTION TAKEN:

None

- ITEM NO. 6 Review and recommend for approval by the Governing Board the Hospital Services Agreement and Provider Services Agreement with Molina Healthcare of Nevada, Inc.; or take action as deemed appropriate. (For possible action))**

DOCUMENTS SUBMITTED:

- Hospital Services Agreement
- Provider Services Agreement
- Disclosure of Ownership

DISCUSSION:

This is a new Medicaid MCO plan. Two contracts have been negotiated to include a hospital agreement and a provider agreement (PCP). The term for both agreements is from January 1, 2022 to December 31, 2024, with a 90-day out clause upon written notice.

FINAL ACTION TAKEN:

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

- ITEM NO. 7 Review and recommend for approval by the Governing Board the Agreement with Becton, Dickinson and Company for Specimen**

Collection Pricing; authorize the Chief Executive Officer to execute future Order Forms within his delegation of authority; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Pricing and Commitment Agreement
- Disclosure of Ownership

DISCUSSION:

This is a request to enter into a new pricing agreement for specimen collection supplies. This will lock in the price of the supplies for the term of the agreement and is for use as needed.

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. 8 Review and recommend for approval by the Governing Board the Services Agreement with Honeywell Building Technologies for bundled services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Services Agreement
- Disclosure of Ownership

DISCUSSION:

This is an agreement to combine services currently provided by Honeywell into one bundled agreement. This is a 67-month term with a 15-day without cause termination provision.

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. 9 Review and recommend for approval by the Governing Board the Master Agreement with Meperia DE, LLC for the Meperia Strategic Sourcing software platform; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Master Agreement
- Disclosure of Ownership

DISCUSSION:

This is a request of a new sourcing software platform which will match and monitor pricing in current contracts to ensure costs are accurate. This will reduce purchase of non-GPO items and increase our GPO compliance and maximize rebates. This is a 5-year agreement with a 90-day out clause after two years.

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. 10 Review and recommend for approval by the Governing Board the Agreement with Optiv Security, Inc. for the Exabeam Security Incident and Event Monitoring (SIEM) solution; authorize the Chief Executive Officer to execute future Order Forms within his delegation of authority; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Quote
- Statement of Work
- Disclosure of Ownership

DISCUSSION:

This is an agreement for security incident and event monitoring. The agreement holds a 3-year term. The service allows for planning and implementation of the software and will ultimately provide threat detection, investigation and response for the UMC IT Security department.

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. 11 Review and recommend for approval by the Governing Board the addition of Equipment Schedule 012 to Master Lease Agreement No. 21237667 with Stryker Flex Financial; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Equipment Schedule 012
- Disclosure of Ownership
- Sourcing Letter

DISCUSSION:

UMC has a master agreement with Stryker for various equipment utilized within the surgical services department. This equipment schedule will add surgical tools for tracking purposes, new equipment and service. This is a 3-year agreement.

FINAL ACTION TAKEN:

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

ITEM NO. 12 Review and recommend for approval by the Governing Board the Statement of Work for Provider Performance Management Technology with SullivanCotter Solutions, Inc.; authorize the Chief Executive Officer to exercise any extension options and execute future amendments and Statements of Work within his yearly delegation of authority; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Statement of Work

DISCUSSION:

This is a cloud-based physician compensation software which will enable UMC to plan physician compensation, import data files, determine work RVUs, and assist in compensation calculations. This is a 3-year agreement with a 30-day out clause.

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 Amendment Two to EMR System Access 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; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Amendment 2

DISCUSSION:

This amendment will exercise the last renewal option under the current agreement for the school to access UMC's Epic system. This will also replace references to the Relay System with Experian Health and will amend the reimbursement of costs and allows UMC to invoice the school for any

additional services that are requested. The amendment will extend the term through May 2022.

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.

SECTION 3: EMERGING ISSUES

ITEM NO. 14 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)

DISCUSSION:

None

FINAL ACTION TAKEN:

None

COMMENTS BY THE GENERAL PUBLIC:

Comments from the general public were called for. No such comments were heard.

There being no further business to come before the Committee at this time, at the hour of 2:38 PM, Chair Caspersen adjourned the meeting.

MINUTES APPROVED:

Minutes Prepared by: Stephanie Ceccarelli

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

Issue: Audit Report of Fiscal Year Ending June 30, 2021	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 Fiscal Year 2021 Audit Reports, Financial Statements and Schedule of Expenditures of Federal Awards from BDO USA, LLP, Certified Public Accountants for University Medical Center of Southern Nevada; and direct staff accordingly. <i>(For possible action)</i>	

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 for the Fiscal Year Ending June 30, 2021. The basic financial statements present fairly, in all material respects, the financial position of the Hospital as of June 30, 2021, and the results of its operations and its cash flows for the years then ended, in conformity with the Generally Accepted Accounting Principles in the United States. All recommendations from the auditor will be addressed.

Representatives from the auditing firm will be present at the meeting to answer any questions concerning the audit report.

Cleared for Agenda
December 8, 2021

Agenda Item #

4



Report to Those charged with Governance

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

Audit Wrap Up:
Year Ended June 30, 2021

Contents

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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., Governing Board s and Audit Committee) and, if appropriate, management of the Client and is not intended and should not be used by anyone other than these specified parties.

Welcome

December 8, 2021

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 19, 2021, we presented an overview of our plan for the audit of the financial statements of University Medical Center of Southern Nevada (the Hospital or “UMC” or You) as of and for the year ended June 30, 2021, 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 UMC’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 UMC and look forward to meeting with you on to discuss 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

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.



Executive Summary

Status of Our Audit

We have substantially completed our audit of the financial statements, pending completion of procedures on federal awards as of and for the year ended June 30, 2021. 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 financial statements 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 the financial statements are free from material misstatements whether due to error or fraud.
- The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- We are expecting to issue an unmodified opinion on the financial statements and release our report on December 8, 2021. Our responsibility for other information in documents containing UMC's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by UMC and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- 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 UMC personnel throughout the course of our work.

Results of the Audit

ACCOUNTING PRACTICES, POLICIES, ESTIMATES

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

UMC's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- ▶ A summary of recently issued accounting pronouncements is included in Note 2 to the UMC's financial statements.
- ▶ There were no changes in significant accounting policies and practices during 2021.

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. The UMC's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 1 of the financial statements.

Significant Accounting Estimates

Patient Accounts Receivable and Revenue

DSH Recoupment Estimate

Medical Malpractice and Worker's Compensation Liabilities

Pension and OPEB Liabilities

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2021.

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.



Results of the Audit

QUALITY OF THE UMC'S FINANCIAL REPORTING

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





Internal Control Over Financial Reporting

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 our auditing procedures 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.

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
Deficiency in 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.
Significant Deficiency	A deficiency or 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.
Material Weakness	A deficiency or 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.

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



Additional Required Communications

Other Required Communications

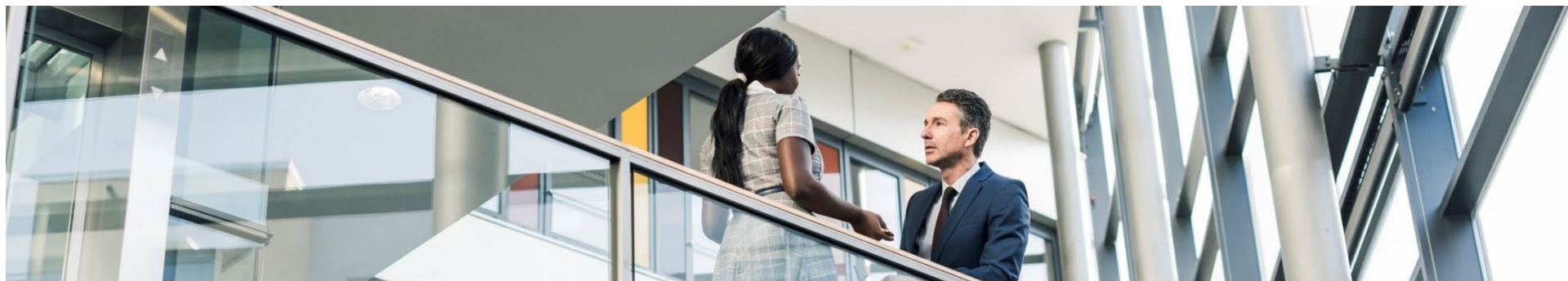
Following is a summary of other required items, along with specific discussion points as they pertain to the UMC:

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; risks of material misstatement, 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.
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.
Extent to which our plan to use the work of others and the basis for our determination that we can serve as the principal auditor has changed since our planning communication	Since our Audit Planning communications, there have been no significant changes in: 1. our plans to use the work of UMC's internal auditors in the audit of financial statements; 2. the basis for our determination that we can serve as the principal auditor.
Consultations with other accountants	We are not aware of any consultations about significant accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent accountants on the application of generally accepted accounting principles.
Our evaluation of UMC's relationships and transactions with related parties and their impact on the financial statements	We have evaluated UMC's process to identify, authorize and approve, account for, and disclose its relationships and transactions with related parties and noted no significant issues.
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 the UMC's financial statements or to our auditor's report.

Other Required Communications

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

Requirement	Discussion Point
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
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 UMC'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 July 13, 2021, describes our responsibilities in accordance with professional standards and certain regulatory authorities with regards 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



Implementation of New GASB Standards

New GASB Standards

In light of the COVID-19 Pandemic, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, to provide relief to governments. This Statement, which was effective upon the issuance date of May 8, 2020, postponed the effective dates of certain provisions in Statements that were first effective for reporting periods beginning after June 15, 2018. The effective dates of certain provisions contained in the following pronouncements were postponed by one year:

- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The effective date of Statement No. 87, *Leases*, has been postponed by 18 months.

Earlier application of the standards is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

GASB Statement No. 87, *Leases*

Effective Dates	Date per Pronouncement (as amended)	Date as amended per GASB Statement No. 95
	Fiscal Years Beginning After 12/15/2019	Fiscal Years Beginning After 6/15/2021

- ▶ Requires recognition of certain lease assets and liabilities for leases that are currently classified as operating leases.
- ▶ New definition of a lease - a contract that conveys the right to use another entity's nonfinancial asset for a period in an exchange or exchange-like transaction.
- ▶ Eliminates the distinction between operating and capital leases.
- ▶ Excludes short-term leases, leases that transfer ownership and service concession arrangements that are covered by GASB Statement No. 60.
- ▶ Lessees would recognize a lease liability and an intangible right-to-use lease asset which would be amortized in a systematic and reasonable manner over the shorter of the lease term or the useful life of the underlying asset.
- ▶ Lessors would recognize a lease receivable and deferred inflow of resources which would be recognized as revenue in a systematic and rational manner over the term of the lease.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Reporting Periods Beginning After 12/15/2019	Reporting Periods Beginning After 12/15/2020

- ▶ Upon implementation, in financial statements using the economic resources measurement focus (business-type activities and enterprise funds) interest incurred during construction should be recognized as an expense of the period.
- ▶ Interest costs on construction-in-progress will be capitalized only to the implementation date of this Statement. The provisions of this Statement are to be applied prospectively and will therefore not require a restatement of any balances.
- ▶ In financial statements using the current financial resources measurement focus (governmental funds), interest incurred during construction should be recognized as an expenditure (no change).
- ▶ If a government has regulated operations as defined by paragraph 476 of GASB Statement No. 62, this Statement does not eliminate or remove the requirement to capitalize qualifying interest costs as a regulatory asset.

GASB Statement No. 91, *Conduit Debt Obligations*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Reporting Periods Beginning After 12/15/2020	Reporting Periods Beginning After 12/15/2021

- ▶ Clearly defines the characteristics of a conduit debt obligation and establishes that a conduit debt obligation is not a liability of the issuer.
- ▶ An issuer should recognize a liability associated with an additional commitment or voluntary commitment to support debt service if certain recognition criteria are met.
As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether the recognition criteria are met. An issuer that has only made a limited commitment should evaluate whether those recognition criteria are met when an event occurs that cause the issuer to evaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.
- ▶ Standard addresses accounting for arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities.
- ▶ Standard enhances note disclosures related to conduit debt.

GASB Statement No. 92, *Omnibus 2020*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Key Provisions Effective as Noted Below	Except for Provisions Effective upon Statement Issuance, all other Provisions are Delayed One Year

Key Provisions of the Statement are as follows:

- Effective Upon Statement Issuance- February 5, 2020:
 - The effective date for interim financial reporting of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, is for fiscal years beginning after December 15, 2019.
 - Clarifies that for public entity risk pools, amounts recoverable from reinsurers or excess insurers related to paid claims and claims adjustment expenses may be reported as a reduction of expenses.
 - The terms derivative and derivatives should be replaced with derivative instrument and derivative instruments, respectively.
- Effective for Fiscal Years Beginning After June 15, 2020:
 - Clarification of the reporting of intra-entity transfers of assets between a government employer or noncontributing entity to a defined benefit pension or other postemployment (OPEB) plan that are within the same reporting entity.
- Effective for Reporting Periods Beginning After June 15, 2020:
 - Clarification that a government that reports a fiduciary activity for assets that are accumulated for purposes of providing pension or OPEB through certain defined benefit plans should recognize liabilities in accordance with Statement No. 84.
- Effective for Government Acquisitions Occurring in Reporting Periods Beginning After June 15, 2020:
 - In a government acquisition, liabilities and assets related to the acquired entity's asset retirement obligations (AROs) should be measured using the accounting and financial reporting requirements of Statement No. 83, when the AROs fall within the scope of that standard.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Effective as Noted Below	Paragraphs 13 and 14 are Effective for Fiscal Years Beginning After June 15, 2021

► Effective for Reporting Periods Beginning After June 15, 2020:

- Provides exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment.
- Clarifies the hedge accounting termination provisions when a hedged item is amended to replace the reference rate.
- Clarifies that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable.
- Identifies a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.
- Clarifies the definition of reference rate, as it is used in Statement 53, as amended.
- Provides an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. (paragraphs 13 and 14)

► Effective for Reporting Periods Ending After December 31, 2021:

- Removes LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap (paragraph 11b).

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Effective Dates	Date per Pronouncement
	Fiscal Years Beginning After June 15, 2022

- ▶ For the Public-Private and Public-Public Partnerships (P3s) that meet the definition of a service concession arrangement (SCA), this Statement carries forward the financial reporting requirements for SCAs that were included in Statement 60, with modifications to apply the more extensive requirements related to recognition and measurement of leases to SCAs.
- ▶ For P3s that meet the definition of a lease, the guidance in Statement No. 87 should be applied, if existing assets of the transferor that are not required to be improved by the operator as part of the P3 arrangement are the only underlying P3 assets and the P3s do not meet the definition of an SCA.
- ▶ This Statement provides specific guidance for all other P3s from the perspective of both a government that transfers rights to another party and governmental operators that receive those rights.
- ▶ The Statement requires governments to account for Availability Payment Arrangement (APAs) in which ownership of the asset transfers by the end of the contract as a financed purchase of the underlying infrastructure or other nonfinancial asset. It also requires a government to report an APA that is related to operating or maintaining a nonfinancial asset as an outflow of resources (for example, expense) in the period to which payments relate

GASB Statement No. 96, *Subscription Based Information Technology Arrangements*

Effective Dates	Date per Pronouncement
	Fiscal Years Beginning After June 15, 2022

- ▶ Addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Standard is based on the standards established in Statement No. 87, Leases.
- ▶ Defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's 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.
- ▶ Requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months).
- ▶ Provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

GASB Statement No. 97, *Certain Component Unit* Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Plans Deferred Compensation Plans

Effective Dates	Date per Pronouncement
	Effective as Noted Below

► Effective Upon Statement Issuance - June 23, 2020:

- Requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically performs.
- Requires that the financial benefit burden criteria in Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension and OPEB plans administered through a trust.

► Effective for Fiscal Years Beginning After June 15, 2021

- 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.
- Requires that a Section 457 plan that meets the definition of a pension apply all accounting and financial reporting requirements relevant to pensions.
- Clarifies that Statement 84, as amended, should be applied to all Section 457 plans to determine whether those arrangements should be reported as fiduciary activities.



Industry Resources

Industry Risk and Resources

- ▶ BDO's industry focus is part of who we are and how we serve our clients and has been for over a century. We demonstrate our experience through knowledgeable professionals, relevant client work and participation in the industries we serve.
- ▶ Our industry practices bring perspective on trends, opportunities, issues and regulations that frame our services and approach to address your needs and your industry.

Home > Industries > Public Sector > Overview

Public Sector

BDO leverages an independent viewpoint to help clients navigate complex, government-wide challenges.

OVERVIEW

FEDERAL GOVERNMENT

Challenging times call for a new perspective.

The public sector is facing many challenges. In addition to political gridlock, the federal deficit has caused many agencies' budgets to shrink over the last several years, meaning that government leaders are under pressure to accomplish more with reduced funding.

BDO's Public Sector Practice serves a wide variety of clients across many levels of government. In addition to our Federal Government clients, we also serve Regional, State, and Local Governments, drawing on deep experience to provide strategic, innovative solutions. Offering a unique depth of capabilities and resources, BDO helps government leaders develop tailored strategies and implement practical solutions that make the most of their limited resources.

KEY CONTACTS

MARK ELLENBOGEN ▶
President/CEO of BDO Public Sector

Accounting, Audit and Other Compliance Considerations for Public Sector Entities Related to COVID-19

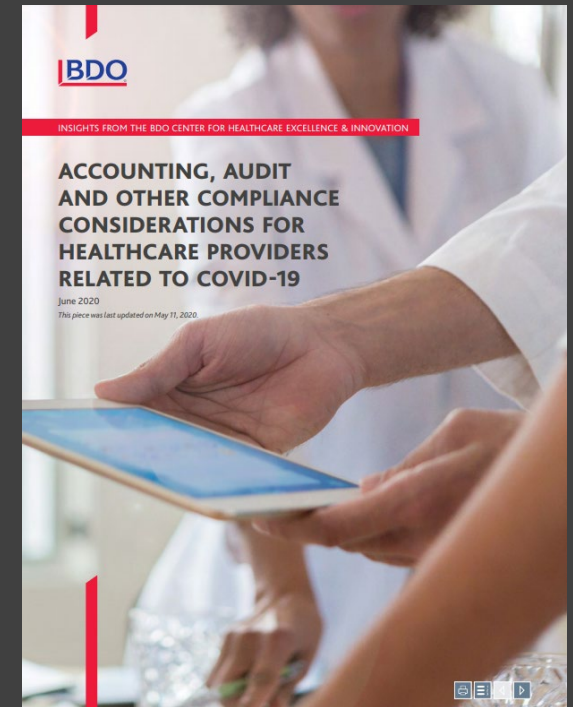
The global pandemic is having unprecedented impacts on federal, state, local, tribal and territory governments. Our [COVID-19 resource center](#) helps organizations stay abreast of the latest developments and mitigate risk during this time of uncertainty. For government organizations, the stakes are high as agencies and elected officials work overtime to flatten the curve, save lives and ensure the safety of the American people.

While circumstances are changing daily, our FAQs for the Public Sector answer the most frequently asked questions by government organizations, along with resources to help them respond and plan around each on.

Accounting, Audit and Other Compliance Considerations for Healthcare Providers Related to COVID-19

Providers continue to focus most on the critical patient implications of COVID-19, but they must also consider questions about the broader implications for their business. In the face of further uncertainty ahead, healthcare leaders can take steps now to mitigate the impacts of the pandemic on their business so that they can prepare to reestablish full patient care services and be better prepared for additional waves of the virus outbreak that might take place.

This FAQ answers specific questions about key financial reporting and accounting issues healthcare leaders must consider in their oversight of financial reporting, including the pandemic's impact on revenue recognition, lease accounting and debt, and actions to take ahead of the 2020 financial reporting period—and beyond it.



Click [here](#) to access the publication

Unlocking the ROI of an Integrated Patient Experience

Gone are the days when patient experience may have been an afterthought of hospitals. Now, their long-term financial viability depends on prioritizing it first.

Hospitals of all sizes and affiliations have demonstrated a remarkable ability to persevere through the COVID-19 pandemic, which came at a time when the healthcare industry was already undergoing profound change. As hospitals focus on what's next, the path to sustainable financial viability requires a commitment to healthy patient outcomes and investment in the patient experience.

This publication provides a description of 3 Key Benefits of Investing into the Patient Experience.



Click [here](#) to access the publication

Understanding the Taxation of Telehealth

Widespread implementation of telehealth has been crucial, but challenging, during the COVID-19 pandemic. As healthcare leaders continue to scale this technology, they're also challenged with understanding the various regulations around taxation. In our latest insight, we explore how to tax telehealth appointments that cross state lines, the various types of telehealth and more.



Click [here](#) to access the publication

CMS Releases FY 2021 Medicare Inpatient Prospective Payment System (IPPS) Proposal

In an environment already ripe with challenges, healthcare organizations and leaders will still have to navigate changing Medicare policies and updated payment rates, paying even closer attention to the impact they could have on margins. In our latest insight, we explore recently proposed updates to the Inpatient Prospective Payment System (IPPS). Highlights include:

- Proposed increases to IPPS payments for FY 2021 are estimated to be \$2.07 billion
- Uncompensated care payments are estimated to decrease by \$534 million
- Proposed Medicare cost report data requirements to bolster price transparency
- Changes that would codify long-standing Medicare bad debt policies with the goal of decreasing bad debt appeals
- Proposed continuation of policy to decrease disparities between low-income wage index and high-income wage index hospitals
- Proposed changes to Hospital Inpatient Quality reporting pay



Click [here](#) to access the publication

Steps for how Healthcare Organizations Can Maximize Cash Flow During COVID-19

With revenues declining and costs increasing because of COVID-19, cash is in short supply. Thus, it is important healthcare organizations take steps now to conserve cash to deal with immediate demands, as well as to secure future financial health and sustainability.

Maximizing cash flow at this critical time is a priority. A targeted effort focused on cash acceleration and conservation and a rigorous revenue cycle optimization plan can help organizations get through this period of severe financial strain.

In this insight, we explore three pandemic-driven pressure points on organizational cash flow and ways to navigate these pressure points.



Click [here](#) to access the publication

Healthcare on the Other Side: Changing Payer-Provider Relationships in a Post COVID-19 Landscape

Hospitals, physician practices, and other provider organizations are dealing with unprecedented challenges in the present public health emergency following the coronavirus pandemic. Providers can expect to feel the impact of COVID-19 long after the public health crisis abates. Given that payers control a significant portion of providers' revenue, the financial pressure on providers and successful navigation of the post-pandemic environment will require providers to reset their relationship with payers.

In the pre-pandemic world, providers operated in a landscape characterized by steady and growing patient volumes, broad health insurance coverage and generally adequate reimbursement. This landscape allowed providers to implement value-based payment models with insurers and other payers. COVID-19 has fundamentally disrupted this landscape. Providers must now look to adapt their payer relationships accordingly. This joint publication by Jones Day's lawyers and The BDO Center for Healthcare Excellence & Innovation outlines some of the current trends providers are facing with respect to their payer relationships and offers insight on strategies they can employ to better work with payers in navigating their post-COVID-19 relationships.

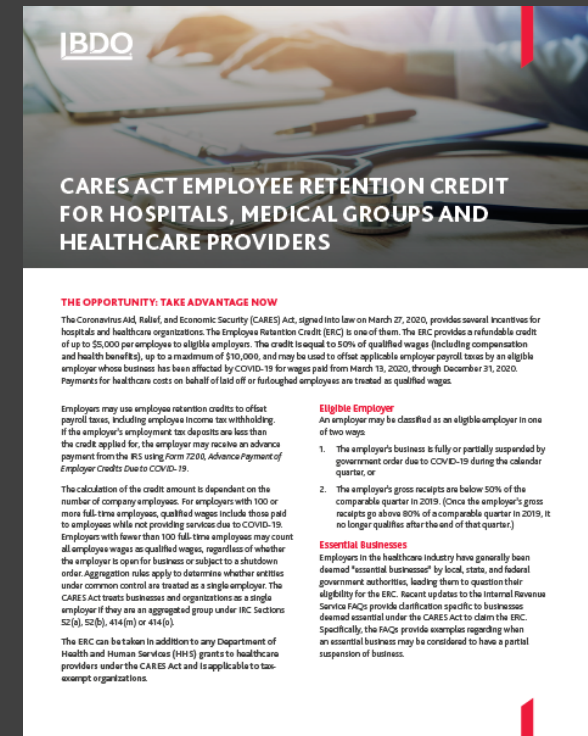


Click [here](#) to access
the publication

CARES Act Employee Retention Credit for Hospitals, Medical Groups and Healthcare Providers

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law on March 27, 2020, provides several incentives for hospitals and healthcare organizations. The Employee Retention Credit (ERC) is one of them. The ERC provides a refundable credit of up to \$5,000 per employee to eligible employers. The credit is equal to 50% of qualified wages (including compensation and health benefits), up to a maximum of \$10,000, and may be used to offset applicable employer payroll taxes by an eligible employer whose business has been affected by COVID-19 for wages paid from March 13, 2020, through December 31, 2020. Payments for healthcare costs on behalf of laid off or furloughed employees are treated as qualified wages.

This insight focuses on identifying, substantiating and documenting the ERC in a manner that minimizes business disruption, which is particularly important in these uncertain times.



Click [here](#) to access the publication

2020 Healthcare Digital Transformation Survey

Transformation is on the minds of business leaders every day. But it's how those leaders adapt to—and embrace—digital disruption that separates those who will use innovation to fuel growth and profitability, and those who still see it as an extra item on the balance sheet. The velocity at which disruptive technologies are transforming business continues to increase at a staggering pace. Every aspect of how we live and work is fundamentally different than it was as little as five years ago. To adapt, companies must anticipate the signals and reinvent themselves before disruption upends them.



Click [here](#) to access the publication

The BDO Center for Healthcare Excellence & Innovation

WHO WE ARE: ADVISORY HEALTHCARE LEADERS

We are 300+ professionals focused on the healthcare industry with a hands-on, service-oriented philosophy who believe in open, candid, constructive communication and strong internal collaboration with our clients.

Our clients rest assured that their dedicated BDO industry leaders are at the forefront of the healthcare conversation.

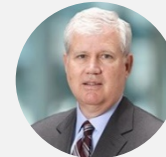
We provide our clients with research and insights into the industry by authoring articles on the latest regulations, speaking at industry conferences, commenting on breaking news, and bringing perspective on trends, opportunities, and issues that affect healthcare organizations.



STEVEN SHILL, CPA, CA
Partner, National
Healthcare Leader
714-668-7370
sshill@bdo.com



PATRICK D. PILCH, CPA, MBA
Senior Managing Director
National Healthcare Leader
212-885-8006
ppilch@bdo.com



CHAD BESTE, CEBS
Partner
847-410-5702
cbeste@bdo.com



JANET BLISS, MBA
Partner
847-410-5710
jbliss@bdo.com



CHRIS COOPER, MHA,
MIM, RN
Managing Director
404-979-7209
ccooper@bdo.com



MICHAEL LEE
Principal, BDO Digital
630-286-8126
milee@bdo.com



CORTNEY MARCIN, MPA
Managing Director
212-885-8242
cmarcin@bdo.com



KAREN MEADOR, MD,
MBA
Managing Director
972-839-1617
kmeador@bdo.com



VIN PHAN, MAcc
Partner, Healthcare
Transaction Advisory
Services
615-493-5613
vphan@bdo.com



SAL RENZO, CPA, MBA
Managing Director
212-798-4022
srenzo@bdo.com



DEB SHEEHAN,
EDAC, DBIA
Managing Director
312-286-1821
dsheehan@bdo.com



RICHARD WALKER,
MBA
Managing Director
615-493-5646
rwalker@bdo.com



VENSON WALLIN, CPA,
CGMA
Managing Director
804-873-0443
vwallin@bdo.com



JIM WATSON, MBA
Partner
847-410-5711
jwatson@bdo.com



HERMAN WILLIAMS, MD,
MBA, MPH
Managing Director
615-493-5622
hjwilliams@bdo.com

The BDO Center for Healthcare Excellence & Innovation

WHO WE ARE: ASSURANCE & TAX HEALTHCARE LEADERS

In the healthcare industry, audit and tax services are not just an exercise in compliance. It's essential to ensuring financial health, avoiding fraud and waste, and ultimately ensuring and paving the path to improved patient care. It's not just a snapshot of the past, it's a roadmap for healthcare organizations to plan and navigate change.

BDO delivers comprehensive and independent audit, assurance, and tax services to healthcare organizations of all types.

Wherever they operate, we help clients ensure that both their financial statements and internal controls meet complex regulatory and business requirements, allowing them to navigate an uncertain industry with confidence.

ASSURANCE LEADERS



STEVEN SHILL, CPA, CA
Assurance Partner,
National Healthcare
Leader
714-668-7370
sshill@bdo.com



KAREN FITZSIMMONS, CPA
Assurance Partner
703-336-1466
kfitzsimmons@bdo.com



JOHN BLAKEY, CPA
Assurance Partner
310-557-7514
jblakey@bdo.com



JENNIFER HAMWAY, CPA
Assurance Partner
813-302-6626
jhamway@bdo.com



MICHAEL KLINGELE, CPA
Assurance Partner
212-885-7467
mklingele@bdo.com



JEVON KNOWLES, CPA
Assurance Partner
312-730-1265
jknowles@bdo.com



ALFREDO CEPERO, CPA
South Florida Assurance
Managing Partner
305-420-8006
acepero@bdo.com



KEVIN OLVERA, CPA
Assurance Partner
214-665-0742
kolvera@bdo.com



MIKE MUSICK, CPA
Managing Partner
Southeast
615-493-5610
mmusick@bdo.com



ADAM B. COLE, CPA
Managing Partner
Healthcare, Nonprofit,
Education
212-885-8327
acole@bdo.com

TAX LEADERS



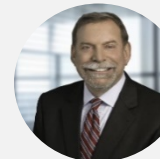
JIM WHITE, CPA
Tax Office Managing Partner
904-224-9775
JRWhite@bdo.com



KAREN STONE, CPA
Southeast Regional
Managing Tax Partner
704-887-4138
kstone@bdo.com



ANGELO PIROZZI, CPA
Tax Partner
646-520-2870
apirozzi@bdo.com



MARK BERGER, CPA, JD, LL.M.
National Director, Nonprofit
Tax Services
703-3361420
mberger@bdo.com



SPIRO LEUNES, CPA
Tax Partner
732-734-3031
sleunes@bdo.com

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BASIC FINANCIAL STATEMENTS

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

YEARS ENDED JUNE 30, 2021 AND 2020

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

Opinion

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 years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise UMC basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective net position of UMC, as of June 30, 2021, and 2020, 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 audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

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 within one year after the date that the financial statements are issued or available to be issued.

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 opinion. 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.

Other Matters

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 related ratios on pages 3 through 14 and 67 through 70 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2021 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.

Las Vegas, Nevada
December 8, 2021

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020

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, 2021, and 2020, 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020

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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020

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 \$23.9 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 and Operating Highlights for Fiscal 2020

- Overall activity at the Hospital as measured by patient days adjusted for outpatient services (adjusted patient days) decreased by 6.2% from prior year levels.
 - Hospital patient days decreased by 12.3% from the prior year.
 - Outpatient visits decreased 5.1% from the prior year.
- The Hospital experienced loss from operations of \$129.0 million, and total net position (deficit) decreased by \$47.3 million.
 - The Upper Payment Limit (UPL) and Indigent Accident Fund (IAF) revenues decreased \$23.0 million from the prior year to \$78.8 million.
 - Total operating revenues decreased by 13.0% to \$600.5 million.
 - Operating expenses including other postemployment benefits (OPEB) and provision for NPL (GASB 68) increased by 4.7% to \$729.5 million as compared to the prior year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020

- Total employee full-time equivalents (FTEs) decreased by 213, or 5.8%, from fiscal 2019.
- The Hospital invested \$19.7 million in the following capital acquisitions:
 - Da Vinci Robot
 - AVEA Ventilators
 - Covid-19 Testing Equipment
 - Honeywell Access Control System Upgrade
 - Exterior Façade & Campus upgrade
 - EPIC Software

Financial Analysis of the Hospital for June 30, 2021 and 2020

In fiscal 2021, net position increased \$61.6 million to a deficit of \$303.4 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, which was partially offset by a surge in supplies expense due to high demand in pharmaceuticals and reagents. In fiscal 2020, net position decreased \$47.3 to a deficit of \$365.0 million, from a deficit of \$317.7 million in fiscal 2019. A summary of the Hospital's Statements of Net Position (Deficit) as of June 30, 2021, 2020 and 2019 is presented in Table 1 below:

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020

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

	June 30		
	2021	2020	2019
Current assets	\$ 409,209	\$ 338,892	\$ 302,165
Restricted and other assets	110,492	117,737	109,115
Capital assets	203,692	203,909	206,723
Total assets	<u>\$ 723,393</u>	<u>\$ 660,538</u>	<u>\$ 618,003</u>
Deferred outflows of resources	\$ 128,335	\$ 125,084	\$ 116,059
Current liabilities	\$ 149,511	\$ 136,239	\$ 115,348
Long-term debt outstanding (a)	12,935	19,105	25,090
Other liabilities (b)	812,761	807,235	720,935
Total liabilities	<u>\$ 975,207</u>	<u>\$ 962,579</u>	<u>\$ 861,373</u>
Deferred inflows of resources	\$ 179,895	\$ 188,053	\$ 190,362
Net investment in capital assets	271,080	271,383	248,136
Restricted	2,968	5,291	9,239
Unrestricted (deficit)	(577,423)	(641,685)	(575,047)
Total net position (deficit)	<u>(303,375)</u>	<u>(365,011)</u>	<u>(317,672)</u>
Total liabilities, deferred inflows and net position (deficit)	<u>\$ 851,727</u>	<u>\$ 785,621</u>	<u>\$ 734,063</u>

(a) Long-term debt excludes current portions of \$6,170, \$5,985, and \$6,226, respectively, included in current liabilities.

(b) Other liabilities include the long-term portion of accrued benefits, self-insured liabilities, intergovernmental and net pension liabilities.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020

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, 2021, 2020, and 2019.

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

	June 30		
	2021	2020	2019
Net patient revenues	\$ 741,065	\$ 559,356	\$ 669,986
Other operating revenues	65,481	41,114	20,354
Total operating revenues	806,546	600,470	690,340
Operating expenses	784,276	706,816	668,359
Depreciation and amortization	24,317	22,662	28,596
	808,593	729,478	696,955
Operating income/(loss)	(2,047)	(129,008)	(6,615)
Nonoperating revenues, net	32,684	41,669	11,626
Capital contributions received	-	-	-
Transfers In	31,000	40,000	26,640
Change in net position (deficit)	61,637	(47,339)	31,651
Total net position (deficit), beginning of year	(365,011)	(317,672)	(349,323)
Total net position (deficit), end of year	\$ (303,374)	\$ (365,011)	\$ (317,672)

During fiscal 2021, 2020 and 2019, the Hospital derived approximately 96.0%, 93.4%, and 98.2% 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.

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(A COMPONENT UNIT OF CLARK COUNTY, NEVADA)

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020

Table 3 presents the relative percentages of gross charges billed for patient services by payer for the years ended June 30, 2021, 2020 and 2019.

Table 3
Payer Mix by Percentage

	2021	June 30 2020	2019
Medicare	28 %	28 %	27 %
Medicaid, and self-pay	43	44	44
Commercial, HMO, PPO	24	23	23
Other	5	5	6
Total patient revenue	100 %	100 %	100 %

During fiscal 2021, 2020 and 2019, the Hospital derived -0.2%, 1.6% and 1.2%, 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 2021 and 2020 include \$31 million and \$40 million, respectively, in contributions from the County used primarily to defray operating, capital and debt service costs.

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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020

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, and non-operating expenses such as interest expense.

The County contributed a total of \$31 million to the Hospital in fiscal 2021 for additional capital equipment and hospital operation.

Net position increased \$61.6 million to a deficit of \$303.4 million in fiscal 2021 primarily due to the revenue from Provider Relief Fund, contributions from the County, offset by the operating loss.

Fiscal 2020 Activity

In fiscal 2020, overall activity at the Hospital as measured by patient days adjusted for outpatient services decreased by 6.2% to 175,548 compared to 187,155 in fiscal 2019. This decrease was due primarily to better throughput and management of length of stay, and decrease in outpatient visits due to the temporary hold on elective surgeries and patient avoidance because of COVID-19.

In fiscal 2020, the Hospital had patient days and discharges of 113,343 and 20,598, respectively. This is a decrease of 12.3% and 14.8%, respectively, as compared to fiscal 2019. The decrease in discharges is due to a decrease in patient admissions from 24,228 to 20,588. Outpatient and

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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020

emergency visits were 408,343 or 5.1% below 2019 levels of 430,464. The decrease in outpatient volume occurred primarily due to a decrease in Primary Care and Quick Care registrations of 6.0%, and emergency registrations of 3.3%.

In fiscal 2020, net patient revenue decreased compared to fiscal 2019 by \$110.6 million due primarily to declined patient days and visits, being offset by price increases.

Excluded from net patient revenue are charges foregone for uncompensated and charity care patient services. Based on established rates, gross charges of \$102.1 million were foregone during fiscal 2020, a 32.7% decrease from fiscal 2019. 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 2020, total operating expenses including OPEB increased by \$32.5 million, or 4.7%. The increase in operating expenses was mainly supplies increase offset by increased efficiencies and expense management.

In fiscal 2020, employee compensation and benefits including OPEB increased \$15.4 million, or 3.7%, primarily due to increase in pension provision, cost of living adjustment, and newly added sick time expense, offset by a decrease in the number of paid FTEs relating to the decreased hospital volume, a decrease in overtime, and a decrease in OPEB provision. The number of paid FTEs decreased by 5.8% from 3,683 in fiscal 2019 to 3,470 in fiscal 2020. There was a 2.5% cost of living increase in fiscal 2020.

Professional fees for contracted physician services to provide coverage for emergency services, trauma services, and for indigent patients decreased \$0.7 million, or 1.5%, in fiscal 2020. This decrease is due primarily to a decrease in UNLV resident program.

In fiscal 2020, the cost of supplies increased by \$23.6 million, or 22.4%, primarily due to pharmaceuticals increases and reagents increases.

Purchased services expense increased by \$1.1 million or 1.6% in fiscal 2020 primarily due to an increase in UNLV resident salaries and academic mission support.

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

The County contributed a total of \$40 million to the Hospital in fiscal 2020 for additional capital equipment and hospital operation.

Net position decreased \$47.3 million to a deficit of \$365.0 million in fiscal 2020 primarily due to the operating loss, offset by contributions from the County and interest income from pooled investment.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020

Capital Assets

During fiscal 2021 and 2020, the Hospital invested \$23.9 million and \$19.7 million, respectively, in a broad range of capital assets. Gross capital assets increased in fiscal 2021 due to an increase in 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. Gross capital assets increased in fiscal 2020 due to an increase in purchase of Da Vinci Robot, AVEA Ventilators, COVID-19 Testing Equipment, Honeywell Access Control System upgrade, Exterior façade & campus upgrade, and EPIC software.

The Hospital's fiscal 2022 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, 2021 and 2020, the Hospital had \$12.9 million and \$19.1 million, respectively, in long-term debt, excluding the current portion thereof. This represented a decrease of \$6.2 million and \$6.0 million, respectively, from the outstanding balances at June 30, 2020, and June 30, 2019. Total outstanding debt represents 2.0% and 2.7% of the Hospital's total liabilities as of June 30, 2021 and 2020, respectively.

Economic Factors

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The COVID-19 outbreak adversely impacted the Hospital's fiscal year 2021 patient volume, particularly at the Quick Care locations which experienced slower volume recovery in fiscal year 2021 than the Hospital and Primary Care service areas. Further, the COVID-19 outbreak has impacted the Hospital's operations by causing staffing and supply shortages in fiscal year 2021. As a result of the supply chain interruptions and increased demand for certain supplies caused by COVID-19, the Hospital has incurred excessive costs in fiscal year 2021 in sourcing supplies, pharmaceuticals and nursing labor to effectively treat patients for COVID-19 and other diagnoses.

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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" - 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.

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.

The Hospital received \$34.7 million through various distributions from the Provider Relief Fund in fiscal year 2021 and recorded the funds as non-operating revenue.

The most recent unemployment statistics, as of July 2021, indicated that the unemployment rate for the Las Vegas, Nevada metropolitan area was 9.5%, which was a 9.2% decrease from a year ago. The unemployment rate for the State of Nevada and the United States was 8.2% and 5.7%, respectively.

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

All of these factors affected the fiscal year 2021 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	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 105,438,045	\$ 145,606,781
Assets limited as to use, current portion	4,969,729	2,520,819
Patient receivables, net of allowance for uncollectible accounts of \$117,230,581 in 2021 and \$116,761,520 in 2020	260,365,244	140,389,025
Other receivables, net	12,274,436	25,152,345
Inventories	20,959,306	14,983,261
Prepaid expenses and other	5,202,062	10,240,078
Total current assets	<u>409,208,822</u>	<u>338,892,309</u>
Assets limited as to use, net of current portion:		
Contributor or grantor restricted:		
Cash and cash equivalents	6,093,622	5,711,222
Grants receivable	441,539	277,522
Internally designated cash and cash equivalents	108,841,020	114,183,802
	<u>115,376,181</u>	<u>120,172,546</u>
Less amount required to meet current obligations	<u>(4,969,729)</u>	<u>(2,520,819)</u>
Total assets limited as to use, net of current portion	110,406,452	117,651,727
Other assets:		
Land	10,204,997	10,204,997
Depreciable property and equipment, net	172,607,898	175,083,411
Construction in progress	20,879,339	18,620,955
Deposits	85,156	85,156
Total assets	<u><u>\$ 723,392,664</u></u>	<u><u>\$ 660,538,555</u></u>
Deferred outflows of resources		
Unamortized loss on refunding	\$ 112,302	\$ 164,134
Related to pensions	89,386,108	109,629,359
Related to OPEB (postemployment benefits other than pensions)	38,836,578	15,290,042
Total deferred outflows of resources	<u><u>\$ 128,334,988</u></u>	<u><u>\$ 125,083,535</u></u>

(Continued)

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

Statements of Net Position (Deficit) (continued)

	June 30	
	2021	2020
Liabilities and net position (deficit)		
Current liabilities:		
Accounts payable	\$ 72,927,313	\$ 62,276,198
Accrued compensation and benefits	53,874,329	53,386,315
Other accrued expenses	1,697,230	1,547,756
Current portion of long-term debt	6,170,000	5,985,000
Due to related party	6,510,397	4,877,199
Current portion of self-insurance liability	8,331,273	8,167,498
Total current liabilities	<u>149,510,542</u>	<u>136,239,966</u>
 OPEB liability	 204,284,483	 173,486,144
Long-term debt, net of current portion	12,935,000	19,105,000
Self-insurance liability, net of current portion	10,711,663	10,019,518
Intergovernmental liability	87,481,348	102,192,749
Net pension liability	510,283,540	521,536,183
Total liabilities	<u>975,206,576</u>	<u>962,579,560</u>
 Deferred inflows of resources		
Related to pensions	45,690,742	45,037,430
Related to OPEB	134,204,405	143,015,657
Total deferred inflows of resources	<u>179,895,147</u>	<u>188,053,087</u>
 Net position (deficit):		
Net investment in capital assets	<u>271,080,387</u>	<u>271,383,542</u>
Restricted:		
Hospital and administrative programs	1,127,012	3,508,180
Donations, various programs	-	28,993
Research programs	529,257	450,521
Educational programs	1,311,956	1,303,207
	<u>2,968,225</u>	<u>5,290,901</u>
Unrestricted (deficit)	<u>(577,422,683)</u>	<u>(641,685,000)</u>
Total net position (deficit)	<u><u>\$ (303,374,071)</u></u>	<u><u>\$ (365,010,557)</u></u>

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	
	2021	2020
Operating revenues:		
Net patient revenues (net of provisions for bad debts of \$49,199,665 and \$61,167,854 in 2021 and 2020, respectively)	\$ 741,065,130	\$ 559,355,992
Other operating revenues	65,480,535	41,113,947
Total operating revenues	806,545,665	600,469,939
Operating expenses:		
Nursing and other professional services	545,579,381	479,762,765
Administrative and fiscal services	126,892,529	135,772,713
General services	99,444,450	70,395,595
Depreciation and amortization	24,317,456	22,661,969
Total operating expenses	796,233,816	708,593,042
Income (loss) from operations before provision for OPEB and net pension liabilities	10,311,849	(108,123,103)
Provision for OPEB	2,715,469	187,244
Provision for net pension liabilities	9,643,920	20,697,692
Loss from operations	(2,047,540)	(129,008,039)
Nonoperating revenues (expenses):		
Interest income	(1,295,236)	10,261,725
Rental income	-	-
Interest expense	(675,009)	(997,274)
Other nonoperating revenues	34,654,271	32,405,323
Total nonoperating revenues (expenses), net	32,684,026	41,669,774
Income (loss) before transfers	30,636,486	(87,338,265)
Transfers in	31,000,000	40,000,000
Change in net position (deficit)	61,636,486	(47,338,265)
Net position (deficit), beginning of year	(365,010,557)	(317,672,292)
Net position (deficit), end of year	<u><u>\$(303,374,071)</u></u>	<u><u>\$(365,010,557)</u></u>

See accompanying notes.

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

Statements of Cash Flows

	Years Ended June 30	
	2021	2020
Cash flows from operating activities		
Cash received from patients and third-party payers	\$ 604,991,426	\$ 613,288,771
Cash payments to suppliers for goods and services	(340,783,224)	(279,324,105)
Cash payments to employees for services and benefits	(418,724,428)	(413,090,695)
Other operating receipts	65,316,518	41,111,447
Net cash used in operating activities	<u>(89,199,708)</u>	<u>(38,014,582)</u>
Cash flows from noncapital financing activities		
Contributions and transfers in from Clark County	40,000,000	62,000,000
Contributions, donations and other	34,654,271	32,405,323
Net cash provided by noncapital financing activities	<u>74,654,271</u>	<u>94,405,323</u>
Cash flows from capital and related financing activities		
Purchase of property and equipment, net	(22,618,422)	(18,073,512)
Principal paid on long-term debt	(5,985,000)	(6,226,000)
Interest paid on long-term debt	(685,023)	(906,270)
Net cash used in capital and related financing activities	<u>(29,288,445)</u>	<u>(25,205,782)</u>
Cash flows from investing activities		
Interest received	<u>(1,295,236)</u>	<u>10,261,725</u>
(Decrease) Increase in cash and cash equivalents	(45,129,118)	41,446,684
Cash and cash equivalents, beginning of year	265,501,805	224,055,121
Cash and cash equivalents, end of year	<u>\$ 220,372,687</u>	<u>\$ 265,501,805</u>
Unrestricted cash and cash equivalents	\$ 105,438,045	\$ 145,606,781
Contributor or grantor restricted cash and cash equivalents	6,093,622	5,711,222
Internally designated cash and cash equivalents	108,841,020	114,183,802
Total cash and cash equivalents	<u>\$ 220,372,687</u>	<u>\$ 265,501,805</u>

(Continued)

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

Statements of Cash Flows (continued)

	Years Ended June 30	
	2021	2020
Reconciliation of loss from operations to net cash used in operating activities		
Loss from operations	\$ (2,047,540)	\$(129,008,040)
Adjustments to reconcile loss from operations to net cash used in operating activities:		
Depreciation and amortization	24,317,456	22,661,969
Provision for uncollectible accounts	49,299,665	61,167,854
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Patient receivables	(169,275,884)	(66,842,893)
Inventories	(5,976,045)	(2,506,962)
Prepaid expenses and other current assets	8,751,910	(17,720,314)
Deferred outflows of resources	(3,303,284)	(9,157,739)
Increase (decrease) in:		
Accounts payable and accrued expenses	25,955,479	92,812,706
Self-insured liability	855,920	2,790,461
Due to related party	1,633,198	1,512,306
Deferred inflows of resources	(19,410,583)	6,276,070
Net cash used in operating activities	<u>\$ (89,199,708)</u>	<u>\$(38,014,582)</u>

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, 2021
(With comparative actual for the fiscal year ended June 30, 2020)

	2021				2020
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Operating revenues:					
Intergovernmental revenues:					
Grants	\$ 1,827,899	\$ 1,827,899	\$ 6,382,742	\$ 4,554,843	\$ 2,360,693
Charges for services:					
Total patient revenue	661,013,686	454,979,092	741,065,130	286,086,038	559,355,992
Other operating revenues	24,239,665	24,239,664	59,097,793	34,858,129	38,753,254
Total operating revenues	687,081,250	481,046,655	806,545,665	325,499,010	600,469,939
Operating expenses:					
Salaries & wages	298,364,229	299,365,401	290,381,150	8,984,251	281,740,820
Employee benefits	140,628,259	141,026,263	124,556,374	16,469,889	130,992,848
Services & Supplies	101,644,457	104,793,109	181,867,274	(77,074,165)	128,609,060
Professional fees	42,605,098	42,714,598	43,113,601	(399,003)	43,367,864
Purchased Services	74,774,984	75,667,389	102,418,677	(26,751,288)	74,110,062
Other	19,142,035	19,425,377	20,891,054	(1,465,677)	19,137,715
Rent	8,068,890	8,068,889	8,688,230	(619,341)	7,972,704
Depreciation/amortization	25,693,104	25,693,104	24,317,456	1,375,648	22,661,969
Total operating expenses	710,921,056	716,754,130	796,233,816	(79,479,686)	708,593,042
Nonoperating revenues (expenses):					
Interest earnings	4,774,309	4,774,309	(1,295,236)	6,069,545	10,261,725
Interest expense	(736,856)	(684,503)	(675,009)	(9,494)	(997,274)
Provision for OPEB & net pension liabilities	(12,896,285)	(12,896,285)	(12,359,389)	(536,896)	(20,884,936)
Other nonoperating revenue	-	-	34,654,271	(34,654,271)	32,405,323
Total nonoperating revenues (expenses), net	(8,858,833)	(8,806,479)	20,324,637	(29,131,116)	20,784,838
Income (Loss) before transfers	(32,698,638)	(244,513,954)	30,636,486	275,150,440	(87,338,265)
Transfers In	15,000,000	31,000,000	31,000,000	-	40,000,000
Change in Net Position (Deficit)	\$ (17,698,638)	\$ (213,513,954)	\$ 61,636,486	\$ 275,150,440	\$ (47,338,265)

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, 2021
(With comparative actual for the fiscal year ended June 30, 2020)

	2021				2020
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Cash flows from operating activities:					
Cash received from patients and third-party payers	\$ 661,013,686	\$ 485,248,783	\$ 604,991,426	\$ 119,742,643	\$ 613,288,771
Cash paid to employees & benefits	(438,992,488)	(440,391,664)	(418,724,428)	21,667,236	(413,090,695)
Cash paid to suppliers for goods and services	(246,235,462)	(250,669,362)	(340,783,224)	(90,113,862)	(279,324,105)
Other operating receipts	26,067,564	26,067,564	65,316,518	39,248,954	41,111,447
Net cash provided by operating activities	1,853,300	(179,744,680)	(89,199,708)	90,544,972	(38,014,582)
Cash flows from noncapital financing activities:					
Contributions and transfers in from Clark County	15,000,000	31,000,000	40,000,000	9,000,000	62,000,000
Contributions, donations and other	-	-	34,654,271	34,654,271	32,405,323
Net cash provided by noncapital financing activities	15,000,000	31,000,000	74,654,271	43,654,271	94,405,323
Cash flows from capital and related financing activities:					
Purchase of property and equipment, net	(31,000,000)	(31,000,000)	(22,618,422)	8,381,578	(18,073,512)
Principal paid on long-term debt	(5,985,000)	(5,985,000)	(5,985,000)	-	(6,226,000)
Interest paid on long-term debt	(685,023)	(685,023)	(685,023)	-	(906,270)
Net cash used in capital and related financing activities	(37,670,023)	(37,670,023)	(29,288,445)	8,381,578	(25,205,782)
Cash flows from investing activities					
Interest received	4,774,309	4,774,309	(1,295,236)	(6,069,545)	10,261,725
Net (decrease) increase in cash and cash equivalents	(16,042,414)	(181,640,394)	(45,129,118)	136,511,276	41,446,684
Cash and cash equivalents:					
Beginning of year	220,677,488	215,371,588	265,501,805	50,130,217	224,055,121
End of year	\$ 204,635,074	\$ 33,731,194	\$ 220,372,687	\$ 186,641,493	\$ 265,501,805

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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.

COVID-19 Outbreak

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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

The COVID-19 outbreak had a significant impact on the Hospital's patient volumes, particularly between March 2020 and May 2020, with improvement beginning in June 2020. In fiscal year 2021, the Hospital experienced a general recovery to just below pre-COVID patient volumes, with the exception of the Quick Care service area. The Hospital's Quick Care patient volume in fiscal year 2021 remained (19.20%) below fiscal year 2019 (pre-COVID-19) volumes. The decreases in the Hospital's patient volumes were primarily attributed to changes in consumer behaviors (patient avoidance) as a result of COVID-19.

The Hospital's operations are heavily dependent on State and Federal funding, which may decrease as a result of COVID-19. Additionally, access to grants from Federal, State and local governments may decrease or may not be available depending on future appropriations. The COVID-19 outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of national, regional, or statewide economic slowdown. This situation has not depressed State or Federal funding during fiscal year 2021, but these funding sources may depress in the future.

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" - 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.

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.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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

The Hospital received \$34.7 million through various distributions from the Provider Relief Fund during fiscal year 2021, recorded all of them as non-operating revenue in fiscal year 2021, and continues to monitor eligibility for additional Provider Relief Funds during fiscal year 2022. As the Provider Relief Funds have not yet been fully allocated, management is unable to determine the amount of Provider Relief Funds available to the Hospital in fiscal year 2022.

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.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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

- 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.

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,

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NOTES TO FINANCIAL STATEMENTS
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**1. Description of Reporting Entity and Summary of Significant Accounting Policies
(continued)**

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 2022.

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

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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

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, 2021, and June 30, 2020.

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

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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

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).

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, 2021.

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 2021 and 2020.

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

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

**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 2021 and 2020.

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.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

**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.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

**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 \$23,730,686 and \$21,782,323 for the years ending June 30, 2021 and 2020, 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.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

**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 \$2,356,520 in fiscal 2021, and an unfavorable adjustment of \$370,084 in fiscal 2020, 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.

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NOTES TO FINANCIAL STATEMENTS
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**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 \$96,229,511 and \$78,837,659 in fiscal 2021 and 2020, respectively. As of June 30, 2021 and 2020, \$85,603,296 and \$11,191,521, 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 \$65,405,579 and \$73,966,208 in fiscal 2021 and 2020, respectively, which are included in net patient revenue. As of June 30, 2021 and 2020, the Hospital has reserved approximately \$87,481,348 and \$102,192,749, 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 \$14,711,401 and a decreased of \$37,218,946, respectively, in net patient revenues during the year ended June 30, 2021 and 2020. 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.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

**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:

	2021	2020
Medicare	28 %	28 %
Medicaid, and self-pay	43	44
Commercial, HMO, PPO	24	23
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

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

**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:

	2021	2020
Reserve-Beginning Balance	\$ (116,761,520)	\$ (343,931,724)
Provision	(157,708,462)	(163,288,451)
Write-Offs	164,474,911	392,734,413
Bad Debt Recovery	(7,235,510)	(2,275,758)
Reserve-Ending Balance	<u>\$ (117,230,581)</u>	<u>\$ (116,761,520)</u>

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, 2021 and 2020 include:

	2021	2020
Medicare	20 %	17 %
Medicaid, and self-pay	42	47
Commercial, HMO, PPO	28	24
Other	10	12
Total	<u>100 %</u>	<u>100 %</u>

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

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**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 23% of gross patient accounts receivable at June 30, 2021 and 2020, 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

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**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, 2021, the Hospital evaluated subsequent events through December 8, 2021, 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.

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NOTES TO FINANCIAL STATEMENTS
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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. 87, *Leases*

- This standard will require recognition of certain lease assets and liabilities for leases that are currently classified as operating leases.
- Eliminates the distinction between operating and capital leases - all leases will be recorded on the statement of net position/balance sheet.
- New definition of a lease - a contract that conveys the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction.
- Excludes leases that transfer ownership under a bargain purchase option or service concession arrangements that are covered by GASB Statement No. 60.
- Lessees would recognize a lease liability and an intangible right-to-use lease asset which would be amortized in a systematic and reasonable manner over the shorter of the lease term or the useful life of the underlying asset. Short-term leases are excluded.
- Lessors would recognize lease receivable and deferred inflow of resources which would be recognized as revenue in a systematic and rational manner over the term of the lease.
- The pronouncement will be effective starting with year ending June 30, 2022, and Management is still evaluating the impact of this Statement.

Statement No. 89, *Accounting for Interest Cost during Period of Construction*

- In financial statements using the economic resources measurement focus, interest incurred during construction should be recognized as an expense of the period.
- In financial statements using the current financial resources measurement focus, interest incurred during construction should be recognized as an expenditure.
- Interest cost should not be capitalized.
- Interest does not meet the definition of an asset or a deferred outflow.
- Expected effective date: Year ending June 30, 2022, and Management is still evaluating the impact of this Statement.

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NOTES TO FINANCIAL STATEMENTS
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2. Recent Accounting Pronouncements (continued)

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.

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).

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2. Recent Accounting Pronouncements (continued)

- 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.

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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.

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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.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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, 2021 and 2020, these amounts were as follows:

	2021	2020
Clark County investment pool	\$ 220,356,087	\$ 265,484,605
Cash on hand	16,600	17,200
Total cash and investments	<u>\$ 220,372,687</u>	<u>\$ 265,501,805</u>

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, 2021 and 2020, \$220,356,088 and \$265,484,605, respectively, of Hospital investments in the investment pool were as follows:

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NOTES TO FINANCIAL STATEMENTS
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3. Cash, Cash Equivalents, and Investments (continued)

Investment Type	2021		2020	
	Allocation	Duration in Years	Allocation	Duration in Years
U.S. Agencies	40.14%	2.89	32.93%	3.84
U.S. Treasury Obligations	27.81%	2.33	21.66%	1.46
Corporate Notes	15.87%	2.35	19.15%	2.18
Negotiable Certificates of Deposit	5.73%	0.70	9.78%	0.53
Asset-Backed Securities	4.14%	3.28	4.82%	4.04
Commercial Paper Discounts	3.63%	0.18	11.10%	0.18
Money Market Funds	2.68%	-	0.35%	-
Agency CMOs	0.00%	-	0.21%	5.08
	<u>100.00%</u>		<u>100.00%</u>	
Average Portfolio Duration		2.22		2.09

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, 2021 and 2020, the County's investments were rated by Standard and Poor's and Moody's Investors Service, respectively, as follows:

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

	<u>2021</u>	<u>2020</u>
U.S. Treasury Obligations	A-1+,AA+/Aaa,P-1	AA+/Aaa
Bonds of U.S. Agencies	AA+/Aaa, Unrated (1)	A-1+, AA+/Aaa, P-1, Unrated (1)
Corporate Obligations	BBB+,A- to AAA/Aaa, Aa, A	BBB+,A- to AAA/Aaa, Aa, A
Commercial Paper Discounts	A-1, A-1+/P-1	A-1, A-1+, A-2/P-1, P-2
Negotiable Certificates of Deposit	A-1, A-1+/P-1	A-1, A-1+/P-1
Money Market Mutual Funds	AAA/Aaa	AAA/Aaa
Asset-Backed Securities	AAA/Aaa, Unrated (2)	AAA/Aaa, Unrated (2)
Agency CMOs	n/a	AA+/Aaa
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,

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, 2021 and 2020, the following investments exceeded 5% of the investment pool:

	<u>2021</u>		<u>2020</u>	
U.S.Treasury obligations	27.81	%	21.66	%
Federal Home Loan Mortgage Corporation (FHLMC)	10.92		12.97	
Federal Home Loan Bank (FHLB)	8.77		7.35	
Federal National Mortgage Association (FNMA)	8.29		4.44	
Federal Farm Credit Bank (FFCB)	6.27		8.39	

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NOTES TO FINANCIAL STATEMENTS
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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, 2021 and 2020, the County invested in the following types of securities that have a higher sensitivity to interest rates, which represented 13% 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.

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

	2021	2020
Third-party settlements	\$ -	\$ 918,634
Other (a)	12,274,436	24,233,711
	<u>\$ 12,274,436</u>	<u>\$ 25,152,345</u>

(a) Other includes \$9 million County contribution receivable in fiscal 2020.

5. Internally Designated Assets

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

	2021	2020
Self-insurance funds	\$ 15,844,640	\$ 15,110,004
Debt service funds	6,503,226	6,509,619
Capital acquisition funds	86,493,154	92,564,180
	<u>\$ 108,841,020</u>	<u>\$ 114,183,802</u>

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NOTES TO FINANCIAL STATEMENTS
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6. Capital Assets

Capital asset additions, retirements, and balances for the fiscal years ended June 30, 2021 and 2020, were as follows:

<u>2021</u>	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	16,884,542	(64,768)	274,158,639
Furnitures and fixtures	5,812,373	1,278,482	-	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)
Total depreciable capital assets	494,303,946	21,906,711	(188,274)	516,022,383
Less accumulated depreciation and amortization:				
Land improvements	(3,265,223)	(148,375)		(3,413,597)
Buildings and building improvements	(119,073,089)	(5,349,234)		(124,422,324)
Equipment	(193,445,251)	(17,935,637)	3,240	(211,377,648)
Furnitures and fixtures	(3,026,233)	(677,346)		(3,703,579)
Infrastructure	(267,349)	(86,599)		(353,948)
LVA-IT Hardware	(143,391)			(143,391)
	(319,220,535)	(24,197,191)	3,240	(343,414,486)
Total depreciable capital assets, net	175,083,411	(2,290,480)	(185,034)	172,607,897
Total capital assets, net	\$ 203,909,362	\$ 3,410,803	\$ (3,627,933)	\$ 203,692,232

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NOTES TO FINANCIAL STATEMENTS
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6. Capital Assets (continued)

<u>2020</u>	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Nondepreciable capital assets:				
Land	\$ 10,204,997	\$ -	\$ -	\$ 10,204,997
Construction in progress	12,960,927	8,045,745	(2,385,717)	18,620,955
Total nondepreciable capital assets	23,165,924	8,045,745	(2,385,717)	28,825,952
Depreciable capital assets:				
Land improvements	4,790,912	-	-	4,790,912
Buildings and building improvements	222,496,395	2,443,617	-	224,940,012
Equipment	246,562,852	10,784,655	(8,643)	257,338,864
Furnitures and fixtures	4,852,830	959,543	-	5,812,373
Infrastructure	1,412,207	-	-	1,412,207
LVA-IT Hardware	143,391	-	-	143,391
Fixed Assets - Conversion (System)	(10,293)	-	(123,520)	(133,813)
Total depreciable capital assets	480,248,294	14,187,815	(132,163)	494,303,946
Less accumulated depreciation and amortization:				
Land improvements	(3,116,848)	(148,375)		(3,265,223)
Buildings and building improvements	(113,698,953)	(5,374,136)		(119,073,089)
Equipment	(176,944,031)	(16,509,863)	8,643	(193,445,251)
Furnitures and fixtures	(2,591,420)	(434,813)		(3,026,233)
Infrastructure	(196,086)	(71,263)		(267,349)
LVA-IT Hardware	(143,391)			(143,391)
	(296,690,729)	(22,538,449)	8,643	(319,220,535)
Total depreciable capital assets, net	183,557,565	(8,350,634)	(123,520)	175,083,411
Total capital assets, net	\$ 206,723,489	\$ (304,890)	\$ (2,509,237)	\$ 203,909,362

Capitalized interest is part of the cost of buildings and building improvements and construction in progress. No capitalized interest was recorded for fiscal 2021 and 2020.

Estimated costs to complete the construction in progress are approximately \$2.4 million as of June 30, 2021.

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7. Long-term Debt

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

		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
Clark County, Nevada General						
	Obligation Hospital Refunding Bonds, Series 2014				-	-
		25,090,000	-	(5,985,000)	19,105,000	6,170,000
Long-term debt		<u>\$ 25,090,000</u>	<u>-</u>	<u>\$ (5,985,000)</u>	<u>\$ 19,105,000</u>	<u>\$ 6,170,000</u>

		2020				
		Beginning Balance	Additions	Payments/ Reductions	Ending Balance	Due Within One Year
Clark County, Nevada General						
	Obligation Hospital Refunding Bonds, Series 2013	\$ 25,265,000	\$ -	\$ (175,000)	\$ 25,090,000	\$ 5,985,000
Clark County, Nevada General						
	Obligation Hospital Refunding Bonds, Series 2014	6,051,000	-	(6,051,000)	-	-
		31,316,000	-	(6,226,000)	25,090,000	5,985,000
Long-term debt		<u>\$ 31,316,000</u>	<u>-</u>	<u>\$ (6,226,000)</u>	<u>\$ 25,090,000</u>	<u>\$ 5,985,000</u>

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7. Long-term Debt (continued)

On July 28, 2005, Clark County, Nevada issued \$48,390,000 in General Obligation (Limited Tax) Hospital Refunding Bonds (the 2005 Bonds) with interest rates of 4.0% to 5.0%, which are collateralized with pledged gross revenues. The proceeds of the bonds were used to: (i) refund \$47,875,000 aggregate principal amount of the County's General Obligation (Limited Tax) Hospital Bonds, Series 2000; and (ii) pay the costs of issuing the 2005 Bonds. As a result, the previously outstanding refunded bonds are considered to be defeased and the liabilities for those bonds have been extinguished with the exception of \$8,750,000 left outstanding. The aggregate difference in debt service between the refunded debt and the refunding debt was \$3,867,842. As a result of the advance refunding, the Hospital reduced its total debt service requirements by \$3,870,776 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,883,595. The 2005 Bonds were sold at a premium of \$4,338,966. In addition, the issuance of the 2005 Bonds resulted in a loss on defeasance of \$4,738,038. Both the loss on defeasance and the premium are being amortized over the life of the new bonds. Principal and interest for the 2005 Bonds is 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. This Bond was refunded completely on December 1, 2014 by the Clark County, Nevada General Obligation Refunding Bonds, Series 2014.

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.

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7. Long-term Debt (continued)

On December 1, 2014 Clark County, Nevada issued a \$29,374,000 in General Obligation (Limited Tax) Hospital Refunding Bonds (the 2014 Bonds) with an interest rate of 2%, which are collateralized with pledge gross revenues. The proceeds of the bonds were used to: (i) refund \$28,910,000 aggregate principle amount of the County's General Obligation Hospital Refunding Bonds, Series 2005; (ii) pay the cost of issuing the 2014 Bonds. As a result, the previously outstanding refunding 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 \$464,000. As a result of the advance refunding, the Hospital reduced its total debt service requirements by \$2,928,894, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,813,256. The issuance of the 2014 Bonds resulted in a deferred loss of \$515,036, which will be amortized over the life of the new bonds. Principal and interest of the 2014 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 the Hospital is unable to make required payments. The Bonds matured in fiscal 2020 and were paid off.

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, 2021 and 2020, there is no estimated potential arbitrage liability.

Scheduled principal and interest payments required to maturity on long-term debt at June 30, 2021, were as follows:

	Principal	Interest	Total
2022	6,170,000	496,620	6,666,620
2023	6,370,000	302,250	6,672,250
2024	6,565,000	101,758	6,666,758
	<u>\$ 19,105,000</u>	<u>\$ 900,628</u>	<u>\$ 20,005,628</u>

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NOTES TO FINANCIAL STATEMENTS
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8. Other long-term Liabilities

Leases

The Hospital has operating leases primarily consisting of real property leases for off-campus outpatient clinic and business office facilities as well as medical and office equipment used in Hospital operations. Certain property leases contain initial and renewal terms providing for predetermined inflation factors for fixed rents. In addition, several property leases require the Hospital to pay other occupancy costs such as common area maintenance and utilities.

Total rent expense under all leases was \$8,688,230 and \$7,972,704 in fiscal 2021 and 2020, respectively. Subject to the following paragraph, minimum rental commitments under operating leases extending beyond June 30, 2021, were as follows:

FY 2022	\$	6,097,060
FY 2023		4,996,639
FY 2024		3,547,291
FY 2025		3,207,872
FY 2026		1,116,338
FY 2027 - 2029		1,075,839
Grand total	\$	<u>20,041,039</u>

In the Hospital's lease agreements, there is a "fiscal fund out clause." Under the "fiscal fund out clause," the respective agreement shall terminate and the Hospital's obligations under it shall be extinguished at the end of any of the Hospital's fiscal years in which the Hospital'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 agreement. The Hospital agrees that the "fiscal fund out clause" shall not be utilized as a subterfuge or in a discriminatory fashion as it relates to lease agreements. In the event this section is invoked, the lease agreements will expire on June 30 of the then current fiscal year. Termination under this section shall not relieve the Hospital of its obligations incurred through June 30 of the fiscal year for which monies were appropriated.

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.

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8. Other long-term Liabilities (continued)

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 \$15,844,640 and \$15,110,003 at June 30, 2021 and 2020, of the accrued liability of \$12,285,224 and \$12,220,368, 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.

A summary of changes in the self-insurance liability during fiscal 2021 and 2020 were as follows:

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
	<u>\$ 18,187,016</u>	<u>\$ 2,880,106</u>	<u>\$ (2,024,186)</u>	<u>\$ 19,042,936</u>	<u>\$ 8,331,273</u>

2020

	Beginning Balance	Claims Incurred/ Changes in Estimates	Claims Paid	Ending Balance	Due Within One Year
Professional liability	\$ 10,706,601	\$ 1,682,424	\$ (168,657)	\$ 12,220,368	\$ 3,612,850
Workers' compensation	4,689,954	3,284,340	(2,007,646)	5,966,648	4,554,648
	<u>\$ 15,396,555</u>	<u>\$ 4,966,764</u>	<u>\$ (2,176,303)</u>	<u>\$ 18,187,016</u>	<u>\$ 8,167,498</u>

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NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2021 and 2020, the Hospital received \$2,471,943 and \$2,822,249, 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 \$814,959 and \$814,325 for these services during fiscal 2021 and 2020, respectively. At June 30, 2021 and 2020, 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 2021 and 2020 follows:

<u>2021</u>	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
	<u>\$ 4,877,199</u>	<u>\$ 31,170,656</u>	<u>\$ (29,537,458)</u>	<u>\$ 6,510,397</u>

<u>2020</u>	Beginning Balance	Additions	Reductions	Ending Balance
Current liabilities				
Clark County Worker's Compensation	\$ 1,322,124	\$ 2,812,428	\$ (3,000,000)	\$ 1,134,552
Clark County Automotive	-	62,104	(59,498)	2,606
Clark County Enterprise/Physical	205,243	101,134	(327,295)	(20,917)
Clark County Treasurer	531	141,283	(279,066)	(137,253)
Clark County Self -Funded	1,836,995	27,940,148	(25,878,932)	3,898,211
	<u>\$ 3,364,893</u>	<u>\$ 31,057,097</u>	<u>\$ (29,544,791)</u>	<u>\$ 4,877,200</u>

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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 29.25%, 29.25% and 28% for each of three years ended June 30, 2021, 2020, and 2019, respectively.

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10. Employee Benefits Plans (continued)

The Hospital's contributions to the Plan for the years ended June 30, 2021, 2020, and 2019, were \$72,035,693, \$76,411,113, and \$73,884,260, respectively, and were equal to the required contributions for each fiscal year. At June 30, 2021, 2020, and 2019, accrued compensation and benefits include \$9,349,371, \$10,263,391, and \$9,331,094, 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, 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.

At June 30, 2020, the Hospital reported a liability of \$521,536,183 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the Hospital's proportion was 3.82 percent.

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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, 2021, the Hospital recognized pension expense of \$45,661,767. At June 30, 2021, 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	\$ 14,333,314	\$ -
Changes in proportion	23,180,792	19,825,387
Differences between expected and actual experience	15,854,155	6,588,999
Net difference between projected and actual investment earnings on pension plan investments	-	19,276,356
Hospital contributions subsequent to the measurement date	36,017,847	-
Total	<u>\$ 89,386,108</u>	<u>\$ 45,690,742</u>

\$36,017,847, 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, 2022.

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

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10. Employee Benefits Plans (continued)

Year ended June 30	Amount
2022	\$ (5,628,631)
2023	7,728,071
2024	7,024,355
2025	1,864,355
2026	(2,877,413)
Thereafter	(433,217)
	<u>\$ 7,677,521</u>

Actuarial Assumptions

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

Inflation rate	2.75%
Payroll Growth	5.00%, including inflation
Investment Rate of Return	7.50%
Productivity pay increase	0.5%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service, Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other assumptions	Same as those used in the June 30, 2020 funding Actuarial valuation

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

The discount rate used to measure the total pensions liability was 7.50%, 7.50%, and 7.50% as of June 30, 2020, June 30, 2019, and June 30, 2018 , 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, 2020, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term

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10. Employee Benefits Plans (continued)

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020, June 30, 2019, and June 30, 2018.

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, 2020, PERS' long-term inflation assumption was 2.75%

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the Hospital as of June 30, 2020, calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	1% Lower (6.50%)	Discount Rate (7.50%)	1% Higher (8.50%)
Hospital's proportionate share of the net pension liability	\$ 795,845,173	\$ 510,283,540	\$ 272,860,267

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NOTES TO FINANCIAL STATEMENTS
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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.

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NOTES TO FINANCIAL STATEMENTS
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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, 2021, 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 \$204,284,483 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

	PEBP	RHPP	Total OPEB Liability
Balance recognized at June 30, 2020	\$ 20,780,091	\$ 152,706,053	\$ 173,486,144
Changes Recognized for the Fiscal Year			
Service cost	-	8,093,442	8,093,442
Interest cost	712,888	5,552,088	6,264,976
Differences between expected and actual experience	(3,738,844)	(6,056,494)	(9,795,338)
Changes in assumptions or other inputs	3,217,101	28,178,689	31,395,790
Benefit payments	(823,721)	(4,336,810)	(5,160,531)
Changes in total OPEB liability	(632,575)	31,430,915	30,798,339
Balance recognized at June 30, 2021	\$ 20,147,516	\$ 184,136,968	\$ 204,284,483

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10. Employee Benefits Plans (continued)

Actuarial assumptions and other inputs: The total OPEB liability for all plans as of June 30, 2021 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	2.21%
Pre-Medicare trend rate	Select: 7.0%, ultimate: 4.0%
Post-Medicare trend rate	Select: 6.0%, 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 3.50% to 2.21% based on the municipal bond rate as of June 30, 2020.
- The trend rates were reset to an initial rate of 7.00% (6.00% 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 if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1 percentage point higher (3.21 percent) than the current discount rate:

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

10. Employee Benefits Plans (continued)

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
PEBP	\$ 23,165,000	\$ 20,147,516	\$ 17,688,000
RHPP	223,118,000	184,136,967	153,778,000
Total OPEB Liability	<u>\$ 246,283,000</u>	<u>\$ 204,284,483</u>	<u>\$ 171,466,000</u>

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	\$ 17,806,000	\$ 20,147,516	\$ 22,946,000
RHPP	153,701,000	184,136,967	222,832,000
Total OPEB Liability	<u>\$ 171,507,000</u>	<u>\$ 204,284,483</u>	<u>\$ 245,778,000</u>

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

For the year ended June 30, 2021, the Hospital recognized OPEB expense of \$1,713,196. The breakdown by plan is as follows:

	PEBP	RHPP	Total OPEB Total All plans
OPEB Expense	\$ 191,146	\$ 1,522,050	\$ 1,713,196

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

10. Employee Benefits Plans (continued)

At June 30, 2021, 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 2021 after July 1, 2020 measurement date	\$ 709,878	\$ -
Total PEBP		\$ 709,878	\$ -
RHPP			
	Differences between expected and actual experience	\$ 48,302	\$ 96,830,994
	Changes of assumptions or other inputs	34,498,114	37,373,411
	Contributions made in fiscal year ending 2021 after July 1, 2020 measurement date	3,580,284	-
Total RHPP		\$ 38,126,700	\$ 134,204,405
Total All Plans			
	Differences between expected and actual experience	\$ 48,302	\$ 96,830,994
	Changes of assumptions or other inputs	34,498,114	37,373,411
	Contributions made in fiscal year ending 2019 after July 1, 2018 measurement date	4,290,162	-
Total All Plans		\$ 38,836,578	\$ 134,204,405

The amount of \$4,290,162 was 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
2022 \$	(12,123,480)
2023	(12,123,480)
2024	(12,123,480)
2025	(12,123,480)
2026	(9,441,528)
Thereafter	(41,722,543)
\$	(99,657,991)

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

11. Commitments and Contingencies (continued)

As of June 30, 2021, a \$5 million liability was accrued for potential future expense related to this incident. As of the date of this report, a total of \$1,399,130 in expense related to the Cyber Security Incident has been incurred.

Subsequent to year-end, 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.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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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)*

	2021	2020	2019	2018	2017	2016	2015
Hospital's proportion of net pension liability (%)	3.66%	3.82%	3.76%	3.58%	3.49%	3.47%	3.60%
Hospital's proportionate share of net pension liability	\$ 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	\$ 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	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	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.

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

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)

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 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	\$ 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	\$ 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	14.58%	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 2021.

Changes of assumptions: There were no changes of benefit assumptions in 2021.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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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

	2021	2020	2019	2018
Total OPEB Liability				
Interest	\$ 712,888	\$ 754,777	\$ 837,289	\$ 752,369
Difference between actual and expected experience	(3,738,844)	-	(6,654)	50,232
Changes of assumptions or other inputs	3,217,101	941,195	(4,153,809)	(2,555,531)
Benefit payments	(823,721)	(838,318)	(910,344)	(943,003)
Net Change in Total OPEB Liability	(632,576)	857,654	(4,233,518)	(2,695,933)
Total OPEB Liability - Beginning	20,780,091	19,922,437	24,155,955	26,851,888
Total OPEB Liability - Ending	<u>\$ 20,147,515</u>	<u>\$ 20,780,091</u>	<u>\$ 19,922,437</u>	<u>\$ 24,155,955</u>
Covered Payroll	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

RHPP

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

As it becomes available this schedule will ultimately present information for the ten most recent fiscal years.
See notes to required Supplementary information

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

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, 2021, key assumption changes since the prior valuation were as follows:

- The discount rate was updated from 3.50% to 2.21% based on the municipal bond rate as of June 30, 2020.
- The trend rates were reset to an initial rate of 7.00% (6.00% 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.



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, 2021, and the related notes to the financial statements, which collectively comprise UMC's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 8, 2021.

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 have not been identified.

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.

Las Vegas, Nevada
December 8, 2021

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
11	NRS 332.115(1)(h)	No	Hyland Software, Inc.	New Contracts	N/A	5 Years	Budget Act and Fiscal Fund Out	Base Agreements \$5,959,563	None	Savings \$547,360	Information Technology	This Master Agreement and services contracts are to license the OnBase Information Management platform, a cloud-based document scanning solution and content management system. This cloud-based solution will replace the Hyland Perceptive and Solarity solutions which cost UMC approximately \$547,360 per year.
12	NRS 332.115(1)(b)	No	Tegria Services Grpoup - US, Inc.	New Contract	N/A	5 Years	30 days w/o cause after 12/31/2022	Base Agreement \$24,250,000	None	None	Information Technology	Provide Application and Strategic Project Support supporting workflows and reporting tools.
13	NRS 332.115(1)(h)	No	American Well Corporation	New Contract	N/A	One Time Purchase	Budget Act and Fiscal Fund Out	Base Agreement \$913,000 New Quote \$25,000 Cumulative Total NTE \$938,000	None	None	Information Technology	This Quote will allow UMC to purchase an additional module for the Amwell telemedicine technology platform.
14	NRS 332.115(1)(i)(1)	No	Extreme Networks, Inc.	New Contract	N/A	5 Years	Budget Act and Fiscal Fund Out	Base Agreement \$1,782,408.65	None	None	Information Technology	This Quote is to purchase annual hardware support and maintenance services for a period of five (5) years beginning January 1, 2022 for advance network infrastructure equipment.
15 & 16	NRS 332.115(1)(b)	No	Bernstein, Pokroy & Lehrner, Ltd. d/b/a Kidney Specialists of Southern Nevada	New Contracts	N/A	3 Years, with Two (1)-Year Options	180 days w/o cause	Base Agreements (Nephrology) \$3,500,100 (Transplant Nephrology) NTE \$2,097,900	None	Increase \$145,400 annually	Renal Dialysis & Transplant Services	Provide general nephrology, transplant nephrology and Medical Directorship services.

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	HCP IPA Nevada, LLC	Amendment	No	3 Years	180 days w/o cause prior to any anniversary period	Revenue to hospital based on volume	Managed Care	Amendment 1 will update Attachment D-3 (Participating Payers, Plans, Products).
8	NRS 332.115(1)(f)	No	HCP IPA Nevada, LLC	Amendment	No	2 Years	180 days w/o cause except between the months of September and February	Revenue to hospital based on volume	Managed Care	Amendment 7 will update Exhibit C (Medicare Advantage HMO Plans) to be effective January, 1, 2022.
9	NRS 332.115(1)(f)	No	P3 Health Partners-Nevada, LLC	Amendment	No	2 Years	120 days w/o cause	Revenue to hospital based on volume	Managed Care	Amendment 1 to extend the Term thru 8/28/2023.
10	NRS 332.115(1)(f)	No	Nevada Preferred Healthcare Providers	Amendment	No	1 Year	90 days w/o cause	Revenue to hospital based on volume	Managed Care	Amendment 15 to extend the Term thru 12/31/2022.
17	N/A	No	State of Nevada Division of Public & Behavioral Health	New Contract	N/A	9 Months	30 days w/o cause	Base Agreement NTE \$754,000	COVID-19 Testing	UMC to receive grant funds to provide COVID-19 testing of passengers traveling to, throughout and from Nevada.

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

Issue: Monthly Financial Report October FY22	Back-up:
Petitioner: Jennifer Wakem, Chief Financial Officer	
Recommendation: That the Governing Board Audit and Finance Committee receive the monthly financial report for October FY22; and direct staff accordingly. <i>(For possible action)</i>	

FISCAL IMPACT:

None

BACKGROUND:

The Chief Financial Officer will present the financial report for October FY22 for the committee's review and direction.

Cleared for Agenda
December 8, 2021

Agenda Item #

5



October 2021 Financials

KEY INDICATORS – OCT



Current Month	Actual	Budget	% Var	Prior Year	Variance	% Var
APDs	18,810	14,391	30.71%	15,791	3,019	19.12%
Total Admissions	1,803	1,741	3.57%	1,661	142	8.55%
Observation Cases	1,091	1,083	0.74%	1,083	8	0.74%
AADC	607	464	30.71%	509	98	19.21%
ALOS (Admits)	6.65	5.54	19.95%	6.04	0.61	10.10%
ALOS (Obs)	1.52	1.46	4.24%	1.46	0.06	4.24%
Hospital CMI	1.93	2.12	(9.29%)	2.04	(0.12)	(5.63%)
Medicare CMI	1.95	2.30	(15.30%)	2.23	(0.28)	(12.71%)
IP Surgery Cases	831	718	15.74%	706	125	17.71%
OP Surgery Cases	516	485	6.39%	517	(1)	(0.19%)
Transplants	12	18	(33.33%)	18	(6)	(33.33%)
Total ER Visits	9,007	8,048	11.92%	7,952	1,055	13.27%
ED to Admission	7.36%	-	-	8.87%	(1.50%)	-
ED to Observation	11.66%	-	-	13.02%	(1.36%)	-
ED to Adm/Obs	19.02%	-	-	21.88%	(2.86%)	-
Quick Cares	15,210	13,796	10.25%	11,711	3,499	29.88%
Prim ary Care	5,220	5,014	4.11%	5,211	9	0.17%
Deliveries	123	110	11.82%	123	0	0.00%

TRENDING STATS

	Oct- 20	Nov- 20	Dec- 20	Jan- 21	Feb- 21	Mar- 21	Apr- 21	May- 21	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Oct- 19	Var
APDs	15,791	16,194	17,230	17,870	14,884	16,537	16,239	16,638	16,775	18,675	20,917	18,473	18,810	15,742	3,068
Total Admissions	1,661	1,604	1,584	1,496	1,452	1,776	1,730	1,733	1,807	1,917	1,904	1,751	1,803	1,796	7
Observation Cases	1,083	1,062	1,049	983	1,041	1,198	1,123	1,240	1,168	1,201	1,004	1,173	1,091	1,438	(347)
AADC	509	540	556	576	532	533	541	537	559	602	675	616	607	508	99
ALOS (Adm)	6.04	6.63	7.11	7.61	6.99	6.54	6.52	6.15	5.98	6.49	6.70	6.72	6.65	5.33	1.32
ALOS (Obs)	1.46	1.42	1.46	1.55	1.42	1.32	1.37	1.36	1.35	1.42	1.51	1.35	1.52	1.41	0.10
Hospital CMI	2.04	2.04	2.08	1.97	2.15	2.10	2.01	2.05	1.97	1.91	1.87	2.02	1.93	1.72	0.21
Medicare CMI	2.23	2.16	2.15	2.08	2.11	2.18	1.95	2.03	2.00	1.94	2.04	2.05	1.95	1.67	0.28
IP Surgery Cases	706	695	631	702	676	864	768	783	825	891	761	725	831	755	76
OP Surgery Cases	517	434	411	470	534	566	528	498	502	500	546	587	516	595	(79)
Transplants	18	13	15	14	11	14	15	9	9	9	12	13	12	2	10
Total ER Visits	7,952	7,879	7,937	7,674	6,890	7,912	8,388	8,815	9,020	9,920	9,624	9,002	9,007	9,795	(788)
ED to Admission	8.87%	8.53%	8.39%	8.77%	8.21%	8.78%	8.17%	7.19%	7.68%	8.00%	8.59%	7.81%	7.36%	5.94%	1.42%
ED to Observation	13.02%	13.09%	13.24%	13.51%	14.18%	14.60%	13.01%	13.94%	13.06%	12.64%	10.71%	11.28%	11.66%	14.24%	(2.58%)
ED to Adm/Obs	21.88%	21.61%	21.63%	22.28%	22.39%	23.38%	21.17%	21.13%	20.74%	20.65%	19.31%	19.08%	19.02%	20.18%	(1.17%)
Quick Care	11,711	13,247	13,792	12,761	10,323	11,724	12,324	11,933	12,547	14,202	17,472	15,543	15,210	15,792	(582)
Primary Care	5,211	4,483	4,943	4,604	5,192	5,993	5,796	5,084	5,529	5,464	5,253	5,240	5,220	5,979	(759)
Deliveries	123	103	98	91	94	105	87	119	118	129	131	114	123	146	(23)

PAYOR MIX TREND

IP- Payor Mix 12 Mo Oct- 21

Fin Class	Oct- 20	Nov- 20	Dec- 20	Jan- 21	Feb- 21	Mar- 21	Apr- 21	May- 21	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	12-Mo Avg	Oct to Avg Var
Commercial	20.37%	19.68%	20.30%	21.07%	19.46%	18.19%	20.06%	17.17%	19.41%	17.66%	19.53%	18.71%	19.24%	19.30%	(0.06%)
Government	4.46%	4.77%	3.56%	3.70%	4.29%	4.68%	3.58%	3.66%	3.76%	4.57%	4.58%	4.62%	3.97%	4.19%	(0.22%)
Medicaid	41.13%	43.23%	42.18%	40.42%	42.08%	40.64%	41.28%	43.19%	40.58%	42.25%	42.57%	41.97%	40.98%	41.79%	(0.81%)
Medicare	29.06%	27.79%	28.82%	30.14%	28.63%	31.65%	29.55%	31.33%	29.89%	29.07%	27.81%	28.77%	29.07%	29.38%	(0.31%)
Self Pay	4.98%	4.53%	5.14%	4.67%	5.54%	4.84%	5.53%	4.65%	6.36%	6.45%	5.51%	5.93%	6.74%	5.34%	1.40%

ED- Payor Mix 12 Mo Oct- 21

Fin Class	Oct- 20	Nov- 20	Dec- 20	Jan- 21	Feb- 21	Mar- 21	Apr- 21	May- 21	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	12-Mo Avg	Oct to Avg Var
Commercial	20.33%	21.91%	22.57%	19.96%	21.34%	20.53%	20.61%	20.49%	19.50%	18.42%	18.01%	19.03%	19.92%	20.23%	(0.31%)
Government	5.43%	3.83%	3.46%	3.36%	4.19%	4.51%	4.37%	4.40%	4.16%	3.44%	4.15%	4.61%	3.82%	4.16%	(0.34%)
Medicaid	46.49%	46.25%	45.36%	48.10%	46.36%	46.51%	48.59%	49.92%	48.96%	50.11%	51.80%	51.81%	50.22%	48.36%	1.86%
Medicare	14.67%	13.48%	14.88%	14.18%	13.88%	14.87%	13.18%	12.86%	13.33%	13.44%	12.80%	12.27%	13.25%	13.65%	(0.40%)
Self Pay	13.08%	14.53%	13.73%	14.40%	14.23%	13.58%	13.25%	12.33%	14.05%	14.59%	13.24%	12.28%	12.79%	13.61%	(0.82%)

PAYOR MIX TREND

Surg IP- Payor Mix 12 Mo Oct- 21

Surg IP	Oct- 20	Nov- 20	Dec- 20	Jan- 21	Feb- 21	Mar- 21	Apr- 21	May- 21	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	12-Mo Avg	Oct to Avg Var
Commercial	25.78%	25.54%	27.96%	25.64%	21.75%	19.52%	24.35%	20.05%	20.31%	20.52%	21.96%	21.79%	24.85%	22.93%	1.92%
Government	7.51%	6.89%	6.32%	3.13%	6.51%	6.47%	4.56%	6.00%	4.84%	6.39%	6.01%	6.34%	6.48%	5.91%	0.57%
Medicaid	31.30%	36.15%	36.97%	42.74%	38.45%	32.79%	34.11%	37.80%	36.64%	39.13%	41.05%	38.08%	36.25%	37.10%	(0.85%)
Medicare	32.58%	29.12%	24.96%	24.50%	29.59%	36.72%	31.77%	32.70%	34.10%	30.38%	27.19%	29.79%	27.97%	30.28%	(2.31%)
Self Pay	2.83%	2.30%	3.79%	3.99%	3.70%	4.50%	5.21%	3.45%	4.11%	3.58%	3.79%	4.00%	4.45%	3.77%	0.68%

Surg OP- Payor Mix 12 Mo Oct- 21

Surg OP	Oct- 20	Nov- 20	Dec- 20	Jan- 21	Feb- 21	Mar- 21	Apr- 21	May- 21	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	12-Mo Avg	Oct to Avg Var
Commercial	31.53%	34.56%	33.82%	36.17%	33.08%	30.92%	32.89%	30.40%	28.23%	34.13%	33.51%	30.49%	31.91%	32.48%	(0.57%)
Government	3.87%	5.53%	7.30%	5.74%	4.30%	6.89%	5.29%	7.20%	4.37%	4.19%	6.52%	4.60%	6.58%	5.48%	1.10%
Medicaid	39.85%	38.94%	37.71%	38.51%	38.32%	42.05%	39.32%	40.80%	40.36%	38.92%	35.69%	41.23%	37.52%	39.31%	(1.79%)
Medicare	22.05%	18.43%	18.25%	17.23%	21.68%	17.84%	20.23%	19.20%	22.47%	20.16%	21.74%	19.93%	19.73%	19.93%	(0.20%)
Self Pay	2.71%	2.54%	2.92%	2.35%	2.62%	2.30%	2.27%	2.40%	4.57%	2.60%	2.54%	3.75%	4.26%	2.80%	1.46%

SUMMARY INCOME STATEMENT – OCT

REVENUE	Actual	Budget	Variance	% Variance	
Total Gross Patient Revenue	\$341,587,899	\$297,192,699	\$44,395,200	14.94%	↑
Net Patient Revenue	\$64,019,247	\$52,355,865	\$11,663,381	22.28%	↑
Other Revenue	\$1,556,594	\$4,310,185	(\$2,753,591)	(63.89%)	↓
Total Net Revenue	\$65,575,840	\$56,666,050	\$8,909,790	15.72%	↑
Net Patient Revenue as a % of Gross	18.74%	17.62%	1.12%	-	

EXPENSE	Actual	Budget	Variance	% Variance	
Total Operating Expense	\$65,925,156	\$60,697,345	(\$5,227,812)	(8.61%)	↓

INCOME FROM OPS	Actual	Budget	Variance	% Variance	
Total Inc from Ops	(\$349,316)	(\$4,031,295)	\$3,681,979	91.33%	↑
Add back: Depr & Amort.	\$2,185,504	\$2,232,932	\$47,429	2.12%	↑
Tot Inc from Ops plus Depr & Amort.	\$1,836,188	(\$1,798,362)	\$3,634,550	202.10%	↑

SUMMARY INCOME STATEMENT – YTD OCT

REVENUE	Actual	Budget	Variance	% Variance	
Total Gross Patient Revenue	\$1,370,001,409	\$1,214,027,377	\$155,974,031	12.85%	📈
Net Patient Revenue	\$257,363,298	\$212,296,820	\$45,066,478	21.23%	📈
Other Revenue	\$10,167,399	\$17,404,310	(\$7,236,911)	(41.58%)	📉
Total Net Revenue	\$267,530,697	\$229,701,130	\$37,829,567	16.47%	📈
Net Patient Revenue as a % of Gross	18.79%	17.49%	1.30%	-	

EXPENSE	Actual	Budget	Variance	% Variance	
Total Operating Expense	\$267,574,397	\$245,620,257	(\$21,954,139)	(8.94%)	📉

INCOME FROM OPS	Actual	Budget	Variance	% Variance	
Total Inc from Ops	(\$43,699)	(\$15,919,127)	\$15,875,428	99.73%	📈
Add back: Depr & Amort.	\$8,456,433	\$8,880,731	\$424,298	4.78%	📈
Tot Inc from Ops plus Depr & Amort.	\$8,412,734	(\$7,038,396)	\$15,451,130	219.53%	📈

SUMMARY INCOME STATEMENT – Trend



REVENUE	Oct- 20	Nov- 20	Dec- 20	Jan- 21	Feb- 21	Mar- 21	Apr- 21	May- 21	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	12-Mo Avg	Oct to Avg Var
Total Gross Patient Revenue	\$312,299	\$296,014	\$302,522	\$300,684	\$282,453	\$311,749	\$321,078	\$310,491	\$307,804	\$341,236	\$355,502	\$331,676	\$341,588	\$314,459	\$27,129
Net Patient Revenue	\$59,492	\$56,178	\$64,263	\$57,189	\$54,185	\$63,791	\$68,418	\$68,237	\$75,174	\$63,274	\$65,878	\$64,192	\$64,019	\$63,356	\$663
Other Revenue	\$6,753	\$3,542	\$3,060	\$7,129	\$2,679	\$7,531	\$2,262	\$2,431	\$5,665	\$2,672	\$3,327	\$2,612	\$1,557	\$4,139	(\$2,582)
Total Net Revenue	\$66,245	\$59,720	\$67,324	\$64,318	\$56,863	\$71,322	\$70,679	\$70,669	\$80,839	\$65,946	\$69,205	\$66,804	\$65,576	\$67,495	(\$1,919)
Net Patient Revenue as a % of Gross	19.05%	18.98%	21.24%	19.02%	19.18%	20.46%	21.31%	21.98%	24.42%	18.54%	18.53%	19.35%	18.74%	20.17%	(1.43%)

EXPENSE	Oct- 20	Nov- 20	Dec- 20	Jan- 21	Feb- 21	Mar- 21	Apr- 21	May- 21	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	12-Mo Avg	Oct to Avg Var
Salaries, Wages and Benefits	\$35,791	\$33,909	\$35,900	\$36,196	\$33,687	\$37,754	\$37,304	\$39,050	\$36,373	\$39,982	\$39,519	\$40,223	\$41,365	\$37,141	\$4,225
Supplies	\$19,464	\$14,795	\$18,982	\$14,866	\$11,035	\$15,555	\$13,326	\$10,786	\$8,950	\$13,170	\$12,985	\$12,164	\$10,783	\$13,840	(\$3,056)
Other	\$13,605	\$13,999	\$14,544	\$14,877	\$13,812	\$14,434	\$14,906	\$15,278	\$21,736	\$14,386	\$14,535	\$14,685	\$13,776	\$15,066	(\$1,290)
Total Operating Expense	\$68,859	\$62,703	\$69,425	\$65,940	\$58,534	\$67,742	\$65,537	\$65,114	\$67,059	\$67,538	\$67,039	\$67,072	\$65,925	\$66,047	(\$122)

INCOME FROM OPS	Oct- 20	Nov- 20	Dec- 20	Jan- 21	Feb- 21	Mar- 21	Apr- 21	May- 21	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	12-Mo Avg	Oct to Avg Var
Total Inc from Ops	(\$2,614)	(\$2,983)	(\$2,102)	(\$1,621)	(\$1,670)	\$3,580	\$5,142	\$5,555	\$13,780	(\$1,591)	\$2,165	(\$269)	(\$349)	\$1,448	(\$1,797)
Add back: Depr & Amort.	\$1,939	\$1,946	\$1,960	\$2,028	\$2,047	\$2,018	\$2,023	\$2,577	\$2,088	\$2,077	\$2,100	\$2,094	\$2,186	\$2,075	\$111
Tot Inc from Ops plus Depr & Amort.	(\$675)	(\$1,037)	(\$142)	\$407	\$376	\$5,598	\$7,166	\$8,132	\$15,868	\$486	\$4,265	\$1,825	\$1,836	\$3,522	(\$1,686)

SALARY & BENEFIT EXPENSE – OCT

	Actual	Budget	Variance	% Variance	
Salaries	\$26,663,912	\$22,420,925	(\$4,242,987)	(18.92%)	⬇️
Benefits	\$11,138,513	\$10,861,950	(\$276,564)	(2.55%)	⬇️
Overtime	\$1,871,158	\$739,506	(\$1,131,652)	(153.03%)	⬇️
Contract Labor	\$1,691,863	\$802,241	(\$889,622)	(110.89%)	⬇️
TOTAL	\$41,365,446	\$34,824,622	(\$6,540,824)	(18.78%)	⬇️
Paid FTEs	3,460	3,249	(211)	(6.49%)	⬇️
SWB per FTE	\$11,955	\$10,718	(\$1,237)	(11.54%)	⬇️
SWB/APD	\$2,199	\$2,267	\$68	3.00%	⬆️
SWB % of Net	64.61%	63.23%	-	(1.38%)	⬇️

	Actual	Budget	Variance	% Variance	
Professional Fees	\$3,574,696	\$3,731,171	\$156,475	4.19%	⬆️
Supplies	\$10,783,433	\$11,280,820	\$497,387	4.41%	⬆️
Purchased Services	\$4,832,446	\$5,585,954	\$753,507	13.49%	⬆️
Depreciation & Amortization	\$2,185,504	\$2,232,932	\$47,429	2.12%	⬆️
Repairs & Maintenance	\$688,447	\$643,478	(\$44,969)	(6.99%)	⬆️
Utilities	\$356,923	\$376,786	\$19,863	5.27%	⬆️
Other Expenses	\$1,340,863	\$1,288,336	(\$52,527)	(4.08%)	⬆️
Rental/Leases	\$797,398	\$733,244	(\$64,153)	(8.75%)	⬆️
Total Other Expenses	\$24,559,710	\$25,872,723	\$1,313,013	5.07%	⬆️

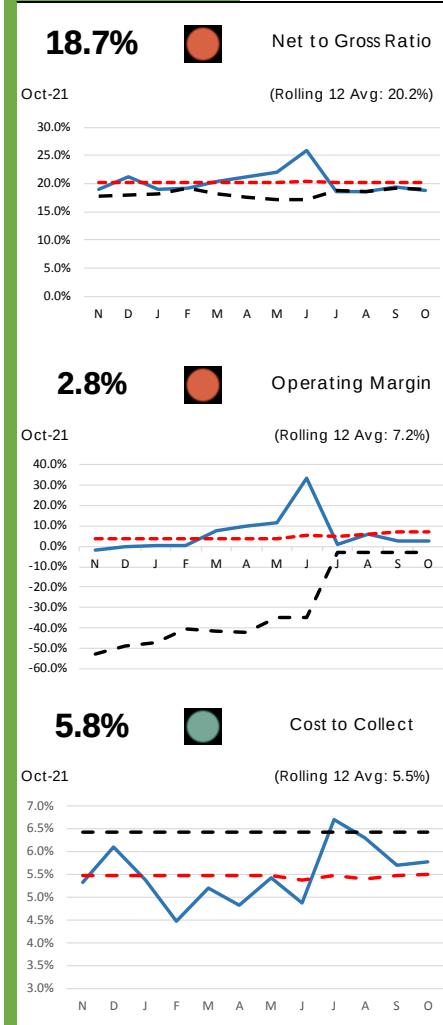
COVID EXPENSES

	YTD FY20	YTD FY21	Jul- 21	Aug- 21	Sep- 21	Oct- 21
Salaries	\$7,030,841	\$19,579,956	\$338,359	\$210,686	\$667,151	\$660,485
Benefits	\$206,943	\$1,947,550	\$119,527	\$81,454	\$76,785	\$57,097
Overtime	\$642,975	\$3,318,966	\$15,731	\$16,292	\$215,824	\$141,178
Contract Labor	\$0	\$988,345	\$0	\$25,459	(\$12,165)	\$37,878
SWB	\$7,880,759	\$25,834,816	\$473,618	\$333,891	\$947,595	\$896,637
Professional Fees	\$976	\$9,151	\$0	\$0	\$0	\$0
Supplies	\$19,419,168	\$58,454,123	\$1,421,838	\$1,674,795	\$1,218,031	\$869,402
Purchased Services	\$687,313	\$4,296,820	\$18,393	\$5,067	\$19,075	\$29,305
Depreciation & Amortization	\$50	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance	\$55,196	\$239,136	\$108	\$0	\$1,746	\$0
Utilities	\$750	\$765	\$0	\$0	\$0	\$0
Other Expenses	\$4,906	\$274,983	(\$17,075)	\$223	\$51,591	\$16,687
Rental/Leases	\$73,458	\$454,292	\$50,743	\$75,242	\$66,365	\$62,579
Subtotal Other Expenses	\$20,241,819	\$63,729,269	\$1,474,006	\$1,755,327	\$1,356,808	\$977,973
Total COVID Expenses	\$28,122,577	\$89,564,086	\$1,947,624	\$2,089,218	\$2,304,403	\$1,874,611

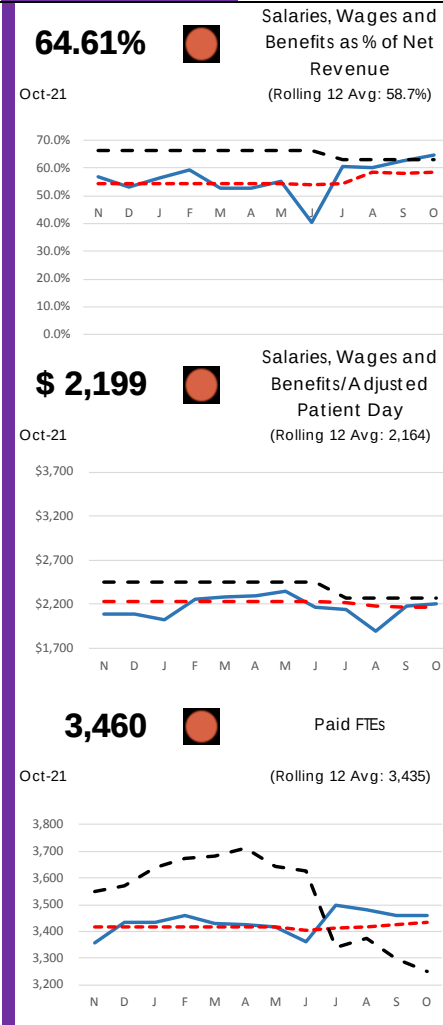
KEY FINANCIAL INDICATORS – OCT



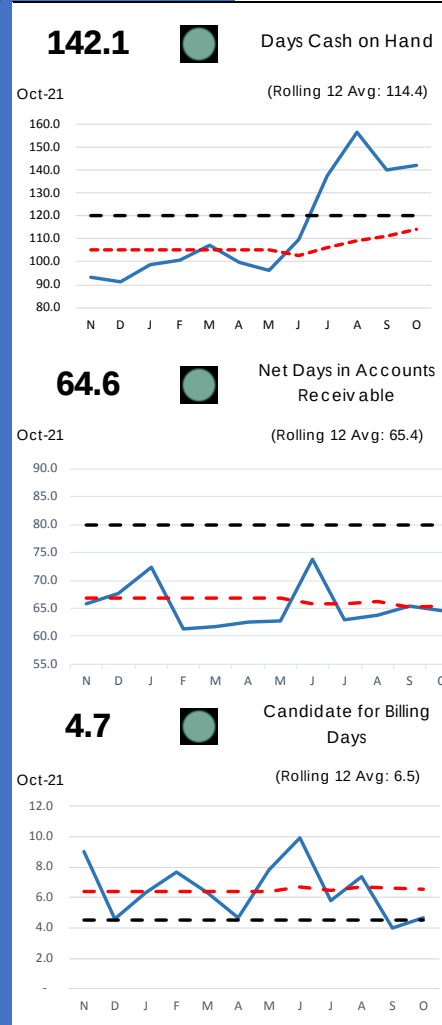
PROFITABILITY



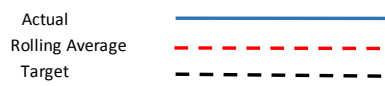
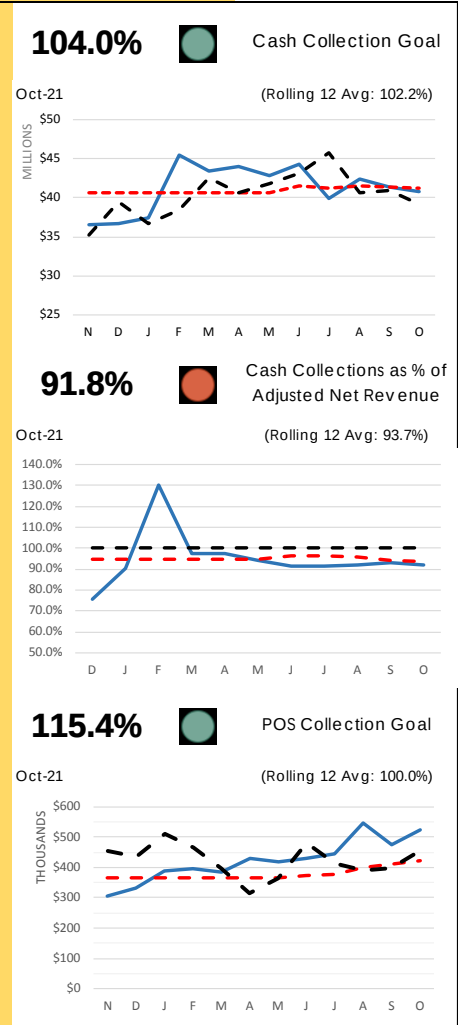
LABOR



LIQUIDITY



CASH COLLECTIONS



CAPITAL PLAN- FY20



Category	Growth or Maint.	Item/ Group	Project Cost
Service Line Enhancement	Growth	COVID	\$4,222
		2nd Intuitive Robot Project	\$2,431
		TAVR	\$788
		Ortho Growth Project	\$147
		Outpatient Pharmacy	\$100
		Other	\$38
	Process Improvements	Allscripts HEMM upgrade	\$2,038
		EPIC	\$1,027
		Other	\$926
		Imprivata	\$750
		Warehouse & Sterile Stores	\$380
		Infoblox DDI	\$325
		EP Recording System	\$150
Total			\$13,321
Replacement / Patient Safety Equipment	Maintenance	Philips Monitoring Purchase	\$6,000
		Nuclear Medicine Cameras	\$1,900
		Honeywell EBI Building Controls	\$1,673
		Other	\$811
		Rover / Cell Refresh	\$335
		EBI Fire & HVAC Server Replacement	\$239
		WOW Replacement	\$125
Total			\$11,083
Master Plan	Growth	COVID	\$266
	Maintenance	Round Bldg & South Bldg Sanitary Lines	\$2,500
		Elevator Cabs Modernization	\$919
		Other	\$838
		First Floor Refresh	\$835
		Trauma Bldg Phase II Sanitary Line Replacement	\$460
		Cath Lab Code Changes	\$450
		2nd, 3rd, & 5th Floors	\$328
Total			\$6,596
Grand Total			\$31,000
Total FY20 Capital Funds			\$31,000
Remaining Amount			-
Spent Amount			\$24,714
PO Amount			\$6,285

CAPITAL PLAN- FY21



Category	Growth or Maint.	Item/ Group	Project Cost
Service Line Enhancement	Growth	Surgical Robots	\$600
		Infant Protection System	\$583
		Express Care Clinic @ LAS	\$390
		Amwell Telehealth	\$338
		Other	\$148
	Process Improvements	Other	\$382
Total			\$2,442
Replacement / Patient Safety Equipment	Maintenance	Central Plant Chiller Replacements	\$2,000
		Central Plant Hydronic Line Re-pipe/Replacement	\$1,000
		Other	\$377
		Central Plant Chiller Plate	\$100
Total			\$3,477
Master Plan	Growth	Property Purchase	\$2,150
		Aliante QC/PC	\$2,500
	Maintenance	Nellis Care Center Remodel	\$1,300
		Enterprise Occ Med / QC Phase II	\$1,279
		Trauma Tower Remodel	\$1,000
		Other	\$622
		MSA Infrastructure Design	\$230
Total			\$9,081
Grand Total			\$15,000
Total FY21 Capital Funds			\$15,000
Remaining Amount			-
Spent Amount			\$748
PO Amount			\$2,453

Category	Growth or Maint.	Item/ Group	Project Cost
Service Line Enhancement	Growth	OR / Endo Expansion	\$2,305
		Hill-Rom Beds	\$468
		Alaris PC units and modules	\$275
		Other	\$157
	Process Improvements	IT - Fiber Network Infrastructure	\$250
		Ventilators	\$247
		Other	\$22
Total			\$3,724
Replacement / Patient Safety Equipment	Maintenance	IT - Infrastructure, Equipment, & Storage	\$3,672
		Surgical Lights	\$1,850
		Anesthesia Machines	\$842
		Central Plant Heat Exchanger Replacement	\$450
		Belmont Rapid Infusers	\$428
		Trauma Chiller Replacemet	\$400
		NE Building and SE (Lab)	\$300
		Central Plant Cooling Towers Media Replacement	\$300
		GE OEC Elite II Mobile C-Arms	\$261
		Bernoulli Replacement	\$255
		Trauma Building Fire Panel	\$164
		Logiq E10 R2 Digital Ultrasound Machine	\$163
		Other	\$115
		Air Handler Motors	\$100
	Growth	Pathology Histology Automation	\$623
		Cub Cribs for Surgical Patients	\$172
Total			\$10,095
Master Plan	Maintenance	First Floor Refresh	\$365
		3rd Floor Trauma Resident Space Refresh	\$150
		Other	\$29
Total			\$544
Grand Total			\$14,363
Total FY22 Capital Funds			\$31,000
Remaining Amount			\$16,637
Spent Amount			-
PO Amount			\$1,233

FY22 CASH FLOW

	October 2021	September 2021	August 2021	YTD of FY2022
Operating Activities				
Cash received from patients and payors	55,032,580	41,785,026	100,715,588	329,739,272
Cash paid to vendors	(20,006,520)	(34,383,943)	(28,645,997)	(126,730,609)
Cash paid to employees	(33,939,742)	(35,853,002)	(37,263,217)	(136,078,292)
Other operating receipts/(disbursements)	2,330,656	3,176,076	3,731,927	12,183,395
Net cash provided by/(used in) operations	3,416,973	(25,275,843)	38,538,301	79,113,766
Investing Activities				
Purchase of property and equipment, net	(725,568)	(3,636,084)	(94,407)	(5,448,304)
Interest received	182,186	372,533	354,769	(1,063,995)
Addition/(reduction) in donor-restricted cash	-	-	-	-
Addition/(reduction) in internally designated cash	(2,008,101)	7,226,662	(2,785,683)	1,994,186
Net cash provided by/(used in) investing activities	(2,551,484)	3,963,111	(2,525,321)	(4,518,113)
Financing Activities				
From/(to) Clark County	-	-	-	-
Unrestricted donations and other				
Borrowing/(repayment) of debt	0	(6,170,000)	0	(6,170,000)
Interest paid	-	(296,128)	(0)	(296,128)
Other	-	-	-	-
Net cash provided by/(used in) financing activities	0	(6,466,127)	(0)	(6,466,127)
Increase/(decrease) in cash	865,489	(27,778,859)	36,012,980	68,129,525
Cash beginning of period	101,864,922	129,643,782	93,630,802	34,600,886
Cash end of period	102,730,411	101,864,922	129,643,782	102,730,411
Unrestricted cash	102,730,411	101,864,922	129,643,782	102,730,411
Cash restricted by donor	3,477,106	3,176,184	3,769,634	3,477,106
Internally designated cash	177,683,994	175,675,892	182,902,555	177,683,994

FY22 BALANCE SHEET HIGHLIGHTS

		Oct 2021	Sep 2021	Aug 2021
CASH				
	Unrestricted	\$ 102.7	\$ 101.9	\$ 129.6
	Restricted by donor	3.5	3.2	3.8
	Internally designated	177.7	175.7	182.9
		<u>\$ 283.9</u>	<u>\$ 280.7</u>	<u>\$ 316.3</u>
NET WORKING CAPITAL		\$ 185.8	\$ 186.6	\$ 187.2
NET PP&E		\$ 201.1	\$ 201.9	\$ 201.9
LONG-TERM DEBT		\$ 6.6	\$ 12.9	\$ 19.1
NET PENSION LIABILITY		\$ 510.3	\$ 510.3	\$ 510.3
NET POSITION		\$ (308.7)	\$ (307.5)	\$ (306.5)

**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: That the Audit and Finance Committee receive an update report from the Chief Financial Officer; and direct staff accordingly. <i>(For possible action)</i>	

FISCAL IMPACT:

None

BACKGROUND:

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

Cleared for Agenda
December 8, 2021

Agenda Item #

6

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

Issue: First Amendment to Provider Services Agreement with 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 approval by the Governing Board the First Amendment to Provider Services Agreement with HCP IPA Nevada, LLC; and 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: 1/1/2021 – 12/31/2023	
Amount: Revenue based on volume	
Out Clause: 180 days w/o cause prior to any anniversary period	

BACKGROUND:

Since November 2002, UMC has had an agreement with HCP IPA Nevada, LLC (“HCP IPA”) (previously called “The Physician’s IPA”) for managed care services. The current Agreement term is for three (3) years effective January 1, 2021 unless terminated for convenience with a 180-day written notice prior to any anniversary period.

This request is to amend the current agreement with HCP IPA to provide its members continued healthcare access to the UMC Hospital and its associated Urgent Care facilities, and to update the Attachment D-3 “Participating Payors, Plans, Products”.

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
December 8, 2021

Agenda Item #

7

**FIRST AMENDMENT TO
The PROVIDER SERVICES AGREEMENT Between
HCP IPA Nevada, LLC and
University Medical Center of Southern Nevada**

THIS FIRST AMENDMENT ("Amendment"), dated and effective January 1, 2022 (the "Effective Date"), is entered into by and between University Medical Center of Southern Nevada, (hereinafter referred to as "Provider") and HCP IPA Nevada, LLC (hereinafter referred to as "Company").

WHEREAS, the parties have previously executed a Provider Services Agreement (the "Agreement") effective January 1, 2021; and

WHEREAS, the parties desire to amend the Agreement to further modify **Attachment D-3 - Participating Payors, Plans, Products**.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and in the Agreement, the parties agree to amend the Agreement as follows:

1. **Attachment D-3 - Participating Payors, Plans, Products** shall be deleted in its entirety and shall be restated as follows:

Attachment D-3

Participating Payors, Plans, Products

Payor	Plan	Product
HCP IPA Nevada, LLC	Humana	Medicare Advantage HMO
HCP IPA Nevada, LLC	SCAN Health Plan Nevada*	Medicare Advantage HMO
HCP IPA Nevada, LLC	United Healthcare	Medicare Advantage HMO
HCP IPA Nevada, LLC and/or SelectHealth, as applicable	SelectHealth	Medicare Advantage HMO, Medicare Advantage PPO, Commercial HMO/POS/PPO

*Anticipated effective date on or after January 1, 2022.

2. All other terms of the original Agreement remain in full force and effect. Signature below denotes agreement to these terms.

Page 149 of 428

The parties ratify and affirm the Agreement and agree that it is in full force and effect as amended herein. In case of conflict between the terms of the Agreement and the terms of this Amendment, the terms of this Amendment will control.

IN WITNESS WHEREOF, the parties have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of the Effective Date.

PROVIDER:

By: _____

Name: Mason VanHouweling

Title: Chief Executive Officer

Date: _____

COMPANY

By: Kirk L Miller

Name: Kirk L Miller

Title: COO

Date: 12/1/2021

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 A. LACH			
Telephone No.: 702-318-2400			Email: jlach@hcpnv.com			
Telephone No.: 702-318-2400			Fax No.: 702-727-1201			
Nevada Local Street Address:			Website:			
(If different from above)						
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).

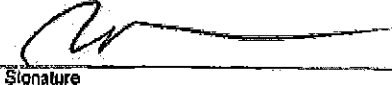
Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

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

- 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.)
- 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
 President
 Title

Mark Price
 Print Name
 5/7/2020
 Date

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: Seventh Amendment to Memorandum of Understanding with 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 approval by the Governing Board the Seventh Amendment to Memorandum of Understanding with HCP IPA Nevada, LLC; and 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 7 – same term	
Amount: Amendment 7 – revenue based on volume	
Out Clause: 180 days w/o cause except between the months of September and February	

BACKGROUND:

Since June 2009, UMC has had an agreement with HCP IPA Nevada, LLC (previously called DaVita Medical IPA Nevada, LLC d/b/a JSA P5 Nevada, LLC and d/b/a HealthCare Partners of Nevada) (“HCPN”) to provide its members healthcare access to the hospital and its associated Urgent Care facilities.

On June 19, 2012, the Board of Hospital Trustees approved a new Memorandum of Understanding (“MOU”) with HCPN for the same services to include but is not limited to medical, diagnostic and surgical services for the treatment of HCPN Medicare Advantage members. The term was from June 1, 2012 through May 31, 2015. Amendment 2, effective June 1, 2015, extended the term through May 31, 2018 and updated Exhibit A-1 (Fee Schedule). Amendment 3, effective July 13, 2017, changed the business name and updated Exhibit A-1 (Fee Schedule). Amendment 4, effective June 1, 2018, extended the term through May 31, 2020 and updated Exhibit A-1 (Fee Schedule). Amendment 5, effective June 1, 2020, changed the business name, extended the term through May 31, 2023 and updated Exhibits A-1 (Fee Schedule) and C (Medicare Advantage HMO Plans). Amendment 6 updated Exhibit C (Medicare Advantage HMO Plans) to be effective March 1, 2021.

Cleared for Agenda
December 8, 2021

Agenda Item #

8

This Amendment 7 requests to update Exhibit C (Medicare Advantage HMO Plans to be effective January, 1 2022.

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.

A Clark County business license is not required as UMC is the provider of hospital services to this insurance fund.

**SEVENTH AMENDMENT TO
The Memorandum of Understanding Between
HCP IPA Nevada, LLC and
University Medical Center of Southern Nevada**

THIS SEVENTH AMENDMENT ("Amendment"), dated and effective January 1, 2022 ("Effective Date"), is entered into by and between University Medical Center of Southern Nevada, (hereinafter referred to as "Hospital") and HCP IPA Nevada, LLC (hereinafter referred to as "Company").

WHEREAS, the parties have previously executed a Memorandum of Understanding (the "MOU") effective June 1, 2012, amended on June 1, 2015 to extend the term period and adjust the contract rates; amended on July 13, 2017 to do a Name Change and adjust the Per Diem Exclusions section; and amended on June 1, 2018 to extend the term period and adjust the contract rates; amended on June 1, 2020 to do a Name Change, adjust contract rates, and modify Exhibit C; and amended on February 1, 2021 to delete Exhibit C and replace with Exhibit C Plans; and

WHEREAS, the parties desire to further amend the MOU to further modify Exhibit C Plans.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and in the MOU, the parties agree to amend the MOU as follows:

1. Deleted **Exhibit C Plans** dated February 1, 2021 in its entirety and replace with **Exhibit C Plans** as follows:

Exhibit C Plans

- a. Humana Medicare Advantage HMO
- b. SCAN Health Plan Nevada Medicare Advantage HMO*
- c. SelectHealth Medicare Advantage HMO
- d. United Healthcare Medicare Advantage HMO

*Effective date shall be January 1, 2022

2. All other terms of the original Agreement remain in full force and effect. Signature below denotes agreement to these terms.

The parties ratify and affirm the MOU and agree that it is in full force and effect as amended herein. In case of conflict between the terms of the MOU and the terms of this Amendment, the terms of this Amendment will control.

Page 155 of 428

IN WITNESS WHEREOF, the parties have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of the Effective Date.

HOSPITAL:

By: _____

Name: Mason VanHouweling

Title: Chief Executive Officer

Date: _____

COMPANY

By: Kirk L Miller

Name: Kirk L Miller

Title: COO

Date: 12/1/2021

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 A. LACH			
			Email: jlach@hcpnv.com			
Telephone No: 702-318-2400			Fax No: 702-727-1201			
Nevada Local Street Address:			Website:			
(If different from above)						
City, State and Zip Code:			Local Fax No:			
			Local POC Name:			
Local Telephone No:			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).

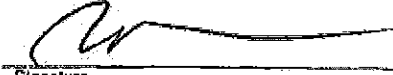
Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

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

- 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.)
- 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
 President
 Title

Mark Pace
 Print Name
 5/7/2020
 Date

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: First Amendment to the Hospital Services Agreement with P3 Health Partners-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 First Amendment to Hospital Services Agreement with P3 Health Partners-Nevada, LLC; or take action as deemed appropriate. (For possible action)	

FISCAL IMPACT:

Fund Number: 5420.000	Fund Name: UMC Operating Fund
Fund Center: 3000861500	Funded Pgm/Grant: N/A
Description: Amendment 1 to Hospital Service Agreement	
Bid/RFP/CBE: NRS 332.115.1(b)	
Term: Amendment 1 – extend for two (2) year from 9/1/2021 to 8/28/2023	
Amount: Revenue based on volume	
Out Clause: 120 days no cause	

BACKGROUND:

Since August 28, 2018, UMC has had an agreement with P3 Health Partners-Nevada, LLC (“Provider”) to provide access to or arrange for Primary Care Services and hospital healthcare services to members of government programs.

The original agreement’s term extended from August 28, 2018 through August 28, 2021. This Amendment One (1) extends the term of the Agreement by two (2) years through August 28, 2023.

In accordance with NRS 332.115(1)(f), the competitive bidding process is not required for insurance services.

Provider currently holds a valid Clark County Business License.

Director of Managed Care has reviewed the Amendment and recommends approval by the Governing Board.

The Amendment has been approved as to form by UMC’s Office of General Counsel.

Cleared for Agenda
December 8, 2021

Agenda Item #

9

FIRST AMENDMENT
HOSPITAL SERVICES AGREEMENT

This First Amendment ("Amendment") is made and entered by and among P3 Health Partners-Nevada, LLC, a Delaware limited liability company, on behalf of itself and its Affiliates ("Company") and University Medical Center of Southern Nevada, a county-owned hospital established to Nevada Revised Statutes Chapter 450 ("Hospital") (each a "Party" and collectively the "Parties").

WHEREAS, the Parties have previously executed a Hospital Services Agreement effective August 28, 2018; and

WHEREAS, the Parties desire to amend the Hospital Services Agreement.

NOW, THEREFORE, the Parties agree as follows:

1. Term. Extend the current Hospital Services Agreement for two (2) years ending August 28, 2023 @ 11:59 pm unless otherwise terminated by either party with a ninety (90) day written notice.

All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Parties have executed this Amendment by their duly authorized officers, intending to be legally bound hereby.

HOSPITAL

By: _____

Printed Name: Mason VanHouweling

Title: Chief Executive Officer

Date: _____

#88-6000436

Federal Tax Identification Number

COMPANY

By: _____

Printed Name: TODD LEFKOWITZ

Title: CHIEF MANAGED CARE OFFICER

Date: 12/1/2021

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: P3 Health Partners-Nevada, LLC						
(Include d.b.a., if applicable)						
Street Address:		2370 Corporate Circle, Ste 300		Website: www.p3hp.org		
City, State and Zip Code:		Henderson, NV 89074		POC Name: Todd Lefkowitz Email: tdefkowitz@p3hp.org		
Telephone No:		702-910-3950		Fax No:		
Nevada Local Street Address: (If different from above)		Same as 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).

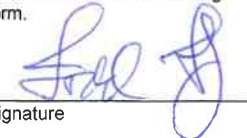
Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
P3 Health Group Holdings, LLC		100%

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

- 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.)
- 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	TODD LEFKOWITZ Print Name
CHIEF MANAGED CARE OFFICER Title	2/16/21 Date

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

Issue:	Fifteenth Amendment to Hospital Participation Agreement with Nevada Preferred Healthcare Providers	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 Fifteenth Amendment with Nevada Preferred Healthcare Providers for extension of the Hospital Participating Agreement; and take action as deemed appropriate. (For possible action)		

FISCAL IMPACT:

Fund #: 5420.0000	Fund Name: UMC Operating Fund
Fund Center: 3000850000	Funded Pgm/Grant: N/A
Description: Amendment 15 to Hospital Participation Agreement	
Bid/RFP/CBE: N/A	
Term: Extends to December 31, 2022	
Amount: Revenue based on volume	
Out Clause: 90 days-w/o cause	

BACKGROUND:

Since November 2006, UMC has had an Agreement with Nevada Preferred Healthcare Providers (formerly known as Universal Health Network), a preferred provider organization licensed in Nevada. This Agreement, among other things, grants UMC the status of Participating Provider and identifies the hospital and its clinics to network beneficiaries as a participating provider. The Agreement has been amended fourteen times, to extend the term and update the reimbursement schedules. This Amendment desires to further extend the term of the Agreement through December 31, 2022, and also replaces two Reimbursement Schedules with updated schedules that reflect a rate increase, effective January 1, 2022.

The Director of Managed Care has reviewed the Amendment and recommends approval by the Governing Board.

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.

Cleared for Agenda
December 8, 2021

Agenda Item #

10

FIFTEENTH AMENDMENT TO THE HOSPITAL PARTICIPATION AGREEMENT

BETWEEN

NEVADA PREFERRED HEALTHCARE PROVIDERS AND UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

THIS FIFTEENTH AMENDMENT (the “Amendment”) is entered into by and between Nevada Preferred Providers (Nevada Preferred), a Preferred Provider Organization hereinafter referred to as “PPO” and University Medical Center of Southern Nevada, hereinafter referred to as “Hospital”.

WHEREAS, the parties have previously executed the Hospital Participation Agreement (the “Agreement”) effective November 1, 2006, and amended the payment rates in Exhibit B. Amendment Two, effective January 1, 2007, added Exhibit B-1, the reimbursement schedule used by the Columbia Sussex Corporation Employer Group. Amendment Three, effective October 16, 2007, extended the current reimbursement rates from November 1, 2007 through November 30, 2007. Amendment Four, effective November 20, 2007, extended the agreement through November 30, 2008 and increased Hospital reimbursement rates. Amendment Five, effective December 1, 2008, extended the Agreement from December 1, 2008 through November 30, 2009, and also replaced and updated the reimbursement rates from the University Health Network Exhibit A, Nevada Preferred Professional and Columbia Sussex Exhibit A. Amendment Six, effective January 5, 2010, increased the reimbursement rates from January 1, 2010, through December 31, 2010. Amendment Seven, effective January 3, 2011, extended the Agreement from January 1, 2011 to December 31, 2011. Amendment Eight, effective December 20, 2011, extended the Agreement from January 1, 2012 to December 31, 2012. Amendment Nine, effective January 1, 2013, extended the Agreement from January 1, 2013 to December 31, 2013. Amendment Ten, effective January 1, 2014, extended the Agreement from January 1, 2014 to December 31, 2014. Amendment Eleven, effective January 1, 2015, extended the Agreement from January 1, 2015 to December 31, 2016. Amendment Twelve, effective January 1, 2017, extended the Agreement from January 1, 2017 to December 31, 2017. Amendment Thirteen, effective January 1, 2018, extended the Agreement from January 1, 2018 to December 31, 2019. Amendment Fourteen, effective January 1, 2020, extended the Agreement from January 1, 2020 to December 31, 2021; and

WHEREAS, the parties desire to further amend the Agreement with this Amendment to extend the term and update the reimbursement schedules.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the parties agree to amend the Agreement as follows:

1. The current Agreement shall be extended for a one-year term period beginning January 1, 2022 and ending December 31, 2022.
2. Delete in its entirety Nevada Preferred Healthcare Fee Schedule 80PPO60V dated January 1, 2021 and replaced with Nevada Preferred Healthcare Providers Fee Schedule 80PPO60V dated January 1, 2022, attached hereto.

3. Delete in its entirety Nevada Preferred Healthcare Fee Schedule 04PPO60I dated January 1, 2021 and replace with Nevada Preferred Healthcare Providers Fee Schedule 04PPO60I dated January 1, 2022, attached hereto.
4. All other terms of the Agreement not amended herein shall remain in full force and effect. If any term of this Amendment conflicts with the terms of the Agreement, the terms of this Amendment shall prevail.

IN WITNESS WHEREOF, the parties have caused this amendment to be executed below.

**UNIVERSITY MEDICAL CENTER OF
SOUTHERN NEVADA**

Signature: _____

Name: Mason VanHouweling

Title: Chief Executive Officer

Date: _____

TIN: 88-6000436

**NEVADA PREFERRED HEALTHCARE
PROVIDERS**

Signature: _____

Name: _____

Title: _____

Date: _____

AMENDMENT 15
NEVADA PREFERRED HEALTHCARE PROVIDERS – FEE SCHEDULE-04PPO601

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

AMENDMENT 15
NEVADA PREFERRED HEALTHCARE PROVIDERS – FEE SCHEDULE-80PPO60V

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

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:		Nevada Preferred Healthcare Providers				
(Include d.b.a., if applicable)		Nevada Preferred Healthcare Providers; Universal Health Network (UHN), Nevada Preferred Professions (NPP),				
Street Address:		1510 Meadow Wood Lane		Website: www.nvpp.com or www.uhnppo.com		
City, State and Zip Code:		Reno, NV 89502-8503		POC Name: Barbara Wolf Email: barbara.wolf2@uhsinc.com		
Telephone No:		702.360.9044 or 775.770.9300		Fax No: 702.871.4737 or 775.770.9009		
Nevada Local Street Address: (If different from above)		N/A		Website: SAA		
City, State and Zip Code:		N/A		Local Fax No: N/A		
Local Telephone No:		N/A		Local POC Name: N/A Email: N/A		

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).

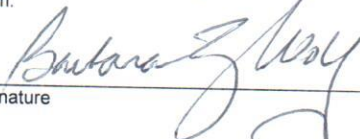
Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

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

- 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.)
- 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

BARBARA Z. WOLF
Print Name

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Title

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			
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	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)

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: Master Agreement with Hyland Software, 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 Master Agreement and Professional Services Proposals with Hyland Software, Inc. for the OnBase Information Management platform; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. (For possible action)	

FISCAL IMPACT:

Fund Number: 5420.000	Fund Name: UMC Operating Fund
Fund Center: 3000854000	Funded Pgm/Grant: N/A
Description: OnBase Information Management platform	
Bid/RFP/CBE: NRS 332.115(1)(h) Computer Software	
Term: Three Years – December 1, 2021 – November 30, 2024, with two (2) one (1) year renewals. Five years total.	
Amount: NTE \$5,959,563	
Out Clause: Budget Fiscal Fund Out	

BACKGROUND:

This request is for approval of a new Master Agreement and five services contracts with Hyland Software, Inc. for an initial term of three (3) years, with two (2) one (1) year renewals, for a total not to exceed amount of \$5,959,563. This Master Agreement and services contracts are to license the OnBase Information Management platform, a cloud-based document scanning solution and content management system.

This cloud-based solution will replace the Hyland Perceptive and Solarity solutions which cost UMC approximately \$547,360 per year.

In accordance with NRS 332.115(1)(h), the competitive bidding process is not required for contracts for computer software.

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.

Hyland Software, Inc. currently holds a Clark County business license.

Cleared for Agenda
December 8, 2021

Agenda Item #

HYLAND MASTER AGREEMENT

This Hyland Master Agreement is made by and between Hyland Software, Inc., (“Hyland”), and University Medical Center of Southern Nevada, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes (the “Customer”), and consists of this document and all schedules (collectively the “Agreement”). Customer and Hyland are sometimes referred to herein individually as a (“Party”) and collectively as the (“Parties”). As of the Effective Date, the following schedules are incorporated into this Agreement by reference:

- ☒ Initial Purchase Table Schedule
- ☒ General Terms Schedule
- ☒ Enterprise License Schedule
- ☒ Software-as-a-Service Schedule
- ☒ Professional Services Schedule
- ☒ Exhibit A – Travel Reimbursement Policy
- ☒ Business Associate Agreement

Customer designates the initial Customer Security Administrator as Maria Sexton, Chief Information Officer, Information Technology, maria.sexton@umcsn.com. “Customer Security Administrators” (also referred to as “CSA” or “CSAs”) are individuals designated by Customer who are authorized to submit Hyland Cloud Service configuration change requests, speak authoritatively on behalf of Customer’s Hyland Cloud Service and shall receive and provide, as applicable, all notifications related to maintenance, security, service failures and the like. If Customer fails to designate the initial CSA, Hyland may at its option, designate the initial CSA as the individual who executed the Agreement on behalf of Customer.

All products or services which may be licensed or purchased by Customer from Hyland from time to time under a schedule shall be governed by this Agreement (including any Services Proposal that may be entered into under the Agreement). The parties acknowledge and agree that this Agreement terminates any and all previous agreements, including the Master Software and Services Agreement between Hyland LLC, successor to Lexmark Enterprise, Inc., and Customer dated on or about November 18, 2016, as amended; the Hosting Agreement (Subscription and Hosting) between Hyland Software, Inc. and Customer dated on or about June 30, 2014, as amended; the Master Agreement between Hyland Software, Inc., successor to McKesson Technologies, Inc., and Customer dated on or about November 15, 2011, as amended; and click-thru or shrink-wrap agreements, related to all Software previously licensed by Customer, Work Products, Maintenance and Support, and Professional Services. Customer specifically represents and warrants to Hyland that Customer has read and understands all of the terms and conditions contained in this Agreement, including all the schedules referenced above, prior to entering into this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

HYLAND SOFTWARE, INC.

“CUSTOMER”

“HYLAND”

By:

By:

Print Name: Mason Van Houweling

Print Name:

Title: CEO

Title:

Date:

Date:

Tax Information:

Hyland Legal

____ (1) Exempt (Provide Tax Exemption Form)

Approved By:

____ (2) Non-Exempt.

Date:

PURCHASE TABLE SCHEDULE**PURCHASE TABLE (SAAS)**

INITIAL COMPONENTS OF HYLAND CLOUD SERVICE	
Initial Software licensed:	
OnBase® Information Management System	Quantity
Bar Code Recognition Server	1
COLD/ERM	1
Configuration Migration Utility	1
Directory Import Processor	1
Document Import Processor	1
Document Retention	1
EDI 835 EOB Processor (HIPAA 5010)	1
EDM Services	1
Encrypted Alpha Keywords	1
Encrypted Diskgroups	1
Enterprise Concurrent Clients	1
Enterprise Scanning	1
FHIR	1
Full Page OCR	1
Full-Text Search	1
HL7 Module	1
Integration for Epic (1 – 99,999,998 Number of Beds)	1
Integration for Open Text Fax Server, RightFax Edition	1
Integration to 3M CAC	1
Interactive Data Capture	1
Multi-User Server	1
PDF Framework	1
PDF Input Filter	1
Reporting Dashboards	1
SaaS: Intelligent MedRecords - 1M	1
Single Sign-On on for ADFS	1
StatusView	1
Unity Automation API	1
Unity Client Server	1
Unity Forms	1
Unity Integration Toolkit	1
Unity Release of Information	1
Virtual Print Driver	1
Web Server	2
Workflow Concurrent Client SL	50
AP Premium Hosted - Double Platinum (50,000 - 74,999)	1
AP Premium ANyERP (50,000 - 74,999)	1
AP Business User	5
AP Approver Users (1 - 15)	15
OnBase AP Approval App	130
EDI 810 Processor	1
Initial Service Class Package: Double Platinum	
Initial data storage allocation: 10 terabytes	
Initial data center location: Primary: US Secondary: US	

INITIAL FEES FOR INITIAL COMPONENTS OF THE HYLAND CLOUD SERVICE:	
	SaaS Fees*
Year 1	\$744,785.00/year
Year 2	\$744,785.00/year
Year 3	\$744,785.00/year
Initial Hosted Solution setup and activation	Initial Set Up Fees
	\$55,000.00

The Customer has the right to extend the Term of this Agreement for two (2) one (1) year renewal periods at an annual cost of \$744,785.00 with ninety (90) days advance written notice.

*Includes the following:

One (1) Testing Lite Environment

Training	Quantity
Premium Education Subscription - Per Institution	1
OnBase System Admin Course	2
Brainware Intelligent Capture: Core Concepts	2
Brainware for Invoices	2
Introduction to Workflow	2
OnBase for Epic Training	\$12,500.00/one-time fee
AP Instructor Led Training	\$6,600.00/one-time fee
Total Training Fees	\$19,100.00/one-time fee

Trainings that are standard inclusion are for EPIC, AP, and IMR projects. The number of hours included for training are 80 hours for EPIC, 80 hours for AP, and 96 hours for IMR respectively which includes development of training materials and train the trainer sessions as further described in the services proposals with RFS#'s 39792292 (IMR), 37449494(EPIC), and 39723381 (AP).

GENERAL TERMS SCHEDULE

This General Terms Schedule (“General Terms” or “General Terms Schedule”) includes terms that will apply to any product license or service you purchase from Hyland under other Schedules that are incorporated into this Agreement. Other Schedules will have more specific terms relevant to the product licensee or service governed by that Schedule. If there is a conflict between the terms of this General Terms Schedule and any other Schedule, the other Schedule shall control with respect to the subject matter of such Schedule. In the event the same topic is addressed in both the General Terms Schedule and any other Schedule but the terms do not conflict, the terms of both the General Terms Schedule and the Schedule shall apply. Capitalized terms used in this General Terms Schedule may be defined within this Schedule or within other Schedules to which they are applicable.

1. TERM; TERMINATION; SURVIVAL OF PROVISIONS AFTER EXPIRATION OR TERMINATION.

1.1 Term. This Agreement shall have a term commencing on the Effective Date, and will continue until all Schedules have been terminated or expired in accordance with their terms.

1.2 Termination.

1.2.1 *By Either Party.* Either party may terminate this Agreement in its entirety or any Schedule, effective immediately upon written notice to the other party, if the other party has committed a breach of a material provision of this Agreement or any Schedule and has failed to cure the breach within ninety (90) days after the receipt of written notice of the breach given by the non-breaching party; provided, that Hyland shall not be required to give Customer any opportunity to cure any breach in the case of a Prohibited Act or breach of the U.S. Government End User section of any Schedule, all of which are considered for all purposes to be material provisions of this Agreement.

1.2.2 *Termination of General Terms Schedule.* Notwithstanding the foregoing, this General Terms Schedule will terminate when and only if all other Schedules have been terminated.

1.3 Certain Effects or Consequences of Termination; Survival of Certain Provisions.

1.3.1 *Generally.* Any termination of this Agreement or any Schedule will not discharge or otherwise affect any pre-termination obligations of either party existing under this Agreement at the time of termination, including Customer’s obligation to pay to Hyland all fees and charges accrued or due for any period or event occurring on or prior to the effective date of termination or expiration of this Agreement or the applicable Schedule; and all liabilities which have accrued prior to the date of termination shall survive.

1.3.2 *Survival of Certain Obligations.* All provisions of this Agreement or of an applicable Schedule, which by their nature extend beyond the expiration or termination of this Agreement will survive and remain in effect until all obligations are satisfied, including, but not limited to all sections of these General Terms (except Section 9.13).

1.3.3 *Termination of a Schedule.* If any Schedule under which a license to Software is granted is terminated in accordance with its terms, then this entire Agreement will terminate with respect to the Software licensed under such Schedule. Otherwise, termination of a Schedule will not affect the remaining Schedules.

1.3.4 *Budget Act and Fiscal Fund Out:* In accordance with the Nevada Revised Statutes (NRS 354.626), the financial obligations under the Agreement 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 Agreement 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 Agreement. Customer agrees that this Section shall not be utilized as a subterfuge or in a discriminatory fashion as it relates to the Agreement. In the event this Section is invoked, the Agreement 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.

2. PAYMENT TERMS.

2.1 Right to Invoice. Customer acknowledges and agrees that on the Effective Date, Hyland is permitted to invoice Customer for the SaaS Fees for Year 1 and the Initial Setup Fees set forth in the Purchase Table Schedule.

2.2 Invoicing. All invoices shall be sent electronically by Hyland to Customer to the attention of “Accounts Payable,” or to such other person or department as Customer may specify from time to time by written notice to Hyland. In the event any invoice contains a billing error which is discovered by Hyland, Hyland may issue a new invoice to correct the error.

2.3 General Payment Terms. So long as Customer is not in default of any payment obligations under this Agreement (including any Services Proposal), except as otherwise provided in this Agreement, Customer shall pay in full each invoice issued hereunder net sixty (60) days from the date of Customer's receipt of such invoice.

2.4 Taxes and Governmental Charges. All payments under this Agreement are exclusive of all applicable taxes and governmental charges (such as duties), all of which shall be paid by Customer (other than taxes on Hyland's income). In the event Customer is required by law to withhold taxes, Customer agrees to furnish Hyland all required receipts and documentation substantiating such payment. If Hyland is required by law to remit any tax or governmental charge on behalf of or for the account of Customer, Customer agrees to reimburse Hyland within thirty (30) days after Hyland notifies Customer in writing of such remittance. Customer agrees to provide Hyland with valid tax exemption certificates in advance of any remittance otherwise required to be made by Hyland on behalf of or for the account of Customer, where such certificates are applicable.

2.5 Resolution of Invoice Disputes. If, prior to the due date for payment under any invoice, Customer notifies Hyland in writing that it disputes all or any portion of an amount invoiced, both parties will use reasonable efforts to resolve the dispute within thirty (30) calendar days of Hyland's receipt of the notice. If any amount remains disputed in good faith after such 30-day period, either party may escalate the disputed items to the parties' respective representatives to attempt to resolve the dispute. The parties agree that at least one of each of their respective representatives will make all reasonable efforts to communicate (which may be by telephone or email) within thirty (30) calendar days of any such escalation to attempt to resolve the dispute. If the parties' executive representatives are unable to resolve the dispute within thirty (30) calendar days of such meeting, either party thereafter may file litigation in a court of competent jurisdiction under Section 9.1 of these General Terms to seek resolution of the dispute.

2.6 Certain Remedies For No-Payment or For Late Payment. In the event of any default by Customer in the payment of any amounts invoiced hereunder (except with respect to those amounts on invoices the parties are attempting to resolve under Section 2.5 of these General Terms), which default continues unremedied for at least thirty (30) calendar days after the due date of such payment, Hyland shall provide thirty (30) days' written notice to Customer prior to Hyland suspending or ceasing the provision of any services under this Agreement or any Services Proposal, including the delivery of any Upgrades and Enhancements to Customer, unless and until such default shall have been cured.

2.7 U.S. Dollars; Delivery of Hasps and CDs. All fees, costs and expenses under this Agreement shall be determined and invoiced in, and all payments required to be made in connection with this Agreement shall be made in, U.S. dollars. Delivery of CDs, if any, shall be F.O.B. Hyland's offices in Westlake, Ohio, USA.

2.8 Training. Hyland offers training courses to Customer and its employees, as described on Hyland's training web portal (currently, <https://training.onbase.com>). Training fees for such courses shall be mutually agreed upon between the parties at the time Customer registers for training. Hyland shall invoice Customer for applicable training fees upon Customer's registration for each training course and such invoice shall be due and payable in accordance with Section 2.3 above. In the event that Customer prepaids for training, then such prepaid training shall expire twelve (12) months from the date Hyland accepts Customer's purchase order for such training. Any training listed in a Purchase Table Schedule will be invoiced upon the Effective Date of such Purchase Table Schedule.

3. **CONFIDENTIAL INFORMATION.**

3.1 "Confidential Information" shall be such information that is marked "Proprietary" or "Confidential," that is known by the recipient to be confidential or that is of such a nature as customarily would be confidential between business parties, except as provided in the next sentence. Confidential Information shall not include information that: (a) is or becomes generally known to the public without breach of this Agreement by the recipient, or (b) is demonstrated by the recipient to have been in the recipient's possession prior to its disclosure by the disclosing party, or (c) is received by the recipient from a third party that is not bound by restrictions, obligations or duties of non-disclosure to the disclosing party, or (d) is demonstrated by recipient to have been independently developed by recipient without reference to the other party's information.

3.2 Each party agrees that, with respect to the Confidential Information of the other party, or its affiliates, such party as a recipient shall use the same degree of care to protect the other party's Confidential Information that such party uses to protect its own confidential information, but in any event not less than reasonable care, and not use or disclose to any third party any such Confidential Information, except as may be required by law or court order or as provided under this Agreement. Customer agrees to take all reasonable steps to protect all Software, Hyland Cloud Services, Add-On Services, Work Products and Innovations, and any related Documentation, delivered by Hyland to Customer under this Agreement from unauthorized copying or use. Each party shall be liable and responsible for any breach of this Section 3 committed by any of such party's employees, agents, consultants, contractors or representatives.

3.3 Public Records: Hyland 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. If Customer

receives a demand for the disclosure of any information related to the Agreement which Hyland has claimed to be confidential and proprietary, Customer will immediately notify Hyland of such demand and provide Hyland a reasonable period of time to seek injunctive relief in a Nevada court for protective order. Hyland 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 Hyland documents in Customer's custody and control in which Hyland claims to be confidential and proprietary.

3.4 **HIPAA Compliance.** Hyland shall comply with the privacy, security and security breach notification provisions applicable to a "business associate" under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d *et seq.*) and any regulations promulgated thereunder including, as applicable, the provisions contained in 45 CFR Parts 160, 162 and 164 (all referred to herein as "**HIPAA Requirements**") and under Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("**HITECH**") (Title XIII of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5)), and any regulations promulgated thereunder, including any amendments to the HIPAA Requirements. Customer may terminate this Agreement immediately if Hyland is found to have materially breached these provisions or any provisions of the written business associate agreement ("**BAA**") entered into between Hyland and Customer. Upon termination of this Agreement for any reason, Hyland will, at Customer's expense (at Hyland's then applicable standard rates), either return to Customer, in a manner and method deemed suitable and acceptable to Customer within thirty (30) days of termination, the applicable "protected health information" ("**PHI**"), as that term is defined by the HIPAA Requirements (including ePHI), received from Customer outside the Hyland Cloud Service or destroy PHI received outside the Hyland Cloud Service and certify in writing that it has been destroyed. If return or destruction of PHI received outside the Hyland Cloud Service is not feasible due to any applicable law or governmental regulation, Hyland will continue to store and protect the PHI in accordance with the requirements of this paragraph at Customer's expense (at Hyland's then applicable standard rates), and the parties agree that all provisions of this Agreement shall survive and continue so long as Hyland is so required to continue to store such PHI. Notwithstanding the foregoing, the provisions of the BAA entered into between the parties will prevail over any conflicting provisions of this Section 3.4.

4. OWNERSHIP AND PROHIBITED CONDUCT.

4.1 **Ownership.** Hyland and its suppliers own the Software, Work Products, Documentation, Hyland Cloud Services, Add-On Services, and Innovations, including, without limitation, any and all worldwide copyrights, patents, trade secrets, trademarks and proprietary and confidential information rights in or associated with the foregoing. The Software, Documentation, Hyland Cloud Services, Add-On Services, and Work Products are protected by copyright laws and international copyright treaties, as well as other intellectual property laws and treaties. No ownership rights in the Software, Hyland Cloud Services, Add-On Services, Innovations or Work Products are transferred to Customer. Customer agrees that nothing in this Agreement or associated documents gives it any right, title or interest in the Software, Hyland Cloud Service, Add-On Services, Documentation, or Work Products, except for the limited express rights granted in this Agreement. Customer acknowledges and agrees that, with respect to Hyland's end users generally, Hyland has the right, at any time, to change the specifications and operating characteristics of the Software, Hyland Cloud Services, and Add-On Services, and Hyland's policies respecting Upgrades and Enhancements (including but not limited to its release process). THIS AGREEMENT IS NOT A WORK-FOR-HIRE AGREEMENT. At no time shall Customer file or obtain any lien or security interest in or on any components of the Software, Hyland Cloud Service, Add-On Services, Documentation, or Work Products.

4.2 **Prohibited Conduct.** Customer agrees not to: (a) remove copyright, trademark or other proprietary rights notices that appear on or during the use of the Software, Work Products, Documentation, Hyland Cloud Services, Add-On Services, or Hosted 3rd Party Software documentation; (b) sell, transfer, rent, lease or sub-license the Software, Work Products, Documentation, Hyland Cloud Services, Add-On Services, or Hosted 3rd Party Software documentation to any third party; (c) except as expressly permitted with respect to Work Products, alter or modify the Software, Work Products, Hyland Cloud Services, Add-On Services, Documentation or Hosted 3rd Party Software documentation; or (d) reverse engineer, disassemble, decompile or attempt to derive source code from the Software, Work Products, Documentation, Hyland Cloud Services, Add-On Services, or Hosted 3rd Party Software documentation, or prepare derivative works therefrom.

5. DISCLAIMER OF WARRANTIES.

5.1 EXCEPT FOR THE WARRANTIES PROVIDED BY HYLAND AS EXPRESSLY SET FORTH IN THE SCHEDULES MADE PART OF THIS AGREEMENT, HYLAND AND ITS SUPPLIERS MAKE NO WARRANTIES OR REPRESENTATIONS REGARDING ANY SOFTWARE, HYLAND CLOUD SERVICE (INCLUDING ANY SOFTWARE OR HARDWARE), ADD-ON SERVICES, WORK PRODUCTS, INNOVATIONS, INFORMATION, MAINTENANCE AND SUPPORT, PROFESSIONAL SERVICES OR ANY OTHER SERVICES PROVIDED UNDER THIS AGREEMENT OR ANY SERVICES PROPOSAL. HYLAND AND ITS SUPPLIERS DISCLAIM AND EXCLUDE ANY AND ALL OTHER EXPRESS, IMPLIED AND STATUTORY WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF GOOD TITLE, WARRANTIES AGAINST INFRINGEMENT, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES THAT MAY ARISE OR BE DEEMED TO ARISE FROM ANY COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE. HYLAND AND ITS SUPPLIERS DO NOT WARRANT THAT ANY MAINTENANCE AND SUPPORT, HYLAND CLOUD SERVICE, ADD-ON SERVICES,

PROFESSIONAL SERVICES, SOFTWARE OR WORK PRODUCTS PROVIDED WILL SATISFY CUSTOMER'S REQUIREMENTS OR ARE WITHOUT DEFECT OR ERROR, OR THAT THE OPERATION OF ANY SOFTWARE, HYLAND CLOUD SERVICE, ADD-ON SERVICES, OR ANY WORK PRODUCTS PROVIDED UNDER THIS AGREEMENT WILL BE UNINTERRUPTED. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, HYLAND DOES NOT ASSUME ANY LIABILITY WHATSOEVER WITH RESPECT TO ANY THIRD PARTY HARDWARE, FIRMWARE, SOFTWARE OR SERVICES.

5.2 CUSTOMER SPECIFICALLY ASSUMES RESPONSIBILITY FOR THE SELECTION OF THE SOFTWARE, WORK PRODUCTS, ADD-ON SERVICES, MAINTENANCE AND SUPPORT, HOSTING SERVICES AND PROFESSIONAL SERVICES TO ACHIEVE ITS BUSINESS OBJECTIVES.

5.3 HYLAND MAKES NO WARRANTIES WITH RESPECT TO ANY SOFTWARE, HYLAND CLOUD SERVICES, ADD-ON SERVICES, OR WORK PRODUCTS USED IN ANY NON-PRODUCTION SYSTEM AND PROVIDES ANY SUCH SOFTWARE, HYLAND CLOUD SERVICE, AND WORK PRODUCTS "AS IS."

5.4 No oral or written information given by Hyland, its agents, or employees shall create any additional warranty. No modification or addition to the limited warranties set forth in this Agreement is authorized unless it is set forth in writing, references this Agreement, and is signed on behalf of Hyland by a corporate officer.

6. LIMITATIONS OF LIABILITY.

6.1 WITH THE EXCEPTION OF FINES/PENALTIES LEVIED AGAINST CUSTOMER BY GOVERNMENT AGENCIES CITING HYLAND'S UNAUTHORIZED DISCLOSURE OF PHI AS THE BASIS OF THE FINE/PENALTY, NEITHER PARTY NOR ANY OF ITS AFFILIATES (AND IN THE CASE OF HYLAND, ITS SUPPLIERS) SHALL BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), OR ANY OTHER LEGAL OR EQUITABLE THEORY, FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF REVENUE, GOODWILL, SAVINGS OR PROFITS (EXCLUDING FEES DUE UNDER THIS AGREEMENT), LOSS OR CORRUPTION OF DATA OR PROGRAMS, COSTS OF REPLACEMENT OR THE REMEDY OF COVER, OR BUSINESS INTERRUPTION DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, LOSSES, EXPENSES OR COSTS.

6.2 WITH THE EXCEPTION OF FINES/PENALTIES LEVIED AGAINST CUSTOMER BY GOVERNMENT AGENCIES CITING HYLAND'S UNAUTHORIZED DISCLOSURE OF PHI AS THE BASIS OF THE FINE/PENALTY, HYLAND'S (INCLUDING ITS AFFILIATES AND SUPPLIERS) TOTAL, CUMULATIVE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE PRODUCTS OR SERVICES PROVIDED UNDER IT, WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), OR ANY OTHER LEGAL OR EQUITABLE THEORY, SHALL IN NO EVENT EXCEED THE TOTAL AMOUNTS ACTUALLY PAID TO HYLAND BY CUSTOMER (LESS ANY REFUNDS OR CREDITS) FOR THE USE OF THE PRODUCTS OR PROVISION OF THE SERVICES GIVING RISE TO THE CLAIM DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE FIRST EVENT GIVING RISE TO SUCH CLAIM. WITH RESPECT TO ANY PRODUCTS OR SERVICES PROVIDED TO CUSTOMER FREE OF CHARGE (SUCH AS EVALUATION SOFTWARE OR SERVICES), NEITHER HYLAND NOR ANY OF ITS AFFILIATES OR SUPPLIERS WILL BE LIABLE FOR DIRECT DAMAGES.

6.3 THE LIMITATIONS IN SECTIONS 6.1 AND 6.2 SHALL NOT APPLY: (1) TO THE EXTENT SUCH LIMITATIONS ARE PROHIBITED BY LAW, (2) PAYMENTS TO A THIRD PARTY ARISING FROM HYLAND'S INDEMNIFICATION OBLIGATION FOR INTELLECTUAL PROPERTY INFRINGEMENT; OR (3) TO ANY CLAIMS, LOSSES OR DAMAGES ARISING OUT OF CUSTOMER'S OR CONTRACTOR'S PROHIBITED ACTS.

6.4 IF CUSTOMER USES THE SOFTWARE, HYLAND CLOUD SERVICE, OR ADD-ON SERVICES IN A CLINICAL SETTING, CUSTOMER ACKNOWLEDGES THAT THE SOFTWARE, HYLAND CLOUD SERVICES AND ADD-ON SERVICES DO NOT OFFER MEDICAL INTERPRETATIONS OF DATA, DIAGNOSE PATIENTS, OR RECOMMEND THERAPY OR TREATMENT; THE SOFTWARE, HYLAND CLOUD SERVICE AND ADD-ON SERVICES ARE AN INFORMATION RESOURCE AND IS NOT A SUBSTITUTE FOR THE SKILL, JUDGMENT AND KNOWLEDGE OF CUSTOMER'S USERS OF THE SOFTWARE, HYLAND CLOUD SERVICE OR ADD-ON SERVICES IN THE PROVISION OF HEALTHCARE SERVICES. IN ADDITION TO THE LIMITATIONS OF LIABILITY PROVIDED HEREIN, HYLAND SHALL NOT HAVE ANY LIABILITY FOR ANY ASPECT OF CUSTOMER'S SERVICES PROVIDED IN CONJUNCTION WITH ITS USE OF THE SOFTWARE, HYLAND CLOUD SERVICE OR ADD-ON SERVICES.

7. **FORCE MAJEURE.** No failure, delay or default in performance of any obligation of a party to this Agreement (except the payment of money) shall constitute a default or breach to the extent that such failure to perform, delay or default arises out of a cause, existing or future, beyond the control (including, but not limited to: action or inaction of governmental, civil or military

authority; fire; strike, lockout or other labor dispute; flood; war; riot; theft; earthquake; natural disaster or acts of God; pandemics; national emergencies; unavailability of materials or utilities; sabotage; viruses; or the act, negligence or default of the other party) and without negligence or willful misconduct of the party otherwise chargeable with failure, delay or default. Either party desiring to rely upon any of the foregoing as an excuse for failure, default or delay in performance shall, when the cause arises, give to the other party prompt notice in writing of the facts which constitute such cause; and, when the cause ceases to exist, give prompt notice of that fact to the other party. This Section 7 shall in no way limit the right of either party to make any claim against third parties for any damages suffered due to said causes. If any performance date by a party under this Agreement is postponed or extended pursuant to this Section 7 for longer than ninety (90) calendar days, the other party, by written notice given during the postponement or extension, and at least thirty (30) days prior to the effective date of termination, may terminate this Agreement.

8. INSURANCE REQUIREMENTS. Hyland will maintain and keep in force the following insurance coverage:

(i) **Worker's Compensation and Employer's Liability Insurance Coverage.** The worker's compensation coverage shall be in the minimum amounts required by statute. Employer's Liability Insurance Coverage shall be \$1,000,000 bodily injury each accident, \$1,000,000 bodily injury by disease each employee and policy limit;

(ii) **General Liability Insurance Coverage.** The policy limit under the General Liability Insurance Coverage shall be One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in aggregate;

(iii) **Automobile Liability Insurance Coverage.** The policy limit under the Automobile Liability Insurance Coverage policy shall be for One Million Dollars (\$1,000,000.00) per occurrence;

(iv) **Cyber Liability Insurance:** The policy limit under the Cyber Liability Insurance Coverage shall be for Five Million Dollars (\$5,000,000.00) per occurrence;

(v) **Professional Liability (Errors & Omissions):** The policy limit under the Professional Liability Insurance Coverage shall not be less than Five Million Dollars (\$5,000,000.00) per occurrence;

Hyland shall provide a certificate of insurance listing the above coverages upon Customer's reasonable request.

9. GENERAL PROVISIONS.

9.1 **Governing Law.** This Agreement and any claim, action, suit, proceeding or dispute arising out of this Agreement shall in all respects be governed by, and interpreted in accordance with, the substantive laws of the State of Nevada (and not the 1980 United Nations Convention on Contracts for the International Sale of Goods or the Uniform Computer Information Transactions Act, each as amended), without regard to the conflicts of laws provisions thereof.

9.2 **Interpretation.** The headings used in this Agreement are for reference and convenience purposes only and shall not in any way limit or affect the meaning or interpretation of any of the terms hereof. All defined terms in this Agreement shall be deemed to refer to the masculine, feminine, neuter, singular or plural, in each instance as the context or particular facts may require. Use of the terms "hereunder," "herein," "hereby" and similar terms refer to this Agreement.

9.3 **Waiver.** No waiver of any right or remedy on one occasion by either party shall be deemed a waiver of such right or remedy on any other occasion.

9.4 **Integration.** This Agreement, including any and all exhibits and schedules referred to herein and any Service Proposal or order form referencing this Agreement, set forth the entire agreement and understanding between the parties pertaining to the subject matter and merges and supersedes all prior agreements, negotiations and discussions between them on the same subject matter. Customer acknowledges and agrees in entering into the Agreement and its purchases hereunder are not contingent on the availability of any future functionality, features, programs, or services. This Agreement may only be modified by a written document signed by duly authorized representatives of the parties. This Agreement shall not be supplemented or modified by any course of performance, course of dealing or trade usage. Customer and Hyland specifically acknowledge and agree that any other terms varying from or adding to the terms of this Agreement, whether contained in any purchase order or other electronic, written or oral communication made from Customer to Hyland are rejected and shall be null and void and of no force or effect, unless expressly agreed to in writing by both parties. This Agreement will prevail over any conflicting stipulations contained or referenced in any other document.

9.5 **Notices.** Unless otherwise agreed to by the parties in a writing signed by both parties, all notices required under this Agreement shall be deemed effective when made in writing and sent to each party, by either: (A) reputable overnight courier, specifying next day delivery to the address specified below or (B) email to the address below or such other email address provided by Customer, without receipt of a notice of failed delivery.

Hyland:

28500 Clemens Road
Westlake, OH 44145
Attn: General Counsel
hylandcontracts@onbase.com

Customer:

Contracts Management
University Medical Center of Southern Nevada
1800 West Charleston Boulevard
Las Vegas, Nevada 89102

9.6 **Binding Effect; No Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns. Neither party may assign, transfer or sublicense all or part of this Agreement or its rights or obligations under this Agreement, in whole or in part, to any other person or entity without the prior written consent of the other party; provided that such consent shall not be unreasonably withheld in the case of any assignment or transfer by a party of this Agreement in its entirety to the surviving entity of any merger or consolidation or to any purchaser of substantially all of such party's assets that assumes in writing all of such party's obligations and duties under this Agreement. Any assignment made without compliance with the provisions of this Section 9.6 shall be null and void and of no force or effect. Customer acknowledges that Hyland and/or any of its affiliates may fulfill any of Hyland's obligations contemplated by this Agreement.

9.7 **Severability.** In the event that any term or provision of this Agreement is deemed by a court of competent jurisdiction to be overly broad in scope, duration or area of applicability, the court considering the same will have the power and is hereby authorized and directed to limit such scope, duration or area of applicability, or all of them, so that such term or provision is no longer overly broad and to enforce the same as so limited. Subject to the foregoing sentence, in the event any provision of this Agreement is held to be invalid or unenforceable for any reason, such invalidity or unenforceability will attach only to such provision and will not affect or render invalid or unenforceable any other provision of this Agreement.

9.8 **Subcontracting.** Hyland may subcontract all or any part of the services, provided that Hyland shall remain responsible to Customer for the provision of any subcontracted services and require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services.

9.9 **Independent Contractor.** The parties acknowledge that Hyland is an independent contractor and that it will be responsible for its obligations as employer for those individuals providing any services.

9.10 **Export.** Any Software, Hyland Cloud Service, Add-On Services, Work Products or Documentation provided under this Agreement are subject to export control laws and regulations of the United States and other jurisdictions. Customer agrees to comply fully with all relevant export control laws and regulations, including the regulations of the U.S. Department of Commerce and all U.S. export control laws, including, but not limited to, the U.S. Department of Commerce Export Administration Regulations (EAR), to assure that the Software, Hyland Cloud Service, Add-On Services, Work Products or Documentation is not exported in violation of United States of America law or the laws and regulations of other jurisdictions. Customer agrees that it will not export or re-export the Software, Hyland Cloud Service, Add-On Services, Work Products or Documentation to any organizations or nationals in the United States embargoed territories of Cuba, Iran, North Korea, Sudan, Syria or any other territory or nation with respect to which the U.S. Department of Commerce, the U.S. Department of State or the U.S. Department of Treasury maintains any commercial activities sanctions program. Customer shall not use the Software, Hyland Cloud Service, Add-On Services, Work Products, or Documentation for any prohibited end uses under applicable laws and regulations of the United States and other jurisdictions, including but not limited to, any application related to, or purposes associated with, nuclear, chemical or biological warfare, missile technology (including unmanned air vehicles), military application or any other use prohibited or restricted under the U.S. Export Administration Regulations (EAR) or any other relevant laws, rules or regulations of the United States of America and other jurisdictions.

9.11 **Injunctive Relief.** The parties to this Agreement recognize that a remedy at law for a breach of the provisions of this Agreement relating to Confidential Information and intellectual property rights will not be adequate for the aggrieved party's protection and, accordingly, the aggrieved party shall have the right to seek, in addition to any other relief and remedies available to it, specific performance or injunctive relief to enforce the provisions of this Agreement.

9.12 **Non-Solicitation; Non-Hire.** During the term of this Agreement and for one (1) year after the expiration or termination of this Agreement, neither Customer nor Hyland will:

(a) solicit for employment or for engagement as an independent contractor for the soliciting party or for any other third party a person who is or was an employee of the other party, or otherwise encourage or assist any such person to leave the employ

of the other party for any reason, in each case at any time during such person's employment by the other party or within one year (1) after such person has ceased to be an employee of the other party; or

(b) hire or engage, directly or indirectly, as an employee or independent contractor a person with whom the hiring party had contact or who became known to the hiring party in connection with this Agreement (including during the performance of any Professional Services under a Services Proposal).

9.13 Marketing and Publicity.

(a) *References and Site Visits.* From time to time, upon the reasonable request of Hyland, Customer may agree, but is under no obligation, to make one or more employees available: (i) for telephone interviews with Hyland and/or third parties, relating to Hyland, Customer's use of Hyland's products or services, the benefits Customer has derived from Hyland's products or services or similar topics; and (ii) to participate in customer site visits. Hyland agrees that it shall reimburse Customer for any out-of-pocket travel, lodging, registration and meals costs and expenses that are incurred by any such employees of Customer in connection with any off site visit if applicable, provided that such costs and expenses are reimbursable in accordance with Hyland's expense reimbursement policies.

(b) *Press Release.* Either party may, with prior written approval of the other party, prepare and issue a press release referring to the other party and relating to the signing of this Agreement, the scope of the relationship and the products or services established under this Agreement.

(c) *Case Studies.* Hyland may, with the prior written approval of Customer, prepare, publish and distribute, for its sales, marketing and advertising purposes, one or more case studies describing any or all of the applications for which Hyland's products or services will be used by Customer (e.g., Accounts Payable).

(d) *Limitations.* Except as specifically set forth in paragraphs (a) through (c) above, or as necessary to perform its obligations under this Agreement, neither party shall, without the prior written consent of the other party, use the names, services marks or trademarks of such other party nor the name of any employee of such other party, or reveal the existence of or terms of this Agreement, in any advertising or publicity release or promotional literature.

9.14 Counterparts. This Agreement may be executed in one or more counterparts, all of which when taken together shall constitute one and the same instrument.

9.15 Expenses. Except as otherwise specifically provided herein, each party shall bear and pay its own expenses incurred in connection with this Agreement and the transactions contemplated hereby.

9.16 Third Parties. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity, other than the parties hereto, any rights or remedies by reason of this Agreement; provided, however, that third party suppliers of software products bundled with the Software are third party beneficiaries to this Agreement as it applies to their respective software products.

9.17 Intentionally omitted.

9.18 **Non-Excluded Healthcare Provider:** Hyland represents and warrants to Customer that neither it nor any of its affiliates (a) are excluded from participation in any federal health care program, as defined under 42 U.S.C. §1320a-7b (f), for the provision of goods or services for which payment may be made under such federal health care programs and (b) has arranged or contracted with any contractor that is excluded from participation in any federal health care program, to provide goods or services hereunder. Hyland represents and warrants to Customer that no final adverse action, as such term is defined under 42 U.S.C. §1320a-7e (g), has occurred or is pending or threatened against Hyland or its affiliates or to their knowledge against any contractor engaged to provide goods or services under the Agreement. (collectively "Exclusions / Adverse Actions").

10. DEFINED TERMS.

The defined terms below shall have the meaning ascribed to them below as used throughout the Agreement. Specific Schedules may also include additional defined terms that are relevant to the terms of that Schedule and these General Terms. Defined terms below may also incorporate defined terms that are defined in a particular Schedule, only if applicable. In the event the same defined term is defined in two (2) or more Schedules, the term shall be given the meaning defined in each Schedule with respect to that Schedule, and, if the term is also used within the General Terms Schedule, the General Terms Schedule shall be interpreted to include all definitions, as the context requires.

“Add-On Service” means a software as a service offering provided by Hyland that provides additional or separate functionality or service to Customer’s Software solution or Hyland Cloud Service.

“Customer” means University Medical Center of Southern Nevada, 1800 West Charleston Boulevard, Las Vegas, Nevada 89102.

“Effective Date” means (i) as used in these General Terms and any Schedule included in this Agreement upon the initial signing of the Agreement, the date this Agreement is signed by the last party that signs this Agreement, as determined based upon the dates set forth after their respective signatures, and (ii) as used in any Schedule that is added to this Agreement after the Effective Date as described in (i) of this definition, the date that the amendment adding such Schedule or such Schedule is signed by the last party that signs such amendment or Schedule, as determined based upon the dates set forth after their respective signatures.

“Innovations” means all designs, processes, procedures, methods and innovations which are developed, discovered, conceived or introduced by Hyland, working either alone or in conjunction with others, in the performance of this Agreement (including any Services Proposal).

“Prohibited Act” or “Prohibited Acts” means any action taken by Customer that is: (i) in violation of Section 1 of a Software License Schedule - Perpetual or Section 1, 2 or 3 of a Software and Maintenance Schedule – Subscription or Section 2 of a SaaS Schedule; (ii) contrary to Section 4 of these General Terms; or (iii) in violation of any term of any Schedule that is identified within that Schedule to be a Prohibited Act.

“ShareBase” means: (a) a cloud-based solution of services and software for electronic storage, sharing and processing of electronic data, information, files and other content submitted, collected or processed by Customer using the solution; (b) is hosted by Hyland; and (c) is subject to the ShareBase by Hyland Terms of Use and Subscription, which is available for download at Hyland’s ShareBase website, currently <https://app.sharebase.com/legal/terms-of-service/>, <https://app.sharebase.com/legal/privacy-policy/>, and <https://app.sharebase.com/legal/acceptable-use-policy/>.

“Software” means: except as otherwise expressly stated in a particular Schedule, (a) Hyland’s proprietary software products, listed in the Purchase Table Schedule, and other Hyland proprietary software products for which Customer submits a written purchase order to Hyland (or an authorized solution provider) that Hyland accepts and fulfills, including, in each case, third party software bundled by Hyland together with Hyland’s proprietary software products as a unified product; and (b) all Upgrades and Enhancements of the software products described in clause (a) which Customer properly obtains pursuant to this Agreement; Software does not include ShareBase.

ENTERPRISE LICENSE SCHEDULE

As of the Effective Date, this Enterprise License Schedule is part of the Hyland Master Agreement entered into between Customer and Hyland.

All capitalized terms used in this Schedule shall have the meaning ascribed them in this Schedule or, if not defined in this Schedule, the General Terms Schedule. If any capitalized terms used herein are not defined in this Schedule or the General Terms Schedule, they shall have the meaning ascribed to them elsewhere in this Agreement.

1. ADDITIONAL SAAS FEES FOR THE ENTERPRISE LICENSE. The parties agree that Customer's Worker Population (as defined below), as of the Effective Date is 3,632, however the parties mutually agree that Hyland is providing for one (1) free tier and is deeming the Worker Population 3,996 (the "Initial Worker Population"). Customer agrees that subsequent determinations of the Worker Population will be made consistent with the method used to arrive at the Initial Worker Population. Customer agrees that if the Worker Population increases, additional SaaS Fees relating to the following Software modules: Enterprise Concurrent Client, Enterprise Scanning (collectively, the "Enterprise License") shall be due and payable, as described below. As used herein, Worker Population consists of: (1) all employees who received W-2s (or a successor form) issued by or on behalf of the Customer with respect to the preceding calendar year; and (2) all non-US employees of Customer.

1.1 **Customer Determination.** Commencing with August 1, 2023, and as of each August 1st thereafter during the term of this Agreement, Customer will report to Hyland in writing its Worker Population as of July 1st of that same calendar year (the "Customer Determination").

1.2 **Additional SaaS Fees.** Upon each increase of the Worker Population that causes the Worker Population to cross an Enterprise License Tier (as defined below), the SaaS Fees will increase by ten percent (10%) of the then-current fees. For clarity, this increase is not in addition to the increase of SaaS Fees, as applicable, under the SaaS Schedule; the SaaS Fees will increase by the greater of the increase to such fees under the SaaS Schedule or this provision. "Enterprise License Tier" means: (i) in the case of the first Enterprise License Tier, the number which is 400 above the Initial Worker Population, and (ii) in the case of subsequent Enterprise License Tiers, each number that is greater than the previous Enterprise License Tier by 400. For example, since the Initial Worker Population is 3,996, the Enterprise License Tiers are: 4,396, 4796, 5,196, etc. Hyland will invoice Customer for additional SaaS Fees determined on a prorated basis. Customer will pay invoices for additional SaaS Fees net thirty (30) days from receipt of the invoice. In the event that the Worker Population decreases, the parties acknowledge and agree that Customer will not receive a refund of any SaaS Fees that Customer has previously paid to Hyland, even if the decrease causes the Worker Population to fall below an Enterprise License Tier.

1.4 **Prohibition to Use Bots.** Customer acknowledges and agrees that the Enterprise License has been priced with the assumption that user licenses to the Software will only be consumed by human beings; therefore access to the Software by bots or any other autonomous program that has the technical ability to interact with the Software (other than integrations through a Hyland API) is strictly prohibited.

2. TERM; TERMINATION. The Term; Termination provision from the applicable SaaS Schedule is restated as if rewritten herein.

SOFTWARE-AS-A-SERVICE SCHEDULE

This SaaS Schedule (“SaaS Schedule”) forms a part of the Hyland Master Agreement or any other agreement between Customer and Hyland (the “Agreement”) which incorporates this SaaS Schedule by reference.

All capitalized terms used in this Schedule shall have the meaning ascribed them in this Schedule or, if not defined in this Schedule, the General Terms Schedule. If any capitalized terms used herein are not defined in this Schedule or the General Terms Schedule, they shall have the meaning ascribed to them elsewhere in the Agreement.

“Consumption Fees” means the amounts payable by Customer for storage of data and information in the Hyland Cloud Service in excess of the data storage allocation set forth in the initial Purchase Table Schedule for the Hyland Cloud Service.

“Customer Data” means any and all electronic data and information submitted by Customer or Users to the Hyland Cloud Service.

“Customer Data Incident” means an unauthorized disclosure of Customer Data resulting from Hyland’s failure to comply with the SaaS Security Attachment. Without limitation, Customer Data Incident does not include any of the following that results in no unauthorized access to Customer Data or to any Hyland’s systems storing Customer Data: (a) pings and other broadcast attacks on firewalls or edge servers; (b) port scans; (c) unsuccessful log-on attempts; (d) denial of service attacks; or (e) packet sniffing (or other unauthorized access to traffic data that does not result in access beyond IP addresses or headers).

“Documentation” means: (1) to the extent available, the “Help Files” included in the Hyland Cloud Service, or (2) if no such “Help Files” are included in the Hyland Cloud Service, such other documentation published by Hyland, in each case, which relate to the functional, operational or performance characteristics of the Hyland Cloud Service.

“Host Web Site” means the web site hosted by Hyland as part of the Hyland Cloud Service on a web server included in the Hyland Cloud Platform used to access the Hyland Cloud Service.

“Hosted 3rd Party Software” means all third party software products (other than third party software products bundled by Hyland as a part of the Software) provided by Hyland as part of the Hyland Cloud Service.

“Hyland Cloud Platform” means the Physical Infrastructure and any composite software layers such as databases, operating systems, virtualization technology, Hosted 3rd Party Software, and Host Web Site, responsible for providing the Hyland Cloud Service, whether owned by Hyland or a third party.

“Hyland Cloud Service” means Hyland’s provision of Software and the Hyland Cloud Platform for use by Customer in accordance with the Agreement and this SaaS Schedule.

“Hyland Cloud Service Support” means the services described in Section 5 of this Schedule.

“Initial Setup Fee” means the one-time fee invoiced by Hyland to Customer and payable by Customer to Hyland for the setup and activation of the Hyland Cloud Platform and the Host Web Site for use applicable to each Software module purchase under the Agreement.

“Physical Infrastructure” means the physical hardware and infrastructure which Hyland uses to provide the Hyland Cloud Service (which may include servers, network devices, cabling, CPU, data centers, memory, storage, switches, firewalls, routers and other network devices) whether owned by Hyland or a third party services provider.

“Resolution” means Hyland provides Customer with a reasonable workaround, correction, or modification that solves or mitigates a reported Hyland Cloud Service issue or error.

“SaaS Fees” means the amounts invoiced by Hyland and payable by Customer to Hyland for the use of the Hyland Cloud Service. The initial SaaS Fees are set forth in the initial Purchase Table Schedule.

“SaaS Security Attachment” means the document available at <https://legal.hyland.com/Customer-Legal-Center#saas-security-attachment>. The SaaS Security Attachment describes Hyland’s current security processes and procedures. These processes and procedures may be updated from time to time, but will not be materially reduced.

“Service Class” means the service level commitment included as part of the Hyland Cloud Service, as described in the Service Class Manual, and purchased by Customer as part of the Hyland Cloud Service.

“Service Class Manual” means the latest version of the manual describing any available Service Classes, as posted by Hyland from time to time on a website designated by Hyland.

“Support Prioritization Attachment” is the document available at <https://legal.hyland.com/Customer-Legal-maintenance-and-support-prioritization-attachment>.

“Testing Environment” means a separate instance of the Hyland Cloud Service (including Customer Data) hosted by Hyland, for use by Customer solely with production data in a non-production environment for the limited purpose of functional and performance testing of the Software and environment, Hosted 3rd Party Software and each Work Product included in the Hyland Cloud Service.

“Testing Lite Environment” means a separate instance of the Hyland Cloud Service (including Customer Data) hosted by Hyland, for use by Customer solely with production data in a non-production environment for the limited purpose of functional testing of the Software and environment, Hosted 3rd Party Software and each Work Product included in the Hyland Cloud Service.

“Upgrades and Enhancements” means any and all new versions, improvements, modifications, upgrades, updates, fixes and additions to Software that Hyland makes available to Customer or to Hyland’s end users generally during the term of this Schedule to correct errors or deficiencies or enhance the capabilities of the Software, together with updates of the Documentation to reflect such new versions, improvements, modifications, upgrades, fixes or additions; provided, however, that the foregoing shall not include new, separate product offerings, new modules or re-platformed Software.

“Users” means Customer’s employees that access and use the Hyland Cloud Service.

1. HYLAND CLOUD SERVICE.

1.1 General. During the term of this SaaS Schedule Hyland will: (a) make the Hyland Cloud Service available to Customer pursuant to this SaaS Schedule, the SaaS Security Attachment, Documentation and the applicable Service Class Manual; and (b) only use Customer Data to provide, develop, and improve the Hyland Cloud Service and other services, to prevent or address service or technical problems, or in accordance with Customer’s instructions.

1.2 Service Class. Prior to or on the Effective Date, Hyland has delivered a then-current copy of the applicable Service Class Manual to Customer. After the Effective Date, Hyland will have the right to modify the applicable Service Class Manual (including the right to issue an entirely restated Service Class Manual) from time to time. The modifications or the revised Service Class Manual will be effective thirty (30) days after Hyland provides written notice to Customer informing Customer of Hyland’s posting of such modifications or revisions on the website identified in such notice. Notwithstanding the foregoing, no modifications of any Service Class Manual relating to Customer’s then-current Service Class will be effective until the next renewal of this SaaS Schedule. The initial Service Class purchased by Customer is set forth in the initial Purchase Table Schedule. To the extent Service Class upgrades or downgrades are available related to the Hyland Cloud Service purchase by Customer, Customer may upgrade the Service Class at any time, but may downgrade such Service Class only after the expiration of the Initial Term of this SaaS Schedule. In the event Customer elects to downgrade such Service Class, such downgrade will not be effective until the beginning of the next renewal of this SaaS Schedule. To modify a Service Class selection, Customer must submit a purchase order indicating the new Service Class.

1.3 Return of Customer Data and Deletion. Upon termination or expiration of this SaaS Schedule for any reason:

(a) Upon written request by Customer to Hyland sent to cloud@hyland.com, made within thirty (30) days after the effective date of any such termination or expiration, for Customer Data extraction Professional Services (“Notice of Return of Customer Data”), Hyland will either: (1) return Customer Data to Customer by providing: Customer Data on one (1) or more encrypted hard drives or other similar media and an export file containing the relevant keyword values and related file locations for the Customer Data or (2) make available to Customer the Customer Data for extraction by Customer. Hyland will work with Customer on determining the extraction method most suitable to meet Customer’s requirements. Customer acknowledges and agrees that thirty (30) days after Hyland has sent or made available to Customer the Customer Data, Hyland shall have no obligation to maintain or provide any Customer Data and shall thereafter, unless legally prohibited, delete all such Customer Data from all of Hyland’s datacenters, including all replicated copies.

(b) Upon written request by Customer to Hyland sent to cloud@hyland.com, made within thirty (30) days after the effective date of any such termination or expiration, for the deletion of Customer Data (“Notice of Deletion of Customer Data”), Hyland will have no obligation to maintain or provide any Customer Data and shall thereafter, unless legally prohibited, delete all Customer Data from all of Hyland’s datacenters, including all replicated copies.

(c) If Customer does not provide the Notice of Return of Customer Data or the Notice of Deletion of Customer Data in accordance with paragraph (a) or (b) above, Customer acknowledges and agrees that thirty (30) days after any termination or expiration of this SaaS Schedule, Hyland will have no obligation to maintain or provide any Customer Data and may thereafter, unless legally prohibited, delete all Customer Data from all of Hyland’s datacenters, including all replicated copies.

1.4 Data Location. Hyland shall store Customer Data at data centers located in the country(ies) indicated in the initial Purchase Table. Hyland may, at its expense, change the location of the Customer Data to other data centers; provided that such locations remain in that country.

1.5 Hyland customers may license some Software provisioned by Hyland as part of the Hyland Cloud Service, and other Software which is implemented only on the customer's premise (or a third party cloud other than the Hyland Cloud Platform), such as Hyland RPA ("On-Premise Software"). For clarity, if Customer licenses On-Premise Software from Hyland, this Schedule does not apply to such On-Premise Software.

2. GRANT OF RIGHTS AND PROHIBITED CONDUCT.

2.1 Hyland Cloud Service Use Grant. During the term of this SaaS Schedule, Hyland grants to Customer a revocable, non-exclusive, non-assignable (except as provided in the General Terms Schedule), limited right to use the Hyland Cloud Service as provided by Hyland, and the associated Documentation, solely for use by Customer and its Users for the internal business purposes of Customer, and only for capturing, storing, processing and accessing Customer's data.

The Hyland Cloud Service is for use by Customer and its Users and may not be used for processing of third-party data as a service bureau, application service provider or otherwise. Customer and its Users shall not make any use of the Hyland Cloud Service in any manner not expressly permitted by this SaaS Schedule. Customer acknowledges that it and its Users may only access Customer Data via the Hyland Cloud Service and shall only access the Hyland Cloud Service in a manner consistent with this SaaS Schedule and the Documentation. Use of software or hardware that reduces the number of users directly accessing or utilizing the Hyland Cloud Service (e.g. by using "bots" or "multiplexing" or "pooling" software or hardware) does not reduce the number of users accessing the Hyland Cloud Services for purposes of calculating the number of users, as the required number of users would equal the number of distinct inputs to such software or hardware (e.g. to such "bots" or "multiplexing" or "pooling" software or hardware). Customer is prohibited from using any software (including bots) other than the Software client modules or a Software application programming interface (API) to access the Hyland Cloud Service or any data stored in the Software database for any purpose other than generating reports or statistics regarding system utilization, unless Hyland has given its prior written consent to Customer's use of such other software and Customer has paid to Hyland the SaaS Fees with respect to such access. Customer further acknowledges that all components of the Hyland Cloud Service made available by Hyland, including any components downloaded or installed locally on Customer's or Users' systems, are solely for use with the Hyland Cloud Service and are not intended to be used on a stand-alone basis.

2.2 Volume Use Restriction. There are certain Software products that Hyland makes available and which Customer may purchase for use as part of the Hyland Cloud Service that are volume-based and may: (i) no longer function if applicable volume limits have been exceeded; (ii) require Customer to pay additional fees based on Customer's volume usage; or (iii) include functionality which monitors or tracks Customer usage and reports that usage. Customer may not circumvent or attempt to circumvent this restriction by any means, including but not limited to changing the computer calendars.

2.3 Test Environments. Customer may purchase limited access to Testing Environments or Testing Lite Environments, or both. Hyland agrees that the security measures described in the SaaS Security Attachment are also applied to the Testing Environment and Testing Lite Environment. Hyland reserves the right to further define the permitted use(s) and/or restrict the use(s) of the Testing Environment and Testing Lite Environment. If, at any time, Customer is not satisfied with the Testing Environment or Testing Lite Environment, Customer's sole and exclusive remedy shall be to stop using the Testing Environment or Testing Lite Environment.

2.4 No High Risk Use. The Hyland Cloud Service is not fault-tolerant and is not guaranteed to be error free or to operate uninterrupted. The Hyland Cloud Service is not designed or intended for use in any situation where failure or fault of any kind of the Hyland Cloud Service could lead to death or serious bodily injury to any person, or to severe physical or environmental damage ("High Risk Use"). Customer is not permitted to use the Hyland Cloud Service in, or in conjunction with, High Risk Use. High Risk Use is STRICTLY PROHIBITED. High Risk Use includes, for example, the following: aircraft or other modes of human mass transportation, nuclear or chemical facilities, life support systems, implantable medical equipment, motor vehicles, or weaponry systems. High Risk Use does not include utilization of the Hyland Cloud Service for administrative purposes, as an information resource for medical professionals, to store configuration data, engineering and/or configuration tools, or other non-control applications, the failure of which would not result in death, personal injury, or severe physical or environmental damage. These non-controlling applications may communicate with the applications that perform the control, but must not be directly or indirectly responsible for the control function. Customer agrees not to use, distribute, license, or grant the use of the Hyland Cloud Service in, or in connection with, any High Risk Use." Customer agrees to indemnify and hold harmless Hyland from any third-party claim arising out of Customer's use of the Hyland Cloud Service in connection with any High Risk Use.

2.5 Assessment. Hyland shall be permitted access to assess Customer's use of the Hyland Cloud Service in order to determine Customer's compliance with the grant of use and pricing terms of the Agreement and this SaaS Schedule, including, where

applicable, to measure Customer's volume usage. Customer shall reasonably cooperate with Hyland with respect to its performance of such assessment.

2.6 Third Party Services and Content. The Hyland Cloud Service may contain functionality which allows Customer to: (a) access, link or integrate the Hyland Cloud Service with Customer's applications or services provided by third parties and (b) access third party websites and content. Hyland has no responsibility for such applications or services, websites or content and shall have no responsibility for any disclosure, modification or deletion of Customer Data resulting from any such access or use by such applications or services. Any activities engaged in by Customer or any of its Users with such third parties using the Hyland Cloud Service is solely between Customer and such third party and Hyland has no liability, obligation or responsibility for any such activities. Hyland does not endorse any third party web sites, applications or services that may be linked or integrated through the Hyland Cloud Service. Hyland is not responsible for any third party content, products or materials purchased, accessed or used by Customer or its Users using the Hyland Cloud Service.

2.7 Prohibited Conduct. Customer agrees not to: (a) remove copyright, trademark or other proprietary rights notices that appear during the use of the Hyland Cloud Service; (b) sell, transfer, rent, lease or sub-license the Hyland Cloud Service to any third party; (c) alter or modify the Hyland Cloud Service; (d) reverse engineer, disassemble, decompile or attempt to derive source code from the Hyland Cloud Service, or prepare derivative works therefrom; or (e) use the Hyland Cloud Service or permit it to be used in violation of the Acceptable Use Policy, as in effect from time to time, a copy of the current form of which is available at <https://legal.hyland.com/Customer-Legal-Center#acceptable-use-policy-attachment> or for the purposes of evaluation, benchmarking, or other comparative analysis intended for external publication without Hyland's prior written consent.

2.8 Ownership of Customer Data. As between Hyland and Customer, Customer owns Customer Data.

2.9 Customer Input and Suggestions. Hyland shall have a royalty-free, worldwide, perpetual, transferable, sub-licensable, and irrevocable license to use or incorporate into any of Hyland's products or services, including the Hyland Cloud Services, any suggestions, enhancements, improvements, recommendations or any other feedback provided by Customer or its users, related to the operation or use of the Hyland Cloud Service.

3. PRICES, INVOICES AND PAYMENT.

3.1 Initial Setup Fees. Hyland will invoice Customer for Initial Setup Fees in the amount set forth in the initial Purchase Table Schedule promptly following the Effective Date. Hyland will invoice Customer for Initial Setup Fees upon each additional purchase of Software for the Hyland Cloud Service upon acceptance of Customer's purchase order for such Software.

3.2 SaaS Fees. Customer shall pay SaaS Fees to Hyland for the Hyland Cloud Service in such amounts as are invoiced by Hyland; provided, that during the Initial Term, Customer shall pay SaaS Fees to Hyland for the Hyland Cloud Service as initially composed in accordance with the initial Purchase Table Schedule. Hyland will invoice Customer on or after the Effective Date for SaaS Fees for the first year of the Initial Term. Following expiration of the Initial Term, Hyland may increase the SaaS Fees for the Hyland Cloud Service for any renewal period by up to ten percent (10%) of the previous year's SaaS Fees. For any subsequent years, Hyland will invoice Customer for SaaS Fees prior to the beginning of such year, and such invoice shall be due and payable by Customer to Hyland in full in accordance with the General Terms Schedule. In the event Customer adds Software modules for the Hyland Cloud Service, Hyland will invoice Customer for SaaS Fees for such additional Software modules on a prorated basis upon Hyland's acceptance of the purchase order for such additional Software modules. Thereafter, SaaS Fees relating to such additional Software shall be included in the subsequent invoices issued with respect to the existing licensed Software.

3.3 Consumption Fees. Hyland will invoice Customer for any Consumption Fees, monthly in arrears, promptly upon the end of the month to which such Consumption Fees relate. Consumption Fees will be due for a month if at any time during such month the amount of Customer Data stored in the Hyland Cloud Service exceeds Customer's data storage allocation as set forth in the initial Purchase Table.

3.4 Add-On Services. If Customer subscribes to an Add-On Service, the fees for such Add-On Service will be invoiced on a periodic basis, in advance, and Customer shall pay such invoices in accordance with the General Terms Schedule. Some Add-On Services may be priced on a volume basis, for which Add-On Service fees may be invoiced in arrears based on the applicable volume usage. Except as may be stated in a separate Schedule, the Add-On Services are part of the Hyland Cloud Service.

3.5 Other Fees. If Customer procures and Hyland provides any other services or deliverables in connection with the Hyland Cloud Service that are not covered by the fees and charges described in Sections 3.1 through 3.4 above, Hyland will invoice Customer for such other fees or charges based upon Hyland's then current list prices or the pricing that the parties have mutually agreed upon in connection with such other services or deliverables.

4. U.S. GOVERNMENT END USERS. To the extent applicable to Customer, the terms and conditions of the Agreement shall pertain to the U.S. Government's use and/or disclosure of the Hyland Cloud Service, and shall supersede any conflicting contractual

terms or conditions. By accepting the terms of the Agreement and/or the delivery of the Hyland Cloud Service, the U.S. Government hereby agrees that the Software, and the Hosted 3rd Party Software included in the Hyland Cloud Service and Add-On Services qualify as “commercial” computer software within the meaning of ALL U.S. federal acquisition regulation(s) applicable to this procurement and that the Software is developed exclusively at private expense. If this license fails to meet the U.S. Government’s needs or is inconsistent in any respect with Federal law, the U.S. Government agrees to return this Hyland Cloud Service or Add-On Services to Hyland. In addition to the foregoing, where DFARS is applicable, use, modification, reproduction, release, display, or disclosure of the Hyland Cloud Service, Add-On Services or Documentation by the U.S. Government is subject solely to the terms of the Agreement, as stated in DFARS 227.7202, and the terms of the Agreement shall supersede any conflicting contractual term or conditions.

5. HYLAND CLOUD SERVICE SUPPORT.

5.1 HYLAND CLOUD SERVICE SUPPORT TERMS. Hyland will provide Hyland Cloud Service Support in accordance with this Section and the Support Prioritization Attachment.

(a) Technical Support Services. Hyland will provide telephone or online technical support related to problems reported by Customer and associated with the operation of the Hyland Cloud Service, including assistance and advice related to the operation of the Hyland Cloud Service.

(b) Error Correction Services. With respect to any issues or errors in the Hyland Cloud Service which are reported by Customer and which are confirmed by Hyland, Hyland will use its reasonable efforts to correct such issue or error, which may be effected by a reasonable workaround. Hyland shall promptly commence to confirm any reported issues or errors after receipt of a proper report of such suspected issue or error from Customer in accordance with the Support Prioritization Attachment. Hyland may elect to correct the issue or error by updating or upgrading the applicable component of the Hyland Cloud Service to a new build or version.

(c) Reporting Policies and Procedures Applicable to Technical Support Services and Error Correction Services.

(1) *Customer Reporting Requirements.* When requesting Hyland Cloud Service Support, Customer will submit such requests through Hyland’s secure end user website, the details of which will be separately provided to Customer. Once such request is submitted through the end user website, Customer may call for a Level 1 or Level 2 Severity Level (support numbers are available through Hyland’s secure end user website). In the case of reporting a problem, issue, or error with the Hyland Cloud Service, Customer will provide Hyland with as much information and access to systems as reasonably possible to enable Hyland to investigate and attempt to identify and verify the problem, issue or error. Customer will work with Hyland support personnel during the problem isolation process, as reasonably needed. Customer will notify Hyland of any configuration changes it has made to the Hyland Cloud Service, such as workflow configuration changes, network installation/expansion, integrations, upgrades, relocations, etc.

(2) *Hyland Response Procedures.* Hyland shall respond to all reports in accordance with the Support Prioritization Attachment. Hyland: (a) will respond based on the confirmed severity level; (b) may reclassify severity levels as it learns information about such problems, issues or errors during the resolution process; and (c) obligations for a reported issue or error concludes upon delivery of a Resolution in accordance with the Support Prioritization Attachment.

(d) Software Upgrades and Enhancements. Hyland will make available, in accordance with Hyland’s then current policies, as set forth from time to time on Hyland’s secure end user web site (currently www.hyland.com/community), all Upgrades and Enhancements to the Software, if and when released during the term of this SaaS Schedule.

(e) Update, Upgrade, Change or Replacement of Components of the Hyland Cloud Service. Hyland may update or upgrade the build or version of the Software used in the Hyland Cloud Service from time to time at Hyland’s expense. Hyland also may change, replace, update or upgrade the Hyland Cloud Platform from time to time. Customer agrees to collaborate with Hyland and assist Hyland in connection with the completion of installation and testing of any update or upgrade related to the Hyland Cloud Service.

Customer acknowledges and agrees that for regulatory compliance purposes, Customer may be required to engage Hyland under a Services Proposal to implement Upgrades and Enhancements to a regulated product. If Hyland offers a self-service option for implementing Upgrades and Enhancements to a regulated product, and the Customer chooses this option, Customer agrees to comply with the training, reporting, and documentation requirements established by Hyland to ensure that the implementation is performed and documented as required by applicable regulations.

5.2 EXCLUSIONS.

Generally. Hyland is not responsible for providing, or obligated to provide, Hyland Cloud Service Support: (1) in connection with any errors, defects or problems that result in whole or in part from any alteration, revision, change, enhancement or modification of any nature of the Hyland Cloud Service or from any error or defect in any configuration of any component of the Hyland Cloud Service, which activities in any such case were undertaken by any party other than Hyland or a party retained by Hyland; (2) in connection with any error or defect or problem in any other component of the Hyland Cloud Service if Hyland has previously made available corrections for such error or defect which Customer fails to implement; (3) in connection with any errors, defects or problems which have been caused by errors, defects, problems, alterations, revisions, changes, enhancements or modifications in any software, hardware or system or networking which is not a part of the Hyland Cloud Service; (4) if any party other than Hyland, or an authorized subcontractor specifically selected by Hyland, has provided any services in the nature of Hyland Cloud Service Support to Customer with respect to the Hyland Cloud Service; or (5) in connection with any questions related to the operation or use of the Software application programming interfaces (APIs); or in connection with any errors, defects or problems with Work Products (as defined in the Professional Services Schedule). Support relating to Work Products and the operation or use of APIs may be provided, on a case-by-case basis, as mutually agreed to in an applicable Services Proposal which outlines Professional Services for such support activities.

6. SECURITY. During the term of this SaaS Schedule, Hyland shall maintain a security program which shall conform to the SaaS Security Attachment.

7. CERTAIN RESPONSIBILITIES AND OBLIGATIONS OF CUSTOMER.

7.1 Customer Responsibilities. In connection with the relationship established between Customer and Hyland under this SaaS Schedule:

- (a) except as otherwise expressly permitted under the terms of this SaaS Schedule, Customer will not permit or authorize any third parties (such as persons or legal entities) to use the Hyland Cloud Service;
- (b) Customer will comply with Hyland's Acceptable Use Policy, as in effect from time to time, a copy of the current form of which is available at <https://legal.hyland.com/Customer-Legal-Center#acceptable-use-policy-attachment>;
- (c) Customer is responsible for all Users use and all access through Customer and its Users of the Hyland Cloud Service and compliance with this SaaS Schedule and the Agreement, including, but not limited to, (i) setting-up User log-in accounts/credentials (e.g. user names, passwords, tokens, etc.) to the Hyland Cloud Service and immediately revoking User accounts/credentials when User no longer requires access to the Hyland Cloud Service, and (ii) shall not permit Users to share log-in accounts/credentials;
- (d) Customer has sole responsibility for the accuracy, quality, content and legality of all Customer Data;
- (e) Customer shall prohibit unauthorized access to, or use of, the Hyland Cloud Service and shall notify Hyland promptly of any such unauthorized access or use by contacting Customer's Hyland technical support contact or another contact notified to Customer in writing (which may be via email or posted on Hyland's secure end user web site (currently www.hyland.com/community)).
- (f) Customer understands and agrees: (i) it has an independent duty to comply with any and all laws applicable to it, (ii) its use of the Hyland Cloud Service and compliance with any terms and conditions under this SaaS Schedule and the Agreement does not constitute compliance with any law, (iii) it shall make use of available Hyland Cloud Service security features and controls to properly transmit, store, process and provide access to Customer Data and (iv) it shall use the tools and reporting capabilities made available in the Hyland Cloud Service to monitor and confirm Customer Data processing, such as batch processing of electronic documents uploaded to the Hyland Cloud Service.
- (g) Customer may give any of its Users the rights to act as a system administrator, through the configuration tools included in the Software for the Hyland Cloud Service. Hyland has no responsibility or obligations in connection with Customer's internal management or administration of Customer's Hyland Cloud Service.

7.2 Customer Internet Connection. Customer is responsible for obtaining and maintaining all software, hardware (including without limitation network systems), telephonic or other communications circuits, and Internet Service Provider relationships that are necessary or appropriate for Customer to properly access and use the Hyland Cloud Service. Hyland shall have no responsibility or liability under this SaaS Schedule for any unavailability or failure of, or nonconformity or defect in, the Hyland Cloud Service that is caused by or related in any manner to any failure of Customer to obtain and maintain all such software, hardware, equipment and relationships.

8. LIMITED WARRANTIES.

8.1 Hyland Cloud Service Limited Warranty. Hyland warrants to Customer that during the term of this SaaS Schedule the Hyland Cloud Service will function in all material respects as described in the Documentation. The terms of this warranty shall not apply to, and Hyland shall have no liability for any non-conformity related to, the Hyland Cloud Service if: (i) any component of the Hyland Cloud Service has been modified, misused or abused by Customer or a third party, (ii) any such non-conformity arises from or is related to problems within or impacting Customer's computing environment, including any Customer third party software applications, hardware, network or internet connectivity, or (iii) if the Hyland Cloud Service is used in combination with equipment or software other than that which is provided by Hyland or is consistent with the Documentation.

8.2 Hyland Cloud Service Warranty Remedy. Hyland's sole obligation, and Customer's sole and exclusive remedy, for any non-conformities to the express limited warranties under Section 8.1 shall be as follows: provided that Customer notifies Hyland in writing of the non-conformity, Hyland will either (a) correct the non-conforming component of the Hyland Cloud Service, which may include the delivery of a reasonable workaround for the non-conformity; or (b) if Hyland determines that correcting the non-conformity is not practicable, then terminate this SaaS Schedule with respect to the non-conforming component, in which event, upon compliance by Customer with its obligations under Section 11.2 of this SaaS Schedule, Hyland will provide a refund to Customer of the "unused portion of prepaid SaaS Fees" (as defined below) paid by Customer and attributable to the non-conforming component. The "unused portion of the prepaid SaaS Fees" shall mean an amount equal to the total SaaS Fees paid by Customer for the non-conforming portion of the Hyland Cloud Service for the then current term (or applicable twelve-month period within the Initial Term) during which such removal occurs, multiplied by a fraction, the numerator of which shall be the number of full calendar months remaining during the term (or applicable twelve-month period within the Initial Term) during which such removal occurs, and the denominator of which shall be twelve (12).

8.3 Customer Limited Warranty. Customer represents and warrants to Hyland that: (a) Customer and its Users are the legal custodian of the Customer Data and it has the right and authority to use the Hyland Cloud Service in connection with all Customer Data and other materials hereunder; (b) Customer will use reasonable efforts to ensure that any Customer Data submitted to Hyland via electronic media will be free of viruses; and (c) anyone submitting Customer Data to Hyland for use in connection with the Hyland Cloud Service or Professional Services has the legal authority to do so, either through ownership of the Customer Data or by obtaining appropriate authorizations therefor, and that submission of Customer Data does not violate any contracts, agreements, or any applicable law. Customer is responsible for all Customer Data that is submitted to Hyland for use in connection with the Hyland Cloud Service or Professional Services.

9. INFRINGEMENT INDEMNIFICATION.

9.1 Generally. Hyland agrees to indemnify Customer against all liability and expense, including reasonable attorneys' fees, arising from or in connection with any third party claim, action or proceeding instituted against Customer based upon any infringement or misappropriation by the Hyland Cloud Service of any patent, registered copyright or registered trademark of a third party that is enforceable in the United States, provided that Hyland: (a) is notified promptly after Customer receives notice of such claim; (b) is solely in charge of the defense of and any settlement negotiations with respect to such claim, provided, that Hyland will not settle any such claim without the prior written consent of Customer if such settlement contains a stipulation to or admission or acknowledgement of any liability or wrongdoing on the part of the Customer or otherwise requires payment by Customer; (c) receives Customer's reasonable cooperation in the defense or settlement of such claim; and (d) has the right, upon either the occurrence of or the likelihood (in the opinion of Hyland) of the occurrence of a finding of infringement or misappropriation, either to procure for Customer the right to continue use of the Hyland Cloud Service, or to replace the relevant portions of the Hyland Cloud Service with other equivalent, non-infringing portions. If Hyland is unable to accomplish either of the options set forth in the preceding sentence, Hyland shall terminate this SaaS Schedule upon thirty (30) days advance written notice to Customer and refund to Customer the "unused portion of prepaid SaaS Fees" as defined below paid during the then current term (or applicable twelve-month period within the Initial Term). For these purposes, the "unused portion of prepaid SaaS Fees" shall mean an amount equal to the total SaaS Fees paid by Customer for the term (or applicable twelve-month period within the Initial Term) during which termination occurs, multiplied by a fraction, the numerator of which shall be the number of full calendar months remaining during the term (or applicable twelve-month period within the Initial Term) during which such termination occurs, and the denominator of which shall be twelve (12). Notwithstanding anything to the contrary, Hyland shall have no obligation to indemnify Customer against any claims made against Customer and otherwise described in this Section that arise from: (v) any Customer Data; (w) use of the Hyland Cloud Service other than as expressly permitted by this SaaS Schedule and the Agreement; (x) the combination of the Hyland Cloud Service or any component thereof with any product not furnished by Hyland; (y) the modification or addition of any component of the Hyland Cloud Service, other than by Hyland or any of its authorized resellers specifically retained by Hyland to provide such modification or addition; or (z) the Customer's business methods or processes.

9.2 THIS SECTION 9 STATES HYLAND'S ENTIRE LIABILITY AND THE SOLE AND EXCLUSIVE REMEDY OF CUSTOMER WITH RESPECT TO ANY ALLEGED INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY OR PROPRIETARY PROPERTY BY THE HYLAND CLOUD SERVICE.

10. LIABILITY FOR CUSTOMER DATA INCIDENTS.

10.1 NOTWITHSTANDING ANYTHING TO THE CONTRARY, IN THE CASE OF A CUSTOMER DATA INCIDENT (AS DEFINED IN THIS SCHEDULE), THE FOLLOWING SHALL APPLY IN LIEU OF SECTION 6.2 OF THE GENERAL TERMS SCHEDULE: THE MAXIMUM LIABILITY OF HYLAND (INCLUDING ITS AFFILIATES AND SUPPLIERS) ARISING OUT OF OR RELATED TO THE AGREEMENT OR THE PRODUCTS OR SERVICES PROVIDED UNDER IT FOR A CUSTOMER DATA INCIDENT (AS DEFINED IN THIS SCHEDULE), WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), OR ANY OTHER LEGAL OR EQUITABLE THEORY, SHALL IN NO EVENT EXCEED, IN THE AGGREGATE, ALL FEES AND CHARGES ACTUALLY PAID BY CUSTOMER TO HYLAND (LESS ANY REFUNDS OR CREDITS) UNDER THE AGREEMENT DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE CUSTOMER DATA INCIDENT MULTIPLIED BY THE NUMBER INDICATED IN THE TABLE BELOW BASED ON CUSTOMER'S SERVICE CLASS AT THE TIME OF THE CUSTOMER DATA INCIDENT.

Service Class	Multiplier
Silver	1
Gold	2
Platinum	3
Double Platinum	4

10.2 Notwithstanding Section 6.1 of the General Terms Schedule, and subject to Section 10.1 of this Schedule, in the event of a Customer Data Incident, Hyland shall pay the reasonable and documented costs incurred by Customer in connection with the following items: (a) providing notification of the Customer Data Incident to applicable government and relevant industry self-regulatory agencies, to the media and to individuals whose personal data may have been accessed or acquired, where required by law; and (b) providing credit monitoring service (where such service addresses the harm caused by the Customer Data Incident) to individuals who elect to receive such credit monitoring service and whose personal data may have been accessed or acquired, for a period of one year after the date on which such individuals were notified of the unauthorized access or acquisition.

11. TERM; TERMINATION.

11.1 Term. Subject to the termination provisions set forth in Section 1.2 of the General Terms Schedule and Section 11.1.1 below, the initial term of this SaaS Schedule will be for three years (the "Initial Term"); and such term may renew thereafter for two successive terms of one (1) year each upon ninety (90) days advance written notice from Customer.

11.1.1 If, in the reasonable opinion of Customer or Hyland, the compliance by either party with the terms of this SaaS Schedule will be in violation of any law or regulation implemented or modified after the commencement of Hyland Cloud Service provided pursuant to this SaaS Schedule, Customer or Hyland, as the case may be, may terminate this SaaS Schedule upon thirty (30) days written notice to the other party.

11.2 Additional Effects or Consequences of Termination. In addition to Section 1.3 of the General Terms Schedule, immediately upon any termination or expiration of this SaaS Schedule, Customer shall cease any and all uses of or access to the Hyland Cloud Service and Documentation.

11.3 Transition Period Upon Termination. Except in the case of termination by Hyland due to Customer's breach of this SaaS Schedule or the Agreement, in the event of any other termination of this SaaS Schedule or the Agreement, Hyland shall, upon Customer's request, continue to provide Hyland Cloud Service Support and access to the Hyland Cloud Service (except where Hyland is enjoined) pursuant to the terms of this SaaS Schedule and the Agreement for a period of up to ninety (90) calendar days following such a termination (the "Transition Period"), provided Customer pays all applicable SaaS Fees and Consumption Fees for such Transition Period plus an additional five percent (5%) of such fees. During such Transition Period, both parties will reasonably cooperate and use their reasonable efforts to provide for an orderly transition that is designed to minimize the disruption to Customer's business operations. Such cooperation and assistance will be limited to Professional Services consisting of consulting services and subject to Hyland's then-current rates for such Professional Services which will be set out in a purchase order or a Services Proposal in accordance with the Professional Services Schedule to the Agreement.

12. **COMPLIANCE WITH LAWS**. Subject to Section 11 above, Hyland agrees to comply in all material respects with all laws applicable to Hyland in its performance of services under this SaaS Schedule including all applicable federal, state and local laws.

PROFESSIONAL SERVICES SCHEDULE

This Schedule forms a part of the Hyland Master Agreement or any other agreement between Customer and Hyland (the “Agreement”) which incorporates this Schedule by reference.

DEFINED TERMS:

All capitalized terms used in this Schedule shall have the meaning ascribed them in this Schedule or, if not defined in this Schedule, the General Terms Schedule. If any capitalized terms used herein are not defined in this Schedule or the General Terms Schedule, they shall have the meaning ascribed to them elsewhere in the Agreement.

“Professional Services” means any professional services provided by Hyland under a Services Proposal (as defined in this Schedule), including but not limited to those services listed at <https://www.hyland.com/services>. Examples of the services include: (a) installation of the Software; (b) consulting, implementation and integration projects related to the Software, including but not limited to the customized configuration of Software integration modules or business process automation modules; (c) project management; (d) development projects in connection with the integration of Software with other applications utilizing any Software application programming interface (API).

“Services Proposal” means either: (a) a written proposal issued under a Schedule, and which sets forth the Professional Services Hyland will provide to Customer and which is signed by Customer and Hyland; or (b) a purchase order submitted by Customer and accepted by Hyland for Professional Services.

“Specifications” means the definitive, final functional specifications for Work Products, if any, produced by Hyland under a Services Proposal. Specifications shall be considered Documentation, where used in the Agreement, in the case of Work Products.

“Working Hour” means the services of one (1) person for a period of one (1) hour (or any part thereof) during regular business hours.

“Work Products” means all items in the nature of computer software, including source code, object code, scripts, and any components or elements of the foregoing, or items created using the configuration tools of the Software, together with any and all design documents associated with items in the nature of computer software, in each case which are created, developed, discovered, conceived or introduced by Hyland, working either alone or in conjunction with others, in the performance of services under the Agreement. If applicable, Work Products shall include any pre-configured templates or VBScripts which have been or may be created or otherwise provided by Hyland to Customer as part of the configuration of the advance capture module of the Software.

1. SERVICES PROPOSAL. During the term of this Schedule, Customer may request Professional Services from Hyland. Hyland and Customer will discuss the parameters of the request and Hyland will inform the Customer as to whether the Professional Services shall be performed pursuant to a Services Proposal.

2. FULFILLMENT. Hyland will provide the Professional Services described in any mutually agreed upon Services Proposal at a time and on a schedule that is mutually agreed upon by the parties. If any delays in such Professional Services occur solely as a result of any incorrect information, incorrect assumption or failure of Customer to perform or fulfill its obligations in connection with any Services Proposal, the performance schedule for the applicable project may be extended. Hyland shall have no liability or responsibility for any costs or expenses resulting from such delays. In the event that performance of any milestone set forth in any Services Proposal is not met due to a delay solely caused by Hyland, and provided that such cause is not an event of force majeure as described in the General Terms, Hyland agrees, at no additional charge to Customer, to commit such additional resources and personnel as shall be necessary to ensure that such delay does not result in the slippage of later milestones or completion of such Professional Services. The parties agree that any Professional Services or Work Products described in this Schedule that have been performed or developed, in whole or in part, prior to the execution of the Agreement by the parties nevertheless shall be covered by all terms and conditions of this Schedule.

3. CHANGES TO SERVICES PROPOSAL. Hyland or Customer may, at any time, reasonably request a change to any Service Proposal. Any requested change that the parties mutually accept (a “Change”) will be set forth in a written change order prepared by Hyland and agreed to and signed by both parties that specifically references the relevant Service Proposal. In the event the parties are unable to mutually agree upon a proposed Change or a proposed change order, and such proposed Change relates to a material component of the project that is the subject of the relevant Services Proposal, either party may terminate such Service Proposal upon not less than thirty (30) days advance written notice to the other party.

4. CUSTOMER’S OBLIGATIONS.

4.1 Assistance and Obligations. Customer agrees that it will cooperate with and assist Hyland in the performance of Professional Services under any Services Proposal; will provide the resources specified in the relevant Services Proposal; and will perform or fulfill all obligations required to be performed or fulfilled by Customer under the terms of the relevant Services Proposal.

Customer acknowledges that if it fails to provide assistance and perform or fulfill its obligations in accordance with this Section and the relevant Services Proposal, Hyland's ability to provide such Professional Services, meet the performance schedule set forth in such Services Proposal and keep services fees reasonably in line with any estimates given in the Services Proposal may be adversely affected. During any period in which Hyland is performing services hereunder, Customer shall provide to the Hyland project team independent local (onsite) and remote (offsite) access through the use of secure connections such as a network connection, VPN connection or other similar methods and dedicated user accounts with appropriate privileges to the applicable Software, hardware or virtual machines allocated to the applicable software system. Remote and local access will be granted for all provisioned environments, including production.

- 4.2 Third Party Software Rights. Notwithstanding any contrary terms, if Customer requests Hyland to perform Professional Services on or with respect to any third party software, Customer represents and warrants to Hyland that Customer has all necessary rights to allow Hyland to do so.
- 4.3 Protection of Customer's Systems. EXCEPT AS IT RELATES TO A HOSTED SOLUTION HOSTED BY HYLAND, CUSTOMER UNDERSTANDS THAT IT IS SOLELY RESPONSIBLE TO TAKE APPROPRIATE MEASURES TO ISOLATE AND BACKUP OR OTHERWISE ARCHIVE ITS COMPUTER SYSTEMS, INCLUDING ITS COMPUTER PROGRAMS, DATA AND FILES.
- 4.4 Safe Work Environment. Customer will be responsible for and shall ensure that while Hyland employees, agents or subcontractors are on Customer's premises, all proper and legal health and safety precautions are in place and fully operational to protect such persons.

5. **SERVICES FEES.** Except as otherwise provided in any applicable Services Proposal: (a) Hyland will charge services fees to Customer for Professional Services at Hyland's then-current standard list price for the applicable Professional Services; and (b) Hyland shall invoice Customer for Professional Services fees monthly, in arrears, based on the number of Working Hours required to complete the project and the applicable hourly fees; and Customer shall pay in full each such invoice in accordance with the terms of the General Terms. Any estimates of fees or Working Hours required to complete the project are approximations of the anticipated amount of fees and time needed to complete the project. The actual number of Working Hours may vary.

6. **TRAVEL AND EXPENSES.** Customer shall be responsible to pay or reimburse Hyland for all customary and reasonable out-of-pocket costs and expenses incurred by Hyland in connection with the performance of services under the Agreement (including fees and expenses relating to travel, meals, lodging and third party vendor registration requirements) in accordance with Customer's applicable internal policy for the reimbursement of costs and expenses to its employees ("Travel Reimbursement Policy", a copy of which is attached hereto as Exhibit A. Except as otherwise provided in any applicable Services Proposal, Hyland shall invoice Customer for all reimbursable costs and expenses on a monthly basis, in arrears; and Customer shall pay in full each such invoice in accordance with the General Terms.

7. **LIMITED WARRANTY FOR SERVICES.**

- 7.1 Limited Warranty. For a period of sixty (60) days from the date of completion of Professional Services, Hyland warrants to Customer that such services have been performed in a good and workmanlike manner and substantially according to industry standards. This warranty specifically excludes non-performance issues caused as a result of incorrect data or incorrect procedures used or provided by Customer or a third party or failure of Customer to perform and fulfill its obligations under the Agreement.
- 7.2 Remedy. Hyland's sole obligation, and Customer's sole and exclusive remedy for any non-conformities to the express limited warranties under Section 7.1 above shall be as follows: provided that, within the applicable 60-day period, Customer notifies Hyland in writing of the non-conformity, Hyland will use reasonable efforts to re-perform the non-conforming services in an attempt to correct the non-conformity(ies). If Hyland is unable to correct such non-conformity(ies) after a reasonable period of time, Customer's sole and exclusive remedy shall be to terminate the Services Proposal under which the non-conforming Services have been performed, in which event Hyland will refund to Customer any portion of the services fees under such Services Proposal relating directly to such non-conforming Professional Services paid prior to the time of such termination.

8. **WORK PRODUCTS.**

- 8.1 Work Products License. Hyland grants to Customer a limited, non-exclusive and non-assignable license to use the Work Products only in connection with Customer's authorized use of the Software, Hosted Solution, or Add-On Cloud Services, or other Hyland product or service (collectively "Hyland Core Product") with which such Work Product was delivered by Hyland for use by Customer. Customer may not: (a) make or authorize the making of copies of any Work Products; (b) remove any Hyland notices in the Work Products; (c) sell, transfer, rent, lease, time share or sublicense the Work Products to any third party; or (d) disassemble, decompile, reverse engineer or otherwise attempt to derive source code from any Work Product for any reason. Customer further agrees that, in connection with any use of the Work Products by Customer, the Work Products shall not be copied and installed on additional servers unless Customer has purchased a license therefore. All restrictions on use of the Hyland Core Product, including without limitation export restrictions and U.S. Government End User provisions, shall apply to the Work Products. If the license to the Hyland Core Product with which such Work Product was delivered by Hyland for use by Customer terminates, Customer's right to use the applicable Work Product shall also terminate. All post-

termination rights and obligations with respect to the applicable Core Hyland Product shall also apply to the Work Product.

8.2 Modification of Work Products.

- 8.2.1 **Form of Delivered Work Products.** The form in which Hyland delivers Work Products will be determined by Hyland depending on the purpose and functionality of the Work Product.
- 8.2.2 **Configuration Work Products.** If Hyland delivers a Work Product: (a) in the form of (1) source code which is compiled by tools in the Software to machine language form; or (ii) a script; or (b) created using the configuration tools in the Software (a “Configuration Work Product”), then Hyland grants to Customer the limited right to modify the Configuration Work Product, provided such modified Configuration Work Product is used only in compliance with the terms of the limited license to such Work Product granted under this Section.
- 8.2.3 **Independent Work Products.** If Hyland delivers a Work Product which is not a Configuration Work Product (an “Independent Work Product”), then, except as otherwise provided in the last sentence of this paragraph, Customer may not alter or modify such Independent Work Product. If Hyland delivers an Independent Work Product, and Customer desires to obtain the right to modify the Independent Work Product, then the parties may mutually agree that Hyland shall deliver to Customer a copy of the format of the Independent Work Product that is necessary to enable the Customer to complete its modifications, subject to and upon the payment by Customer to Hyland of any additional Professional Services fees as Hyland may charge to prepare and deliver such format. In such case, Hyland grants to Customer the right to modify, and if necessary, compile the delivered format of the Independent Work Product, provided such modified Independent Work Product is used only in compliance with the terms of the limited license to such Work Product granted under this Section.

8.3 Work Products Warranty

- 8.3.1 **Limited Warranty.** For a period of sixty (60) days from and including the date that Hyland has delivered a completed Work Product to Customer, Hyland warrants to Customer that such Work Product, when properly installed and properly used, will function in all material respects as described in the Specifications. The terms of this warranty shall not apply to, and Hyland shall have no liability for any non-conformity related to, any Work Product that has been (a) modified or added to by Customer or a third party, (b) used in combination with equipment or software other than that which is consistent with the Specification, or (c) misused or abused.
- 8.3.2 **Remedy.** Hyland’s sole obligation, and Customer’s sole and exclusive remedy, for any non-conformities to the express limited warranty under Section 8.3.1 shall be as follows: provided that, within the applicable 60-day period, Customer notifies Hyland in writing of the non-conformity, Hyland will either (a) repair or replace the non-conforming Work Product, which may include the delivery of a reasonable workaround for the non-conformity; or (b) if Hyland determines that repair or replacement of the Work Product is not commercially practicable, then terminate this Schedule with respect to the non-conforming Work Product, in which event, upon compliance by Customer with its obligations upon termination, Hyland will refund any portion of the services fees paid prior to the time of such termination with respect to the creation and implementation of such Work Product.

8.4 **Work Products Infringement Indemnification.** Hyland agrees to indemnify Customer against all liability and expense, including reasonable attorneys’ fees, arising from or in connection with any third party claim, action or proceeding instituted against Customer based upon any infringement or misappropriation by the Work Products of any patent, registered copyright or registered trademark of a third party that is enforceable in the United States, provided that Hyland: (a) is notified immediately after Customer receives notice of such claim; (b) is solely in charge of the defense of and any settlement negotiations with respect to such claim, provided that Hyland will not settle any such claim without the prior written consent of Customer if such settlement contains a stipulation to or admission or acknowledgement of any liability or wrongdoing on the part of Customer or otherwise requires payment by Customer; (c) receives Customer’s reasonable cooperation in the defense or settlement of such claim; and (d) has the right, upon either the occurrence of or the likelihood (in the opinion of Hyland) of the occurrence of a finding of infringement or misappropriation, either to procure for Customer the right to continue use of the Work Products, or to replace the relevant portions of the Work Products with other equivalent, non-infringing portions.

- 8.4.1 **Removal and Refund.** If Hyland is unable to accomplish either of the options set forth in Section 8.4(d), Hyland shall remove the infringing portion of the Work Products and refund to Customer the full services fees paid, if any, by Customer for the creation and implementation of the infringing Work Products.
- 8.4.2 **Exclusions.** Notwithstanding anything to the contrary, Hyland shall have no obligation to Customer to defend or satisfy any claims made against Customer and otherwise described in Section 8.4 that arise from: (a) any Customer Data; (b) use of the Work Products by Customer other than as expressly permitted by this Schedule; (c) the combination of the Work Products with any product not furnished by Hyland to Customer; (d) the modification or addition to of the Work

Products other than by Hyland or any of its authorized solution providers specifically retained by Hyland to provide such modification or addition; or (e) the Customer's business methods or processes.

8.4.3 THIS SECTION 8.3 STATES HYLAND'S ENTIRE LIABILITY AND THE SOLE AND EXCLUSIVE REMEDY OF CUSTOMER WITH RESPECT TO ANY ALLEGED INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY OR PROPRIETARY PROPERTY BY THE WORK PRODUCTS.

9. **TERMINATION.**

9.1 Generally. In addition to the termination provisions set forth in Section 1.2 of the General Terms Schedule, Customer or Hyland may terminate this Schedule, including any Services Proposal, for any reason, upon not less than thirty (30) days advance written notice to Hyland to such effect. In the event this Schedule is terminated in its entirety, any Services Proposal not terminated shall survive in accordance with its terms and the terms of this Schedule.

9.2 Terminating a Services Proposal. In addition to the terms provided in Section 1.3 of the General Terms Schedule, in the event of any termination of a Services Proposal, Customer agrees to compensate Hyland for all Professional Services already performed prior to, and including, the date of termination, except to the extent that Hyland has breached its obligations to perform such Professional Services and such breach is the cause of such termination.

9.3 Effects of Termination. Upon any termination of this Schedule in its entirety (other than by Hyland due to Customer's breach), Customer's license to use the Work Products provided in this Schedule shall survive according to its terms.

10. **HYLAND OBLIGATIONS**

10.1 Hyland's employees, agents, subcontractors and designees shall abide by all of the policies, rules, regulations, and security measures adopted by Customer for its onsite vendors and visitors, including but not limited to, Customer's Policy I-66 (Contracted Non-Employees/Allied Health Non-Credentialed /Dependent Allied Health / Temporary Staff / Construction/Third Party Equipment), 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. Customer must provide such policies, rules, regulation, and security measures to Hyland in advance. Hyland employees, agents, subcontractors and/or designees who do not abide by Customer policies may be barred from physical access to Customer's premises.

Exhibit A – Travel Reimbursement Policy

The following are the acceptable travel guidelines for reimbursement of travel costs. Reimbursement shall only be for the contract personnel.

Transportation:

- Domestic Airlines (Coach Ticket). Number of trips must be approved by Client.
- Personal Vehicle: Client will not pay costs associated to driving a personal vehicle in lieu of air travel unless the reimbursable mileage is less than domestic coach ticket.

Meals: All meal charges will be paid up to and not to exceed \$50 per traveler per day. This includes a 15% tip.

Lodging: Lodging will either be booked by Client or reimbursed for costs of a reasonable room rate plus taxes for Las Vegas, NV, not to exceed \$175 per night per traveler.

Rental Vehicles: One (1) automobile rental will be authorized per four (4) travelers. Rental must be mid-size or smaller. Client will reimburse up to \$200 per week. Return re-fuel cap of \$50 per vehicle.

Each traveler shall submit the following documents to claim travel reimbursement. The documents shall be readable copies of the original itemized receipts for each traveler (for security reasons receipts, including credit card receipts, seldom contain an individual's full name). Only actual costs (including all applicable sales tax) will be reimbursed.

- Company's Invoice
 - o With copy of executed contract highlighting the allowable travel
 - o List of travelers
 - o Number of days in travel status
- Hotel receipt
- Meal receipts for each meal
- Airline receipt
- Car rental receipt (Identify driver and passengers)
- Airport parking receipt (traveler's Airport origin)
- Gas re-fuel upon return of rental vehicle capped at \$50 per vehicle
- Airport long term parking (only for economy rate)

The following are some of the charges that will NOT be allowable for reimbursement (not all inclusive):

- Personal vehicle (Client will not pay costs associated to driving a personal vehicle in lieu of air travel)
- Excess baggage fares
- Upgrades for transportation, lodging, or vehicles
- Alcohol
- Room service
- In-room movie rentals
- In-room beverage/snacks
- Gas for personal vehicles
- Transportation to and from traveler's home and the airport
- Mileage
- Travel time

Business Associate Agreement

This Agreement is made effective the last signature below, by and between **University Medical Center of Southern Nevada** (hereinafter referred to as “Covered Entity”), a county hospital duly organized pursuant to Chapter 450 of the Nevada Revised Statutes, with its principal place of business at 1800 West Charleston Boulevard, Las Vegas, Nevada, 89102, and **Hyland Software, Inc.**, hereinafter referred to as “Business Associate”, (individually, a “Party” and collectively, the “Parties”).

WITNESSETH:

WHEREAS, Sections 261 through 264 of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, known as “the Administrative Simplification provisions,” direct the Department of Health and Human Services to develop standards to protect the security, confidentiality and integrity of health information; and

WHEREAS, pursuant to the Administrative Simplification provisions, the Secretary of Health and Human Services issued regulations modifying 45 CFR Parts 160 and 164 (the “HIPAA Rules”); and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5), pursuant to Title XIII of Division A and Title IV of Division B, called the “Health Information Technology for Economic and Clinical Health” (“HITECH”) Act, as well as the Genetic Information Nondiscrimination Act of 2008 (“GINA,” Pub. L. 110-233), provide for modifications to the HIPAA Rules; and

WHEREAS, the Secretary, U.S. Department of Health and Human Services, published modifications to 45 CFR Parts 160 and 164 under HITECH and GINA, and other modifications on January 25, 2013, the “Final Rule,” and

WHEREAS, the Parties wish to enter into or have entered into an arrangement whereby Business Associate will provide certain services to Covered Entity, and, pursuant to such arrangement, Business Associate may be considered a “Business Associate” of Covered Entity as defined in the HIPAA Rules (the agreement evidencing such arrangement is entitled “Underlying Agreement”); and

WHEREAS, Business Associate will have access to Protected Health Information (as defined below) in fulfilling its responsibilities under such arrangement;

THEREFORE, in consideration of the Parties’ continuing obligations under the Underlying Agreement, compliance with the HIPAA Rules, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties agree to the provisions of this Agreement in order to address the requirements of the HIPAA Rules and to protect the interests of both Parties.

I. DEFINITIONS

“HIPAA Rules” means the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

“Protected Health Information” means individually identifiable health information created, received, maintained, or transmitted in any medium, including, without limitation, all information, data, documentation, and materials, including without limitation, demographic, medical and financial information, that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual. “Protected Health Information” includes without limitation “Electronic Protected Health Information” as defined below.

“Electronic Protected Health Information” means Protected Health Information which is transmitted by Electronic Media (as defined in the HIPAA Rules) or maintained in Electronic Media.

The following terms used in this Agreement shall have the same meaning as defined in the HIPAA Rules: Administrative Safeguards, Breach, Business Associate, Business Associate Agreement, Covered Entity, Individually Identifiable Health Information, Minimum Necessary, Physical Safeguards, Security Incident, Use, and Technical Safeguards.

II. ACKNOWLEDGMENTS

Business Associate and Covered Entity acknowledge and agree that in the event of an inconsistency between the provisions of this Agreement and mandatory provisions of the HIPAA Rules, the HIPAA Rules shall control. Where provisions of this Agreement are different than those mandated in the HIPAA Rules, but are nonetheless permitted by the HIPAA Rules, the provisions of this Agreement shall control.

Business Associate acknowledges and agrees that all Protected Health Information that is disclosed or made available in any form (including paper, oral, audio recording or electronic media) by Covered Entity to Business Associate or is created or received by Business Associate on Covered Entity's behalf shall be subject to this Agreement.

Business Associate has read, acknowledges, and agrees that the Secretary, U.S. Department of Health and Human Services, published modifications to 45 CFR Parts 160 and 164 under HITECH and GINA, and other modifications on January 25, 2013, the "Final Rule," and the Final Rule significantly impacted and expanded Business Associates' requirements to adhere to the HIPAA Rules.

III. USE AND DISCLOSURE OF PROTECTED HEALTH INFORMATION

- (a) Business Associate agrees that all uses and disclosures of Protected Health Information shall be subject to the limits set forth in 45 CFR 164.514 regarding Minimum Necessary requirements and limited data sets.
- (b) Business Associate agrees to use or disclose Protected Health Information solely:
 - (i) For meeting its business obligations as set forth in any agreements between the Parties evidencing their business relationship; or
 - (ii) as required by applicable law, rule or regulation, or by accrediting or credentialing organization to whom Covered Entity is required to disclose such information or as otherwise permitted under this Agreement or the Underlying Agreement (if consistent with this Agreement and the HIPAA Rules).
- (c) Where Business Associate is permitted to use Subcontractors that create, receive, maintain, or transmit Protected Health Information; Business Associate agrees to execute a "Business Associate Agreement" with Subcontractor as defined in the HIPAA Rules that includes the same covenants for using and disclosing, safeguarding, auditing, and otherwise administering Protected Health Information as outlined in Sections I through VII of this Agreement (45 CFR 164.314).
- (d) Business Associate will acquire written authorization in the form of an update or amendment to this Agreement and Underlying Agreement prior to:
 - (i) Directly or indirectly receiving any remuneration for the sale or exchange of any Protected Health Information; or
 - (ii) Utilizing Protected Health Information for any activity that might be deemed "Marketing" under the HIPAA rules.

IV. SAFEGUARDING PROTECTED HEALTH INFORMATION

- (a) Business Associate agrees:
 - (i) To implement appropriate safeguards and internal controls to prevent the use or disclosure of Protected Health Information other than as permitted in this Agreement or by the HIPAA Rules.
 - (ii) To implement "Administrative Safeguards," "Physical Safeguards," and "Technical Safeguards" as defined in the HIPAA Rules to protect and secure the confidentiality, integrity, and availability of Electronic Protected Health Information (45 CFR 164.308, 164.310, 164.312). Business Associate shall document policies and procedures for safeguarding Electronic Protected Health Information in accordance with 45 CFR 164.316.
 - (iii) To notify Covered Entity of any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system ("Security Incident") after discovery of the Security Incident.
- (b) When an impermissible acquisition, access, use, or disclosure of Protected Health Information ("Breach") occurs, Business Associate agrees:
 - (i) To notify Covered Entity's Chief Privacy Officer within 5 business days of the discovery of the Breach, and
 - (ii) Within 20 business days of the discovery of the Breach, provide Covered Entity with all required content of notification in accordance with 45 CFR 164.410 and 45 CFR 164.404(c), and
 - (iii) To cooperate with Covered Entity's analysis and final determination on whether to notify affected individuals, media, or Secretary of the U.S. Department of Health and Human Services, and
 - (iv) To pay costs associated with the notification of affected individuals and costs associated with mitigating potential harmful effects to affected individuals, if an unauthorized Use or Breach results from Business Associate's breach of its obligations set forth in the Software-As-A-Service Schedule in the Underlying Agreement.

V. RIGHT TO AUDIT

- (a) Business Associate agrees:

- (i) once per calendar year, or after a Security Incident, to provide Covered Entity with timely and appropriate access to records, electronic records, HIPAA assessment questionnaires provided by Covered Entity, personnel, or facilities sufficient for Covered Entity to gain reasonable assurance that Business Associate is in compliance with the HIPAA Rules and the provisions of this Agreement.
- (ii) That in accordance with the HIPAA Rules, the Secretary of the U.S. Department of Health and Human Services has the right to review, audit, or investigate Business Associate's records, electronic records, facilities, systems, and practices related to safeguarding, use, and disclosure of Protected Health Information to ensure Covered Entity's or Business Associate's compliance with the HIPAA Rules.

VI. COVERED ENTITY REQUESTS AND ACCOUNTING FOR DISCLOSURES

- (a) At the Covered Entity's Request, Business Associate agrees:
 - (i) To comply with any requests for restrictions on certain disclosures of Protected Health Information pursuant to Section 164.522 of the HIPAA Rules to which Covered Entity has agreed and of which Business Associate is notified by Covered Entity.
 - (ii) To make available Protected Health Information to the extent and in the manner required by Section 164.524 of the HIPAA Rules. If Business Associate maintains Protected Health Information electronically, it agrees to make such Protected Health Information electronically available to the Covered Entity.
 - (iii) To make Protected Health Information available for amendment and incorporate any amendments to Protected Health Information in accordance with the requirements of Section 164.526 of the HIPAA Rules.
 - (iv) To account for disclosures of Protected Health Information and make an accounting of such disclosures available to Covered Entity as required by Section 164.528 of the HIPAA Rules. Business Associate shall provide any accounting required within 15 business days of request from Covered Entity.

VII. TERMINATION

Notwithstanding anything in this Agreement to the contrary, Covered Entity shall have the right to terminate immediately if Covered Entity determines that Business Associate has violated any material term of this Agreement. At termination of this Agreement, the Underlying Agreement (or any similar documentation of the business relationship of the Parties), or upon request of Covered Entity, whichever occurs first, if feasible, Business Associate will: (a) return or destroy all Protected Health Information received from or created or received by Business Associate on behalf of Covered Entity that Business Associate still maintains in any form outside the Hyland Cloud Service; and (b) retain no copies of such information, or if such return or destruction is not feasible, Business Associate will extend the protections of this Agreement to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible.

VIII. MISCELLANEOUS

Except as expressly stated herein or the HIPAA Rules, the Parties to this Agreement do not intend to create any rights in any third parties. The obligations of Business Associate under this Section shall survive the expiration, termination, or cancellation of this Agreement, the Underlying Agreement and/or the business relationship of the Parties, and shall continue to bind Business Associate, its agents, employees, contractors, successors, and assigns as set forth herein.

This Agreement may be amended or modified only in a writing signed by the Parties. No Party may assign its respective rights and obligations under this Agreement without the prior written consent of the other Party. None of the provisions of this Agreement are intended to create, nor will they be deemed to create any relationship between the Parties other than that of independent parties contracting with each other solely for the purposes of effecting the provisions of this Agreement and any other agreements between the Parties evidencing their business relationship. This Agreement will be governed by the laws of the State of Nevada. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement will remain in full force and effect. In addition, in the event a Party believes in good faith that any provision of this Agreement fails to comply with the HIPAA Rules, such Party shall notify the other Party in writing. For a period of up to thirty days, the Parties shall address in good faith such concern and amend the terms of this Agreement, if necessary to bring it into compliance. If, after such thirty-day period, the Agreement fails to comply with the HIPAA Rules, then either Party has the right to terminate upon written notice to the other Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year written above.

[Signature Page to Follow]

COVERED ENTITY:

BUSINESS ASSOCIATE:

By:_____

Mason Van Houweling

Title: CEO

Date:_____

By:_____

Title:_____

Date:_____



PROFESSIONAL SERVICES PROPOSAL

University Medical Center
Southern Nevada

OnBase integration for Epic

Document Version: 6

Document Date: 22 Nov 2021

THIS PROPOSAL WILL EXPIRE ON
DECEMBER 31ST, 2021 UNLESS
SIGNED BY BOTH PARTIES.

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INTRODUCTION

This Professional Services Proposal for OnBase integration for Epic services (“Services Proposal”), is made and effective as of the date of last signature below (the “Effective Date”), by and between Hyland Software, Inc., (“Hyland”), and University Medical Center of Southern Nevada, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes (the “Customer”). This Services Proposal is pursuant and subject to that certain Hyland Master Agreement dated on or around December 15, 2021 (the “Agreement”), executed between Hyland and Customer. Unless otherwise defined herein, the capitalized terms in this Services Proposal shall have meanings set forth in the Agreement. In the event of any conflict between these provisions and those in the Agreement, the provisions in the Agreement shall prevail.

The purpose of this Services Proposal is to define the goals, scope, fees and other important details supporting the delivery of Professional Services for one or more projects defined in the Project Areas section.

PROPOSAL TERMS & USAGE

The content of this Services Proposal is subject to review and revision by both Hyland and Customer until fully executed by both parties.

Upon execution of this Services Proposal, the Hyland project manager or designated resource will contact Customer project team to discuss project logistics and potential start dates. At this time, Hyland resource availability will be reviewed and presented to Customer. Start times can vary based on existing work volumes. The project(s) will begin upon a mutually agreed upon date as soon as resource availability and Customer availability allow. Once the project start date has been determined, resources will be assigned and scheduled to begin delivery of the services described in this Services Proposal.

All terms of any purchase order or similar document provided by Customer including but not limited to any Customer pre-printed terms and any terms that are inconsistent or conflict with this Services Proposal shall be null and void.

Please note that some of the resources assigned to perform the Services may be employees of Hyland Software, Inc.’s subsidiaries located in other countries.

After execution, all changes to this Services Proposal will follow the Project Change Control Process. All changes must be made to this Services Proposal through an authorized Change Order unless otherwise agreed to in writing by both Hyland and Customer.

PROJECT AREAS

Epic Project Overview – Applicable to all Epic Module Integrations

This solution leverages the capabilities of the OnBase enterprise content management (“ECM”) product as licensed by Customer to extend the capabilities of the Epic Electronic Medical Record (“Epic”). The integration between Epic and Software will be achieved via the Application Program Interfaces (“API”) of the software products or through HL7 feeds from Software to Epic.

Key identifiers, such as patient and encounter/account, will be Epic-generated or Epic-recognized and synchronized across Epic and Software through a single HL7 ADT feed from Epic to Software that the Customer will establish, typically through an interface engine.

The Epic Project Areas will run concurrently except as noted in this proposal.

Deployment of Epic Integration Project Areas

The relevant portions of the OnBase integration for Epic will be delivered to the Customer facilities defined within the current Master Software License, Services and Support Agreement in place between Hyland and Customer, with go-live support for a single (1) event across both Ambulatory and Inpatient facilities provided by Hyland as described in this proposal.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. Customer will standardize Software document types across all ambulatory facilities. Any provision for facility specific document types may increase project costs or introduce timeline delays;
2. Customer will standardize Software document types across all inpatient facilities. Any provision for facility specific document types may increase project costs or introduce timeline delays;
3. The Epic configuration required to fulfill project requirements will be completed by Epic, or by Customer staff with the required Epic certifications and experience. If Customer staff is performing the Epic configuration, general Document Management System (“DMS”) configuration documentation is available from Epic, and Hyland will provide Software-specific documentation; and
4. All document capture is day-forward. No capture of previously generated documents is included in this proposal.

Project 1 – Pre-Visit Documentation Workflow

Scope

The project will consist of initiation, requirements analysis, implementation services and project management in association with the capture, management and linking of documents that arrive in advance of a scheduled or unscheduled visit, including referral documents. The documents will be linked to the Epic EMR. This project allows for the scheduling work to be performed in a centralized or decentralized setting in hospitals and clinics.

Content Capture

1. Day forward capture of scanned or faxed documents such as referrals and orders for classification, storage and linking to Epic;
2. Software's "sweep" functionality of purchased Software and/or Fax Server integration will be utilized; and
3. Configuration (if necessary) of a document separation scan queue.

Content Management

1. Documents will be manually separated (if necessary) in a scan queue that supports document separation;
2. Software Workflow filters will be applied (if necessary) to incoming documents based on keyword values for Department, Status and Sub-Status;
3. Order analyzers, appointment schedulers and other end users interacting with received documents will execute Workflow Tasks that indicate the status of the faxed order;
4. Faxed order status options will be pre-configured based upon a standardized solution model; and
5. Once received documents have been fully indexed, Software will generate an outbound HL7 message to Epic to create the document retrieval link at the appropriate level within Epic, based upon the document type assigned to the received document.

Interfaces

1. Content captured will be interfaced via Software HL7 to Epic Bridges through the use of the HL7 middleware. A workflow system task will use the Software HL7 Interface for outbound communication:
 - A. Outbound MDM messages to interface captured documents to the EpicCare system;
 - B. Incoming SIU messages for the capture of scheduling data from Epic; and
 - C. Inbound MDM ("Bi-Directional Scans Maintenance Interface") messages to update metadata assigned to documents stored in Software after having been updated within Epic:
 - i. The Bi-Directional Scans Maintenance Interface must be procured through Epic.

Content Delivery

1. Integrated single document retrieval from document hyperlinks within the patient record in EpicCare using the API integration between the Software and Epic;
2. EpicCare Link/MyChart (if necessary); and/or
3. Document retrieval using native client(s) of the Software.

Third-party Application Integration

1. Software will integrate/interface with the following applications:

- A. Epic Cadence;
- B. Epic Prelude;
- C. EpicCare (Ambulatory/Inpatient); and
- D. EpicCare Link/MyChart (if necessary).

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. Customer's fax server solution has the capability to make documents available to the Software from a location and in a format that the Software can import;
2. Customer must be on version Epic 2015 IU2 or higher to leverage incoming SIU and Bi-Directional Scans Maintenance Interface messages as part of this solution option;
3. Customer must be on version Epic 2018, February release or higher, to leverage outbound ZRE interface messages for linking of batch scanned referral documents;
4. A defined, standardized Software design and configuration for this Project Area is intended to be deployed as part of the overall implementation for all departments identified during the Requirements Analysis process as to be leveraging the solution;
5. Solution will allow for documents to be assigned to scan eligible appointment Contact Serial Numbers ("CSNs"), Orders, and/or Referral IDs created in Epic:
 - A. Charts will be created within Software for appointments based on incoming SIU messages;
 - B. Documents may be attached to appointments via batch scanning, integrated scanning or native Software document import functionality;
 - C. If an appointment is re-scheduled and a new CSN is generated by Epic, Software will create a new chart and re-assign the document(s) attached to the original chart to the new chart; and
 - D. If an appointment is cancelled within Epic, Epic will convert the cancelled appointment to a Scan-Only Encounter. OnBase will move the documents attached to the appointment to the new Scan-Only Encounter CSN.
6. Software Workflow will not be used to validate tasks or ensure that processes are followed in the proper order. Customer resources will be trained in the proper order to execute tasks and will be responsible for ensuring that tasks are executed in the proper order and at the proper time; Software Workflow features such as Timers, User Interaction or Load Balancing are not available outside Software Workflow. Customer staff will be responsible for manually updating document keywords to facilitate the creation of an HL7 message;
7. Users will see all documents within a given status and not know who or if another scheduler is actively working the document;
8. Documents are not automatically assigned to users on a first-in first-out process;
9. Customer will be responsible for the implementation and management of any fax server software or infrastructure enabling faxed documents to be stored on an accessible network directory; and
10. Documents will attach to records within Epic at the appointment level, and the Customer version of Epic will allow for this integration.

Exclusions

The following items are considered out of scope for this engagement:

1. Creation of Workflow E-forms (an electronic HTML form acting as a document in Software) is not included in this estimate;
2. Automatic assignment of documents to specific users for processing;

3. Individual documents will not be automatically assigned to individuals, groups or roles; Individual users will be able to filter documents based upon criteria identified to perform their business task(s);
4. Notifications about documents in a Workflow queue for a period of time are not included;
5. External communication (fax/e-mail) of documents is not included; and
6. Custom development to accommodate electronic fax solutions incapable of making documents available to the Software from a location and in a format that the Software can import.

Project 2 – Registration Solution

Scope

This project area will consist of integrating Software with the Epic modules relevant to Registration (i.e. Epic Cadence and Epic Prelude), enabling Software capture and management of documents, and the linking of documents to Epic.

Content Capture

1. Capture of registration documents such as insurance cards, photo identification, and consent forms.

Content Delivery

1. Integrated document retrieval from document hyperlinks created within select Epic Registration contexts (determined by Customer in consultation with Epic); and
2. Document retrieval using native client(s) of the Software (Customer HIM staff and other select users).

Third-party Application Integration

1. Software will integrate/interface with the following applications:
 - A. Epic ADT/Prelude Registration (Inpatient); and
 - B. Epic Prelude Registration (Ambulatory).

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

Intentionally left blank

Exclusions

The following items are considered out of scope for this engagement:

1. Integration with the Epic Welcome kiosk;
2. Electronic Completion and signing of forms using a device such as a tablet PC, interactive pen display, or signature pad capable of capturing digital ink; and
3. The implementation of an OnBase Mobile eCapture solution for use with mobile devices, such as iPads, to capture patient signatures on consent forms.

Project 3 – Clinical Records Solution

Scope

This project area will consist of integrating Software with EpicCare, enabling Software capture and management of clinical documents, and the linking of documents to Epic.

Content Capture

1. Capture of select clinical documents, such as lab results, via scanning or the use of other Customer-owned Software modules;
2. Batch scanning and barcode recognition as available of clinical documents, with documents linked to Epic via HL7; and
3. Import of electronic documents from up to five (5) ancillary clinical systems, with documents linked to Epic via HL7. Documents must be in non-proprietary document formats (e.g. PDF, TXT, RTF and JPG). The pricing for this proposal is based upon the assumption that native import functionality of purchased Software modules (e.g. HL7) will be leveraged for document import.

Content Delivery

1. Integrated document retrieval from document hyperlinks created within select EpicCare contexts (determined by Customer in consultation with Epic);
2. Integrated document retrieval via the launch of the OnBase Patient Window from EpicCare;
3. Document retrieval using native client(s) of the Software (Customer HIM staff and other select users).

Content Management

1. Deficiency Analysis and Completion:
 - A. Software will extend Epic's deficiency analysis and completion capabilities to facilitate analysis and completion of documents stored in Software;
 - B. Missing Signature and Missing Information deficiencies are supported by Software; and
 - C. Software will deliver deficiency, completion, and refusal data to Epic to support consolidated deficiency management in Epic.
2. Release of Information ("ROI"):
 - A. Epic ROI reports will automatically include documents linked in Epic to Software.
3. Document Corrections:
 - A. The Solution will include a workflow to facilitate document corrections, such as misfiles and duplicate scans, with the corrections being performed by HIM or other authorized staff; and
 - B. Epic end users will be able to initiate the correction process directly from the Epic-integrated Software viewer.
4. Document Maintenance:
 - A. Document maintenance may be facilitated through the Bi-Directional Scans Maintenance Interface;
 - B. When a document record ("DCS") is changed in Epic, a Bi-Directional Scans Maintenance Interface message can be sent to Software, within which the document metadata will be updated accordingly; and
 - C. Documents can also be soft deleted from Epic through this process.
5. Software will automatically process patient merge messages from Epic. Software will facilitate, but not completely automate, the un-merging of patients;

6. Integration with the Epic Web BLOB Server Pass-Through:
 - A. Specific use cases by which the Epic Web BLOB Server Pass-Through (“WBP”) will be utilized by Customer will be identified and investigated during Project Requirements Analysis;
 - B. Only day-forward documentation may be stored in Software leveraging WBP;
 - C. The following types of documents stored in the Epic Web BLOB Server will not be eligible for WBP:
 - i. Patient photos;
 - ii. Documents from external organizations retrieved through Image Exchange;
 - iii. HTML template-based e-signatures;
 - iv. Files not compatible with the Media Manager or the Media tab in Chart Review;
 - v. Files that exist without corresponding document records in the Document (DCS) master file; and
 - vi. Other documentation identified as ineligible by Epic.
 - D. Documents stored in OnBase by way of the WBP will exist as ‘read-only’ documents:
 - i. Only WBP calls initiated from within Epic will be able to perform file edits. Such requests will trigger in-place replacements of files stored in Software and will not utilize Software revisioning capabilities;
 - ii. Only WBP calls initiated from Epic will be able to perform document deletions. Such requests will trigger document purges from within Software; and
 - iii. Only HL7 messages initiated from Epic will be able to perform metadata updates on WBP documents. Metadata update processes will work in conjunction with the ADT interface and Bi-Directional Scans Maintenance Interface. Metadata updates include Keyword changes and Document Type changes. These updates can be triggered as a result of typical patient activity or the Edit document process initiated from within Epic and will require the use of the Software Document Update Processor. These types of metadata updates are one-way and only triggered from Epic. No updates to document metadata performed in Software will be sent to Epic.
 - E. Document security in Software will be maintained separately from Epic security. This may result in documents being viewable in one system and not the other if security models between Software and Epic are not aligned.
7. Dashboard Reporting Packages: Pre-configured Reporting Dashboards to allow users to monitor performance and analyze trends in real-time. These reports include:
 - A. HIM Operations I Package
 - i. Scanning Productivity by User Group;
 - ii. Indexing Productivity by User Group;
 - iii. QA Productivity by User Group;
 - iv. Document Type Summary;
 - v. My Scanning Productivity;
 - vi. My Indexing Productivity;
 - vii. My QA Productivity;
 - viii. Batch Snapshot;
 - ix. Capture Process Designer Batch Processing Time;
 - x. Capture Process Designer Batches Currently in Processing; and
 - xi. Committed vs Created Documents.

Interfaces

1. HL7 interfaces will be leveraged for both inbound and outbound data communications with Software:
 - A. A single (1) incoming ADT interface to capture patient and encounter data;
 - B. Incoming SIU interface to capture scheduling data;
 - C. Orders interface is included in scope;
 - D. A single (1) outbound MDM interface to link documents to the EMR; and
 - E. Inbound MDM ("Bi-Directional Scans Maintenance Interface") interface to update metadata assigned to documents stored in Software after having been updated within Epic.

Third-party Application Integrations

1. Software will integrate with the following applications:
 - A. EpicCare Link/MyChart;
 - B. EpicCare (Ambulatory/Inpatient); and
 - C. Epic Health Information Management:
 - i. Chart Deficiencies (Inpatient); and
 - ii. Release of Information.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. Hyland will configure Dashboard Reporting Packages using standard document and workflow data providers;
2. Customer must be on version Epic 2015 IU2 or higher to leverage incoming SIU and Bidirectional Scan Maintenance Interface messages as part of this solution option:
 - A. The Bi-Directional Scans Maintenance Interface must be procured through Epic.
3. Customer will supply initial bulk export of the physician metadata required to assign the responsible provider to deficiencies, as well as the subsequent daily metadata updates;
4. Customer owns Workflow software licenses to be utilized by end users for the unmerge workflow process;
5. Customer is licensed for the Unity Automation API to support Unity scripting supporting the unmerge workflow process; and
6. Hyland will train system administrator on the configuration of Reporting Dashboards. System Administrator will be responsible for the maintenance of existing and the creation of new dashboards as required.

Exclusions

The following items are considered out of scope for this engagement:

1. Professional Services for the configuration of Software to facilitate the routing of batch scanned documents to a physician's Epic in-basket for the purpose of Physician Acknowledgment; and
2. Professional Services for the configuration of custom dashboards using the Reporting Dashboards module.

Project 4 – UnityROI Solution

Scope

The project will consist of initiation, requirements analysis, implementation services and project management in association with the Release of Information (“ROI”) Unity solution. This solution will allow HIM or other authorized users to create and process ROI requests for documents not linked to Epic.

Content Management

1. Create, manage and approve ROI requests to gather documents based on specific criteria;
2. Assemble and sort relevant documents within Software;
3. ROI requests are assigned to users and the status of the request is maintained in Software; and
4. Search for requests by requestor and patient information.

Content Delivery

1. Software Medical Records Unity Client; and
2. Print or export to PDF file for delivery.

Third-party Application Integration

1. ROI requests may be scanned within Epic ROI in order to initiate the ROI request in Software; and
2. Software may optionally generate an MDM message to Epic containing the ROI package such that the full release can be performed from Epic.

Deployment

1. The solution will be deployed within Customer HIM departments to be defined during project Requirements Analysis.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. Billing for ROI requests is managed in Epic;
2. Customer is licensed for Software Release of Information module;
3. The UnityROI solution will be leveraged to facilitate the completion of ROI requests requiring the inclusion of documents stored within software that are not linked to the patient record in Epic; and
4. Customer will be responsible for identifying the Software document types which will be eligible for inclusion within the UnityROI solution.

Exclusions

The following items are considered out of scope for this engagement:
Intentionally left blank

Project 5 – OnBase Patient Window

Scope

The project will consist of initiation, requirements analysis, implementation, and project management Services in association with the OnBase Patient Window (“OPW”). Hyland will perform the following:

1. Installation of the OPW Software module; and
2. Configuration of the following elements of the OPW:
 - A. Document types;
 - B. Banner attributes;
 - C. Chart tab configuration;
 - D. Filtering options;
 - E. Facility specific configuration; and
 - F. Cross-facility tabs.

Installation

1. Software solution configuration changes will be implemented and tested in non-production environment; and
2. Software database updates will be implemented and tested against a copy of the Software solution production database.

Deployment

1. Hyland will support migration of Software solution changes to production environment and Hyland services will support the Go-Live as a part of the overall Epic Go-Live.

Third-party Application Integrations

1. Software will integrate with the following applications:
 - A. EpicCare (Ambulatory/Inpatient).

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. Customer will provide an extract of key identifiers from the EMR within a week of project start; and
2. Customer understands that routine maintenance of the Software solution is required to support the use of the OPW.

Exclusions

The following items are considered out of scope for this engagement:

1. Integrations with any Vendor Neutral Archives (“VNA”) and/or third-party medical imaging zero-print viewers.

Project 6 – Billing Office Solution

Scope

This project area will consist of integrating Software with Epic Resolute, including Professional Billing and Hospital Billing.

Business Correspondence Processing

1. Paper business correspondence will be batch scanned and moved to a Software queue for indexing and QA:
 - A. Actionable correspondence will be managed directly within Epic. Software will create a nightly text file containing the document handle for each piece of correspondence that was scanned in to Software that day. This file will then be automatically imported into Epic, and a Correspondence Record is created for each document handle in the file. This will create a direct link to the document from the Epic Correspondence Record. It is recommended that Correspondence Records are created for the Correspondence Solution:
 - i. Customer must be on version Epic 2014 or higher and have applied Epic Special Update E8115223 to leverage this solution option.

Batch Payment Posting in Epic Resolute

Software will be used to scan EOBs, or acquire existing EOB images, to create posting batches in Epic:

1. The document representing the posting batch will be linked to Epic via an HL7 ZBI message. Customer is responsible for purchasing the ZBI interface from Epic and any required configuration services. Epic will create the posting batch based on the information in the ZBI message. EOBs retrieved from lockboxes for the Epic/Software batch posting integration must be multi-page TIFF images. Combining multiple images to create a posting document is not in scope;
2. When an end user opens a Software-created Epic batch for posting, Epic will open a Software viewing window to facilitate payment posting;
3. For each posted transaction, Epic will record the page visible in Software, creating a link to the specific page of the posting document;
4. The posting documents will be run through the Software OCR Processor, allowing subsequent text-based search of posting documents from a Software client; and
5. Epic will be configured to produce a flat file mapping Epic batch IDs to Software document ids, enabling Software to index the posting documents to the Epic batch IDs. As a result, the Software posting documents will be retrievable by Epic batch ID from a Software client.

835 Processing

1. Software will be configured to import up to five (5) distinct 835 feeds;
2. The Software 835 Processor will index the file at the level of specific payments and create 835 file virtual EOBs (i.e. EOBs for individual payments) suitable for use in follow-up packets (e.g. a partial-pay appeal packet); and
3. The 835 file virtual EOBs will be created using Software's standard XML style sheet. The virtual EOBs can be customized per 835 file to suit the needs of specific payers, but that configuration is outside the scope of this project and is typically only required when demanded by specific payers (uncommon).

Lockbox Integration

1. Software will be configured to integrate with up to four (4) distinct electronic lockboxes;
2. Documents associated with the billing office, correspondence, EOBs, or 835 files, may be received by Customer via lockboxes. Software will import documents from the lockboxes, and initiate the business processes described in this Project Area;
3. Customer is responsible for securely downloading lockbox contents to a defined location on the same local area network (LAN) hosting the Software; and
4. The pricing for this Proposal is based upon the assumption that native import functionality of purchased Software modules (e.g. DIP) will be leveraged for lockbox document import. Any custom development required to provide a pre-processor that parses lockbox images and allows them to be processed by software is not included in the scope of this project area but may be facilitated through the mutual execution between Customer and Hyland to a Change Order to this Proposal.

Content Delivery

1. Business correspondence and any documents in Software associated with the relevant MRN or invoice number will be retrievable from Epic Resolute. The integration will be achieved by configuring Epic Activity Buttons to invoke the Software QueryPop; and
2. Document retrieval using native client(s) of the Software.

Interfaces

1. HL7 interfaces will be leveraged for outbound communication from Software:
 - A. Outbound ZBI message to interface documents to the billing system:
 - i. The Epic ZBI interface must be procured through Epic in order to allow for the integration of scanned EOBs to the batch selection screen within Epic Resolute.

Third-party Application Integrations

1. Software will integrate with the following applications:
 - A. Epic Resolute – Hospital Billing; and
 - B. Epic Resolute – Professional Billing.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

Intentionally left blank

Exclusions

The following items are considered out of scope for this engagement:

1. Provision of any lockbox pre-processor(s).

Project 7 – OnBase Integration for 3M 360 CAC

Scope

The project will consist of requirements analysis and implementation services in association with integrating Software with the 3M 360 Computer Assisted Coding (“CAC”) Solution. This integration enables coders to code scanned and transcribed Software managed documents without leaving the CAC Solution. In addition, coders can take advantage of the natural language processing engine to code Software managed documents.

Third Party Application Integration

1. Software will integrate/interface with CAC Solution.

Interfaces

1. Content captured with Software will be interfaced via Software HL7 to the CAC Solution through the use of HL7 middleware. Outbound MDM message to interface captured documents to the CAC Solution.

Content Delivery

1. Document retrieval using the CAC Solution viewer.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. Existing Software capture configuration which includes document types, keywords and scan queue(s) will be leveraged for the CAC Solution;
2. Customer will provide the Software document types to be interfaced with the CAC Solution; and
3. In respect to the integration with the CAC Solution, Hyland will provide consultation services as it relates directly to Software and the configuration within Software.

Exclusions

The following items are considered out of scope for this engagement:
Intentionally left blank

ONBASE INTEGRATION FOR EPIC PROJECT

Required Resources

Resource
Business Consultant
Project Manager
Technical Consultant
Program Manager

For details about the required resources, please review Appendix 1. For information about the rate type, please review pricing.

Deliverables

Deliverable
Project Charter
Project Plan
Project Status Report
Executive Sponsor Reports
Requirements Document
Discovery Activity Summary
Traceability Matrix
Solution Design Document
Solution Training Guide
Architecture Diagram
Software Solution

For details about the deliverables, please review Appendix 2.

Program Management

Included in the project cost is dedicated time from a Hyland Program Manager. Program Manager activities include:

1. Provides a single point of contact accountable for delivering organization-wide initiatives tied to Professional Services contracts;
2. Focuses on the management and optimization of Hyland project resources to minimize resource rotation, reducing project cycle time so that realization of business value to Customer stakeholder(s) is timely;
3. Establishes and maintains a regular cadence of communication and status reporting with Customer's Program Manager or Project Sponsor to improve delivery across the engagement;
4. Assures a linkage and adherence to Customer's vision, strategies and goals;
5. Develops monthly and quarterly metrics and associated reporting for steady state solutions, as well as projects in flight, assuring deliver of desired business value;
6. Provides a single point of focus for all escalations;
7. Establishes working relationships in collaboration with key Hyland and Customer stakeholders that will lead to regular examination of business needs (i.e. driving innovation discussions); and

8. Ensures design sessions for new projects consider the existing solution(s).

Requirements Analysis

Included in the project cost is dedicated time for Software solution requirements analysis, documentation and review. Requirements Analysis activities include:

1. Requirements Capture: Hyland will collaborate with Customer's project team to discover and define the detailed requirements of the Software solution. Discussions focus on the requirements to meet Customer's business objectives, including any integration(s) that may be in scope for the project:
 - A. Customer project team may consist of subject matter experts from the business areas and technical experts from IT, interfaces and applications; and
 - B. Agenda will reflect a single collaborative session per project area. For example, where the same department is repeated across multiple entities, representatives of each entity should attend requirements gathering sessions.
2. Requirements Documentation: Hyland composes formal documentation containing the requirements of the Software solution. Additional follow up items may be discussed with the Customer subject matter experts to close gaps in the understanding of the captured requirements during the Requirements Capture. Once complete, the documentation is delivered to Customer's project team for review;
3. Requirements Review: Hyland reviews the Requirement Document with Customer's project team to validate the Software solution requirements. Modifications to the document are made as necessary and a finalized Requirements Document is delivered to Customer's project team for final approval;
4. Changes to the Software solution and requirements that are not in scope as defined in this Services Proposal will be handled via Change Order; and
5. Project Schedule: Hyland will update the Preliminary Project Schedule to reflect a more detailed schedule based upon the Requirements Documentation.

Solution Build

Included in the project cost is dedicated time to build the Software solution. Solution build activities include:

1. Solution Design: Hyland will design the solution based on the agreed upon Requirements Document. In the case that the solution contains a Workflow or WorkView application, Hyland will conduct a walkthrough demonstration of Workflow or WorkView, soliciting Customer feedback;
2. Solution Installation and Configuration: Hyland will install and configure the complete Software solution to fulfill the documented requirements captured in the Requirements Document. Implementation accounts for up to three (3) environments: Production (PROD), and two (2) Non-Production User Test ("UT") Lite environments, and
3. Impacts to the scope as captured in the Requirements Document or design may result in a Change Order.

Testing & Training

Included in the project scope is dedicated time for solution testing and user training activities. Testing and training activities include:

1. Unit Testing: Hyland will validate that the solution conforms to the approved Requirements Document. Upon completion of unit testing and incorporation of any changes to the solution, Hyland will inform the Customer unit testing is complete;
2. Training Material Generation: Hyland will compose training materials specific to the configured solution for use by Customer's designated trainers. Customer trainers may modify the document to meet Customer's training approach;
3. Training: The Hyland team will train the Customer's designated system administrators, testers and trainers responsible for educating their end-users. This training is oriented towards the Customer's specific solution, and therefore, foundational Software training is expected to have been completed by the Customer's resources prior to receiving this solution-specific training and knowledge-transfer;
4. Execution of up to two (2) Software training sessions for up to five (5) designated testers and five (5) trainers provided by Hyland to Customer for each Project as defined below:
 - A. One (1) "train-the-tester" session on the Software Solution, preparing the Customer to conduct comprehensive testing; and
 - B. One (1) "train-the-trainer" session on the Software Solution, preparing the Customer's trainer(s) to conduct end-user training.
5. Execution of one (1) solution-specific configuration walk-through for up to two (2) designated Software system administrators provided by Hyland to Customer; and
6. Customer Testing Support: Hyland will support the Customer's testing of the configured solution. Customer-created business test cases are used by Customer's resources to test the Solution. Customer should prepare for these activities by defining test plans and scripts early in the project process. Hyland will make any required changes to the Software configuration to fulfill any items that are prohibiting the Solution from functioning in accordance with the Requirements Document. Requested changes, which are not documented in the Requirements Document, may result in a Change Order.

Go-Live Support

Included in the project scope is dedicated time for go-live activities. Go-live activities include:

1. Hyland will provide support for three (3) consecutive weeks to the Customer during initial production usage of the Solution to address issues and answer questions from the Customer;
2. Hyland project team onsite go-live support:
 - A. The Hyland project team for onsite go-live support will consist of up to two (2) Hyland resources;
 - B. Hyland estimates the project team to provide two (2) consecutive weeks of onsite go-live support; and
 - C. Unless explicitly stated, go-live support is provided onsite, during normal business hours for consecutive days (Monday – Friday, 8am – 5pm, Customer local time) from a central support location.
3. Hyland project team remote go-live support:
 - A. Hyland estimates the project team to provide dedicated remote go-live support for a period of one (1) week immediately following the conclusion of on-site go-live support; and
 - B. Unless explicitly stated, go-live support is provided remotely, during normal business hours for consecutive days (Monday – Friday, 8am – 5pm, Customer local time).
4. The estimated go-live support, both onsite and remote, is included in the Cost estimate amount and is not a separate charge. If requested, a Change Order to this Services

Proposal may be issued following the Project Change Control Process to adjust go-live support duration and business hours; and

5. At the conclusion of go-live support, support for production issues impacting live elements of the solution will be handled by Hyland Technical Support.

Project Closure

Included in the project scope is dedicated time for project closure:

1. Hyland's project manager will schedule a meeting with Customer's project manager and project sponsor; and
2. The agenda will include introduction to Hyland's Technical Support team, discussion of any outstanding enhancements and associated timelines, discussion of the state of the relationship between organizations, and next steps for future opportunities as requested by Customer.

KEY ASSUMPTIONS

The following are key assumptions that impact the success of the solution, and are applicable to all Project Areas within this proposal:

1. Hyland Global Cloud Services (GCS) will provision and maintain the Software non-production and production environments required for the solution(s) within the primary Hyland GCS data center hosting the solution, in accordance with the terms of the current Master Software License, Services and Support Agreement, Hosting Agreement or Subscription Agreement in place between Hyland and Customer:
 - A. The hosted Software environment(s) will leverage the latest version of Software; and
 - B. Subsequent Software upgrades will be completed by GCS upon Customer request.
2. Project start date(s) are subject to a mutually agreed upon schedule after execution of contract;
3. Professional Services will be delivered utilizing Hyland's standard implementation methodology;
4. Professional Services will be provided both onsite at Customer location in Las Vegas, Nevada as well as remotely from Hyland offices:
 - A. While onsite, Hyland resource(s) will work during normal operating hours generally between 8:00am and 5:00pm, Monday through Friday, in Customer's local time zone; and
 - B. When providing remote services, Hyland and Customer will discuss generally acceptable working hours and take into consideration time zone differences. Issues deemed as non-critical will only be addressed during normal business hours.
5. Upon mutual agreement between Hyland and Customer, the Requirements Document (RD) replaces any previous form of scope or solution proposal and becomes the then current project scope. Any changes to the scope per the RD may require review and re-estimation of the work effort, timeline, and pricing to deliver, and, based on such review and re-estimation, Hyland will determine whether the Project Change Control Process is required;
6. When applicable in a project, HL7 messages (i.e. ADT, ORM) containing patient, order and/or account identifiers will be unique via the source/sending system or other Enterprise Master Patient Index ("EMPI") system and will become operational in the Software beginning with the production interface go-live;
7. When applicable in a project, the Software Full-Text Indexing Server will be configured to extend native Software search capabilities to both structured and unstructured data stored in Software. The work effort for the base installation the Software Full-Text Indexing Server is included in the Cost Estimate amount and is not a separate charge;
8. Each project is intended to be implemented in a timeframe of contiguous weeks. Scheduling delays that impact the project timeline will result in changes to project costs;
9. Each deliverable created will use Hyland's standard deliverable templates. Customer requested changes to deliverable templates may increase project costs or introduce timeline delays; and
10. If necessary after execution, this Services Proposal or corresponding agreement can be adjusted in scope, or a new agreement issued, following the Project Change Control Process.

Exclusions

The OnBase Integration for Epic Professional Services scope of work does not include the following items:

1. Integration with the Epic Welcome Kiosk;
2. Integration with the Epic Haiku/Canto/Rover mobile applications;
3. Integration with the Epic Home Health module;
4. Integration with the Epic Tapestry module;
5. The implementation of the Patient Portal Link Management Integration or Mobile eCapture Solutions;
6. Configuration of Software Intelligent Medical Records Document Classification Solution;
7. Configuration of Software modules not required to meet the solution requirements scoped herein and are slated for a future project;
8. Back file data load (e.g. EMPI, encounter), imaging services, or conversion efforts from legacy system(s) or file storage location(s);
9. Workflow solutions unless otherwise described in the Project Areas section;
10. Generation of custom reports using the Reporting Dashboards module unless otherwise described in the Project Areas section; and
11. Disaster recovery or high availability Software consultation, configuration, or testing:
 - A. The design, management and validation of the HA/DR environment and processes are the responsibility of Hyland Global Cloud Services as defined within the agreement under which Customer licenses software from Hyland, such as a Master Software License, Services and Support Agreement, Hosting Agreement or Subscription Agreement.

CUSTOMER OBLIGATIONS

To facilitate Hyland's execution of the Professional Services, Customer agrees, at a minimum, to the following obligations. The parties acknowledge and agree that failure to meet the responsibilities noted will likely affect project duration, cost and/or quality in the execution and completion of Professional Services.

Project Personnel

1. Customer will assign a project sponsor, who will be actively involved in the project(s) and is the final escalation point for all issues and decisions:
 - A. The project sponsor will also ensure that the appropriate Customer personnel are assigned and made available to execute the project(s) successfully.
2. Customer will assign a project manager, who will act as a single point of contact for the Hyland project team and whose responsibilities include, but are not limited to, the following:
 - A. Managing all customer obligations as defined within this Services Proposal; and
 - B. Coordinating all key departmental decision makers, technical experts, subject matter experts, end user representatives, third party software application resources and project sponsorship.
3. Customer will designate a Software administrator who will undergo any applicable Software training recommended in order to participate actively throughout the project(s) and support all Software environments and solutions:
 - A. Software training course(s) (if recommended) are provided separately from this Services Proposal by the Hyland Account Manager.
4. Customer will engage the appropriate business process owners to the project(s), as well as subject matter experts, who are thoroughly knowledgeable about the current business practices in their respective areas and who are capable of performing their assigned project roles:
 - A. Business process owners and subject matter experts will be required to attend and contribute to all project meetings to which they have been invited for the duration of the project(s).
5. Customer will provide vendor resources, interface specialists, technical experts, and/or subject matter experts deemed necessary for third party system(s) with which Software will integrate or from which content will be migrated; and
6. Customer will make commercially reasonable efforts to maintain consistent resources throughout the project(s):
 - A. Any anticipated changes to the core team must be communicated in writing within five (5) business days; and
 - B. If the change is due to illness or termination of the core team member, the change must be communicated as soon as possible.

Project Management

1. Customer will designate a single point of contact whose responsibilities include but are not limited to the following:
 - A. Facilitate delivery of the Document Type list for inclusion in the Hyland Requirements Document deliverable;
 - B. Execute timely decision-making, completion of all deliverables and action items and resolution of issues throughout the course of the project(s);

- C. Coordinate Customer resources for the testing and regression testing cycles of the configured Software solution, including the tracking and reporting test results;
- D. Review all deliverables in accordance to the agreed upon plan. Failure to respond where needed within the designated timelines may result in project delays, loss of resources, and incorporation of the Project Change Control Process; and
- E. Customer will arrange for physical workspace and tools (work desks, networked computers, meeting rooms, training rooms, conference phones, whiteboards, etc.) for duration of the project(s) to accommodate scheduled onsite and remote activities as dictated by Customer's reasonable security measures.

Software Installation, Access, Integrations and Deployment

1. Customer will ensure all hardware is in place and made ready as dictated by the implementation schedule. This includes full, independent access to all environments in which Hyland is required to work including environments required for migrations or integrations:
 - A. Local and remote VPN access must be provided to applicable Hyland resources through the use of dedicated user account(s) with appropriate privileges to the Software and/or relevant third party applications; and
 - B. Access must be provided prior to Hyland's arrival at Customer facilities and/or project Requirements Analysis sessions.
2. Customer will have at least one (1) non-production Software environment for installation and deployment;
3. Customer will provide all necessary components including, but not limited to, power, lighting, network connections/rights and environmental controls deemed necessary for the proper functioning of and access to the system;
4. Customer will manage third party application setup (i.e. installation, configuration), testing, training, deployment, and go-live support related to integration(s) with Software;
5. Customer will package and deploy all Software clients, unless otherwise defined within this Services Proposal;
6. Customer will deploy all supporting Software client hardware (e.g. scanner, signature device) and related third party software (e.g. drivers, licenses) required for the Software solution;
7. Customer will deploy Software to Citrix servers based on Hyland's configuration of one (1) server modeled from the test environment; and
8. Customer will provide interface specialists and technical resources deemed necessary for Epic System with which the Software will integrate.

Testing/Training

1. Customer will manage the deployment of Software testing/training workstation(s) (e.g. PC and scanner), including the installation of all necessary software/clients, unless otherwise defined within this Services Proposal;
2. Customer will prepare and supply the necessary testing/training resources including, but not limited to, the following:
 - A. HL7 messaging;
 - B. Sample, production-like, content;
 - C. Electronic feeds (e.g. lockbox files, EDI 835, ancillary reports);
 - D. Paper documents; and
 - E. Sample test patients and encounters, preferably in all environments including Production.

3. Customer will secure training room(s) ensuring that all resources participating will have the proper workstations and materials, as set forth by the Hyland project team:
 - A. If these provisions are not met, Hyland has the right to cancel and reschedule training.
4. Customer will create, maintain, and execute test plans and cases, as well as track and report testing results during the testing cycle(s); and
5. Customer will train additional end users on the use of the Software.

PROJECT CHANGE CONTROL PROCESS

Requested changes to this Services Proposal will be managed using the Project Change Control Process outlined below.

If any party believes that a change to this Services Proposal is warranted, the party shall issue a Change Request in writing. The Hyland and Customer project teams will review the Change Request, determine the impact, and agree to the change(s). Once the change(s) are agreed upon, Hyland will provide a formal Change Order to Customer outlining the change in Professional Services, the impact on hours, resources, timeline and/or cost.

Customer and Hyland will fully execute the Change Order prior to the requested changes taking effect. Customer and Hyland acknowledge that this may affect Professional Services, timelines and deliverables, and therefore will make commercially reasonable efforts to execute any changes to this Services Proposal with enough lead-time to minimize the influence on the project.

PRICING

Customer acknowledges that the Professional Services pricing is based solely on the information provided to Hyland and referenced in the above Project Areas.

Fixed Fee Projects

Project		Billing Type	Cost (USD)
Projects 1-7 – OnBase Integration for Epic		Fixed Fee	\$402,800.63
		Discount	(\$44,308.63)
Total			\$358,492.00
Payment Milestones			
The costs for the above project(s) represent fixed price Professional Services. Payment milestones for the engagement(s) will be invoiced as listed below.			
Milestone	Description	% of Total	Amount
Projects 1 – 7: OnBase Integration for Epic			
1	Execution of the Services Proposal	20%	\$71,698.40
2	Acceptance of Requirements Document	30%	\$107,547.60
3	Completion of Customer Solution Testing	40%	\$143,396.80
4	Handoff to Hyland Technical Support	10%	\$35,849.20
Total Not-to-Exceed		100%	\$358,492.00

Pricing Assumptions

The pricing was created using the following assumptions:

- The above cost includes Professional Services fees anticipated to complete the project(s) successfully:
 - Travel expenses are not included in this Services Proposal and will be charged separately as incurred by Hyland resources. All travel expenses will be reimbursed to Hyland according to Customer's travel reimbursement policy which is attached to the Hyland Master Agreement as Exhibit A – Travel Reimbursement Policy.
- The fixed fee was determined based on information provided to Hyland by Customer and assumptions developed by the parties based upon that information. In the event that (a) any such information is inaccurate or necessary information was not provided to Hyland, (b) Customer fails to fulfill its obligations during this Contract, or (c) reasonably unforeseen technical or system limitations exist or arise, and any of such causes materially and adversely affect the performance of the Professional Services, this fixed fee shall be adjusted equitably to reflect the impacts of such circumstances following the Project Change Control Process;
- The above pricing reflects a one-time, \$44,308.63 discount against professional services;
 - This discount will expire on December 31st, 2021;
- Any project areas identified in this Proposal which the Customer intends to implement more than three (3) months after the final payment milestone will be removed from scope through the execution of a Change Order following the Project Change Control Process. Customer will contact Hyland Account Manager to discuss and plan for reengagement of

Hyland resources to implement any of the project areas removed from scope. After three (3) months, the current project team resources will be disengaged from the project, and any reengagement to finish any project areas removed from scope may necessitate the use of different project resources which may incur additional costs; and

5. If necessary, the Proposal or corresponding agreement can be adjusted, or a new agreement issued, to adjust scope for this engagement. This adjustment consists of defining the activity, recalculating the cost estimate, and updating or creating the appropriate collateral (i.e. Proposal or Change Order.).
6. This proposal is being created as a "Not to Exceed" estimate. The total cost of services will not exceed the price quoted above without prior authorization from Customer. Customer acknowledges that the amount of work hours available under this agreement may not be sufficient to complete the requested work and that additional hours may be requested by Customer as a Change Order to this proposal to continue progress on their initiatives. In the event that the services are not completed within the estimate provided, and Customer has not provided its consent for Hyland to continue providing services in order to complete the project, then either party may be entitled to terminate this agreement without liability to the other party except for payment of aggregate services fees due (if any) from Customer to Hyland under this agreement for work performed and payment of related travel expenses.

Budgetary Estimates for Additional Incurred Costs			
Hyland presents the following budgetary cost estimate for Customer's convenience to identify additional costs which may be incurred over the course of the engagements detailed within this Services Proposal.			
Item	Incurred Cost Type		Amount
1	Travel Expenses Across OnBase for Epic Projects		\$26,400.00
Total			\$26,400.00

Budgetary Travel Assumptions

1. The budgetary estimate is for budgeting and planning purposes only, and has been provided to Customer for convenience only as an approximation of the anticipated amount of fees needed to complete the Professional Services defined within the Services Proposal; and
2. Any costs relevant to travel-related expenses will be charged separately from the Billing Milestones defined within this Services Proposal and as incurred by Hyland resources.

SIGNATURES

**University Medical Center Southern
Nevada**

Hyland Software, Inc.

By :

By :

Name : (Print) Mason Van Houweling

Name : (Print)

Title : CEO

Title :

Date :

Date :

Purchase Order #: _____

(Invoices issued hereunder may not reflect a PO number if this field is not completed)

APPENDIX 1 – RESOURCE DESCRIPTIONS

The following table provides an overview of the Hyland Global Services resource types and their corresponding responsibilities. Please reference the specific Project Areas for a listing of the required resources.

Resource Type	Responsibilities
Advanced Capture Consultant	Provides expertise on capture solutions. Documents business process requirements, configures capture solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Business Consultant	Provides expertise on Workflow and Case Management solutions. Documents business process requirements, configures solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Business Consultant (HIM)	Provides expertise on the HIM processes Participate in Discovery sessions as a subject matter expert (“SME”). Participate in SDD and RD creation and review sessions. Provide business and best practice guidance and knowledge to Customer. Support Customer team during testing and training, as necessary. Provide support to team during go-live. Provide support during migration to Production environment. Participate in project closure activities.
Conversion Consultant	Provides expertise on the conversion process. Drives conversations with Customer on best practices and ultimately assists in defining the conversion process to be utilized to meet Customer conversion requirements.
Database Engineer	Provides expertise related to the Software database. Makes recommendations on best practices, maintenance plans and disaster recovery considerations.
Enterprise Consultant	Provides long-term business planning and analysis to expand and support Customer's Software solution. Develops strategies and roll out recommendations based on Customer needs resulting from enterprise assessments and coaching. Acts as a program manager for individual projects within an organization to ensure Customer remains educated on Software capabilities and additional opportunities.
Infrastructure Analyst	Provides consulting on the initial setup or review of hardware infrastructure impacting the Software solution. Drives conversations with Customer technical teams focusing on the network, server, database, and storage level of the Software solution as well as reviews integration components that may affect overall performance.
Integration Engineer	Provides expertise on integrations and API development. Supports and mentors Customer on the creation of web service integrations. Develops custom scripts and pre- and post-processors within Software to meet specialized Customer needs. Documents business requirements, develops solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Principal Consultant	Provides deep Software expertise to advise Hyland and Customer implementation teams on best practices throughout an engagement. Guides discovery sessions and takes technical ownership of solution requirements and design.
Program Manager	Establishes relationships with key stakeholders to regularly examine business needs against Customer's vision, strategies and goals. Focuses on managing and optimizing Hyland project resources to minimize resource rotation. Develops metrics and reports regularly on steady state solutions and in-flight projects, assuring delivery of desired business value. Provides a single point of focus for all escalations.

Project Manager	Provides project management expertise and is the initial point of project escalation.
Manages project initiation, develops the project charter and plan, and coordinates schedules and resources. Tracks burn down rates, project/solution issues, scope creep and impact, generating change orders as needed.	
Technical Consultant	Provides expertise on Software installation and module configuration.
Documents business requirements, installs and configures solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.	

APPENDIX 2 – DELIVERABLE DESCRIPTIONS

The following table provides an overview of the Hyland project deliverables. Please reference the specific Project Areas for a listing of the applicable deliverables.

Deliverable	Description
Project Charter	Provides a preliminary delineation of roles and responsibilities, outlines project objectives, identifies key stakeholders and defines the authority of the project charter.
Delivered within the initiation phase.	
Includes the agreed upon scope, objectives and participants in the project.	
Project Plan	Defines the projected schedule of project events from initiation through closure.
Delivered within the Initiation/Requirements Analysis phase and updated throughout the project.	
Includes the activities, deliverables, assignments and dates required to complete the project.	
Project Status Report	Provides an overview of project health and important related details.
Delivered after initiation and then regularly throughout the project in a frequency to be determined by the Hyland and Customer Project Managers (e.g., bi-weekly).	
Includes details about the project health, financials (budgeted vs. actuals), critical action items, upcoming key activities, outstanding deliverables, change requests and notable issues/risks.	
Each updated report requires a shared review with Customer and Customer verification for accuracy.	
Executive Sponsor Reports	Defines evolving success criteria and provides ongoing guidance to effectively manage the Customer's enterprise technology program – including projects, scopes, executive alignment, and vision for long-term continued successful outcomes.
Delivered in accordance with regularly scheduled meetings between the Hyland Program Manager and Customer Executive Sponsor Representatives for all projects concurrently being planned for, in flight and/or completed.	
Requirements Document (RD)	Documents the agreed upon solution requirements.
Composed as a result of requirements gathering during Requirements Analysis.	
Contains all business requirements related to the solution.	
Discovery Activity Summary (DAS)	Provides context to support the Requirements Document.
Details conversations from Requirements Analysis sessions as well as business process and technical narratives, and important project assumptions, responsibilities and dependencies.	
Traceability Matrix	Supports test case development and results tracking.
Derived from the RD and includes the list of approved requirements and associated SDD components, for use by Hyland when unit testing the solution and by Customer to map and track test cases during User Testing.	
Solution Design Document (SDD)	Central point of reference on how the solution meets the requirements.
Outlines and defines important details about the solution functionality and configuration based upon the approved business requirements documented in the RD.	
Solution Training Guide	For use during initial training and update by Customer's internal Software training/education staff if solution is modified or enhanced in the future.
Contains descriptions of user interface (UI) and components configured for the solution.	
Software Solution	The Software configuration delivered at the conclusion of the Project, as described in the RD.
Implementation of the requirements defined in the RD.	

APPENDIX 3 – PAYMENT MILESTONE DESCRIPTIONS

The following table provides an overview of the Fixed Fee Payment Milestones defined for this Services Proposal. Please reference the Pricing section of this Services Proposal for specific cost amounts to be invoiced.

Milestone Type
Execution of this Services Proposal
Payment milestone to be invoiced by Hyland to Customer upon mutual execution of the Services Proposal.
Acceptance of Requirements Document
Payment milestone to be invoiced by Hyland to Customer upon mutual acceptance and signing of Hyland's Requirements Document.
Completion of Customer Solution Testing
Payment milestone to be invoiced by Hyland to Customer upon Hyland's receipt of Customer email designating that User Testing is complete.
Handoff to Hyland Technical Support
Payment milestone to be invoiced by Hyland to Customer upon handoff of the Software solution to Hyland Technical Support.
Travel Expenses
Travel expenses are exclusive of the fixed fee cost and will be invoiced by Hyland to Customer on a monthly basis with a final invoice sent upon final completion of the applicable services under this proposal.

*** END OF DOCUMENT***



PROFESSIONAL SERVICES PROPOSAL

UNIVERSITY MEDICAL CENTER SOUTHERN NEVADA

Intelligent Medical Records

Document Version: 3

Document Date: 22 Nov 2021

THIS PROPOSAL WILL EXPIRE ON
DECEMBER 31ST, 2021 UNLESS
SIGNED BY BOTH PARTIES

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INTRODUCTION

This Professional Services Proposal for Intelligent Medical Records Classification services ("Services Proposal"), is made and effective as of the date of last signature below (the "Effective Date"), by and between Hyland Software, Inc., ("Hyland"), and University Medical Center of Southern Nevada, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes (the "Customer"). This Services Proposal is pursuant and subject to that certain Hyland Master Agreement dated on or around December 15, 2021 (the "Agreement"), executed between Hyland and Customer. Unless otherwise defined herein, the capitalized terms in this Services Proposal shall have meanings set forth in the Agreement. In the event of any conflict between these provisions and those in the Agreement, the provisions in the Agreement shall prevail.

The purpose of this document ("Services Proposal") is to define the goals, scope, fees and other important details supporting the delivery of Professional Services for one or more projects defined in the Project Areas section.

PROPOSAL TERMS & USAGE

The content of this Services Proposal is subject to review and revision by both Hyland and Customer until fully executed by both parties.

Upon execution of this Services Proposal, the Hyland project manager or designated resource will contact Customer project team to discuss project logistics and potential start dates. At this time, Hyland resource availability will be reviewed and presented to Customer. Start times can vary based on existing work volumes. The project(s) will begin upon a mutually agreed upon date as soon as resource availability and Customer availability allow. Once the project start date has been determined, resources will be assigned and scheduled to begin delivery of the services described in this Services Proposal.

All terms of any purchase order or similar document provided by Customer including but not limited to any Customer pre-printed terms and any terms that are inconsistent or conflict with this Services Proposal shall be null and void.

Please note that some of the resources assigned to perform the Services may be employees of Hyland Software, Inc.'s subsidiaries located in other countries.

After execution, all changes to this Services Proposal will follow the Project Change Control Process. All changes must be made to this Services Proposal through an authorized Change Order unless otherwise agreed to in writing by both Hyland and Customer.

PROJECT AREAS

Hyland will provide the following Professional Services described within this Services Proposal:

Project 1 – Intelligent Medical Records

Scope

Hyland will provide Professional Services for the discovery and implementation services to Customer for a document classification and indexing system for internal and external documents. The Professional Services outlined in this agreement are for Customer's participation in Hyland's effort to capture and process non-barcoded clinical documents in Customer's Software environment using Software's Intelligent Medical Records solution using Brainware.

Customer understands this solution is not capable of classifying every document during processing. When this happens, Customer users will review and interact with documents to manually assign the document type. Customer users will also verify any automated classification as part of the Intelligent Medical Records solution.

Content Capture

Day-forward documents intended for classification will follow the following process:

1. Non-barcoded clinical documents are to be prepared into batches for scanning;
2. Non-barcoded clinical documents which already exist in electronic formation will be ingested into Software via electronic import or "sweep" functionality;
3. For internal documents, it is recommended that patient label be placed on document.
4. For external documents, it is recommended they are scanned in a separate queue limited to one patient per batch with patient label placed on the first page of the batch.
5. Captured documents will be routed for document separation:
 - A. If prepped one patient per batch, consecutive documents of the same document types will be appended systematically;
 - B. For internal documents, if one patient per batch cannot be guaranteed, patient labels will need to be used or manual separation will occur; and
 - C. For external documents, if one patient per batch cannot be guaranteed, manual separation will occur.
6. Internally-generated documents will be routed for Document Type classification through Software's Internal Medical Records OCR Classification solution:
 - A. The Classification Solution will evaluate the images to attempt to classify documents and assign a Document Type;
 - B. Additionally, the Classification Solution will attempt to extract the following data elements from classified internal documents:
 - i. Medical Record Number ("MRN"); and
 - ii. Contact Serial Number ("CSN").
 - C. Additional patient demographic information (i.e. Patient First Name, Patient Last Name, Patient Date Of Birth) will be indexed to classified internal documents leveraging Software Autofill Keyword Sets.
7. Externally-generated documents will be routed for Document Type classification through Software's External Medical Records OCR Classification solution:
 - A. The Classification Solution will evaluate the images to attempt to classify documents and assign a Document Type;

B. Additionally, the Classification Solution will attempt to extract the following data elements from classified external documents:

- i. Patient First Name;
- ii. Patient Last Name;
- iii. Patient Date of Birth; and
- iv. Date of Service (if necessary).

Hyland anticipates that individual documents will be scanned at the same aspect ratio and dimensions at a Hyland recommended minimum image resolution of three-hundred (300) dpi. Documents sent via fax may not have the appropriate resolution to perform proper character recognition where Quality Assurance is required to ensure image quality and document separation. Brainware OCR capabilities will extract the data and present the information to the Customer verification operator for validation.

Classification is based on the training of Document Types within Software executed by subject matter experts. Accuracy of the OCR within Software is based on document quality and information on document(s). Documents must be clean and free of extraneous patterns, images or any other formatting that would interfere with reading document data.

Content Management

1. Documents will be classified and separated through a scan queue that supports Intelligent MedRecords and Capture Process Designer; and
2. Software OCR will be used as part of the Intelligent Medical Records process to determine Document Type data.

Content Delivery

1. Integrated single document retrieval from document hyperlinks within the appropriate context located in the patient record in Epic using the API integration between the Software and Epic; and
2. Document retrieval using native client(s) of the Software.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. Hyland's project implementation methodology ("PIM") will be executed by the assigned Hyland resource;
2. Customer will already have an existing Software environment and installation;
3. External or outside documentation will be captured in a separate scan queue than internal medical records and will not be scanned in the same batch. Internal and external records classification will be handled separately;
4. Hyland will configure up to five (5) scan queues for internal document medical record classification and up to five (5) scan queues for external document medical record classification;
5. Customer is responsible for configuration of scanning hardware and driver installation;
6. Scanners must be of high quality and allow for processing of volume batches (not flatbed scanners);
7. Configuration will account for up to one-hundred and fifty (150) high volume internal or external mapped document types for:

- A. Document Type Classification; and/or
- B. Document Type Sub-Classification
 - i. Document Type: Consent Form; and
 - ii. Sub Classification Descriptions: Procedure Consent, Blood Consents, Etc.
- 8. Data extraction requires that the fields be present on the page;
- 9. Individual documents are anticipated to be scanned at the same aspect ratio and dimensions, in black and white and at a minimum quality of three-hundred (300) dpi or in color at a minimum quality of two-hundred (200) dpi;
- 10. Documents processed through OCR must be clean and free of staples, extraneous patterns, images, or any other formatting that would interfere with reading data;
- 11. External documents for which the Patient First Name, Patient Last Name, Patient Date Of Birth and Date of Service (if necessary) were not extracted will be manually indexed to an MRN or CSN for keyword indexing unless Customer has prepped the batch with a batch cover sheet containing a patient barcode or has keyword barcodes present on documents;
- 12. Customer will assist in mapping existing external document types to the pre-configured Document Types in Software (i.e. "Outside History and Physical");
- 13. Customer medical records subject matter experts are required throughout the project to actively participate in the validation of classification tests and results. Subject matter experts will have the knowledge to define document to Document Type mappings and classification;
- 14. Customer will provide a minimum of eight (8) and a maximum of twenty (20) customer validated samples of each document type needed for classification;
 - A. Samples must be confirmed to be accurate by the customer prior to build;
- 15. Accuracy of the OCR within Software is based on document quality, information on said document(s):
 - A. The amount of manual intervention or validation is unknown until testing commences; however, Hyland will work with Customer to identify and work towards the highest percentage available based on timelines and budget; and
- 16. All document capture is day-forward. No capture of previously generated documents is included in this proposal.

Exclusions

The following items are considered out of scope for this engagement:

- 1. Order level keyword extraction;
- 2. Concatenation or manipulation of any captured document keywords;
- 3. Correspondence and other billing/PFS documents;
- 4. Epic Integrated Scan Documents;
- 5. External system validation of OCR values;
- 6. Attachments are not included in OCR data extraction;
- 7. Extraction of physician name or ID for InBasket routing;
- 8. Non-English language documents;
- 9. Addresses in a format other than the United States postal format;
- 10. Training to create or modify custom reports;
- 11. Data extraction from the OCR of the documents does not also provide end user text searching functionality. Text searching capability would be covered in a separate statement of work using Full Text Indexing Server or similar utility;
- 12. Updates to existing Software configuration outside the scope of this project; and
- 13. Any functionality or Professional Services not mentioned in the scope above.

Required Resources

Resources
Advanced Capture Consultant
Business Consultant (HIM)
Program Manager
Project Manager
Technical Consultant

For details about the required resources, please review Appendix 1.

Deliverables

Deliverable
Project Charter
Project Plan
Project Status Report
Requirements Document
Traceability Matrix
Solution Design Document
Software Solution
Executive Sponsor Reports

For details about the deliverables, please review Appendix 2.

KEY ASSUMPTIONS

The following are key assumptions that impact the success of the solution, and are applicable to all Project Areas within this Services Proposal:

1. Hyland Global Cloud Services (GCS) will provision and maintain the Software non-production and production environments required for the solution(s) within the primary Hyland GCS data center hosting the solution, in accordance with the terms of the current Master Software License, Services and Support Agreement, Hosting Agreement or Subscription Agreement in place between Hyland and Customer:
 - A. The hosted Software environment(s) will leverage the latest version of Software; and
 - B. Subsequent Software upgrades will be completed by GCS upon Customer request.
2. Hardware performance analysis completed prior to engagement with following metrics documented:
 - A. **SLA = Service-Level Agreement (SLA)** defines the level of service expected by a customer from a supplier, laying out the metrics by which that service is expected to complete processing with in a specific hour time interval usually (8hr – 12hr – 24hr). For the purposes of configuring servers the SLA of 24 hrs. is assumed unless specified by the customer.
 - B. **Volume = Yearly Per Page Count** is defined as yearly expected volume (pages) to be used with calculating the daily volume expected.
3. Project start date(s) are subject to a mutually agreed upon schedule after execution of contract;
4. Professional Services will be delivered utilizing Hyland's standard implementation methodology;
5. Professional Services will be provided remotely from Hyland offices:
 - A. When providing remote services, Hyland and Customer will discuss generally acceptable working hours and take into consideration time zone differences. Issues deemed as non-critical will only be addressed during normal business hours.
6. Upon mutual agreement between Hyland and Customer, the Requirements Document (RD) replaces any previous form of scope or solution proposal and becomes the then current project scope. Any changes to the scope per the RD may require review and re-estimation of the work effort, timeline, and pricing to deliver, and, based on such review and re-estimation, Hyland will determine whether the Project Change Control Process is required;
7. Each project is intended to be implemented in a timeframe of contiguous weeks. Scheduling delays that impact the project timeline will result in changes to project costs;
8. Each deliverable created will use Hyland's standard deliverable templates. Customer requested changes to deliverable templates may increase project costs or introduce timeline delays; and
9. If necessary after execution, this Services Proposal or corresponding agreement can be adjusted in scope, or a new agreement issued, following the Project Change Control Process.

INTELLIGENT MEDICAL RECORDS PROJECT

Program Management

Included in the project cost is dedicated time from a Hyland Program Manager. Program Manager activities include:

1. Provides a single point of contact accountable for delivering organization-wide initiatives tied to Professional Services contracts;
2. Focuses on the management and optimization of Hyland project resources to minimize resource rotation, reducing project cycle time so that realization of business value to Customer stakeholder(s) is timely;
3. Establishes and maintains a regular cadence of communication and status reporting with Customer's Program Manager or Project Sponsor to improve delivery across the engagement;
4. Assures a linkage and adherence to Customer's vision, strategies and goals;
5. Develops monthly and quarterly metrics and associated reporting for steady state solutions, as well as projects in flight, assuring deliver of desired business value;
6. Provides a single point of focus for all escalations;
7. Establishes working relationships in collaboration with key Hyland and Customer stakeholders that will lead to regular examination of business needs (i.e. driving innovation discussions); and
8. Ensures design sessions for new projects consider the existing solution(s).

Requirements Analysis

Included in the project cost is dedicated time for Software solution requirements analysis, documentation and review. Requirements Analysis activities include:

1. Requirements Capture: Hyland will collaborate with Customer's project team to discover and define the detailed requirements of the Software solution. Discussions focus on the requirements to meet Customer's business objectives, including any integration(s) that may be in scope for the project:
 - A. Customer project team may consist of subject matter experts from the business areas and technical experts from IT, interfaces and applications; and
 - B. Agenda will reflect a single collaborative session per project area. For example, where the same department is repeated across multiple entities, representatives of each entity should attend requirements gathering sessions.
2. Requirements Documentation: Hyland will create a mapping document to map customer OnBase document types to Brainware document types;
3. Requirements Review: Hyland reviews the Requirement Document with Customer's project team to validate the Software solution requirements. Modifications to the document are made as necessary and a finalized Requirements Document is delivered to Customer's project team for final approval;
4. Changes to the Software solution and requirements that are not in scope as defined in this Services Proposal will be handled via Change Order; and
5. Project Schedule: Hyland will update the Preliminary Project Schedule to reflect a more detailed schedule based upon the Requirements Documentation.

Solution Build

Included in the project cost is dedicated time to build the Software solution. Solution build activities include:

1. Solution Design: Hyland will design the solution based on the agreed upon Requirements Document. In the case that the solution contains a Workflow or WorkView application, Hyland may conduct a walkthrough demonstration of Workflow or WorkView, soliciting Customer feedback;
2. Solution Installation and Configuration: Hyland will install and configure the complete Software solution to fulfill the documented requirements captured in the Requirements Document. Implementation accounts for up to three (3) environments: Production (PROD), and two (2) Non-Production User Test ("UT") Lite environments, and
3. Impacts to the scope as captured in the Requirements Document or design may result in a Change Order.

Testing

Included in the project scope is dedicated time for solution testing activities. Testing activities include:

1. Unit Testing: Hyland will validate that the solution conforms to the approved Requirements Document. Upon completion of unit testing and incorporation of any changes to the solution, Hyland will inform the Customer unit testing is complete; and
2. Customer Testing Support: Hyland will support the Customer's testing of the configured solution. Customer-created business test cases are used by Customer's resources to test the Solution. Customer should prepare for these activities by defining test plans and scripts early in the project process. Hyland will make any required changes to the Software configuration to fulfill any items that are prohibiting the Solution from functioning in accordance with the Requirements Document. Requested changes, which are not documented in the Requirements Document, may result in a Change Order.

Go-Live Support

Included in the project scope is dedicated time for up to three (3) go-live activities. Go-live activities include:

1. Hyland will provide support to Customer during initial production usage of the Solution to address issues and answer questions from the Customer;
2. Hyland project team remote go-live support:
 - A. Hyland estimates the project team to provide one (1) week of remote go-live support per go-live; and
 - B. Unless explicitly stated, go-live support is provided remotely, during normal business hours for consecutive days (Monday – Friday, 8am – 5pm, Customer local time).
3. The estimated go-live support is included in the Cost estimate amount and is not a separate charge. If requested, a Change Order to this Services Proposal may be issued following the Project Change Control Process to adjust go-live support duration and business hours; and
4. Hyland will maintain optimization support for all in scope document types and descriptions for up to three (3) weeks after the final go-live; and
5. At the conclusion of the project, support for production issues impacting live elements of the solution will be handled by Hyland Technical Support.

Project Closure

Included in the project scope is dedicated time for project closure:

1. Hyland's project manager will schedule a meeting with Customer's project manager and project sponsor; and
2. The agenda will include introduction to Hyland's Technical Support team, discussion of any outstanding enhancements and associated timelines, discussion of the state of the relationship between organizations, and next steps for future opportunities as requested by Customer.

CUSTOMER OBLIGATIONS

To facilitate Hyland's execution of the Professional Services, Customer agrees, at a minimum, to the following obligations. The parties acknowledge and agree that failure to meet the responsibilities noted will likely affect project duration, cost and/or quality in the execution and completion of Professional Services.

Project Personnel

1. Customer will assign a project sponsor, who will be actively involved in the project(s) and is the final escalation point for all issues and decisions:
 - A. The project sponsor will also ensure that the appropriate Customer personnel are assigned and made available to execute the project(s) successfully.
2. Customer will assign a project manager, who will act as a single point of contact for the Hyland project team and whose responsibilities include, but are not limited to, the following:
 - A. Managing all customer obligations as defined within this Services Proposal; and
 - B. Coordinating all key departmental decision makers, technical experts, subject matter experts, end user representatives, third party software application resources and project sponsorship.
3. Customer will engage the appropriate business process owners to the project(s), as well as subject matter experts, who are thoroughly knowledgeable about the current business practices in their respective areas and who are capable of performing their assigned project roles:
 - A. Business process owners and subject matter experts will be required to attend and contribute to all project meetings to which they have been invited for the duration of the project(s).
4. Customer will provide vendor resources, interface specialists, technical experts, and/or subject matter experts deemed necessary for third party system(s) with which Software will integrate or from which content will be migrated;
5. Customer will make reasonable efforts to maintain consistent resources throughout the project(s):
 - A. Any anticipated changes to the core team must be communicated in writing within five (5) business days;
 - B. If the change is due to illness or termination of the core team member, the change must be communicated as soon as possible.

Project Management

1. Customer will review the remaining work effort with the Hyland project team throughout the project(s). If, at any time, the number of hours required to complete a project phase exceeds the number of hours estimated by the project teams for that phase, then Hyland will incorporate the Project Change Control Process prior to exceeding the budgeted number of hours;
2. Customer will review all deliverables in accordance to the agreed upon plan. Failure to respond where needed within the designated timelines may result in project delays, loss of resources, and incorporation of the Project Change Control Process;
3. Customer will execute timely decision-making, completion of all deliverables and action items and resolution of issues throughout the course of the project(s); and
4. Customer will arrange for physical workspace and tools (work desks, networked computers, meeting rooms, training rooms, conference phones, whiteboards, etc.) for

duration of the project(s) to accommodate scheduled onsite and remote activities as dictated by Customer's reasonable security measures.

Software Installation, Access, Integrations and Deployment

1. Customer will ensure all hardware is in place and made ready as dictated by the implementation schedule. Customer will determine the systems to which Hyland will have access. Additionally, all access by Hyland personnel will be monitored, and under the ownership and control of UMC IT :
 - A. Local and remote VPN access must be provided to applicable Hyland resources through the use of dedicated user account(s) with appropriate privileges to the Software and/or relevant third party applications;
 - i. If VPN access is revoked for an extended time period during the project, Hyland reserves the right to Change Order for additional time spent; and
 - B. Access must be provided prior to Hyland's arrival at Customer facilities and/or project discovery sessions.
2. Customer will have at least one (1) non-production Software environments for installation and deployment;
3. Customer will provide all necessary components including, but not limited to, power, lighting, network connections/rights and environmental controls deemed necessary for the proper functioning of and access to the system;
4. Customer will manage third party application setup (i.e. installation, configuration), testing, and go-live support related to integration(s) with Software;
5. Customer will package and deploy all Software clients, unless otherwise defined within this Services Proposal; and
6. Customer will deploy all supporting Software client hardware (e.g. scanner, signature device) and related third party software (e.g. drivers, licenses) required for the Software solution.

Testing

1. Customer will manage the deployment of Software testing workstation(s) (e.g. PC and scanner) including the installation of all necessary software/clients, unless otherwise defined within this Services Proposal;
2. Customer will prepare and supply the necessary testing resources including, but not limited to, the following:
 - A. Sample, production-like, content;
 - B. Electronic feeds; and
 - C. Paper documents.
3. Customer will create, maintain, and execute test plans and cases, as well as track and report testing results during the testing cycle(s).

PROJECT CHANGE CONTROL PROCESS

Requested changes to this Services Proposal will be managed using the Project Change Control Process outlined below.

If any party believes that a change to this Services Proposal is warranted, the party shall issue a Change Request in writing. The Hyland and Customer project teams will review the Change Request, determine the impact, and agree to the change(s). Once the change(s) are agreed upon, Hyland will provide a formal Change Order to Customer outlining the change in Professional Services, the impact on hours, resources, timeline and/or cost.

Customer and Hyland will fully execute the Change Order prior to the requested changes taking effect. Customer and Hyland acknowledge that this may affect Professional Services, timelines and deliverables, and therefore will make reasonable efforts to execute any changes to this Services Proposal with enough lead-time to minimize the influence on the project.

If the parties cannot agree upon the need or content for any Change Order, the revised or additional Professional Services shall not be performed.

PRICING

Customer acknowledges that the Professional Services pricing is based solely on the information provided to Hyland and referenced in the above Project Areas.

Fixed Fee Projects

Project	Billing Type	Cost (USD)
Project 1 – Intelligent Medical Records	Fixed Fee	\$285,000.00
	Discount	(\$28,500.00)
Total		\$256,500.00

Payment Milestones			
The costs for the above project(s) represent fixed price Professional Services. Payment milestones for the engagement(s) will be invoiced as listed below.			
Milestone	Description	% of Total	Amount
Projects 1 – Intelligent Medical Records			
1	Execution of the Services Proposal	20%	\$51,300.00
2	Acceptance of Requirements Document	30%	\$76,950.00
3	Completion of First Wave Go-Live	40%	\$102,600.00
4	Handoff to Hyland Technical Support	10%	\$25,650.00
Total Not-to-Exceed		100%	256,500.00

Pricing Assumptions

The pricing was created using the following assumptions:

1. The above cost includes Professional Services fees anticipated to complete the project(s) successfully;
2. Professional Services will be provided remotely from Hyland offices;
3. The above cost reflects a one-time, \$28,500.00 discount against Hyland fixed fee Professional Services;
4. The fixed fee was determined based on information provided to Hyland by Customer and assumptions developed by the parties based upon that information. In the event that (a) any such information is inaccurate or necessary information was not provided to Hyland, (b) Customer fails to fulfill its obligations during this Contract, or (c) reasonably unforeseen technical or system limitations exist or arise, and any of such causes materially and adversely affect the performance of the Professional Services, this fixed fee shall be adjusted equitably to reflect the impacts of such circumstances following the Project Change Control Process; and
5. If additional hours are requested beyond the agreed upon monthly allowance of hours, Customer may purchase additional blocks of hours via a change order. Additional service hours shall be made available in blocks of ten (10) hours, with the total cost and the number of hours agreed upon within an executed change order.
6. This proposal is being created as a “Not to Exceed” estimate. The total cost of services exclusive of travel expenses will not exceed the price quoted above without prior

authorization from Customer. Customer acknowledges that the amount of work hours available under this agreement may not be sufficient to complete the requested work and that additional hours may be requested by Customer as a Change Order to this proposal to continue progress on their initiatives. In the event that the services are not completed within the estimate provided, and Customer has not provided its consent for Hyland to continue providing services in order to complete the project, then either party may be entitled to terminate this agreement without liability to the other party except for payment of aggregate services fees due (if any) from Customer to Hyland under this agreement for work performed and payment of related travel expenses.

SIGNATURES

**University Medical Center Southern
Nevada**

Hyland Software, Inc.

By :

By :

Name : (Print) Mason Van Houweling

Name : (Print)

Title : CEO

Title :

Date :

Date :

APPENDIX 1 – RESOURCE DESCRIPTIONS

The following table provides an overview of the Hyland Global Services resource types and their corresponding responsibilities. Please reference the specific Project Areas for a listing of the required resources.

Resource Type	Responsibilities
Advanced Capture Consultant	Provides expertise on capture solutions.
	Documents business process requirements, configures capture solutions to meet requirements, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Business Consultant (HIM)	Provides expertise on Workflow and Case Management solutions.
	Participate in Discovery sessions as a subject matter expert (“SME”). Participate in SDD and RD creation and review sessions. Provide business and best practice guidance and knowledge to Customer. Support Customer team during testing as necessary. Provide support to team during go-live. Provide support during migration to Production environment. Participate in project closure activities.
Program Manager	Establishes relationships with key stakeholders to regularly examine business needs against Customer’s vision, strategies and goals.
	Focuses on managing and optimizing Hyland project resources to minimize resource rotation. Develops metrics and reports regularly on steady state solutions and in-flight projects, assuring delivery of desired business value. Provides a single point of focus for all escalations.
Project Manager	Provides project management expertise and is the initial point of project escalation.
	Manages project initiation, develops the project charter and plan, and coordinates schedules and resources. Tracks burn down rates, project/solution issues, scope creep and impact, generating change orders as needed.
Technical Consultant	Provides expertise on Software installation and module configuration.
	Documents business requirements, installs and configures solutions to meet requirements, migrates solutions to additional environments and provides user testing issue resolution and go-live support.

APPENDIX 2 – DELIVERABLE DESCRIPTIONS

The following table provides an overview of the Hyland project deliverables. Please reference the specific Project Areas for a listing of the applicable deliverables.

Deliverable	Description
Project Charter	Provides a preliminary delineation of roles and responsibilities, outlines project objectives, identifies key stakeholders and defines the authority of the project charter.
Delivered within the initiation phase.	
Includes the agreed upon scope, objectives and participants in the project.	
Project Plan	Defines the projected schedule of project events from initiation through closure.
Delivered within the initiation/discovery phase and updated throughout the project.	
Includes the activities, deliverables, assignments and dates required to complete the project.	
Project Status Report	Provides an overview of project health and important related details.
Delivered after initiation and then regularly throughout the project in a frequency to be determined by the Hyland and Customer Project Managers (e.g., bi-weekly).	
Includes details about the project health, financials (budgeted vs. actuals), critical action items, upcoming key activities, outstanding deliverables, change requests and notable issues/risks.	
Each updated report requires a shared review with Customer and Customer verification for accuracy.	
Requirements Document (RD)	Documents the agreed upon solution requirements.
Composed as a result of requirements gathering during discovery.	
Contains all business requirements related to the solution.	
Traceability Matrix	Supports test case development and results tracking.
Derived from the RD and includes the list of approved requirements and associated SDD components, for use by Hyland when unit testing the solution and by Customer to map and track test cases during User Testing.	
Solution Design Document (SDD)	Central point of reference on how the solution meets the requirements.
Outlines and defines important details about the solution functionality and configuration based upon the approved business requirements documented in the RD.	
Software Solution	The Software configuration delivered at the conclusion of the Project, as described in the RD.
Implementation of the requirements defined in the RD.	
Executive Sponsor Reports	Defines evolving success criteria and provides ongoing guidance to effectively manage the Customer's enterprise technology program – including projects, scopes, executive alignment, and vision for long-term continued successful outcomes.
Delivered in accordance with regularly scheduled meetings between the Hyland Program Manager and Customer Executive Sponsor Representatives for all projects concurrently being planned for, in flight and/or completed.	

**** END OF DOCUMENT *****



PROFESSIONAL SERVICES PROPOSAL

UNIVERSITY
MEDICAL CENTER
SOUTHERN
NEVADA

Document Version: 2

Document Date: 22 Nov 2021

THIS PROPOSAL WILL EXPIRE
DECEMBER 31ST, 2021 UNLESS
SIGNED BY BOTH PARTIES.

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INTRODUCTION

This Professional Services Proposal for AP Automation services ("Services Proposal"), is made and effective as of the date of last signature below (the "Effective Date"), by and between Hyland Software, Inc., ("Hyland"), and University Medical Center of Southern Nevada, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes (the "Customer"). This Services Proposal is pursuant and subject to that certain Hyland Master Agreement dated on or around December 15, 2021 (the "Agreement"), executed between Hyland and Customer. Unless otherwise defined herein, the capitalized terms in this Services Proposal shall have meanings set forth in the Agreement. In the event of any conflict between these provisions and those in the Agreement, the provisions in the Agreement shall prevail.

The purpose of this document ("Services Proposal") is to define the goals, scope, fees and other important details supporting the delivery of Professional Services for one or more projects defined in the Project Areas section.

PROPOSAL TERMS & USAGE

The content of this Services Proposal is subject to review and revision by both Hyland and Customer until fully executed by both parties.

Upon execution of this Services Proposal, the Hyland project manager or designated resource will contact Customer project team to discuss project logistics and potential start dates. At this time, Hyland resource availability will be reviewed and presented to Customer. Start times can vary based on existing work volumes. The project(s) will begin upon a mutually agreed upon date as soon as resource availability and Customer availability allow. Once the project start date has been determined, resources will be assigned and scheduled to begin delivery of the services described in this Services Proposal.

All terms of any purchase order or similar document provided by Customer including but not limited to any Customer pre-printed terms and any terms that are inconsistent or conflict with this Services Proposal shall be null and void.

Please note that some resources assigned to perform the Services may be employees of Hyland Software, Inc.'s subsidiaries located in other countries.

After execution, all changes to this Services Proposal will follow the Project Change Control Process. All changes must be made to this Services Proposal through an authorized Change Order unless otherwise agreed to in writing by both Hyland and Customer.

PROJECT AREAS

Hyland will provide the following Professional Services described within this Services Proposal:

Project 1 – AP Invoice Processing

Solution Overview

Through discovery and solution design, the Hyland Professional Services team will deliver an Accounts Payable solution for Allscripts and SAP. The solution will facilitate the capture, processing and storage of Accounts Payable invoice documents.

Project methodology assumes an approach that includes a project initiation. Following the project initiation, Hyland will lead a discovery session with the customer's subject matter and technical experts to fully define the solution. Upon completion of discovery, Hyland will detail the requirements in a Requirements Document (RD) and provide to Customer for review. Once the requirements are mutually agreed upon, Hyland will complete the configuration of the solution and associated testing and training.

Scope

Capture

Document Intake

Hyland's capture suite will be leveraged to import Purchase Order and Non-Purchase Order invoice documents in a variety of ways:

1. Paper documents will be scanned into Software from one (1) location via scanning workstations or multi-function devices;
2. Software will monitor a designated e-mail account to import e-mail messages with invoice attachments. Each attachment will be imported as a separate invoice document;
3. Software will monitor a designated file directory for import of invoices already in electronic format. Each file will be imported as a separate invoice document; and
4. Hyland will configure the EDI 810 import processor to import EDI invoices.

End users will be required to perform quality assurance for scanned document to verify image quality and document separation. Additionally, Software will convert invoice files imported in PDF or Microsoft Word format to TIFF images prior to OCR processing.

Brainware for Invoices

The solution will be designed to perform OCR data capture for standard PO and Non-PO invoices as well as Credit Memos. The following are not to be considered standard invoices:

1. Invoice Statements (forms with multiple Invoice Numbers/Invoice Amounts);
2. Invoices with multiple PO Numbers;
3. Expense Reports;
4. Invoices with data that is hand-printed;
5. Invoices from countries other than the United States of America;
6. Non-English language invoices;

7. Invoices with data in non-US formatted address blocks, phone number, dates, and currency;
8. Any form that is not a machine-printed invoice falling into the categories of "Purchase Order Invoices" or "Non-Purchase Order Invoices";
9. Reports;
10. Intercompany Invoices;
11. Receipts; and
12. Check Requests.

The solution will be configured to extract summary level data on both PO and Non-PO based invoices. The following standard header invoice fields will be extracted:

1. Invoice Number, Invoice Date, Remit To, Subtotal Amount, Tax Amount, Total Amount, PO Number, Currency, Discount Amount (header level extraction only), Freight, and Misc. Amount.

The solution will derive the following additional values from extracted fields listed above:

1. Company Code, Vendor ID, PO Type, and PO Line Number.

Utility invoices will be treated as a non-PO invoice. Data will be extracted at the header level only. Automated coding of utility invoices is not included in scope.

Line detail will only be extracted on PO invoices, and will be validated against Allscripts purchase order data. PO lines will be paired using the values of unit cost, quantity and item identifier or item description. The following standard line level fields will be extracted:

1. Description, Quantity, Unit Price, Line Total, Product Code and Unit of Measure.

Software will present the extracted invoice data to a verification operator for validation. End-users are anticipated to review a majority of all invoices after the OCR process. In the event Software is unable to confidently identify or extract information, end-users will be required to manually index documents to complete the validation process.

Data extraction exceptions will be reviewed in Brainware. Where applicable, the invoice exceptions listed below will be flagged and passed to OnBase for manual review and resolution. All exceptions required beyond the following list will result in a change order:

1. Vendor not found, missing/invalid PO, missing/invalid vendor & PO, PO vendor does not equal invoice vendor, invoice amounts do not add up, non VAT compliant, zero value invoice, and vendor address invalid.

Processing

Software will perform a check for duplicate invoice documents inside of OnBase, based on company, vendor, invoice number, invoice date, and invoice amount. If a potential duplicate invoice is identified, it will be routed for review by AP.

After the capture and validation processes are complete, invoices will be sent to Software Workflow for routing. Non-PO invoices will be staged for AP staff to perform manual coding and/or approval assignment. Invoices with PO exceptions will be routed to an AP exceptions queue.

It is the responsibility of the AP users to check the Software Workflow queues, at least daily, for any document exceptions.

AP staff will have ability to sort and filter invoices staged for review based on summary level values:

1. Invoice status, vendor name, PO number, invoice number, invoice total, and invoice date.

The AP representative will have the ability to take ownership of an invoice.

Approval Workflow

Hyland will configure Workflow Approval Management for the management of Customer's approval hierarchy, assignments of approvers, and approval paths for non-PO and PO invoices.

1. Hyland will configure up to five (5) unique approval paths for invoice approvals;
2. Software will apply each approval path to multiple departments and/or invoice types as required;
3. Each approval path may consist of multiple approval levels. Software will evaluate the total invoice amount to escalate each invoice for additional levels of approval as required;
4. Individual approvers will be assigned based on department;
5. AP staff will be responsible for manually assigning a department value at the summary level to drive approver assignment;
6. Customer will provide spreadsheet to define individual approvers for each approval level/department; and
7. The following sample approval matrix serves as an example of invoice approval for three (3) approval paths with separate levels of approval required for each approval path.

Approval Path	Level 1	Level 2	Level 3	Level 4
Standard Non PO	> \$0	> \$1,000	> \$10,000	> \$100,000
Service PO	> \$0	> \$5,0000	> \$50,000	
Capital PO	> \$0	> \$50,000	> \$100,000	>\$1,000,000

Assigned approvers will have the ability to approve or reject invoices via:

1. A link sent to the approver via e-mail; and
2. The user's mobile device.

Forms

The solution includes two (2) user interfaces for data entry:

1. The PO invoice interface allows the user to search for valid PO numbers, and to copy PO line values directly from Allscripts data that may be stored in a combined datasource housing both SAP and Allscripts data ;
2. The Non-PO invoice interface allows the user to search and assign vendors and GL segments from SAP via database lookups that may be stored in a combined datasource housing both SAP and Allscripts data; and

Invoice Posting

PO invoices that are approved and free of exceptions will be automatically sent to Allscripts via an EDI 810 file and Non PO invoices will be sent to SAP via a delimited flat file. The solution will place delimited flat files with invoice metadata in an outbound SFTP location in Hyland Cloud. Customer is responsible for SFTP file transfer of files to customer network. The Allscripts and SAP system will process the flat file for creation of invoices.

All fields in the export file will be captured from the invoice image, manually entered by AP staff, or defaulted to a single static value. Freight, tax, and miscellaneous amounts will be exported at summary level

AP staff will review and correct exceptions from the posting process directly in Allscripts and SAP.

Application Enabler

Hyland will configure Application Enabler for up to four (4) total screens in Customer's Allscripts and SAP system to retrieve documents stored in Software.

Measure

Hyland will configure the following Dashboard Reports:

1. Exposure and Process Performance (In Process);
2. User Productivity Report (In Process);
3. Invoice and Process Activity (In Process);
4. Top Vendors and Vendor Invoice Information (In Process);
5. Top Vendors and Vendor Invoice Information (All Time);
6. Approved By Delegate;
7. Go Live KPI Reporting;
8. Go Live KPI Reporting (End To End); and
9. Straight Through Processing (OnBase Only).

Hyland will provide and configure the Visibility Monitoring and Reporting tool:

1. Standard Visibility reports are deployed which provide metrics on extraction, validation, and end user performance related to intelligent capture.

Training

Included in the project scope is dedicated time for training. Unless otherwise noted by the project teams during project planning, the following process is used for the training of this solution.

1. Customer will develop test cases in advance of the testing period of the project;
2. Customer's designated System Administrators will complete the following required instructor-led training courses to acquire fundamental Software knowledge prior to solution training session:
 - A. OnBase System Administration; and
 - B. Introduction to Workflow.
3. Hyland recommends administrators review the following relevant learning paths:
 - A. System Administrator Learning Path;
 - B. Workflow Administrator Learning Path; and

C. WorkView | Case Manager Professional Learning Path.

4. To prepare Customer's testing team for executing the test cases, Hyland will provide one (1) two-day training session to familiarize Customer's power users and administrators with the Software interface, navigation, and configured functionality of the solution; and
5. Training session is intended for up to five (5) participants.

Testing

Included in the project scope is dedicated time for testing. Unless otherwise noted by the project teams during project planning, the following process is used for the testing of this solution.

System Integration Testing ("SIT")

Hyland will provide remote support for up to 24 hours during SIT over the period of three (3) business days. SIT testing is a joint effort between Hyland and Customer's administrators to test Software integration with the Allscripts and SAP system. Customer is responsible for providing the required resources available for integration tests and providing relevant test materials.

User Testing ("UT")

Included in the project scope is remote support for one (1) UT event. Remote support will be provided by two (2) Hyland resources for a maximum of 12 hours per resource following remote training. Customer performs testing and provides Hyland with a notification of any issues based on the test cases developed by Customer in accordance to the requirements defined in the Requirements Document ("RD"). Hyland tracks the issues during Customer's UT process using Hyland's issue tracking system. Hyland verifies that recorded issues comply with scope defined in RD, and updates Customer once the issues are resolved, whether by Hyland's project team or Customer's project team.

Customer will schedule resources required to test all defined test cases over a three (3) week period. Remote support will be provided by two (2) Hyland resources for UT for a maximum of 32 hours per resource for the first week of UT support, and for two (2) weeks on a part time basis, at a maximum of 16 hours per resource per week. Customer's administrator will act as first line of support during UT in order to triage issues and work directly with Hyland's team on issue resolution. If required, Hyland may quote dedicated UT support for an additional cost.

UT is performed and driven by Customer and UT activities should be defined and documented prior to the start of solution implementation. Multiple, phased UT events imply additional services and are not included within the scope of this solution.

Any additional time or reallocation of time requested for testing or training shall be handled following the Project Change Control Process noted in this document.

Go-Live Support

Included in the project scope is dedicated time for go-live activities. Go-live activities include:

1. Porting the final production configuration into one (1) non-production environment for future development and testing;
2. Develop a deployment method for Customer to distribute Software to appropriate end users; and

3. Assist Customer's help desk with resolution of Software questions.

Hyland will provide two (2) resources for four (4) days each of remote support for the first week of go-live and two (2) weeks of part-time remote support at a maximum of 16 hours per week. Customer's administrator will act as first line of support post go-live in order to triage issues and work directly with Hyland's team on issue resolution. If required, Hyland may quote dedicated go-live support for an additional cost. A single go-live will be supported. Multiple, phased go-lives imply additional services and are not included within the scope of this solution.

Project Closure

Included in the project scope is dedicated time for project closure. Hyland's project manager will schedule a meeting with Customer's project manager and project sponsor. The agenda will include introduction to Hyland's Technical Support team, discussion of any outstanding enhancements and associated timelines, discussion of the state of the relationship between organizations, and next steps for future opportunities as requested by Customer.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. Individual documents are anticipated to be scanned at the same aspect ratio and dimensions, and at a quality of 300 dpi;
2. Documents processed through OCR must be clean and free of extraneous patterns, images, or any other formatting that would interfere with reading data;
3. Extraction of data from handwritten invoices or documents is out of scope and will require manual keying in Verifier;
4. Accuracy of the OCR within Software is based on document quality, information on said document(s), and vendor accounting system information provided to Software. The amount of manual intervention or validation is unknown until testing commences, however, Hyland will work with Customer to identify and work towards the highest percentage available based on timelines and budget;
5. Standard XML style sheet will be configured to display EDI 810 data in OnBase;
6. Customer is responsible for sending a separate EDI stream directly to Allscripts system for invoice creation;
7. EDI invoices are assumed to be pre-approved and will be stored in Software for retrieval purposes only;
8. Customer is responsible for configuring the Verifier Client on any terminal server;
9. The solution assumes all invoices processed will have a maximum of one (1) PO number per invoice and will contain goods or services, not both;
10. Three-way matching is not supported;
11. Assumptions regarding Customer provided Vendor Master and PO data include but aren't limited to:
 - A. Data will be validated against one (1) single external data source;
 - B. Customer data must be up to date and can be accurately matched to vendor and PO data present on an invoice;
 - C. If during testing, Vendor Master and PO data is determined to be out of alignment with standard accounting procedures, this could result in a scope change and/or extension to the project timeline;

- i. Examples include duplicate vendors, incomplete vendor and PO records, not closing PO's, etc.
- D. Customer data must be provided either by database views or CSV files; and
- E. PO data will only include open data.
- 12. Brainware users will be created or modified via manual entry by an Administrator;
- 13. Documents will be processed in Brainware as one (1) document per batch;
- 14. Software will treat credit memos and debit memos as non-PO invoice documents;
- 15. The solution will leverage pre-configured forms for PO and Non-PO invoices. Customization of these forms is not included in this engagement;
- 16. The values available for selection on the GL coding form will not be limited based on user security;
- 17. OnBase will not be configured to retrieve users or user groups at invoice line or GL distribution line level;
- 18. Purchase orders are stored and maintained in Allscripts;
- 19. Customer is responsible for reviewing any data errors from invoice creation directly in Allscripts and SAP;
- 20. SAP and Allscripts systems are both located on premise at Customer's location;
- 21. Software reports measure only data stored in the Software application via standard report providers;
- 22. Customer is currently using SAP and Allscripts in production;
- 23. Customer will work with Hyland to schedule any SAP and Allscripts refreshes. If repeated installs or project extensions are required due to SAP and Allscripts refreshes, additional services will be required;
- 24. Functional and technical SAP and Allscripts experts will be accessible throughout the project;
- 25. The Software Workflow solution assumes no custom scripting will be required to accomplish workflow tasks. Any business requirement to add custom scripted elements to the Software Workflow solution will require additional configuration effort;
- 26. Hyland will install and configure client side software on up to five (5) workstations for testing and training; and
- 27. Hyland is not responsible for the deployment/installation of Software on end user workstations except what is provided within the scope of this document. Hyland will work with Customer's system administrator to identify requirements, test installation processes, and provide general consulting on the topic; however, it is ultimately Customer's responsibility to deploy remaining Software to end user workstations.

Exclusions

The following items are considered out of scope for this engagement:

- 1. Line item detail capture for Non-PO invoices including general ledger information;
- 2. Pairing of invoice lines to receipt;
- 3. Pairing of invoice lines for third party freight invoices;
- 4. Automated coding of utility invoices;
- 5. User or User Group security based on GL code;
- 6. Calculation of tolerance levels for line item pairing;
- 7. Automated document separation;
- 8. Monitoring for time-sensitive items or priority items;
- 9. Payment status updates;
- 10. Currency conversions;
- 11. The solution does not support for creation of new vendors changes to existing vendors;
- 12. Custom SQL reports; and

13. SAP creation of invoices with reference to a contract.

Deliverables

Deliverable
Project Charter
Project Plan
Project Status Report
Requirements Document
Traceability Matrix
Solution Design Document
Solution Training Guide
Architecture Diagram
Software Solution

For details about the deliverables, please review Appendix 2.

Project 2 – AP Solution Optimization

Hyland will provide the following Professional Services described within this project at the completion of Project 1 listed above:

Scope

Hyland will provide proactive services to continue to optimize the use of Software post go-live. This will ensure Customer is continuing to enhance the solution, make modifications, provide performance metrics, increase user adoption, and maximize return-on-investment of the solution.

1. Services include 60 hours per quarter of Solution Consultant time and 16 hours per quarter of Project Management time scheduled over the course of twelve (12) months;
 - A. Solution Consultant will be available for weekly status calls with Customer to review and prioritize work;
 - B. Project Manager to facilitate Hyland resource scheduling and provide budget reporting;
2. At a minimum, Customer and Hyland will hold touchpoint calls bi-weekly, twice per month, to discuss Customer needs, questions, tasks, plans or initiatives;
3. Optimization services may include:
 - A. Troubleshooting assistance;
 - B. Minor routing or validation changes to solution;
 - C. Updates to approval matrix/routing;
 - D. Ad hoc user training sessions;
 - E. Security modifications;
 - F. Keyword modifications;
 - G. Brainware report analysis;
 - H. Reviewing regular reporting on solution usage and adoption;
 - I. Minor Brainware configuration updates based off Visibility data;
 - J. Creation of new OnBase reports using standard data providers; and
 - K. Quarterly solution assessment report, which may include a summary of activities and tasks performed, recommendations and considerations for the next quarter.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. Quarterly hours for AP Solution Optimization are to be provided remotely;
2. Optimization services hours that remain unused during the quarter may only be rolled over to the following quarter (ex. Unused hours from Q1 may not be rolled over into Q3 and beyond. Unused hours from Q1 may be used in Q2);
3. Customer may submit requests for assistance directly to the assigned project resources, or through the Hyland Community Customer Portal;
4. Requests will be acknowledged within one (1) business day, and assignment of resource(s) within two (2) business days;
5. Any request for extended involvement, such as blocks of time eight (8) hours or more should be requested and planned for at least two (2) weeks in advance;

6. Hyland and the Customer will mutually agree upon dates to migrate solution modifications to the production environment; and
7. Optimization services are intended to augment technical support, not to replace technical support.

Exclusions

The following items are considered out of scope for this engagement:

1. Creation of new document class/types class for OCR/workflow;
2. Extraction of additional fields;
3. Creation of new workflows;
4. Creation of new ERP interfaces;
5. Customization of ERP interfaces;
6. Roll out of solution to additional business units; and
7. Day to day solution administration.

AP Optimization Terms and Conditions

Services for AP Solution Optimization will be made available upon Software Go-Live and hand-off to Hyland Technical Support.

The initial term of the Services will be for twelve (12) months (the "Initial Term"). AP Solution Optimization will automatically renew successively for additional terms equal to the Initial Term (each, a "Renewal Term") unless, at least 30 days prior to the expiration of the current term, a party notifies the other of its intent not to renew.

Customer may terminate this Services Proposal during the Initial Term for any reason by: 1) giving Hyland at least 30 days' prior written notice; and 2) paying Hyland an amount equal to 50% of the fixed cost for the remaining term.

Either party may terminate the Services Proposal, effective immediately upon written notice to the other party, if the other party has committed a breach of a material provision of this Schedule and has failed to cure the breach within 30 days after the receipt of written notice of the breach given by the non-breaching party.

In the event of any termination of Services, in addition to any other amounts owed, Customer agrees to compensate Hyland for all Professional Services already performed prior to, and including, the date of termination, except to the extent that Hyland has breached its obligations to perform such Professional Services and such breach is the cause of such termination.

Program Management

Included in the project cost is dedicated time from a Hyland Program Manager. Program Manager activities include:

1. Provides a single point of contact accountable for delivering organization-wide initiatives tied to Professional Services contracts;
2. Focuses on the management and optimization of Hyland project resources to minimize resource rotation, reducing project cycle time so that realization of business value to Customer stakeholder(s) is timely;
3. Establishes and maintains a regular cadence of communication and status reporting with Customer's Program Manager or Project Sponsor to improve delivery across the engagement;
4. Assures a linkage and adherence to Customer's vision, strategies and goals;
5. Develops monthly and quarterly metrics and associated reporting for steady state solutions, as well as projects in flight, assuring deliver of desired business value;
6. Provides a single point of focus for all escalations;
7. Establishes working relationships in collaboration with key Hyland and Customer stakeholders that will lead to regular examination of business needs (i.e. driving innovation discussions); and
8. Ensures design sessions for new projects consider the existing solution(s).

KEY ASSUMPTIONS

The following are key assumptions that impact the success of the solution, and are applicable to all Project Areas within this Services Proposal:

1. Hyland assumes the following regarding the Customer environment:
 - A. Software will be installed in the Hyland Cloud;
 - B. Solution will be deployed on new instance of Software; and
 - C. Software will be installed in one (1) production and one (1) non-production environment.
2. Hyland Global Cloud Services (GCS) will provision and maintain the Software non-production and production environments required for the solution(s) within the primary Hyland GCS data center hosting the solution, in accordance with the terms of the current Master Software License, Services and Support Agreement, Hosting Agreement or Subscription Agreement in place between Hyland and Customer:
 - A. The hosted Software environment(s) will leverage the latest version of Software; and
 - B. Subsequent Software upgrades will be completed by GCS upon Customer request;
 - C. Customer is responsible for standing up the Line of Business Relay server on premise to allow integration between GCS and Allscripts and SAP.
3. Project start date(s) are subject to a mutually agreed upon schedule after execution of contract;
4. Professional Services will be delivered utilizing Hyland's standard implementation methodology;
5. Professional Services will be provided remotely from Hyland offices:
 - A. When providing remote services, Hyland and Customer will discuss generally acceptable working hours and take into consideration time zone differences. Issues deemed as non-critical will only be addressed during normal business hours.
6. Upon mutual agreement between Hyland and Customer, the Requirements Document (RD) replaces any previous form of scope or solution proposal and becomes the then current project scope. Any changes to the scope per the RD may require review and re-estimation of the work effort, timeline, and pricing to deliver, and, based on such review and re-estimation, Hyland will determine whether the Project Change Control Process is required;
7. Each project is intended to be implemented in a timeframe of contiguous weeks. Scheduling delays that impact the project timeline will result in changes to project costs;
8. Each deliverable created will use Hyland's standard deliverable templates. Customer requested changes to deliverable templates may increase project costs or introduce timeline delays; and
9. If necessary after execution, this Services Proposal or corresponding agreement can be adjusted in scope, or a new agreement issued, following the Project Change Control Process.

CUSTOMER OBLIGATIONS

To facilitate Hyland's execution of the Professional Services, Customer agrees, at a minimum, to the following obligations. The parties acknowledge and agree that failure to meet the responsibilities noted will likely affect project duration, cost and/or quality in the execution and completion of Professional Services.

Project Personnel

1. Customer will assign a project sponsor, who will be actively involved in the project(s) and is the final escalation point for all issues and decisions:
 - A. The project sponsor will also ensure that the appropriate Customer personnel are assigned and made available to execute the project(s) successfully.
2. Customer will assign a project manager, who will act as a single point of contact for the Hyland project team and whose responsibilities include, but are not limited to, the following:
 - A. Managing all customer obligations as defined within this Services Proposal; and
 - B. Coordinating all key departmental decision makers, technical experts, subject matter experts, end user representatives, third party software application resources and project sponsorship.
3. Customer will designate a Software administrator who will undergo any applicable Software training recommended in order to participate actively throughout the project(s) and support all Software environments and solutions:
 - A. Software training course(s) (if recommended) are provided separately from this Services Proposal by the Hyland Account Manager.
4. Customer will engage the appropriate business process owners to the project(s), as well as subject matter experts, who are thoroughly knowledgeable about the current business practices in their respective areas and who are capable of performing their assigned project roles:
 - A. Business process owners and subject matter experts will be required to attend and contribute to all project meetings to which they have been invited for the duration of the project(s).
5. Customer will provide vendor resources, interface specialists, technical experts, and/or subject matter experts deemed necessary for third party system(s) with which Software will integrate or from which content will be migrated;
6. Customer will make reasonable efforts to maintain consistent resources throughout the project(s):
 - A. Any anticipated changes to the core team must be communicated in writing within five (5) business days;
 - B. If the change is due to illness or termination of the core team member, the change must be communicated as soon as possible.

Project Management

1. Customer will review the remaining work effort with the Hyland project team throughout the project(s). If, at any time, the number of hours required to complete a project phase exceeds the number of hours estimated by the project teams for that phase, then Hyland will incorporate the Project Change Control Process prior to exceeding the budgeted number of hours;

2. Customer will review all deliverables in accordance to the agreed upon plan. Failure to respond where needed within the designated timelines may result in project delays, loss of resources, and incorporation of the Project Change Control Process;
3. Customer will execute timely decision-making, completion of all deliverables and action items and resolution of issues throughout the course of the project(s); and
4. Customer will arrange for physical workspace and tools (work desks, networked computers, meeting rooms, training rooms, conference phones, whiteboards, etc.) for duration of the project(s) to accommodate scheduled onsite and/or remote activities as dictated by Customer's reasonable security measures.

Software Installation, Access, Integrations and Deployment

1. Customer will ensure all hardware is in place and made ready as dictated by the implementation schedule. Customer will determine the systems to which Hyland will have access. Additionally, all access by Hyland personnel will be monitored, and under the ownership and control of UMC IT:
 - A. Local and remote VPN access must be provided to applicable Hyland resources through the use of dedicated user account(s) with appropriate privileges to the Software and/or relevant third party applications; and
 - B. Access must be provided prior to Hyland's arrival at Customer facilities and/or project discovery sessions.
2. Customer will provide all necessary components including, but not limited to, power, lighting, network connections/rights and environmental controls deemed necessary for the proper functioning of and access to the system;
3. Customer will manage third party application setup (i.e. installation, configuration), testing, training, and go-live support related to integration(s) with Software;
4. Customer will package and deploy all Software clients, unless otherwise defined within this Services Proposal; and
5. Customer will deploy all supporting Software client hardware (e.g. scanner, signature device) and related third party software (e.g. drivers, licenses) required for the Software solution.

Testing/Training

1. Customer will manage the deployment of Software testing/training workstation(s) (e.g. PC and scanner) including the installation of all necessary software/clients, unless otherwise defined within this Services Proposal;
2. Customer will prepare and supply the necessary testing/training resources including, but not limited to, the following:
 - A. Sample, production-like, content;
 - B. Electronic feeds; and
 - C. Paper documents.
3. Customer will secure training room(s) ensuring that all resources participating will have the proper workstations and materials, as set forth by the Hyland project team:
 - A. If these provisions are not met, Hyland has the right to cancel and reschedule training.
4. Customer will create, maintain, and execute test plans and cases, as well as track and report testing results during the testing cycle(s); and
5. Customer will train additional end users on the use of the Software.

PROJECT CHANGE CONTROL PROCESS

Requested changes to this Services Proposal will be managed using the Project Change Control Process outlined below.

If any party believes that a change to this Services Proposal is warranted, the party shall issue a Change Request in writing. The Hyland and Customer project teams will review the Change Request, determine the impact and attempt to agree to the change(s). Once the change(s) are agreed upon, Hyland will provide a formal Change Order to Customer outlining the change in Professional Services, the impact on hours, resources, timeline and/or cost.

Customer and Hyland will fully execute each mutually agreed upon Change Order prior to the requested changes taking effect. Customer and Hyland acknowledge that this may affect Professional Services, timelines and deliverables, and therefore will make reasonable efforts to execute any changes to this Services Proposal with enough lead-time to minimize the influence on the project. No Change Order is binding upon the parties until it is executed by both Customer and Hyland.

PRICING

Customer acknowledges that the Professional Services pricing is based solely on the information provided to Hyland and referenced in the above Project Areas.

Time and Materials Projects

Project	Estimated Work Hours	Estimated Totals (USD)
Project 1 – AP Invoice Processing	1260	\$292,350.00
Discount		(\$34,050.00)
Total	1260	\$258,300.00

Resource	Standard Hourly Rate	Discounted Hourly Rate
Advanced Capture Consultant	\$225.00	\$205.00
Business Consultant	\$225.00	\$205.00
Conversion Consultant	\$250.00	\$205.00
Database Engineer	\$250.00	\$205.00
Enterprise Consultant	\$225.00	\$205.00
Infrastructure Analyst	\$250.00	\$205.00
Integration Engineer	\$250.00	\$205.00
Principal Consultant	\$250.00	\$205.00
Program Manager	\$250.00	\$205.00
Project Manager	\$225.00	\$205.00
Technical Consultant	\$225.00	\$205.00

Pricing Assumptions

The pricing was created using the following assumptions:

1. The above pricing includes estimated Professional Services fees anticipated to complete the project(s) successfully;
2. For Project 1, Hyland will deliver all services remotely;
3. The above pricing reflects a one-time discount against Hyland Professional Services rates set to expire December 31st, 2021.
4. The time and materials estimate(s) provided to complete the Professional Services are provided for convenience only and are an approximation of the anticipated amount of fees needed to complete such Professional Services. Customer will be invoiced monthly based on the amount of time actually required to complete such Professional Services and the applicable hourly fees; and
5. Any additional Professional Services requested of Hyland resources in alignment to this Services Proposal, which have been facilitated by the Project Change Control Process, may be charged at the then current standard Hyland resource rates.

Fixed Fee Projects

Project	Billing Type	Cost (USD)
Project 2 – AP Solution Optimization (One Year)	Fixed Fee	\$55,000.00
Total		\$55,000.00

Payment Milestones			
The costs for the above project(s) represent fixed price Professional Services. Payment milestones for the engagement(s) will be invoiced as listed below.			
Milestone	Description	% of Total	Amount
Project 2 – AP Solution Optimization (One Year)			
1	Optimization Project Initiation	100%	\$55,000.00
Total		100%	\$55,000.00

Project	Billing Type	Cost (USD)
Project 2 – AP Solution Optimization (One Year)	Fixed Fee	\$55,000.00
Project 1 – AP Invoice Processing	Monthly	\$258,300.00
Total Not-to-Exceed		\$313,300.00

Pricing Assumptions

The pricing was created using the following assumptions:

1. The above cost includes Professional Services fees anticipated to complete the project(s) successfully;
2. For Project 2, Hyland will deliver all services remotely;
3. If additional hours are requested beyond the agreed upon quarterly allowance of hours for Project 2, Customer may purchase additional blocks of hours via a change order. Additional service hours will be made available in blocks of ten (10) hours, with the total cost and the number of hours agreed upon within an executed change order.
4. Customer may reduce or extend the number of quarters for optimization support via the change order process; and
5. The fixed fee was determined based on information provided to Hyland by Customer and assumptions developed by the parties based upon that information. In the event that (a) any such information is inaccurate or necessary information was not provided to Hyland, (b) Customer fails to fulfill its obligations during this Contract, or (c) reasonably unforeseen technical or system limitations exist or arise, and any of such causes materially and adversely affect the performance of the Professional Services, this fixed fee shall be adjusted equitably to reflect the impacts of such circumstances following the Project Change Control Process.

6. This proposal is being created as a “Not to Exceed” estimate. The total cost of services exclusive of travel expenses will not exceed the price quoted above without prior authorization from Customer. Customer acknowledges that the amount of work hours available under this agreement may not be sufficient to complete the requested work and that additional hours may be requested by Customer as a Change Order to this proposal to continue progress on their initiatives. In the event that the services are not completed within the estimate provided, and Customer has not provided its consent for Hyland to continue providing services in order to complete the project, then either party may be entitled to terminate this agreement without liability to the other party except for payment of aggregate services fees due (if any) from Customer to Hyland under this agreement for work performed and payment of related travel expenses.

SIGNATURES

**UNIVERSITY MEDICAL CENTER
SOUTHERN NEVADA**

Hyland Software, Inc.

By :

By :

Name : (Print) Mason Van Houweling

Name : (Print)

Title : CEO

Title :

Date :

Date :

Purchase Order #: _____

(Invoices issued hereunder may not reflect a PO number if this field is not completed.)

APPENDIX 1 – RESOURCE DESCRIPTIONS

The following table provides an overview of the Hyland Global Services resource types and their corresponding responsibilities.

Resource Type	Responsibilities
Advanced Capture Consultant	Provides expertise on capture solutions.
	Documents business process requirements, configures capture solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Business Consultant	Provides expertise on Workflow and Case Management solutions.
	Documents business process requirements, configures solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Conversion Consultant	Provides expertise on the conversion process.
	Drives conversations with Customer on best practices and ultimately assists in defining the conversion process to be utilized to meet Customer conversion requirements.
Database Engineer	Provides expertise related to the Software database.
	Makes recommendations on best practices, maintenance plans and disaster recovery considerations.
Enterprise Consultant	Provides long-term business planning and analysis to expand and support Customer's Software solution.
	Develops strategies and roll out recommendations based on Customer needs resulting from enterprise assessments and coaching. Acts as a program manager for individual projects within an organization to ensure Customer remains educated on Software capabilities and additional opportunities.
Infrastructure Analyst	Provides consulting on the initial setup or review of hardware infrastructure impacting the Software solution.
	Drives conversations with Customer technical teams focusing on the network, server, database, and storage level of the Software solution as well as reviews integration components that may affect overall performance.
Integration Engineer	Provides expertise on integrations and API development.
	Supports and mentors Customer on the creation of web service integrations. Develops custom scripts and pre- and post-processors within Software to meet specialized Customer needs. Documents business requirements, develops solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Principal Consultant	Provides deep Software expertise to advise Hyland and Customer implementation teams on best practices throughout an engagement.
	Guides discovery sessions and takes technical ownership of solution requirements and design.
Program Manager	Establishes relationships with key stakeholders to regularly examine business needs against Customer's vision, strategies and goals.
	Focuses on managing and optimizing Hyland project resources to minimize resource rotation. Develops metrics and reports regularly on steady state solutions and in-flight projects, assuring delivery of desired business value. Provides a single point of focus for all escalations.
Project Manager	Provides project management expertise and is the initial point of project escalation.
	Manages project initiation, develops the project charter and plan, and coordinates schedules and resources. Tracks burn down rates, project/solution issues, scope creep and impact, generating change orders as needed.

Technical Consultant	Provides expertise on Software installation and module configuration.
Documents business requirements, installs and configures solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.	

APPENDIX 2 – DELIVERABLE DESCRIPTIONS

The following table provides an overview of the Hyland project deliverables. Please reference the specific Project Areas for a listing of the applicable deliverables.

Deliverable	Description
Project Charter	Provides a preliminary delineation of roles and responsibilities, outlines project objectives, identifies key stakeholders and defines the authority of the project charter.
Delivered within the initiation phase.	
Includes the agreed upon scope, objectives and participants in the project.	
Project Plan	Defines the projected schedule of project events from initiation through closure.
Delivered within the initiation/discovery phase and updated throughout the project.	
Includes the activities, deliverables, assignments and dates required to complete the project.	
Project Status Report	Provides an overview of project health and important related details.
Delivered after initiation and then regularly throughout the project in a frequency to be determined by the Hyland and Customer Project Managers (e.g., bi-weekly).	
Includes details about the project health, financials (budgeted vs. actuals), critical action items, upcoming key activities, outstanding deliverables, change requests and notable issues/risks.	
Each updated report requires a shared review with Customer and Customer verification for accuracy.	
Requirements Document (RD)	Documents the agreed upon solution requirements.
Composed as a result of requirements gathering during discovery.	
Contains all business requirements related to the solution.	
Traceability Matrix	Supports test case development and results tracking.
Derived from the RD and includes the list of approved requirements and associated SDD components, for use by Hyland when unit testing the solution and by Customer to map and track test cases during User Testing.	
Solution Design Document (SDD)	Central point of reference on how the solution meets the requirements.
Outlines and defines important details about the solution functionality and configuration based upon the approved business requirements documented in the RD.	
Solution Training Guide	For use during initial training and update by Customer's internal Software training/education staff if solution is modified or enhanced in the future.
Contains descriptions of user interface (UI) and components configured for the solution.	
Software Solution	The Software configuration delivered at the conclusion of the Project, as described in the RD.
Implementation of the requirements defined in the RD.	

*** END OF DOCUMENT ***



PROFESSIONAL SERVICES PROPOSAL

University Medical Center
of Southern Nevada

OnBase Comprehensive Conversion

Perceptive ImageNow
Comprehensive Conversion

OneContent Comprehensive
Conversion

Document Version: 4

Document Date: 22 Nov 2021

THIS PROPOSAL IS VALID UNTIL
DECEMBER 31ST, 2021 UNLESS SIGNED
BY BOTH PARTIES.

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INTRODUCTION

This Professional Services Proposal for OnBase Conversion services ("Services Proposal"), is made and effective as of the date of last signature below (the "Effective Date"), by and between Hyland Software, Inc., ("Hyland"), and University Medical Center of Southern Nevada, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes (the "Customer"). This Services Proposal is pursuant and subject to that certain Hyland Master Agreement dated on or around December 15, 2021 (the "Agreement"), executed between Hyland and Customer. Unless otherwise defined herein, the capitalized terms in this Services Proposal shall have meanings set forth in the Agreement. In the event of any conflict between these provisions and those in the Agreement, the provisions in the Agreement shall prevail.

The purpose of this Services Proposal is to define the goals, scope, fees and other important details supporting the delivery of Professional Services for one or more projects defined in the Project Areas section.

PROPOSAL TERMS & USAGE

The content of this document ("Services Proposal") is subject to review and revision by both Hyland and Customer until fully executed by both parties.

Upon execution of this Services Proposal, the Hyland project manager or designated resource will contact Customer project team to discuss project logistics and potential start dates. At this time, Hyland resource availability will be reviewed and presented to Customer. Start times can vary based on existing work volumes. The project(s) will begin upon a mutually agreed upon date as soon as resource availability and Customer availability allow. Once the project start date has been determined, resources will be assigned and scheduled to begin delivery of the services described in this Services Proposal.

All terms of any purchase order or similar document provided by Customer including but not limited to any Customer pre-printed terms and any terms that are inconsistent or conflict with this Services Proposal shall be null and void.

Please note that some resources assigned to perform the Services may be employees of Hyland Software, Inc.'s subsidiaries located in other countries.

After execution, all changes to this Services Proposal will follow the Project Change Control Process. All changes must be made to this Services Proposal through an authorized Change Order unless otherwise agreed to in writing by both Hyland and Customer.

PROJECT AREAS

Hyland will provide the following Professional Services described within this Services Proposal:

Conversion Services

As part of the Conversion Services engagement(s), Hyland will perform the following:

1. Provide a Project Charter that outlines the scope, objectives, critical success factors, assumptions and constraints of the project;
2. Provide project management services to collaborate on the creation of a detailed project plan with the Customer in order to drive project schedule, milestones and coordinate transition to new environment;
3. Perform in-depth requirements analysis to determine document metadata mappings, infrastructure requirements, tactical planning and establish respective roles;
4. Deliver a Requirements Document ("RD") based on the requirements analysis, which will outline the documents and document metadata to be migrated, the extraction formats related to mapping of converted content, and the conversion methodology;
5. Configure document type and keyword mappings between Software and the Legacy System according to the RD;
6. Configure conversion import processes based on document type and keyword mappings between Software and the Legacy System;
7. Convert a representative sample of the documents, with associated metadata, from the Legacy System to Software for the purpose of validating and verifying the integrity of the conversion process ("Sample Conversion");
8. Perform Sample Conversion reiterations when any or all of the following conditions are met:
 - A. In the event that Sample Conversion documents and/or associated metadata do not successfully import into Software as a result of a defect in the Hyland conversion process, Hyland will perform Sample Conversion reiterations until the defect is resolved;
 - B. In the event that the Sample Conversion documents and/or associated metadata do not meet the conversion requirements as documented within the mutually agreed upon RD, Hyland will perform Sample Conversion reiterations until the Sample Conversion documents and/or metadata are in alignment to the RD; and
 - C. In the event that Customer requests changes to the conversion requirements subsequent to mutual agreement on the RD:
 - i. Hyland will perform up to two (2) Sample Conversion reiterations for requirement changes requested by Customer at no additional cost to Customer; and
 - ii. Any additional Customer request(s) for Sample Conversion reiterations beyond the two (2) provisioned allowances will require an additional fee of \$10,000.00 per reiteration, to be applied through an approved Change Order executed via the standard Change Order process.
9. Ensure that the project plan accounts for the extraction of all Legacy System documents based on performance metrics gathered during the Sample Conversion;
10. Convert Legacy System files and metadata into the Software production system:
 - A. Convert a single copy of the latest revision of each Legacy System document as part of the conversion process as discussed during discovery sessions and as documented in the RD; and

- B. In the event that the Customer requests Hyland to import all historical revisions of each document, an additional fee of \$20,000 will be applied through an approved Change Order executed via the standard Change Order process.
- 11. Provide detailed Reconciliation Reports, accounting for one-hundred percent (100%) of Legacy System documents:
 - A. Report will include the Legacy System document count, associated Software document count and any exception documents identified during processing; and
 - B. A Reconciliation Report will be delivered at the completion of the initial bulk load of Legacy System documents to Software ("Bulk Load") and each subsequent load of Legacy System documents to Software ("Supplemental Load").
- 12. Integrate converted Legacy System documents with Customer electronic medical record ("EMR"):
 - A. Hyland will conduct a preliminary EHR Integration assessment ("Match Report") for the purposes of forecasting the percent of migrated legacy system documents that can be integrated.
 - B. Hyland will prepare a document that details the functional requirements and mapping specifications for configured medical objects ("Requirements Document");
 - C. Hyland will integrate a representative test set of migrated legacy system documents for the purpose of validating and verifying the Software's integration to Customer's EHR ("Sample EHR Integration"):
 - i. In the event that documents within Sample EHR Integration(s) do not successfully integrate with Customer's EHR as a result of a defect in the Hyland EHR integration process, Hyland will perform Sample EHR Integration reiteration(s) until the defect is resolved;
 - ii. In the event that the Sample EHR Integration(s) do not meet the EHR integration requirements as documented within the mutually agreed upon Requirements Document, Hyland will perform Sample EHR Integration reiterations until the Sample EHR Integration reiteration(s) are in alignment to the Requirements Document; and
 - iii. In the event that Customer requests changes to the EHR integration requirements or requests a reiteration of the Match Report assessment subsequent to mutual agreement on the Requirements Document:
 - a. Hyland will perform up to two (2) Match Reports and/or sample EHR integration reiterations for EHR integration requirement changes requested by Customer at no additional cost to Customer; and
 - b. Additional Customer request(s) for a Match Report and/or sample EHR integration reiterations beyond the two (2) provisioned allowances will require an approved Change Order at \$2,500.00 per reiteration.
 - D. Perform EHR Integrations in Production for the Software solution to the Customer's EHR; and
 - E. Detailed EHR Integration reports, accounting for 100% of documents ("EHR Integration Report"):
 - i. An EHR Integration Report will be delivered at the completion of the Production EHR Integration and each Supplemental EHR Integration;
 - ii. In the event that documents within Production EHR integration(s) do not successfully integrate with Customer's EHR as a result of a defect in the Hyland EHR integration process, Hyland will perform EHR integration reiteration(s) until the defect is resolved; and

- iii. In the event that Customer requests changes to the EHR integration requirements subsequent to mutual agreement of the Requirements Documents:
 - a. Additional Customer request(s) for an EHR integration reiteration will require an approved Change Order.

Project 1 – OnBase Comprehensive Conversion

Scope

The OnBase Conversion project will consist of requirements analysis and implementation services in association with converting up to thirty-three million, seven hundred and fifty-eight thousand, one hundred and ten (33,758,110) documents from Customer's OnBase application ("Legacy System") to the Software solution.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. The conversion of electronic documents will be done from Legacy System version 14.0 to the Software solution;
2. Legacy System contains up to thirty-three million, seven hundred and fifty-eight thousand, one hundred and ten (33,758,110) documents, consuming up to an estimated two thousand three hundred fifteen (2,315) GB of SAN storage space;
3. Legacy System documents are categorized in up to one hundred forty-eight (148) document types;
4. One instance of the Legacy System is considered in the conversion scope;
5. Legacy System uses an Microsoft SQL database running a Window OS operating system;
6. Format of extracted Legacy System files will be natively supported by the Software such that no file format alterations will be required;
7. The Production Conversion will be performed in a single phase, comprised of one Bulk Load of static documents and two (2) Supplemental Loads of newly added and/or active documents occurring after an agreed upon cutoff date;
8. Documents converted from Legacy System will be made accessible from within Customer's Epic electronic medical record ("Epic"):
 - A. The Software solution uses a SQL database;
 - B. Customer has an EHR system that holds patient data which:
 - i. Contains a unique single historical patient data element equivalent that can be cross walked to the Legacy System document's metadata;
 - ii. Is acknowledged as the source of truth for patient demographic data;
 - C. Customer has an EHR system that holds chart-level encounter or visit data which:
 - i. Contains a unique single historical chart-level data element equivalent that can be cross walked to the Legacy System document's metadata;
 - ii. Is acknowledged as the source of truth for chart-level encounter or visit data;
 - D. Hyland will perform demographic updates on document metadata only from the EHR system extracts that are acknowledged as the source of truth for patient demographics and chart-level data;

- E. Hyland will create Patient level objects within the Software to support OnBase Patient Window functionality;
 - i. Where related to migrated Legacy System documents;
 - ii. Where mutually agreed upon in the Requirements Document;
- F. Hyland will create Chart level objects within the Software to support OnBase Patient Window functionality;
 - i. Where related to migrated Legacy System documents;
 - ii. Where mutually agreed upon in the Requirements Document;
- G. Hyland will create an HL7 file that can be uploaded to Customer's EHR or interface engine as part of the conversion project:
 - i. Where existing clinical Hyperlinks are in place Hyland will update them;
 - ii. Where new clinical Hyperlinks need to be sent Hyland will create a batch file; and
 - iii. Limited to either the creation of new links or updating existing links;
- H. The project will be performed in a single phase, comprised of one (1) bulk EHR integration of documents and two (2) supplemental EHR integrations of newly added and/or active documents occurring after an agreed upon cutoff date;
- I. Documents eligible for EHR Integration need to exist in the Software solution prior to execution of a EHR Integration phase;
- J. Timeline for integration of content to EHR may or may not coincide with key project milestones/deliverables defined in this Services Proposal, and will be mutually agreed-upon and documented in the project plan; and
- K. All professional services pertaining specifically to the EHR integration will be performed remotely.

Exclusions

The following items are considered out of scope for this engagement:

1. The migration of any COLD/ERM reporting not available in an image format from Legacy System;
2. The migration of documents that have a PDF Portfolio file;
3. The migration of text-based notes from Legacy System;
4. The migration of graphical annotations (e.g. highlights, redactions, digital signatures) from Legacy System:
 - A. In the event Legacy System files have graphical annotations, Customer will be required to burn the graphical annotations into the physical file prior to data extraction for Hyland to be able to migrate the graphical annotations into the Software.
5. The migration of Legacy System audit history;
6. The migration of discrete data from Legacy System:
 - A. Only the conversion of Legacy System documents that have a corresponding electronic file are included in the project scope.
7. The migration of document management, taxonomy, workflow, or other business process solutions from Legacy System;
8. Migration of workflow work in process (WIP) or in-flight activity, current status, data or history, except when extracted as document-level metadata;
9. If this conversion project is being performed in alignment to a Software Integration to Epic implementation project, this Services Proposal does NOT account for conversion of documents or images currently stored in the Epic BLOB;
10. Patients and charts unrelated to the day-forward EHR will not be integrated to Customer's EHR, but may still be accessible from within a Software client; and

11. Replacement of document hyperlinks in Epic Resolute HB, PB, or Claims applications.

Project 2 – Perceptive ImageNow Comprehensive Conversion

Scope

The Perceptive ImageNow Conversion project will consist of requirements analysis and implementation services in association with converting up to eleven million, one hundred and twenty thousand, six hundred and twenty-seven (11,120,627) documents from Customer's Perceptive application ("Legacy System") to the Software solution.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. The conversion of electronic documents will be done from Legacy System version 6.0.2 to the Software solution;
2. Legacy System contains up to eleven million, one hundred and twenty thousand, six hundred and twenty-seven (11,120,627) documents, consuming up to an estimated six hundred (600) GB of SAN storage space;
3. Legacy System documents are categorized in up to three hundred and twenty-four (324) document types;
4. One instance of the Legacy System is considered in the conversion scope;
5. Legacy System uses an Microsoft SQL database running a Window OS operating system;
6. Estimate allows for 10% of growth in document volume;
7. Format of extracted Legacy System files will be natively supported by the Software such that no file format alterations will be required;
8. The Production Conversion will be performed in a single phase, comprised of one Bulk Load of static documents and two (2) Supplemental Loads of newly added and/or active documents occurring after an agreed upon cutoff date;
9. Documents converted from Legacy System will be made accessible from within Customer's Epic electronic medical record ("Epic"):
 - A. The Software solution uses a SQL database;
 - B. Customer has an EHR system that holds patient data which:
 - i. Contains a unique single historical patient data element equivalent that can be cross walked to the Legacy System document's metadata;
 - ii. Is acknowledged as the source of truth for patient demographic data;
 - C. Customer has an EHR system that holds chart-level encounter or visit data which:
 - i. Contains a unique single historical chart-level data element equivalent that can be cross walked to the Legacy System document's metadata;
 - ii. Is acknowledged as the source of truth for chart-level encounter or visit data;
 - D. Hyland will perform demographic updates on document metadata only from the EHR system extracts that are acknowledged as the source of truth for patient demographics and chart-level data;
 - E. Hyland will create Patient level objects within the Software to support OnBase Patient Window functionality;
 - i. Where related to migrated Legacy System documents;
 - ii. Where mutually agreed upon in the Requirements Document;

- F. Hyland will create Chart level objects within the Software to support OnBase Patient Window functionality;
 - i. Where related to migrated Legacy System documents;
 - ii. Where mutually agreed upon in the Requirements Document;
- G. Hyland will create an HL7 file that can be uploaded to Customer's EHR or interface engine as part of the conversion project:
 - i. Where existing clinical Hyperlinks are in place Hyland will update them;
 - ii. Where new clinical Hyperlinks need to be sent Hyland will create a batch file; and
 - iii. Limited to either the creation of new links or updating existing links;
- H. The project will be performed in a single phase, comprised of one (1) bulk EHR integration of documents and two (2) supplemental EHR integrations of newly added and/or active documents occurring after an agreed upon cutoff date;
- I. Documents eligible for EHR Integration need to exist in the Software solution prior to execution of a EHR Integration phase;
- J. Timeline for integration of content to EHR may or may not coincide with key project milestones/deliverables defined in this Services Proposal, and will be mutually agreed-upon and documented in the project plan; and
- K. All professional services pertaining specifically to the EHR integration will be performed remotely.

Exclusions

The following items are considered out of scope for this engagement:

1. The migration of any COLD/ERM reporting not available in an image format from Legacy System;
2. The migration of documents that have a PDF Portfolio file;
3. The migration of text-based notes from Legacy System;
4. The migration of graphical annotations (e.g. highlights, redactions, digital signatures) from Legacy System:
 - A. In the event Legacy System files have graphical annotations, Customer will be required to burn the graphical annotations into the physical file prior to data extraction for Hyland to be able to migrate the graphical annotations into the Software.
5. The migration of Legacy System audit history;
6. The migration of discrete data from Legacy System:
 - A. Only the conversion of Legacy System documents that have a corresponding electronic file are included in the project scope.
7. The migration of document management, taxonomy, workflow, or other business process solutions from Legacy System;
8. Migration of workflow work in process (WIP) or in-flight activity, current status, data or history, except when extracted as document-level metadata;
9. If this conversion project is being performed in alignment to a Software Integration to Epic implementation project, this Services Proposal does NOT account for conversion of documents or images currently stored in the Epic BLOB;
10. Patients and charts unrelated to the day-forward EHR will not be integrated to Customer's EHR, but may still be accessible from within a Software client; and
11. Replacement of document hyperlinks in Epic Resolute HB, PB, or Claims applications.

Project 3 – OneContent Comprehensive Conversion

Scope

The OneContent Conversion project will consist of requirements analysis and implementation services in association with converting up to twenty-six million, two hundred eighty-seven thousand, four hundred twelve (26,287,412) documents from Customer's OneContent application ("Legacy System") to the Software solution.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. The conversion of electronic documents will be done from Legacy System version 16.2 to the Software solution;
2. Legacy System contains up to twenty-six million, two hundred eighty-seven thousand, four hundred twelve (26,287,412) documents, consuming up to an estimated one thousand three hundred (1,300) GB of SAN storage space;
3. Legacy System documents are categorized in up to three hundred seventy-four (374) document types;
4. One instance of the Legacy System is considered in the conversion scope;
5. Legacy System uses an Microsoft SQL database running a Window OS operating system;
6. All ten percent (10%) of extracted Legacy System files will require file alterations such that extracted files may be viewable through usage of the Software;
7. The Production Conversion will be performed in a single phase, comprised of one Bulk Load of static documents and two (2) Supplemental Loads of newly added and/or active documents occurring after an agreed upon cutoff date;
8. Documents converted from Legacy System will be made accessible from within Customer's Epic electronic medical record ("Epic"):
 - A. The Software solution uses a SQL database;
 - B. Customer has an EHR system that holds patient data which:
 - i. Contains a unique single historical patient data element equivalent that can be cross walked to the Legacy System document's metadata;
 - ii. Is acknowledged as the source of truth for patient demographic data;
 - C. Customer has an EHR system that holds chart-level encounter or visit data which:
 - i. Contains a unique single historical chart-level data element equivalent that can be cross walked to the Legacy System document's metadata;
 - ii. Is acknowledged as the source of truth for chart-level encounter or visit data;
 - D. Hyland will perform demographic updates on document metadata only from the EHR system extracts that are acknowledged as the source of truth for patient demographics and chart-level data;
 - E. Hyland will create Patient level objects within the Software to support OnBase Patient Window functionality;
 - i. Where related to migrated Legacy System documents;
 - ii. Where mutually agreed upon in the Requirements Document;

- F. Hyland will create Chart level objects within the Software to support OnBase Patient Window functionality;
 - i. Where related to migrated Legacy System documents;
 - ii. Where mutually agreed upon in the Requirements Document;
- G. Hyland will create an HL7 file that can be uploaded to Customer's EHR or interface engine as part of the conversion project:
 - i. Where existing clinical Hyperlinks are in place Hyland will update them;
 - ii. Where new clinical Hyperlinks need to be sent Hyland will create a batch file; and
 - iii. Limited to either the creation of new links or updating existing links;
- H. The project will be performed in a single phase, comprised of one (1) bulk EHR integration of documents and two (2) supplemental EHR integrations of newly added and/or active documents occurring after an agreed upon cutoff date;
- I. Documents eligible for EHR Integration need to exist in the Software solution prior to execution of a EHR Integration phase;
- J. Timeline for integration of content to EHR may or may not coincide with key project milestones/deliverables defined in this Services Proposal, and will be mutually agreed-upon and documented in the project plan; and
- K. All professional services pertaining specifically to the EHR integration will be performed remotely.

Exclusions

The following items are considered out of scope for this engagement:

1. The migration of any COLD/ERM reporting not available in an image format from Legacy System;
2. The migration of documents that have a PDF Portfolio file;
3. The migration of text-based notes from Legacy System;
4. The migration of graphical annotations (e.g. highlights, redactions, digital signatures) from Legacy System:
 - A. In the event Legacy System files have graphical annotations, Customer will be required to burn the graphical annotations into the physical file prior to data extraction for Hyland to be able to migrate the graphical annotations into the Software.
5. The migration of Legacy System audit history;
6. The migration of discrete data from Legacy System:
 - A. Only the conversion of Legacy System documents that have a corresponding electronic file are included in the project scope.
7. The migration of document management, taxonomy, workflow, or other business process solutions from Legacy System;
8. Migration of workflow work in process (WIP) or in-flight activity, current status, data or history, except when extracted as document-level metadata;
9. If this conversion project is being performed in alignment to a Software Integration to Epic implementation project, this Services Proposal does NOT account for conversion of documents or images currently stored in the Epic BLOB;
10. Patients and charts unrelated to the day-forward EHR will not be integrated to Customer's EHR, but may still be accessible from within a Software client; and
11. Replacement of document hyperlinks in Epic Resolute HB, PB, or Claims applications.

Required Resources

Resource
Conversion Consultant
Program Manager
Project Manager

For details about the required resources, please review Appendix 1.

Deliverables

Deliverable
Project Charter
Remote Discovery Report
Discovery Activity Summary
Requirements Document
Traceability Matrix
Solution Design Document
Sample Conversion
Go-Live Checklist
Reconciliation Report
Conversion Project Closure Information
Conversion Activity Report

For details about the deliverables, please review Appendix 2.

KEY ASSUMPTIONS

The following are key assumptions that impact the success of the solution, and are applicable to all Project Areas within this Services Proposal:

General

1. Hyland Global Cloud Services ("GCS") will provision and maintain the Software non-production and production environments required for the solution(s) defined within this Services Proposal within the primary Hyland GCS data center hosting the solution, in accordance with the terms of the current Master Software License, Services and Support Agreement, Hosting Agreement or Subscription Agreement in place between Hyland and Customer:
 - A. The hosted Software environment(s) will leverage the latest version of Software; and
 - B. Subsequent Software upgrades will be completed by Hyland GCS upon Customer request.
2. Project start date(s) are subject to a mutually agreed upon schedule after execution of contract;
3. Professional Services will be delivered utilizing Hyland's standard implementation methodology;
4. Professional Services will be provided both onsite at Customer location in Las Vegas, Nevada as well as remotely from Hyland offices:
 - A. While onsite, Hyland resource(s) will work during normal operating hours generally between 8:00am and 5:00pm, Monday through Friday, in Customer's local time zone; and
 - B. When providing remote services, Hyland and Customer will discuss generally acceptable working hours and take into consideration time zone differences. Issues deemed as non-critical will only be addressed during normal business hours.
5. Upon mutual agreement between Hyland and Customer, the Requirements Document (RD) replaces any previous form of scope or solution proposal and becomes the then current project scope. Any changes to the scope per the RD may require review and re-estimation of the work effort, timeline, and pricing to deliver, and, based on such review and re-estimation, Hyland will determine whether the Project Change Control Process is required;
6. Each project is intended to be implemented in a timeframe of contiguous weeks. Scheduling delays that impact the project timeline will result in changes to project costs;
7. Each deliverable created will use Hyland's standard deliverable templates. Customer requested changes to deliverable templates may increase project costs or introduce timeline delays; and
8. If necessary after execution, this Services Proposal or corresponding agreement can be adjusted in scope, or a new agreement issued, following the Project Change Control Process.

Conversion-Specific

1. All physical files being migrated from the Legacy System to the Software are accessible on the Customer network by UNC path;

2. Legacy files will be migrated out of the legacy storage and into a new file storage location mutually agreed upon by the project team;
3. Hyland will not be responsible for:
 - A. Verifying the correctness or integrity of document metadata, or the quality of image files associated with the Legacy System; or
 - B. Enhancing or modifying such documents or document metadata, (e.g., rotating documents, enhancing image quality, or correcting metadata).

CUSTOMER OBLIGATIONS

To facilitate Hyland's execution of the Professional Services, Customer agrees, at a minimum, to the following obligations. The parties acknowledge and agree that failure to meet the responsibilities noted will likely affect project duration, cost and/or quality in the execution and completion of Professional Services.

General

Project Personnel

1. Customer will assign a project sponsor, who will be actively involved in the project(s) and is the final escalation point for all issues and decisions:
 - A. The project sponsor will also ensure that the appropriate Customer personnel are assigned and made available to execute the project(s) successfully.
2. Customer will assign a project manager, who will act as a single point of contact for the Hyland project team and whose responsibilities include, but are not limited to, the following:
 - A. Managing all customer obligations as defined within this Services Proposal; and
 - B. Coordinating all key departmental decision makers, technical experts, subject matter experts, end user representatives, third party software application resources and project sponsorship.
3. Customer will designate a Software administrator who will undergo any applicable Software training recommended in order to participate actively throughout the project(s) and support all Software environments and solutions:
 - A. Software training course(s) (if recommended) are provided separately from this Services Proposal by the Hyland Account Manager.
4. Customer will engage the appropriate business process owners to the project(s), as well as subject matter experts, who are thoroughly knowledgeable about the current business practices in their respective areas and who are capable of performing their assigned project roles:
 - A. Business process owners and subject matter experts will be required to attend and contribute to all project meetings to which they have been invited for the duration of the project(s).
5. Customer will provide vendor resources, interface specialists, technical experts, and/or subject matter experts deemed necessary for third party system(s) with which Software will integrate or from which content will be migrated;
6. Customer will make reasonable efforts to maintain consistent resources throughout the project(s):
 - A. Any anticipated changes to the core team must be communicated in writing within five (5) business days unless termination or illness is the result of the change.

Project Management

1. Customer will execute timely decision-making, completion of all deliverables and action items and resolution of issues throughout the course of the project(s); and
2. Customer will arrange for physical workspace and tools (work desks, networked computers, meeting rooms, training rooms, conference phones, whiteboards, etc.) for duration of the project(s) to accommodate scheduled onsite and/or remote activities as dictated by Customer's reasonable security measures.

Software Installation, Access, Integrations and Deployment

1. Customer will ensure all hardware is in place and made ready as dictated by the implementation schedule. This includes full, independent access to all environments in which Hyland is required to work including environments required for migrations or integrations:
 - A. Local and remote VPN access must be provided to applicable Hyland resources through the use of dedicated user account(s) with appropriate privileges to the Software and/or relevant third party applications; and
 - B. Access must be provided prior to Hyland's arrival at Customer facilities and/or project discovery sessions.
2. Customer will have at least one (1) non-production Software environment for installation and deployment;
3. Customer will provide all necessary components including, but not limited to, power, lighting, network connections/rights and environmental controls deemed necessary for the proper functioning of and access to the system;
4. Customer will manage third party application setup (i.e. installation, configuration), testing, training, and go-live support related to integration(s) with Software;
5. Customer will package and deploy all Software clients, unless otherwise defined within this Services Proposal; and
6. Customer will deploy all supporting Software client hardware (e.g. scanner, signature device) and related third party software (e.g. drivers, licenses) required for the Software solution.

Testing/Training

1. Customer will manage the deployment of Software testing/training workstation(s) (e.g. PC and scanner) including the installation of all necessary software/clients, unless otherwise defined within this Services Proposal;
2. Customer will prepare and supply the necessary testing/training resources including, but not limited to, the following:
 - A. Sample, production-like, content;
 - B. Electronic feeds; and
 - C. Paper documents.
3. Customer will secure training room(s) ensuring that all resources participating will have the proper workstations and materials, as set forth by the Hyland project team:
 - A. If these provisions are not met, Hyland has the right to cancel and reschedule training.
4. Customer will create, maintain, and execute test plans and cases, as well as track and report testing results during the testing cycle(s); and
5. Customer will train additional end users on the use of the Software.

Conversion Specific

1. Provide Hyland with timely, uninterrupted remote access to Legacy System and conversion environment as documented in the conversion environment specification document. Access will be granted for the duration of the project and prior to Hyland staffing project resources. Assigned Conversion resources must have uninterrupted remote access. Please note that some resources assigned to perform the Services may be employees of Hyland Software, Inc.'s subsidiaries located in other countries;
2. Make available Customer personnel to assist with local workstation support if needed;

3. Assist in deployment and configuration of a conversion hardware environment to include temporary storage space and processing machines used to execute conversion processes:
 - A. Customer will assist in deployment to data center and configuration of remote access to Hyland with requested permissions; and
 - B. Hyland requirements for conversion hardware environment will be provided.
4. Sign-off on the Project Charter that outlines the scope, objectives, critical success factors, assumptions and constraints of the project;
5. Provide Hyland with a baseline inventory of the documents to be converted or provide sign-off on an inventory generated by Hyland;
6. Identify document type and keyword mappings between the Legacy System and the Software;
7. Identification of a representative subset of documents to be converted for the purposes of the sample conversion from each of the Legacy System application(s);
8. Create test cases and scripts as needed to support Customer review and approval of the sample conversion;
9. Validate the sample conversion provided and notify Hyland within the time period set out within the project plan of any nonconformity as set forth in the Requirements Document. Hyland will correct its conversion utility to account for any systemic failures noted by the Customer. Customer notification to Hyland regarding suspected systemic failures shall be by electronic mail;
10. Provide written verification of testing completion and solution acceptance within the time period defined in the mutually agreed upon project plan to initiate the production conversion;
11. Identify cutoff dates for the initial production conversion of static documents in Legacy System applications;
12. Identify date for the supplemental conversion(s) (if included in scope) of newly added and/or active documents for Legacy System applications;
13. Review and validate the closing packet provided. Notify Hyland within ten (10) business days of receipt of any required corrective actions for resolution of exceptions. Customer notification to Hyland regarding exception resolution shall be by electronic mail;
14. Report any errors during the warranty period as defined in the MSA:
 - A. An error is defined as a defect in conversion logic that causes converted documents not to meet documented requirements;
 - B. New or changed requirements after the conversion is complete will be scoped as a new services engagement; and
 - C. After the warranty period, any errors, new requirements, or changed requirements will be scoped as a new services engagement.
15. In the event the Legacy System remains active after the data conversion project, perform any legacy data clean-up remaining in the Legacy System;
16. Provide patient and encounter level metadata extracts from EHR per dates in the agreed upon Project Plan to support EHR Integration efforts; and
17. Customer has either:
 - A. An existing Software system that has been setup for healthcare and is integrated with Epic; or
 - B. Conversion projects will run in parallel to an OnBase-Epic Integration project.

PROJECT CHANGE CONTROL PROCESS

Requested changes to this Services Proposal will be managed using the Project Change Control Process outlined below.

If any party believes that a change to this Services Proposal is warranted, the party shall issue a Change Request in writing. The Hyland and Customer project teams will review the Change Request, determine the impact and attempt to agree to the change(s). Once the change(s) are agreed upon, Hyland will provide a formal Change Order to Customer outlining the change in Professional Services, the impact on hours, resources, timeline and/or cost.

Customer and Hyland will fully execute each mutually agreed upon Change Order prior to the requested changes taking effect. Customer and Hyland acknowledge that this may affect Professional Services, timelines and deliverables, and therefore will make reasonable efforts to execute any changes to this Services Proposal with enough lead-time to minimize the influence on the project. No Change Order is binding upon the parties until it is executed by both Customer and Hyland.

PRICING

Customer acknowledges that the Professional Services pricing is based solely on the information provided to Hyland and referenced in the above Project Areas.

Fixed Fee Projects

Project		Billing Type	Cost (USD)
Project 1 – OnBase Comprehensive Conversion		Fixed Fee	\$327,300.00
		Discount	(\$120,048.00)
Project 2 – Perceptive ImageNow Comprehensive Conversion		Fixed Fee	\$197,200.00
		Discount	(28,594.00)
Project 3 – OneContent Comprehensive Conversion		Fixed Fee	\$300,400.00
		Discount	(\$75,962.00)
Total Not-to-Exceed			\$600,296.00
Payment Milestones			
The costs for the above project(s) represent fixed price Professional Services. Payment milestones for the engagement(s) will be invoiced as listed below.			
Milestone	Description		Amount
Project 1 – OnBase Comprehensive Conversion			
1	Delivery of Discovery Report		\$41,450.40
2	Delivery of 1 st Conversion Activity Report		\$20,725.20
3	Delivery of 2 nd Conversion Activity Report		\$20,725.20
4	Delivery of 3 rd Conversion Activity Report		\$20,725.20
5	Delivery of 4th Conversion Activity Report		\$20,725.20
6	Delivery of 5th Conversion Activity Report		\$20,725.20
7	Delivery of Production (Bulk Load) Reconciliation Report		\$51,813.00
8	Delivery of Conversion Project Closure Information		\$10,362.60
Total			\$207,252.00
Payment Milestones			
The costs for the above project(s) represent fixed price Professional Services. Payment milestones for the engagement(s) will be invoiced as listed below.			
Milestone	Description		Amount
Project 2 – Perceptive ImageNow Comprehensive Conversion			
1	Delivery of Discovery Report		\$33,721.20
2	Delivery of 1 st Conversion Activity Report		\$16,860.60
3	Delivery of 2 nd Conversion Activity Report		\$16,860.60
4	Delivery of 3 rd Conversion Activity Report		\$16,860.60
5	Delivery of 4th Conversion Activity Report		\$16,860.60
6	Delivery of 5th Conversion Activity Report		\$16,860.60
7	Delivery of Production (Bulk Load) Reconciliation Report		\$42,151.50
8	Delivery of Conversion Project Closure Information		\$8,430.30
Total			\$168,606.00

Payment Milestones		
The costs for the above project(s) represent fixed price Professional Services. Payment milestones for the engagement(s) will be invoiced as listed below.		
Milestone	Description	Amount
Project 3 – OneContent Comprehensive Conversion		
1	Delivery of Discovery Report	\$44,887.60
2	Delivery of 1 st Conversion Activity Report	\$22,443.80
3	Delivery of 2 nd Conversion Activity Report	\$22,443.80
4	Delivery of 3 rd Conversion Activity Report	\$22,443.80
5	Delivery of 4th Conversion Activity Report	\$22,443.80
6	Delivery of 5th Conversion Activity Report	\$22,443.80
7	Delivery of Production (Bulk Load) Reconciliation Report	\$56,109.50
8	Delivery of Conversion Project Closure Information	\$11,221.90
Total		\$224,438.00

Pricing Assumptions

The pricing was created using the following assumptions:

1. The above cost includes estimated Professional Services fees anticipated to complete the project(s) successfully;
2. Travel expenses are not included in this Services Proposal and will be charged separately as incurred by Hyland resources. All travel expenses will be reimbursed to Hyland according to Customer's travel reimbursement policy which is attached to the Hyland Master Agreement as Exhibit A – Travel Reimbursement Policy.
3. All unbilled Conversion Activity Report milestones will be invoiced upon the delivery of Reconciliation Report deliverable;
4. Projects 1,2, and 3 above have discounts that reflect a Hyland family product discount;
 - A. All discounts will expire on December 31st, 2021
 - B. All discounts are dependent on all three conversions being signed at once; and
5. All fixed fees were determined based on information provided to Hyland by Customer and assumptions developed by the parties based upon that information. In the event that (a) any such information is inaccurate or necessary information was not provided to Hyland, (b) Customer fails to fulfill timely its obligations during this Contract, or (c) reasonably unforeseen technical or system limitations exist or arise, Hyland may not be able to provide the Professional Services described herein at the stated prices.
6. This proposal is being created as a "Not to Exceed" estimate. The total cost of services will not exceed the price quoted above without prior authorization from Customer. Customer acknowledges that the amount of work hours available under this agreement may not be sufficient to complete the requested work and that additional hours may be requested by Customer as a Change Order to this proposal to continue progress on their initiatives. In the event that the services are not completed within the estimate provided, and Customer has not provided its consent for Hyland to continue providing services in order to complete the project, then either party may be entitled to terminate this agreement without liability to the other party except for payment of aggregate services fees due (if any) from Customer to Hyland under this agreement for work performed and payment of related travel expenses.

Budgetary Estimates for Additional Incurred Costs			
Hyland presents the following budgetary cost estimate for Customer's convenience to identify additional costs which may be incurred over the course of the engagements detailed within this Services Proposal.			
Item	Incurred Cost Type		Amount
1	Travel Expenses Across OnBase for Epic Projects		\$6,560.00
Total			\$6,560.00

Budgetary Travel Assumptions

1. The budgetary estimate is for budgeting and planning purposes only, and has been provided to Customer for convenience only as an approximation of the anticipated amount of fees needed to complete the Professional Services defined within the Services Proposal; and
2. Any costs relevant to travel-related expenses will be charged separately from the Billing Milestones defined within this Services Proposal and as incurred by Hyland resources.

SIGNATURES

**University Medical Center Southern
Nevada**

Hyland Software, Inc.

By :

By :

Name : (Print) Mason Van Houweling

Name : (Print)

Title : CEO

Title :

Date :

Date :

Purchase Order #: _____

(Invoices issued hereunder may not reflect a PO number if this field is not completed)

APPENDIX 1 – RESOURCE DESCRIPTIONS

The following table provides an overview of the Hyland Global Services resource types and their corresponding responsibilities. Please reference the specific Project Areas for a listing of the required resources.

Resource Type	Responsibilities
Advanced Capture Consultant	Provides expertise on capture solutions. Documents business process requirements, configures capture solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Business Consultant	Provides expertise on Workflow and Case Management solutions. Documents business process requirements, configures solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Conversion Consultant	Provides expertise on the conversion process. Drives conversations with Customer on best practices and ultimately assists in defining the conversion process to be utilized to meet Customer conversion requirements.
Database Engineer	Provides expertise related to the Software database. Makes recommendations on best practices, maintenance plans and disaster recovery considerations.
Enterprise Consultant	Provides long-term business planning and analysis to expand and support Customer's Software solution. Develops strategies and roll out recommendations based on Customer needs resulting from enterprise assessments and coaching. Acts as a program manager for individual projects within an organization to ensure Customer remains educated on Software capabilities and additional opportunities.
Infrastructure Analyst	Provides consulting on the initial setup or review of hardware infrastructure impacting the Software solution. Drives conversations with Customer technical teams focusing on the network, server, database, and storage level of the Software solution as well as reviews integration components that may affect overall performance.
Integration Engineer	Provides expertise on integrations and API development. Supports and mentors Customer on the creation of web service integrations. Develops custom scripts and pre- and post-processors within Software to meet specialized Customer needs. Documents business requirements, develops solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Principal Consultant	Provides deep Software expertise to advise Hyland and Customer implementation teams on best practices throughout an engagement. Guides discovery sessions and takes technical ownership of solution requirements and design.
Program Manager	Establishes relationships with key stakeholders to regularly examine business needs against Customer's vision, strategies and goals. Focuses on managing and optimizing Hyland project resources to minimize resource rotation. Develops metrics and reports regularly on steady state solutions and in-flight projects, assuring delivery of desired business value. Provides a single point of focus for all escalations.
Project Manager	Provides project management expertise and is the initial point of project escalation. Manages project initiation, develops the project charter and plan, and coordinates schedules and resources. Tracks burn down rates, project/solution issues, scope creep and impact, generating change orders as needed.

Technical Consultant	Provides expertise on Software installation and module configuration.
Documents business requirements, installs and configures solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.	

APPENDIX 2 – DELIVERABLE DESCRIPTIONS

The following table provides an overview of the Hyland project deliverables. Please reference the specific Project Areas for a listing of the applicable deliverables.

Deliverable
Project Charter
Delivered within the initiation phase.
Describes the scope, objectives, critical success factors, assumptions and constraints of the project;
Defines the major milestones and deliverables with corresponding planned completion dates;
Outlines the project communication and escalation plans;
Describes other project elements including risks and dependencies; and
Upon approval by Customer Project Manager and Sponsor, the project will move to the Discovery Phase.
Remote Discovery Report
Details the findings from the remote access discovery phase;
Provides Legacy system statistics including: 1. Document and page counts 2. Document type counts 3. File type information 4. Metadata analysis 5. Medical Match information against EHR extracts
Key input for document type and keyword mapping process; and
Outlines requirements and assumptions pertaining to Legacy System conversion.
Discovery Activity Summary (DAS)
Summarizes content presented and discussed during discovery sessions; and
Includes methodology overview, project scope review, requirements, action items and high-level production load plan.
Requirements Document (RD)
Composed as a result of a completed conversion discovery; describes detailed functional requirements for the conversion project;
Includes document type and keyword type mappings between the Legacy System and Software;
Software Customer Report that will display data from Legacy System; and
Upon approval by Customer Project Manager and Sponsor the project will move to the Implementation Phase.
Traceability Matrix
Ensures that every requirement is tested by mapping requirements to test cases.
Solution Design Document (SDD)
Describes infrastructure and configuration needed to support the Conversion;
Defines conversion process;
Considered a working document until the Sample Conversion is complete and approved by the Customer.
Sample Conversion
Sample documents loaded into Software; and
Sample Reconciliation Report provides a cross reference between the Legacy System documents and sample documents.
Go-Live Checklist
Detailed plan for the production conversion, including the bulk load and supplemental load(s); and
Includes activities, owners and dates/timing as well as change control procedures and key dependencies.

Reconciliation Report
Signifies completion of activity on the production conversion (static document) process;
Deliverable report with Legacy System and converted Software document counts; accounting for 100% of documents against the defined set of static documents; and
Exception documents are noted along with suspected reason for failure.
Conversion Project Closure Information
Final EHR Integration Report indicating documents that were not able to be integrated;
Signifies completion of activity on the conversion project;
Final deliverable report with Legacy System and converted Software document counts; complete reconciliation, accounting for 100% of documents; and
Final Exception report indicating documents that were not able to be converted and suspected reason for failure.
Conversion Activity Report
Details conversion project activity including: 1. Project Health; 2. Status Summary; 3. Recent Key Successes; 4. Top Risks and Critical Action Items; 5. Outstanding Deliverables; and 6. Upcoming Key Activities: A. High Level Project Schedule.
These reports will be delivered on a regular basis (typically every 30 days) after the delivery of the Discovery Report. In the event the Hyland project team and the Customer agree on a different time interval for report delivery, the Project Charter will be amended for documentation.
Executive Sponsor Reports
Defines evolving success criteria and provides ongoing guidance to effectively manage the Customer's enterprise technology program – including projects, scopes, executive alignment, and vision for long-term continued successful outcomes.
Delivered in accordance with regularly scheduled meetings between the Hyland Program Manager and Customer Executive Sponsor Representatives for all projects concurrently being planned for, in flight and/or completed.

***** END OF DOCUMENT *****



Professional Services Proposal

UNIVERSITY MEDICAL
CENTER SOUTHERN
NEVADA

Document Version: 2.01

Staff Augmentation and
Managed Services

Document Date: 22 Nov 2021

THIS PROPOSAL WILL EXPIRE ON
DECEMBER 31ST, 2021 UNLESS
SIGNED BY BOTH PARTIES.

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INTRODUCTION

This Professional Services Proposal for Staff Augmentation and Managed services (“Services Proposal”), is made and effective as of the date of last signature below (the “Effective Date”), by and between Hyland Software, Inc., (“Hyland”), and University Medical Center of Southern Nevada, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes (the “Customer”). This Services Proposal is pursuant and subject to that certain Hyland Master Agreement dated on or around December 15, 2021 (the “Agreement”), executed between Hyland and Customer. Unless otherwise defined herein, the capitalized terms in this Services Proposal shall have meanings set forth in the Agreement. In the event of any conflict between these provisions and those in the Agreement, the provisions in the Agreement shall prevail.

The purpose of this document (“Services Proposal”) is to define the goals, scope, fees and other important details supporting the delivery of Professional Services for one or more projects defined in the Project Areas section.

PROPOSAL TERMS & USAGE

The content of this Services Proposal is subject to review and revision by both Hyland and Customer until fully executed by both parties.

Upon execution of this Services Proposal, the Hyland project manager or designated resource will contact Customer project team to discuss project logistics and potential start dates. At this time, Hyland resource availability will be reviewed and presented to Customer. Start times can vary based on existing work volumes. The project(s) will begin upon a mutually agreed upon date as soon as resource availability and Customer availability allow. Once the project start date has been determined, resources will be assigned and scheduled to begin delivery of the services described in this Services Proposal.

All terms of any purchase order or similar document provided by Customer including but not limited to any Customer pre-printed terms and any terms that are inconsistent or conflict with this Services Proposal shall be null and void.

Please note that some of the resources assigned to perform the Services may be employees of Hyland Software, Inc.’s subsidiaries located in other countries.

After execution, all changes to this Services Proposal will follow the Project Change Control Process. All changes must be made to this Services Proposal through an authorized Change Order unless otherwise agreed to in writing by both Hyland and Customer.

PROJECT AREAS

Hyland will provide the following Professional Services described within this Services Proposal:

Project 1 – Staff Augmentation Services

Scope

Hyland will provide Staff Augmentation Services to Customer to assist with Customer's project related to the use of Software. Pricing is based upon a commitment of fifty-two (52) consecutive weeks of services, totaling an estimated forty (40) hours. This work is fully remote.

Hyland will provide a Technical Consultant as the primary resource (the "Resource"). The Resource will work under the direction of Customer to assist with the following:

1. Solution/project planning;
2. Solution discovery;
3. Solution implementation;
4. Solution testing;
5. Solution support; and
6. Go-Live support.

Assumptions

This project is based upon the below assumptions being true. If for some reason these assumptions prove to be false, this could result in a scope change and may have an impact on the proposed cost and timeline to deliver:

1. Customer is responsible to supervise and direct the activities of all Resources provided for this engagement. Customer is specifically prohibited from assigning or using any Resource in a manner which violates the terms of Customer's license to Software. Customer shall be solely responsible for assigning work to the Resource which is within the scope of the assigned Resource's knowledge and experience, and Customer shall determine priority and length (during the term of this engagement) of the services to be performed:
 - A. Customer agrees and acknowledges that the Resource assigned will be acting under the direction of Customer's project team(s). Customer is responsible for owning all deliverables, the project approach, project management activities and the overall success of the solution; and
 - B. Customer agrees that the total hours of this Services Proposal may not result in a completed solution. Upon consumption of all hours, all work items not completed will be transitioned to Customer's project team in their existing state. Customer will assume ownership of any and all open tasks unless Customer chooses to contract additional hours from Hyland in additional blocks of time.
2. At any time during the engagement, Hyland and Customer may discuss if Customer's requirements exceed the level or type of Resource provided under this Services Proposal and, if so, both parties may mutually agree to modify the type or number of Hyland resources provided under this Services Proposal;
3. Hyland will coordinate normally scheduled vacation and holiday absences with Customer in advance of those absences. Customer and Hyland may agree to not replace the

Resource over a given holiday. Hyland will notify Customer when a given Resource is unavailable due to sickness;

4. The Resource is not expected to have scripting expertise or in-depth knowledge of the Software APIs; and
5. No deliverables will be created during this project.

Required Resources

Resource
Technical Consultant

For details about the required resources, please review Appendix 1. For information about the rate type, please review pricing.

SERVICES

Hyland will provide the following Professional Services described within this Services Proposal:

Enhance Managed Services, 12 Months Subscription Post Implementation

Hyland has provided Customer Enhance Managed Services (as defined below) during the Initial Term (as defined in the “Term and Termination” section below).

Hyland’s involvement may range owning specific tasks to consultation only. “Managed Services” means the Professional Services described in the shaded area in the table below. The costs and description of services for Enhance Managed Services are based upon only the offerings included in the “Enhance” column in the table below, and will be selected by Customer prior to signature.

Details about these Managed Services are provided in the Appendices:

Services	Operate	Enhance	Expand
Defined Service Level Objectives (SLOs)	✓	✓	✓
Service Desk	General	Designated	Designated
Service Delivery Manager	Designated	Designated	Designated
Monthly Activity Report	✓	✓	✓
Administration	✓	✓	✓
Configuration Management Database	✓	✓	✓
Solution Design Documentation	✓	✓	✓
Quarterly Business Review		✓	✓
Long-Term Release Management		✓	✓
Expansion Management			✓
Strategic Workshop		✓	✓
Incident	✓ Review ✓ Response ✓ Resolution	✓ Review ✓ Response ✓ Resolution	✓ Review ✓ Response ✓ Resolution
Change	✓ Review ✓ Response	✓ Review ✓ Response ✓ Resolution	✓ Review ✓ Response ✓ Resolution
Release	✓ Review ✓ Response	✓ Review ✓ Response ✓ Resolution	✓ Review ✓ Response ✓ Resolution
Problem	✓ Review	✓ Review ✓ Response ✓ Resolution	✓ Review ✓ Response ✓ Resolution

Service Initiation

Upon Service Start Date, Customer and Hyland will perform the following activities:

1. Hyland will provide a Service Delivery Manager to conduct an initial kickoff with Customer to review the services as defined in this Professional Services Proposal;
2. As part of Services Initiation, Hyland and Customer will review guidelines and complete the Managed Services Runbook as part of service activation. These activities include:
 - A. Review the roles and responsibilities of Customer and Hyland;
 - B. Review with Customer Managed Services engagement practices;
 - C. Identify responsible Customer personnel, including who is authorized to request and/or approve changes, and utilize services described herein;
 - D. Review Change and Release practices;
 - E. Review access and security policies, and/or other Customer considerations;
 - F. Review how to contact Hyland for assistance and escalation processes;
 - G. Review requirements for connection to Customer's Software solution by Hyland;
 - H. Review standard notification procedures;
 - I. Review Customer's current environment and solution configuration to gain understanding of existing Software solution; and
 - J. Hyland will also provide customer access to a Hyland provided and maintained Configuration Management Database (CMDB) platform.

Service Desk, Service Coverage

1. All services will be performed off-site, remotely;
2. Services will be provided in English only;
3. Standard Business Hours are defined as 8:00AM to 6:00PM Customer's local time zone Monday through Friday, in Customer's designated primary location;
4. Comprehensive Service Level Objectives are defined in Appendix 2;
5. Resolution for Service Requests and Change Requests are as follows:
 - A. Service Request Resolution activity will be performed by Hyland and Customer at a mutually agreed upon time upon Review and Response of the Service Request;
 - i. Hyland and Customer will mutually agree when functionality is materially restored or a recommendation is made to the Customer to remediate the Service Request; and
 - B. Any Change Request for off-hours maintenance windows, extended involvement such as blocks of time of eight (8) hours or more, or other activities requested to be performed by Hyland, must be requested and scheduled seventy-two (72) hours in advance.

Initiating Issues to the Service Desk

1. Customers may communicate Service Requests and/or Change Requests to the Service Desk by opening a "Issue" via the Hyland Community Customer Portal;
2. Unless explicitly identified in this Services Professional Services Proposal, all Service Requests and Change Requests must be reported directly to the Service Desk and cannot be communicated through any indirect means;
3. Customer personnel contacting the Service Desk must be authorized to do so as identified by the Service Delivery Manager upon Service Initiation in the Runbook;
4. The Service Desk will not respond to requests from non-authorized personnel; and

5. Customer personnel authorized to contact the Service Desk must be qualified to interact on a technical basis at a level required to support the existing Hyland solution (see Customer Obligations).

Service Level Objectives (SLOs)

1. The defined Service Level Objectives (“SLO”s) defined herein have a sixty (60) day ramp-up period where metrics are reported by not enforced from Service Start Date;
2. Enforcement of SLOs will begin in month three (3) of the contract period through completion;
3. The comprehensive schedule for defined SLOs can be found in Appendix 2;
4. Hyland will measure and report performance of the SLOs and Hyland’s performance against SLOs on a monthly basis;
5. Failure of Hyland to meet SLOs will result in a “Service Level Credit” (Appendix 2);
6. In no event will such allocated percentages in the aggregate exceed five percent (7%) of the monthly charges;
7. Customer acknowledges and agrees that Service Level Credits shall not be deemed to be payment for any damages or loss rather shall be used as credits to offset fees due to Hyland; provided, however, that Service Level Credits shall be deemed the sole and exclusive remedy for Customer in connection with failure to meet any Service Level;
8. Service Level Credits will be paid as a credit against Hyland’s then current invoice to Customer during the next billing cycle after which the associated Service Level failure occurred;
9. Customer may, at its sole discretion, decline recovery of Service Level Credits on a case-by-case basis, but Service Level Credits may not be combined with any potential future Service Level Credits;
10. Service Level Credits cannot be carried forth beyond the initial Term of Managed Services;
11. Customer must notify Hyland in writing within thirty (30) days following the end of the month during which the services were provided stating the amount of service fees Customer has requested to be credited:
12. Any credit paid by Hyland to Customer (up to the limits stated above) applies only to the next billing cycle and will constitute Customer’s sole and exclusive remedy;
13. Any Service Level failure due to any of the exclusions listed herein shall not be included in the measurement of Hyland’s performance against the applicable Service Level:
 - A. Scheduled maintenance windows, critical maintenance and customer requested maintenance downtime for the impacted services.
 - B. Any event outside of Hyland’s control, including but not limited to the following events:
 - i. Emergency maintenance activities approved by Customer;
 - ii. Work performed specifically at Customer’s request and direction which directly impacts the availability of the Service;
 - iii. Problems with Customer’s infrastructure, applications, and/or data either provided by the Customer or provided by the Customer’s vendors;
 - iv. Other activities the Customer directs, denial of service attacks, natural disasters, changes resulting from government, political, or other regulatory actions or court orders, strikes or labor disputes, acts of civil disobedience, acts of war, acts against or failure of third parties, and other force majeure items; and
 - v. Lack of availability or untimely response time of Customer to respond or assist to incidents that require its participation for source identification and/or resolution, including meeting Customer’s responsibilities for any

prerequisite services or failure of Customer to provide appropriate maintenance on components.

Exclusions

The following items are considered out of scope for this engagement:

1. Consultation, expertise and/or support of third-party software or hardware;
2. Services to support Customer end users (including, but not limited to, manual password resets, taking support calls from users), unless otherwise agreed to by Hyland;
3. Replacement for general Technical Support or Global Cloud Services Support;
4. Custom scripted elements and custom development;
5. Full project lifecycle management; and
6. Full project delivery utilizing Hyland's formal project methodology.

Term and Termination

Hyland will advise Customer in writing (which may be by email) of the date upon which Managed Services will begin ("Service Start Date").

The initial term of the subscription will be for 12 (twelve) months consecutive months (the "Initial Term") beginning on the Service Start Date.

Thereafter, the subscription will renew automatically for periods equal to the Initial Term (each, a "Renewal Term"), unless either party provides written notice of its desire not to renew at least sixty (60) days prior to the end of the then-current Initial Term or Renewal Term, as applicable.

Customer may terminate the subscription at any time and for any reason upon at least thirty (30) days' prior written notice to Hyland; provided, however, that unless Hyland has breached its obligations to perform the Managed Services and such breach is the cause of such termination, Customer shall be responsible for paying all fees or amounts which would have been due and payable during the balance of the then-current term, if Customer had not terminated the subscription. All prepaid fees are non-refundable.

KEY ASSUMPTIONS

The following are key assumptions that impact the success of the engagement, and are applicable to all services described within this Services Proposal:

1. The Managed Services described shall be specific to the existing Software solution;
2. Customer is specifically prohibited from assigning or using any resource in a manner which violates the terms of Customer's license to Software;
3. Service Start Date is subject to a mutually agreed upon schedule after execution of contract;
4. Managed Services will be provided remotely from Hyland offices:
 - A. When providing remote services, Hyland and Customer will discuss generally acceptable working hours and take into consideration time zone differences. Issues deemed as non-critical will only be addressed during normal business hours.
5. If necessary, after execution, this Services Proposal or corresponding agreement can be adjusted in scope, or a new agreement issued, following the Change Control Process;
6. If, at any time, resources providing services to Customer under this engagement are reasonably and in good faith deemed by Customer to be performing such services unacceptably due to a legitimate reason related to the services, Hyland shall use reasonable efforts to work with Customer to resolve any such issues; and
7. Requests for additional Professional Services that do not constitute Managed Services may be provided under a separate mutually agreed upon and executed services proposal or a change order executed by the parties pursuant to the Change Control Process described below.

CUSTOMER OBLIGATIONS

To facilitate Hyland's execution of the Professional Services, Customer agrees, at a minimum, to the following obligations. The parties acknowledge and agree that failure to meet the responsibilities noted will affect the completion of Professional Services.

Customer Personnel

1. Customer will assign a sponsor/manager, who is the final escalation point for all issues and decisions:
 - A. The sponsor/manager will ensure that the appropriate Customer personnel are assigned and made available, when necessary;
 - B. The sponsor/resource will manage all customer obligations as defined within this Services Proposal; and
 - C. The sponsor/manager will coordinate all key departmental decision makers, technical experts, subject matter experts, end user representatives and third-party software application resources.
2. Customer resource(s) requesting assistance must have a working knowledge of Software as well as the overall solution and environment, typically the designated Software administrator/owner;
3. Customer will engage the appropriate business process owners and subject matter experts, who are thoroughly knowledgeable about the current business practices in their respective areas and who are capable of performing their assigned project roles;
4. Customer will provide vendor resources, interface specialists, technical experts, and/or subject matter experts deemed necessary for third party system(s) with which Software will integrate or from which content will be migrated;
5. Customer will notify Hyland of Customer personnel changes;
6. Customer personnel contacting the Service Desk must be authorized to do so as defined in Services Initiation by the Service Delivery Manager;
7. Customer personnel authorized to contact the Service Desk must be qualified to interact on a technical basis at a level required to support the Software solution; and
8. Customer must respond to the Hyland Service Desk in a timely manner for the purposes of resolving an open Issue. If after two (2) attempts by Hyland to contact and coordinate with Customer, and the Customer is non-responsive to such attempts, Hyland will close the Issue accordingly.

Software and Network Environment

Hyland will review with Customer the requirements for establishing connectivity and access to the Hyland Software solution.

1. Customer is responsible for taking the appropriate actions to enable connectivity and access to the Customer's environment, whether on-premises or hosted, for Hyland in a timely manner in advance of the Service Start Date.
2. Customer is responsible for providing proper credentials for Hyland to access the Software solution;
3. Customer will ensure the necessary remote access for Hyland resources;
4. Customer will manage third party application setup (i.e. installation, configuration), testing, training, and go-live support related to integration(s) with Software;
5. Customer will package and deploy all Software clients, unless otherwise mutually agreed to; and

6. Customer will deploy all supporting Software client hardware (e.g. scanner, signature device) and related third party software (e.g. drivers, licenses) required for the Software solution.

Customer Practices

1. Customer will define and provide all requirements or user stories related to any Software Changes;
2. Customer will prepare and supply testing/training resources, if necessary;
3. Customer will create, maintain, and execute test plans and cases, if necessary;
4. Customer will train end users on the use of the Software; and
5. Customer will work with Hyland resources to schedule Software migration from the non-production environment to the production environment in accordance with Customer's organizational IT practices.

CHANGE CONTROL PROCESS

Requested changes to this Services Proposal will be managed using the Change Control Process outlined below.

If any party believes that a change to this Services Proposal is warranted, the party shall issue a Change Request in writing. The Hyland and Customer project teams will review the Change Request, determine the impact, and attempt to agree to the change(s). Once the change(s) are agreed upon, Hyland will provide a formal Change Order to Customer outlining the change in Professional Services, the impact on hours, resources, timeline and/or cost.

Customer and Hyland will fully execute each mutually agreed upon Change Order prior to the requested changes taking effect. Customer and Hyland acknowledge that this may affect Professional Services, timelines and deliverables, and therefore will make reasonable efforts to execute any changes to this Services Proposal with enough lead-time to minimize the influence on the project. No Change Order is binding upon the parties until it is executed by both parties.

PRICING

Customer acknowledges that the Managed Services pricing is based solely on the information provided to Hyland and referenced in the above Services.

Time and Material Projects

Project	Work Hours	Totals (USD)
Project 1 – Staff Augmentation	2,080	\$468,000.00
Twelve Percent (12%) Discount	n/a	(\$56,160.00)
Total	2,080	\$411,840.00

Resource	Standard Hourly Rate	Discounted Hourly Rate
Technical Consultant	\$225.00	\$198.00

Pricing Assumptions

The pricing was created using the following assumptions:

1. The above pricing includes estimated Professional Services fees anticipated to complete the project(s) successfully;
2. The above pricing reflects a one-time, twelve percent (12%) discount against Hyland Professional Services rates;
3. Resource will be utilized and Customer will be invoiced for a minimum of forty (40) hours per week, except those weeks including vacation, holidays, sick days, or otherwise mutually agreed to time periods;
4. All time up to forty (40) hours per week will be billed at the standard rate for the Resource and any hours over forty (40) will be billed at one-and-one-half (1 and ½) times the standard hourly rate;
5. Hours may be added in one-hundred and sixty (160) hour increments or blocks beyond each price point. If Customer wishes to extend this Services Proposal, a Project Change Order must be executed forty-five (45) days prior to contract expiration;
6. Hyland reserves the right to modify the hourly rate should Customer modify the commitment on the weekly minimum number of hours for Resource or duration;
7. The time and materials estimate(s) provided to complete the Professional Services are provided for convenience only and are an approximation of the anticipated amount of fees needed to complete such Professional Services. Customer will be invoiced monthly based on the amount of time actually required to complete such Professional Services and the applicable hourly fees; and
8. Any additional Professional Services requested of Hyland resources in alignment to this Services Proposal, which have been facilitated by the Project Change Control Process, may be charged at the then current standard Hyland resource rates.

Fixed Fee Pricing

12 Month Options

Services	Billing Type	Cost (USD)
Enhance Managed Services, 12 Months Subscription	Fixed Fee	\$214,500.00
Twelve Percent (12%) Discount		(\$25,740.00)
TOTAL		\$188,760.00

Payment Milestones Subscription			
The costs for the above subscription represent fixed price Professional Services. Hyland will invoice Customer for the aggregate fixed fee for each Period in the amounts as set forth below. Invoices shall be sent at least thirty (30) days prior to the Service Start Date and each subsequent month thereafter and shall be due and payable in advance of such dates.			
Milestone	Description	% of Total	Amount
Enhance Managed Services, 12 Months Subscription			
1	Monthly Fee		\$15,730.00
Total		100%	\$15,730.00

Pricing Assumptions

The pricing was created using the following assumptions:

1. The above cost includes fees based on the corresponding Managed Services agreed to by Customer;
2. The above cost reflects a one-time, twelve percent (12%) discount against Hyland fixed fee Professional Services;
3. All Professional Services will be provided remotely unless mutually agreed to otherwise.
4. All fixed fees were determined based on information provided to Hyland by Customer and assumptions developed by the parties based upon that information. In the event that (a) any such information is inaccurate or necessary information was not provided to Hyland, (b) Customer fails to fulfill timely its obligations during this Contract, or (c) reasonably unforeseen technical or system limitations exist or arise, Hyland may not be able to provide the Professional Services described herein at the stated price; and
5. The above cost reflects a one-time, twelve percent (12%) discount against Hyland fixed fee Professional Services, in accordance with the applicable terms of the Master Software License, Services and Support Agreement, Hosting Agreement or Subscription Agreement in place between Hyland and Customer.

**UNIVERSITY MEDICAL CENTER
SOUTHERN NEVADA**

Hyland Software, Inc.

By :

By :

Name : (Print) Mason Van Houweling

Name : (Print)

Title : CEO

Title :

Date :

Date :

APPENDIX 1 – RESOURCE DESCRIPTIONS

The following table provides an overview of the Hyland Global Services resource types and their corresponding responsibilities.

Resource Type	Responsibilities
Business Consultant	Provides expertise on Workflow and Case Management solutions. Documents business process requirements, configures solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Integration Engineer	Provides expertise on integrations and API development. Supports and mentors Customer on the creation of web service integrations. Develops custom scripts and pre- and post-processors within Software to meet specialized Customer needs. Documents business requirements, develops solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.
Project Manager	Provides project management expertise and is the initial point of project escalation. Manages project initiation, develops the project charter and plan, and coordinates schedules and resources. Tracks burn down rates, project/solution issues, scope creep and impact, generating change orders as needed.
Technical Consultant	Provides expertise on Software installation and module configuration. Documents business requirements, installs and configures solutions to meet requirements, provides administrative training and train the trainer courses, migrates solutions to additional environments and provides user testing issue resolution and go-live support.

APPENDIX 1 – MANAGED SERVICES DEFINITIONS

Services	Description
Service Desk	Responsible for coordinating the management of Service Requests and Change Requests created by the Customer. Such resources that Hyland, in its direction provides to Customer may be designated but not dedicated solely to the Customer and may change based on general resource availability. Customer will initiate any such Service Requests and Change Requests to Hyland via Hyland Community.
Service Delivery Manager	Primary resource responsible for overseeing the successful delivery of Managed Services. Primary responsibilities include: A. Oversees coordination and management of day-to-day operational aspects of client's managed services environments; B. Leading the service delivery, managing conflict, and ensuring the team's processes and tasks are carried out efficiently; C. Escalate Service Requests and/or Change Requests as needed; and D. Prepare and facilitate Monthly Activity Report(s) and Quarterly Business Review(s), as applicable.
Monthly Activity Report	Means reporting services, which Hyland will provide to include: A. Summary of work and tasks completed; B. Upcoming work, known issues or risks; C. Summary of outstanding Service Requests and/or Change Requests; and D. Other reporting details as requested, to provide clear communication paths and to summarize monthly activity.
Administration	Means services provided under the direction and supervision of the Customer, which may include: A. Performing recurring activities to ensure stability and availability of Software and solutions; B. Responding to business needs to create, modify or delete user accounts for existing security groups within the Software; C. Help maintain non-production environments for testing, training, and/or issue resolution; D. Respond to questions concerning product capabilities; E. Maintain a more detailed understanding of the Customer's environment solutions deployed within Software; F. Analyzing solution performance trends; and G. Executing solution optimization tasks.
Configuration Management Database	Means a database used by Hyland to store information about hardware and software assets to ensure consistency in configuration management and shared knowledge of Customer's Software solution.
Solution Design Documentation	Means documentation used in maintaining information pertaining to the design of the Customer's Software solution. Hyland is responsible for maintaining updated Solution Design Documentation based on changes made to Customer's solution.
Quarterly Business Review	Means each ninety (90) days Hyland will conduct a Quarterly Business Review for the purposes of reviewing the overall status and engagement of Managed Services.
Long-Term Release (LTR) Management	Is a designation given to certain Enhancement Packs (EP), generally once per year, to identify the builds Hyland will support for the longest duration according to Hyland's Technical Support policies. EPs generally include enhancements, fixes and security updates provided to Customers multiple times per year. Within Managed Services, Customer has access to use Managed Services for one (1) LTR Release annually.
Strategic Workshop	Provides one (1) annual engagement designed to help Customer discover the top priorities and deliver a 12-month action plan to achieve quick wins that drive expansion.

Services	Description
Incident	Is defined as an unplanned interruption to Software or solution or reduction in the quality of the Software or solution. For the purposes of Managed Services, Incidents are defined as: 1. System Outage: a. The primary business function is stopped with no redundancy or backup. The Customer determines the issue as critical; b. Deemed as an error that causes total or substantial Software failure, which means the Software is down and Customer is unable to access the Software in any way within their production environment; and c. Customer is responsible to submit a Technical Support Case via Hyland Community or directly contacting Technical Support through standard operating procedures. 2. Service Request: a. A non-critical business function is degraded; b. There is no total or substantial Software failure, Software is usable except that an error or issue may present an inconvenience or prevents a feature or functionality from working as intended. c. The Service Desk will perform Review, Response and Resolution (as applicable in elected Managed Service by Customer); and d. All Service Requests must be created through Hyland Community as an Issue.
Problem	Is defined as a cause, or potential cause, of one or more Issues. Hyland will perform a quarterly review of historical Issues to support the identification of underlying causes of issues through in-depth investigation. This focuses on root cause analysis and review of recurring Issues to improve outcomes and performance.
Change	Change is any addition (installation), modification or removal of anything that has an effect on existing Software or solutions. For any requested Changes, Customer is responsible to submit a Change Request via Hyland Community as an Issue. For the purposes of Managed Services, Changes are defined as: 1. Standard Change: a. Recommended change that may be a result of Incident or Problem; and b. May be completed pro-actively by Hyland on behalf of Customer to resolve an Incident or Problem. 2. Elective Change: a. Is often the result of business requirements or changes in the Customer Software solution at the request of the Customer; b. Are not the result of Incidents and Problems; c. Are scheduled services that the Customer must request and schedule seventy-two (72) hours in advance; and d. Subject to review by Hyland if work effort for Change Resolution is greater than eight (8) hours.
Release	A collection of hardware, software, documentation, processes or other components required to move from an older version of software to the most recent. As part of any Release update process, the Service Desk will review the impact and urgency to the Customer against the existing Software solution. Software updates that are Customer requests for the purpose of obtaining additional features or functions are considered discretionary and are handled as an elective service Change. Software updates to remediate a Service Requests are handled as part of Incident Resolution (as applicable in elected Managed Services by Customer).
Review	An evaluation of an Incident, Problem, Change or Release created by Customer and sent to Hyland viewed and commented. The purpose of a Review is to evaluate a component and propose a Response for potential resolution or closure.
Response	Hyland assists in identifying root cause and makes recommendation for how to correct.
Resolution	Hyland receives/produces a response resolution plan, and acts to implement said response. A Resolution is complete when functionality is materially restored or a recommendation is made to the Customer to remediate an Service Request or Change Request. If a configuration change is required to resolve and issue or implement a Change, the Service Desk will follow the establish change management practices established with the Customer.

APPENDIX 2 – SERVICE LEVEL OBJECTIVES (SLO)

Characteristic	Definition	Service Level Objective (SLO)	
System Outage	The primary business function is stopped with no redundancy or backup. The Customer determines the issue as critical. Deemed as an error that causes total or substantial Software failure, which means the Software is down and Customer is unable to access the Software in any way within their production environment.	Additional Description	Customer is responsible to submit a Technical Support Case via Hyland Community or contacting Technical Support: https://community.hyland.com/customer-portal/wiki/hyland-support/technical-support-phone-numbers Upon receiving notification from Customer, Hyland's Technical Support will assess the Priority Level and follow the Customer's Technical Support protocols.
		Service Level Credit	Not applicable
Service Request	A non-critical business function is degraded. Service Desk will begin Review and Response of the Service Request within one (1) hour of reported impact during normal business hours. If reported off-hours, the Service Desk will begin actively working within one (1) hour of the next business day. Hyland and the Customer will commit the necessary resources to resolve the situation within normal business hours.	Measurement Window	1 Month
		Expected Service Level	Less than 1 cumulative miss (Response) in each measurement window
		Minimum Service Level	Less than 5 cumulative misses (Response) in each measurement window
		Calculation	(1) The actual number of Service Requests that have a Response time greater than 1 hour in each calendar month.
		Additional Description	Service Requests as recorded by Hyland are used to determine the number of Service Requests responded to. Service Requests created at an inappropriately identified characteristic level will be closed and excluded from the calculation.
		Service Level Credit	7% of monthly contract value.
Change Request	Service Desk will begin Review and Response of the submitted Customer Change Request within one (1) business day, during normal business hours. If reported off-hours, the Service Desk will begin actively working the next business day.	Measurement Window	1 Month
		Expected Service Level	Less than 1 cumulative miss (Response) in each measurement window
		Minimum Service Level	3 cumulative misses (Response) in each measurement window
		Calculation	The actual number of Change Requests that have a Response time greater than 1 business day, during normal business hours in each calendar month.
		Additional Description	Change Requests as recorded by Hyland are used to determine the number of changes in each calendar month. Requests created missing pertinent information to complete the change will be closed or excluded from the calculation.
		Service Level Credit	5% of monthly contract value.

**** END OF DOCUMENT****

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

Issue:	Agreement for Application and Strategic Project Support with Tegria Services Group – US, 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 for Application and Strategic Project Support with Tegria Services Group - US, Inc.; and take action as deemed appropriate. (For possible action)		

FISCAL IMPACT:

Fund Number: 5420.000	Fund Name: UMC Operating Fund
Fund Center: 3000854000	Funded Pgm/Grant: N/A
Description: Remote Application Support & Revenue Cycle Denials, Coding, and Quality Optimization	
Bid/RFP/CBE: NRS 332.115(1) (b)	
Term: 12/15/2021 to 12/14/2026	
Amount: NTE \$24,250,000	
Out Clause: 30 days w/o cause after 12/31/2022; Budget Act and Fiscal Fund Out	

BACKGROUND:

This request is for UMC to enter into an Agreement for Application and Strategic Project Support (“Agreement”) with Tegria Services Group – US, Inc. to create a platform for long-term sustainability by helping to implement best practice operational workflows, and reporting tools to support long-term success for UMC.

The services under the Agreement will be performed by a team of EPIC Certified experts all of whom possess experience with Epic revenue cycle denials, coding, and quality optimization in the healthcare field. The total not to exceed compensation is \$24,250,000 for services, travel and expenses for the period from December 15, 2021 through December 14, 2026. UMC may terminate for convenience with 30 days’ written notice after the first year of the Agreement beginning December 15, 2022.

UMC’s Chief Financial Officer and Chief Information Officer have reviewed this Agreement and recommend approval.

The Agreement has been approved as to form by UMC’s Office of General Counsel.

Tegria Services Group currently has a vendor license with Clark County Business Registration

Cleared for Agenda
December 8, 2021

Agenda Item #

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**UNIVERSITY MEDICAL CENTER
OF SOUTHERN NEVADA**

**AGREEMENT FOR APPLICATION AND
STRATEGIC PROJECT SUPPORT**

Tegria Services Group – US, Inc.
NAME OF FIRM
Attn: Contracting Department
DESIGNATED CONTACT, NAME AND TITLE Brie Quigley, Client Service Director
1255 Fourier Drive, Suite 101 Madison, WI 53717
ADDRESS OF FIRM INCLUDING CITY, STATE AND ZIP CODE
(608) 729-7355
(AREA CODE) AND TELEPHONE NUMBER
(608) 237-2450
(AREA CODE) AND FAX NUMBER
contracting@bluetreenetwork.com
E-MAIL ADDRESS

AGREEMENT FOR APPLICATION & STRATEGIC PROJECT SUPPORT

This Agreement for Application and Strategic Project Support (the "Agreement") is made and entered into this 15th day of December, 2021 ("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 "HOSPITAL"), and Tegria Services Group – US, Inc. a Delaware corporation (hereinafter referred to as "COMPANY", for Application and Strategic Project Support (hereinafter referred to as "PROJECT").

WITNESSETH:

WHEREAS, COMPANY has the personnel and resources necessary to accomplish the PROJECT within the required schedule and with a budget allowance not to exceed \$24,250,000.00 for the duration of services and an annual not to exceed amount of \$4,850,000.00 for each January-December duration, as further described herein; and

WHEREAS, the COMPANY has the required licenses and/or authorizations pursuant to all federal, State of Nevada and local laws in order to conduct business relative to this Agreement.

NOW, THEREFORE, HOSPITAL and COMPANY agree as follows:

SECTION I: TERM OF AGREEMENT

HOSPITAL agrees to retain COMPANY for the period from December 15, 2021 through December 14, 2026 ("Term"). During this period, COMPANY agrees to provide services as required by HOSPITAL within the scope of this Agreement. HOSPITAL reserves the right to extend the Agreement for up to an additional three (3) months for its convenience.

SECTION II: COMPENSATION AND TERMS OF PAYMENT

A. Compensation

HOSPITAL agrees to pay COMPANY for the performance of services described in the Scope of Work (**Exhibit A**) for a not-to-exceed total amount of \$24,250,000.00 for the Term of the Agreement and an annual not to exceed amount of \$4,850,000.00 for each January-December duration. HOSPITAL's obligation to pay COMPANY cannot exceed the not-to-exceed amount. It is expressly understood that the entire Scope of Work defined in Exhibit A must be completed by the COMPANY and it shall be the COMPANY's responsibility to confirm that hours and tasks are properly budgeted so the entire PROJECT is completed for the said fee.

B. Terms of Payments

1. HOSPITAL agrees to pay COMPANY the Agreement price according to the schedule set forth in Appendix A.
2. Payment of travel and other miscellaneous expenses are included in the not-to-exceed value of \$24,250,000.00. All expenses must comply with HOSPITAL'S Travel Reimbursement policy herein incorporated by reference.
3. Payment of invoices will be made within thirty (30) calendar days upon receipt of an accurate invoice(s) with supporting documentation that has been reviewed and approved by HOSPITAL.
4. HOSPITAL, at its discretion, may not approve or issue payment on invoices if COMPANY fails to provide the following information required on each invoice:
 - a. The title of the PROJECT as stated in **Exhibit A**, Scope of Work, itemized description of products delivered or services rendered and amount due, HOSPITAL's Contract Number, Project Number, Purchase Order Number, Invoice Date, Invoice Period, Invoice Number, and the Payment Remittance Address.
 - b. A "BUDGET SUMMARY COMPARISON" which outlines the total amount COMPANY was awarded, the amount expended to date, the current invoice amount, the total expenditures, and the remaining award balance must accompany all invoices. HOSPITAL's representative shall notify COMPANY in writing within 14 calendar days

of any disputed amount included on the invoice. COMPANY must submit a new invoice for the undisputed amount which will be paid in accordance with the terms listed in this Section II. Upon mutual resolution of the disputed amount, COMPANY will submit a new invoice for the agreed amount and payment will be made in accordance with the terms listed in this Section II.

5. No penalty will be imposed on HOSPITAL if HOSPITAL fails to pay COMPANY within 30 calendar days after receipt of a properly documented invoice, and HOSPITAL will receive no discount for payment within that period.
6. HOSPITAL shall subtract from any payment made to COMPANY all damages, costs and expenses caused by COMPANY'S negligence, resulting from or arising out of errors or omissions in COMPANY's work products, which have not been previously paid to COMPANY.
7. HOSPITAL shall not provide payment on any invoice COMPANY submits after six (6) months from the date COMPANY performs services, provides deliverables, and/or meets milestones, as agreed upon in **Exhibit A**, Scope of Work.
8. Invoices shall be submitted to: University Medical Center of Southern Nevada, Attn: Accounts Payable, 1800 W. Charleston Blvd., Las Vegas, NV 89102.

C. HOSPITAL's Fiscal Limitations

1. The content of this section shall apply to the entire Agreement and shall take precedence over any conflicting terms and conditions, and shall limit HOSPITAL's financial responsibility as indicated in Sections 2 and 3 below.
2. 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 HOSPITAL for the then current fiscal year under the Local Government Budget Act. This Agreement shall terminate and HOSPITAL's obligations under it shall be extinguished at the end of any of HOSPITAL's fiscal years in which HOSPITAL'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. HOSPITAL 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 30th day of June of the current fiscal year. Termination under this section shall not relieve HOSPITAL of its obligations incurred through the 30th day of June of the fiscal year for which monies were appropriated.
3. HOSPITAL's total liability for all charges for services which may become due under this Agreement is limited to the total maximum expenditure(s) authorized in HOSPITAL's purchase order(s) to COMPANY.

SECTION III: SCOPE OF WORK

Services to be performed by COMPANY for the PROJECT shall consist of the work described in the Scope of Work as set forth in **Exhibit A** of this Agreement, attached hereto. In the event of a conflict between the terms of this Agreement and the terms in the Scope of Work, the terms of this Agreement shall prevail.

SECTION IV: CHANGES TO SCOPE OF WORK

- A. HOSPITAL may at any time, by written order, make changes within the general scope of this Agreement and in the services or work to be performed. If such changes cause an increase or decrease in the COMPANY's cost or time required for performance of any services under this Agreement, an equitable adjustment limited to an amount within current unencumbered budgeted appropriations for the PROJECT shall be made and this Agreement shall be modified in writing accordingly. Any claim of the COMPANY for the adjustment under this clause must be submitted in writing within 30 calendar days from the date of receipt by the COMPANY of notification of change unless HOSPITAL grants a further period of time before the date of final payment under this Agreement.
- B. No services for which an additional compensation will be charged by COMPANY shall be furnished without the written authorization of HOSPITAL.
- C. In the event HOSPITAL would like to remove a member of COMPANY's team, HOSPITAL will alert COMPANY and a meeting will take to discuss specific performance issues. COMPANY will be given two (2) weeks to resolve the performance issues. If the performance issues are not addressed within the two-week period, COMPANY will replace the project team member. COMPANY shall not have any duty to remove a team member in a manner inconsistent with applicable law.

SECTION V: RESPONSIBILITY OF COMPANY

- A. It is understood that in the performance of the services herein provided for, COMPANY shall be, and is, an independent COMPANY, and is not an agent, representative or employee of HOSPITAL and shall furnish such services in its own manner and method except as required by this Agreement. Further, COMPANY has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by COMPANY in the performance of the services hereunder. COMPANY shall be solely responsible for, and shall indemnify, defend and hold HOSPITAL 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. COMPANY shall appoint a Manager, upon written acceptance by HOSPITAL, who will manage the performance of services. All of the services specified by this Agreement shall be performed by the Manager, or by COMPANY's associates and employees under the personal supervision of the Manager. Should the Manager, or any employee of COMPANY be unable to complete his or her responsibility for any reason, COMPANY must obtain written approval by HOSPITAL prior to replacing him or her with another equally qualified person. If COMPANY fails to make a required replacement within 30 days, HOSPITAL may terminate this Agreement for default.
- C. COMPANY has, or will, retain such employees as it may need to perform the services required by this Agreement. Such employees shall not be employed by the HOSPITAL.
- D. COMPANY agrees that its officers and employees will cooperate with HOSPITAL in the performance of services under this Agreement and will be available for consultation with HOSPITAL at such reasonable times with advance notice as to not conflict with their other responsibilities.
- E. COMPANY will follow HOSPITAL's standard procedures as followed by HOSPITAL's staff in regard to programming changes; testing; change control; and other similar activities, including HOSPITAL's Policy 1-66 (Contracted Non-Employees/Allied Health Non-Credentialed /Dependent Allied Health/ Temporary Staff / Construction/Third Party Equipment) and 1-179 Policy (Vendor: Roles, Responsibilities and Credentialing), as may be amended from time to time. HOSPITAL will provide a copy of said policy upon COMPANY request.
- F. COMPANY shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished by COMPANY, its subcontractors and its and their principals, officers, employees and agents under this Agreement. In performing the specified services, COMPANY shall follow practices consistent with generally accepted professional and technical standards.
- G. EPIC Application for Access
COMPANY agrees to complete and submit the EPIC Application for Access. Approval of the EPIC Application for Access and completion of the associated EPIC training is required for performance of the Agreement. COMPANY shall provide proof of successful submission prior to execution of this Agreement.
- H. It shall be the duty of the COMPANY to assure that all products/ services of its effort are technically sound and in conformance with all pertinent Federal, State and Local statutes, codes, ordinances, resolutions and other regulations. If applicable, COMPANY will not produce a work product which violates or infringes on any copyright or patent rights. COMPANY shall, without additional compensation, correct or revise any errors or omissions in its services/ workproducts:
1. Permitted or required approval by HOSPITAL of any products or services furnished by COMPANY shall not in any way relieve COMPANY of responsibility for the professional and technical accuracy and adequacy of its work.
 2. HOSPITAL's review, approval, acceptance, or payment for any of COMPANY'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 COMPANY shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to HOSPITAL caused by COMPANY'S performance or failures to perform under this Agreement.
- I. All materials, information, and documents, whether finished, unfinished, drafted, developed, prepared, completed, or acquired by COMPANY for HOSPITAL relating to the services to be performed hereunder and not otherwise used or useful in connection with services previously rendered, or services to be rendered, by COMPANY to parties other than HOSPITAL shall become the property of

HOSPITAL and shall be delivered to HOSPITAL's representative upon completion or termination of this Agreement, whichever comes first. COMPANY shall not be liable for damages, claims, and losses arising out of any reuse of any work products on any other project conducted by HOSPITAL. HOSPITAL shall have the right to reproduce all documentation supplied pursuant to this Agreement.

- J. The rights and remedies of HOSPITAL provided for under this section are in addition to any other rights and remedies provided by law or under other sections of this Agreement.

SECTION VI: SUBCONTRACTS

- A. Services specified by this Agreement shall not be subcontracted by COMPANY, without prior written approval of HOSPITAL.
- B. Approval by HOSPITAL of COMPANY's request to subcontract, or acceptance of, or payment for, subcontracted work by HOSPITAL shall not in any way relieve COMPANY of responsibility for the professional and technical accuracy and adequacy of the work. COMPANY shall be and remain liable for all damages to HOSPITAL caused by negligent performance or non-performance of work under this Agreement by COMPANY's subcontractor or its subcontractor Affiliates.
- C. All subcontractors performing on this contract shall be Epic certified and COMPANY will provide certifications upon request of HOSPITAL.
- D. The compensation due under Section II shall not be affected by HOSPITAL's approval of COMPANY's request to subcontract.

SECTION VII: RESPONSIBILITY OF HOSPITAL

- A. HOSPITAL agrees that its officers and employees will cooperate with COMPANY in the performance of services under this Agreement and will be available for consultation with COMPANY at such reasonable times with advance notice as to not conflict with their other responsibilities.
- B. The services performed by COMPANY under this Agreement shall be subject to review for compliance with the terms of this Agreement by HOSPITAL's representative, Maria Sexton, Chief Information Officer, Information Technology, telephone number (702) 671-6579 or her designee. HOSPITAL'S representative may delegate any or all of his responsibilities under this Agreement to appropriate staff members, and shall so inform COMPANY by written notice before the effective date of each such delegation.
- C. The review comments of HOSPITAL's representative may be reported in writing as needed to COMPANY. It is understood that HOSPITAL's representative's review comments do not relieve COMPANY from the responsibility for the professional and technical accuracy of all work delivered under this Agreement.
- D. HOSPITAL shall assist COMPANY in obtaining data on documents from public officers or agencies, and from private citizens and/or business firms, whenever such material is necessary for the completion of the services specified by this Agreement.
- E. COMPANY will not be responsible for accuracy of information or data supplied by HOSPITAL or other sources to the extent such information or data would be relied upon by a reasonably prudent COMPANY.

SECTION VIII: TIME SCHEDULE

- A. Time is of the essence of this Agreement.
- B. COMPANY shall complete the PROJECT in accordance with the milestones contained in **Exhibit A** of this Agreement.
- C. If COMPANY's performance of services is delayed or if COMPANY's sequence of tasks is changed, COMPANY shall notify HOSPITAL's representative in writing of the reasons for the delay and prepare a revised schedule for performance of services. The revised schedule is subject to HOSPITAL's written approval.
- D. Prioritization of projects and other assistance provided COMPANY is at the sole discretion of HOSPITAL. Priorities will be communicated to COMPANY by HOSPITAL, and any potential risks or issues addressed.

SECTION VIII: SUSPENSION AND TERMINATION

- A. **Suspension**

HOSPITAL may suspend performance by COMPANY under this Agreement for such period of time as HOSPITAL, at its sole discretion, may prescribe by providing written notice to COMPANY at least 10 working days prior to the date on which HOSPITAL wishes to suspend. Upon such suspension, HOSPITAL shall pay COMPANY its compensation, based on the percentage of the PROJECT completed and earned until the effective date of suspension, less all previous payments. COMPANY shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from HOSPITAL to resume performance. In the event HOSPITAL suspends performance by COMPANY for any cause other than the error or omission of the COMPANY, for an aggregate period in excess of 30 days, COMPANY shall be entitled to an equitable adjustment of the compensation payable to COMPANY under this Agreement to reimburse COMPANY for additional costs occasioned as a result of such suspension of performance by HOSPITAL based on appropriated funds and approval by HOSPITAL.

B.Termination

1. Termination for Cause

This Agreement may be terminated in whole or in part by either party in the event of substantial failure or default of the other party to fulfill its obligations under this Agreement through no fault of the terminating party; but only after the other party is given:

- a. not less than 10 calendar days written notice of intent to terminate; and
- b. an opportunity for consultation with the terminating party prior to termination.

2. Termination for Convenience

- a. This Agreement may be terminated in whole or in part by HOSPITAL for its convenience beginning in year 2 of the contract; but only after the COMPANY is given not less than 30 calendar days written notice of intent to terminate; and
- b. If termination is for HOSPITAL's convenience, HOSPITAL shall pay COMPANY that portion of the compensation which has been earned as of the effective date of termination but no amount shall be allowed for anticipated profit on performed or unperformed services or other work.
- c. If termination is for HOSPITAL's convenience in year 1 of contract (December 15, 2021 – December 31, 2022), HOSPITAL shall pay COMPANY remaining portion of the year 1 minimum Epic application support and analytics support.

3. Effect of Termination

- a. If termination for substantial failure or default is effected by HOSPITAL, HOSPITAL will pay COMPANY that portion of the compensation which has been earned as of the effective date of termination but
 - i. No amount shall be allowed for anticipated profit on performed or unperformed services or other work; and
 - ii. Any payment due to the COMPANY at the time of termination may be adjusted to the extent of any additional costs occasioned to HOSPITAL by reason of COMPANY's default.
- b. Upon receipt or delivery by COMPANY of a termination notice, the COMPANY shall promptly discontinue all services affected (unless the notice directs otherwise) and deliver or otherwise make available to HOSPITAL's representative, copies of all deliverables as provided in Section V paragraph I.
- c. If after termination for failure of the COMPANY to fulfill contractual obligations it is determined that the COMPANY has not so failed, the termination shall be deemed to have been effected for the convenience of HOSPITAL.
- d. Upon termination, HOSPITAL may take over the work and prosecute the same to completion by agreement with another party or otherwise. In the event COMPANY shall cease conducting business, HOSPITAL shall have the right to make an unsolicited offer of employment to any employees of the COMPANY assigned to the performance of this Agreement.

4. The rights and remedies of HOSPITAL and COMPANY provided in this section are in addition to any other rights and remedies provided by law or under this Agreement.

5. Neither party shall be considered in default in the performance of its obligations hereunder, nor any of them, to the extent that performance of such obligations, nor any of them, is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of such party. Delays arising from the actions or inactions of one or more of COMPANY'S principals, officers, employees, agents, subcontractors, vendors or suppliers are expressly recognized to be within COMPANY's control.

SECTION X: 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, email or facsimile, at the following addresses:

TO HOSPITAL: University Medical Center of Southern Nevada
Attn: Contracts Management
1800 W. Charleston Blvd.
Las Vegas, NV 89102

TO COMPANY: Tegria Services Group – US, Inc.
Attn: Contracting Department
contracting@bluetreenetwork.com
1255 Fourier Drive, Suite 101
Madison, WI 53717

SECTION XI: MISCELLANEOUS

A. Amendments

No modifications or amendments to this Agreement shall be valid or enforceable unless mutually agreed to in writing by the parties.

B. Independent COMPANY

COMPANY acknowledges that COMPANY and any subcontractors, agents or employees employed by COMPANY shall not, under any circumstances, be considered employees of the HOSPITAL, and that they shall not be entitled to any of the benefits or rights afforded employees of HOSPITAL, 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. HOSPITAL will not provide or pay for any liability or medical insurance, retirement contributions or any other benefits for or on behalf of COMPANY or any of its officers, employees or other agents.

C. Immigration Reform and Control Act

In accordance with the Immigration Reform and Control Act of 1986, the COMPANY agrees that it will not employ unauthorized aliens in the performance of this Agreement.

D. Public Funds/ Non-Discrimination

COMPANY acknowledges that the HOSPITAL has an obligation to ensure that public funds are not used to subsidize private discrimination. COMPANY 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 company 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, HOSPITAL may declare COMPANY in breach of the Agreement, terminate the Agreement, and designate COMPANY as non-responsible.

E. Assignment

Any attempt by COMPANY to assign or otherwise transfer any interest in this Agreement without the prior written consent of HOSPITAL shall be void.

F. Liability

Any claims made by HOSPITAL for any loss, cost, interest, penalty, expense or other damage or claim, including reasonable attorneys' fees ("losses") arising from this Agreement will be limited to the amount of \$3MM (Three Million Dollars).

G. Governing Law/ Venue

Nevada law shall govern the interpretation of this Agreement. Venue shall be any state or federal court of competent jurisdiction in Clark County, Nevada.

H. Covenant Against Contingent Fees

COMPANY warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide permanent employees. For breach or violation of this warranty, HOSPITAL shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

I. Gratuities

1. HOSPITAL may, by written notice to COMPANY, terminate this Agreement if it is found after notice and hearing by HOSPITAL that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by COMPANY or any agent or representative of COMPANY to any officer or employee of HOSPITAL with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or making of any determinations with respect to the performance of this Agreement.
2. In the event this Agreement is terminated as provided in paragraph 1 hereof, HOSPITAL shall be entitled:
 - a. to pursue the same remedies against COMPANY as it could pursue in the event of a breach of this Agreement by the COMPANY; and
 - b. as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by HOSPITAL) which shall be not less than three (3) nor more than ten (10) times the costs incurred by the COMPANY in providing any such gratuities to any such officer or employee.
3. The rights and remedies of HOSPITAL provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

J. Audits

The performance of this Agreement by COMPANY is subject to review by HOSPITAL to ensure Agreement compliance. COMPANY agrees to provide HOSPITAL any and all information requested that relates to the performance of this Agreement. All request for information will be in writing to COMPANY. Time is of the essence during the audit process. Failure to provide the information requested within the timeline provided in the written information request may be considered a material breach of Agreement and be cause for suspension and/or termination of the Agreement.

K Covenant

COMPANY covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. COMPANY further covenants, to its knowledge and ability, that in the performance of said services no person having any such interest shall be employed.

L. Confidential Treatment of Information

COMPANY shall preserve in strict confidence any information obtained, assembled or prepared in connection with the performance of this Agreement.

M. ADA Requirements

All work performed or services rendered by COMPANY shall comply with the Americans with Disabilities Act standards adopted by Clark County. All facilities built prior to January 26, 1992 must comply with the Uniform Federal Accessibility Standards; and all facilities completed after January 26, 1992 must comply with the Americans with Disabilities Act Accessibility Guidelines.

N. Non-Excluded Healthcare Provider

COMPANY represents and warrants to HOSPITAL that neither it nor any of its affiliates (a) are excluded from participation in any federal health care program, as defined under 42 U.S.C. §1320a-7b (f), for the provision of items or services for which payment may be made under such federal health care programs and (b) has arranged or contracted (by employment or otherwise) with any employee, COMPANY or agent that such party or its affiliates know or should know are excluded from participation in any federal health care program, to provide items or services hereunder. COMPANY represents and warrants to HOSPITAL that no final adverse action, as such term is defined under 42 U.S.C. §1320a-7e (g), has occurred or is pending or threatened against such COMPANY or its affiliates or to their knowledge against any employee, COMPANY or agent engaged to provide items or services under this Agreement (collectively "Exclusions/ Adverse Actions").

O. Public Records

COMPANY 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, 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 HOSPITAL receives a demand for the disclosure of any information related to this Agreement which COMPANY has claimed to be confidential and proprietary, HOSPITAL will immediately notify COMPANY of such demand and COMPANY shall immediately notify HOSPITAL of its intention to seek injunctive relief in a Nevada court for protective order. COMPANY shall indemnify and defend HOSPITAL from any claims or actions, including all associated costs and attorney's fees, demanding the disclosure of COMPANY document in HOSPITAL's custody and control in which COMPANY claims to be confidential and proprietary.

P. Publicity

Neither HOSPITAL nor COMPANY 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 Agreement without the prior written consent of the other party.

Q. Business Associate Agreement

HOSPITAL and COMPANY understand and acknowledge that during the performance of this Agreement, both parties may become aware of or come into possession of information that contains Protected Health Information as defined under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and must remain secured, confidential, and protected in accordance with HIPAA and any other applicable federal and state statutes, rules, and regulations. In connection therewith, the parties agree to be bound by its legal obligations as expressly agreed to in the Business Associate Agreement dated **June 30, 2018**, which is herein incorporated into this Agreement by this reference.

R. Travel Policy

Any requested travel will require written approval from HOSPITAL and will be invoiced to HOSPITAL separately per HOSPITAL'S policy.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

HOSPITAL:
UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

By: _____
Name: _____
Title: _____

COMPANY:
TEGRIA SERVICES GROUP – US, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A
APPLICATION AND STRATEGIC PROJECT SUPPORT
SCOPE OF WORK

This Exhibit A sets forth the Project Services to be performed in accordance with the Agreement.

1. PROJECT DESCRIPTION

Overview of Services

COMPANY will provide HOSPITAL with an integrated team to provide two core Services: Information Technology Support consisting of Application Analysts and Analytics Support ("IT Support") and strategic project support ("Strategic Projects") as detailed below.

Services will be performed both remotely and onsite as needed and agreed upon during project scoping. The parties will mutually agree to any specific onsite schedules for all COMPANY resources.

IT Support

- COMPANY will provide HOSPITAL daily support and administration of Epic Applications and Analytics for five years as defined below.
- Support and administration activities will include a mix of Maintenance, Break/Fix, Projects, and Upgrade support.

Service	Hours per Month
Epic Application Support	Up to 1,000 Hours
Analytics Support	Up to 335 Hours

- COMPANY will provide a minimum of eighty-six (86) hours of support per calendar month for three (3) months for requested applications.
- COMPANY will provide IT Support services Monday through Friday, excluding COMPANY holidays.
- COMPANY will provide HOSPITAL with an Engagement Manager to manage the team and collaborate with HOSPITAL in allocating support hours to requested applications.
- COMPANY will provide up to two (2) onsite trips to HOSPITAL, per team member, per calendar year
- Should HOSPITAL consistently require support in excess of established monthly minimums, COMPANY will notify HOSPITAL and agree to any scope and or cost changes through executing an amendment to this Agreement.
- COMPANY's Engagement Manager will provide HOSPITAL with monthly progress summaries and participate in quarterly Business Reviews, as agreed upon by the Parties.
- The parties agree to an annual meeting to review current staffing quantity and scope of support against the HOSPITAL's needs. Any mutually agreed upon changes to staffing or IT Support Service hours per month will be captured by executing an amendment to this Agreement.
- Epic Application Support is defined in the Epic Applications Table in Appendix B. If HOSPITAL has support needs beyond those defined in Application Table, COMPANY will provide support based on market price of resource.

IT Support Deliverables:

- Monthly executive summary
- Weekly or bi-weekly progress reports
- Weekly meetings between HOSPITAL leadership and COMPANY leadership to support and maintain ongoing communication, transparency, and facilitate timely issue remediation
- Monthly meetings between HOSPITAL leadership and COMPANY leadership to review and revise ongoing support needs and forecast future staffing needs.
- COMPANY will provide HOSPITAL with quarterly market rate table for all applications that are not supported under the Epic Application Support or Analytics Support categories.

Strategic Projects:

COMPANY will complete up to forty (40) special project sprints, as agreed upon by the Parties ("Sprint").

- Multiple Sprints can be applied to a single project for larger, strategic needs, as approved by COMPANY
- COMPANY and HOSPITAL will review requested projects and develop an annual roadmap to prioritize projects and allocate Sprints to final project list
- The Parties will agree to attend regular check-ins to evaluate Sprint needs and COMPANY's progress on current Sprint allocations

This Agreement and scope of work is subject to and conditional upon COMPANY's successful Epic application by each COMPANY participant authorized by and in accordance with Epic requirements.

Note: COMPANY will adjust team members based on final project scope so subject matter experts are available for each type of project or in the event of HOSPITAL's request.

Strategic Projects Deliverables:

Upon completion of Strategic Projects, COMPANY will provide HOSPITAL with the following:

- Monthly executive summary
- Weekly or bi-weekly progress reports
- A project charter service detailing, per individual project:
 - o In-Scope, Out-of-Scope items
 - o Key Milestones
 - o Project-level deliverables
- Project-level deliverables as detailed in the project charter
- Presentations and additional materials necessary to successfully kick-off and wrap-up individual projects

Strategic Project Requirements:

In order for COMPANY to perform the work described in this Agreement, HOSPITAL agree to:

- Partner with COMPANY as a team to implement the objectives and activities, based on mutually agreed upon project approach and timeline
- Provide COMPANY access to necessary personnel, background information, and documentation in a timely manner including:
 - o Existing technical and application-level materials
 - Current state workflows, current issues, initiatives underway
- Grant COMPANY end-user and administrative system access to HOSPITAL's instance of Epic on or before project start date, so COMPANY may perform the following functions:
 - Review system settings
 - Run relevant reports
 - Prepare and implement build recommendations

APPENDIX A

This Appendix A sets forth the compensation payable by HOSPITAL to COMPANY:

Compensation. In consideration of the provision of Services pursuant to this Agreement, and upon receipt of an invoice from COMPANY, HOSPITAL will pay COMPANY the corresponding monthly price as provided below:

- IT Support*:

Service Limits	Monthly Fee	Overage
Up to 1,000 Hours of Epic Application Support	\$110,000	\$113 per hour
Up to 335 Hours of Analytics Support	\$42,892	\$128 per hour
TOTAL	\$142,892+ any Overages	

*HOSPITAL agrees to pay the Monthly Fee provided in the table above.

- Strategic Projects
 - o COMPANY will provide HOSPITAL with up to forty (40) Sprints total
 - o Each Sprint will be billed at a flat rate of \$125,000
 - o COMPANY may provide HOSPITAL with additional Sprints if there is unused Fees initially allocated to Epic Support staffing and agreed by COMPANY. HOSPITAL will notify COMPANY during quarterly review sessions of changes in strategic direction and projects will be mutually agreed upon by COMPANY and HOSPITAL.

Invoicing and Payment. Pricing goes into effect upon the commencement of this Agreement. Total compensation of IT Support and Strategic Project Services not to exceed \$24,250,000.00 ("Total Do Not Exceed Amount") for the duration of this Agreement, (annual not to exceed amount of \$4,850,000.00 for each January-December duration). COMPANY shall submit invoices to HOSPITAL by the fifteenth (15th) day of each month for Services performed during the previous month per the below invoicing schedule. HOSPITAL shall pay any undisputed invoices net thirty (30) days after receipt of invoice. For Project durations that do not last an entire calendar month, COMPANY will prorate the monthly billable amount to the corresponding number of business days and submit an invoice to HOSPITAL at the prorated monthly rate.

All Services provided under Epic Application Support and Analytics Support are subject to an annual 2.5% increase of any then current pricing, with the increase effective in July of the current calendar year. Annual increases are included in the Total Do Not Exceed Amount and go into effect January 1, 2024.

APPENDIX B

This Appendix B defines the scope of applications supported by the COMPANY under Epic Application Support:

Epic Applications			
1	Ambulatory	26	OpTime / Anesthesia
2	ASAP	27	Orders
3	Beacon	28	Ortho/Bones
4	Beaker CP / Beaker AP	29	Phoenix
5	Cadence/Prelude	30	Professional Billing
6	Care Everywhere	31	Radiant
7	Claims	32	Referrals
8	Clin Doc	33	Research Billing
9	Clinical Case Management	34	Rover
10	Clinical Research	35	RTE
11	Comfort & Dorothy (Home Health)	36	Security
12	Contracts (HB or PB)	37	Stork
13	Cupid	38	Tapestry
14	EpicCare Link	39	Welcome
15	Grand Central ADT	40	Willow Ambulatory
16	Healthy Planet	41	Willow Inventory
17	HIM	42	Willow IP
18	HOD	43	Wisdom
19	Home Health Billing		
20	Hospital Billing		
21	ICON (Bugsy or Infection Control)		
22	Kaleidoscope		
23	Long Term Care		
24	MyChart		
25	Nurse Triage		

This list can be revised on an annual basis. Any mutually agreed upon changes to supported applications will be captured by executing an amendment to this Agreement.

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: Tegria Services Group - US, Inc.						
(Include d.b.a., if applicable)						
Street Address:		1255 Fourier Drive, Suite 101		Website: www.tegria.com		
City, State and Zip Code:		Madison, WI 53717		POC Name: Brie Quigley Email: bquigley@bluetreenetwork.com		
Telephone No:		608-729-7355		Fax No: (608) 237-2450		
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).

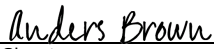
Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
Providence Health & Services		100%

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

- 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.)
- 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:  Signature B7AF6B0EAE314ED...	Anders Brown Print Name 12/3/2021 Date
Managing Director Title	

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

* 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



Quotation Date:
Quotation Number:
Quotation Expires:

American Well Master Quotation

September 23, 2021
Q-SW00197-1
November 22, 2021

Prepared by: Garrett Jones
Email: garrett.jones@amwell.com
Phone: (617) 204-3500

Customer Name: University Medical Center (UMC) Of Southern Nevada
Contact Name: Jennifer Wakem
Email: jennifer.wakem@umcsn.com
Phone: (702) 383-2297

Billing Address:

Name: University Medical Center (UMC) Of Southern Nevada
Address: 1800 W Charleston Blvd
City, State, Zip: Las Vegas, Nevada 89102
AP Email: jennifer.wakem@umcsn.com

Delivery Address:

Name: University Medical Center (UMC) Of Southern Nevada
Address: 1800 W Charleston Blvd
City, State, Zip: Las Vegas, Nevada 89102

This Quotation: (i) expires on the expiration date stated above unless signed by both parties; and (ii) is

	Product Name	Product Code	Terms of Service	Quantity	Price	Total Price
One-time	Health plan integration Non AMG (up to 15 HPs)	AW-I-HPI-NAMG3	Attached to this Quote as Exhibit A	1		
One-Time Services Subtotal:						\$
TOTAL INVESTMENT						\$

Terms and Conditions	
Governing Agreement	This Quotation ("Quote") is entered into pursuant to the Enterprise Service Agreement ("Agreement") and referenced documents in the URLs listed on this Quote dated March 26, 2021 between Customer and American Well Corporation. Capitalized terms used in this Quote but not defined herein shall have the meanings given in the Agreement.
Term	Intentionally Left Blank
Renewal Terms	Intentionally Left Blank
Payment Terms	Net thirty (30) days. The One Time fees will be invoiced on date of the last signature of the Quote.
Other Terms of Service	Intentionally Left Blank
Definitions	AMG: Amwell Medical Group HP: Health Plan

IN WITNESS WHEREOF, the Terms and Conditions of this Quotation are acknowledged and agreed to in their entirety by each party's duly authorized representative:

AMERICAN WELL CORPORATION

Signature: _____
By (Name & Title): _____
Date: _____

CUSTOMER

Signature: _____
By (Name & Title): Mason Van Houweling, CEO
Date: _____

Exhibit A - Amwell Service Brief

Health Plan Integration – Non-AMG Providers

1. Introduction

This Service Brief is between American Well Corporation (“**Amwell**”) and the entity (“**Customer**”) named in the Enterprise Service Agreement, or equivalent, between the parties (the “**Agreement**”). The terms and conditions of the Agreement are incorporated herein by reference and shall govern the performance of the parties’ duties under this Service Brief. In the event of a conflict between this Service Brief and the Agreement, the Agreement shall control. Capitalized terms used herein and not otherwise defined are as defined in the Agreement.

Services shall be provided in accordance with the descriptions set forth below and shall conclude upon Acceptance (as defined below).

Any additional services not addressed in this Service Brief are out-of-scope and not included in these services. If Customer or Amwell identifies a change to the project scope or schedule, both parties will review the change, and, if such a change may result in additional efforts required to deliver any of the services detailed in this Service Brief, Amwell will issue a Statement of Work outlining the changes and any resulting pricing implications. Additional services will be billed on (i) a time and material basis at a rate agreed to by both parties or (ii) a fixed fee basis. If the former, the additional services will be invoiced and payable on a monthly basis in respect of all services provided in the preceding month.

To the extent that Amwell resources are required to travel to perform services onsite, Customer agrees to reimburse Amwell for all reasonable travel expenses, subject to any travel and expense reimbursement terms set forth in the Agreement.

1.1. Definitions & Acronyms

- “**Acceptance**” means the delivery of all services outlined in the Service Brief has been completed by Amwell, in accordance with the requirements that have been defined for the project. To document Acceptance and formally mark the statement of work as completed and closed, Customer and Amwell will execute an acceptance gate form. Customer will have a period of five (5) business days from notification by Amwell that the work has been completed, to perform an acceptance test (the “**Acceptance Period**”) to confirm that such functionality complies with the Statement of Work and/or approved requirements documentation. In the event that Customer does not accept or reject such functionality within the Acceptance Period, then Acceptance shall be assumed. Any additional services requested by Customer following Acceptance will be governed by a separate Statement of Work or Service Brief.
- “**Platform**” means Customer’s instance of the Service (as defined in the Agreement)

2. Scope of Services

Amwell will deliver the following services to add the number of health plan(s) identified on the applicable Quotation (each a “**Health Plan**”) to the Platform for the integration of real-time eligibility and claims.

The specific Health Plan(s) included in the scope of this Service Brief shall be identified and agreed upon by Amwell and Customer prior to any work beginning.

2.1. Prerequisites and Dependencies

- Customer’s selected health plan(s) shall have a real-time eligibility with Change Healthcare (formerly Emdeon).
- Customer shall submit claims for non-AMG providers via existing medical billing process.
- Health plan integrations must be worked concurrently.
- Customer acknowledges that all Health Plans must be integrated on the Platform concurrently. If any Health Plans listed in the scope of this Service Brief are not ready to be enabled on the cost script by the time Customer chooses to have Amwell enable the cost script in production, the cost script will be enabled, and any services to enable another cost script at a later date to add the Health Plan(s) shall be scoped and set forth in a separate Service Brief or Statement of Work for additional fees.

2.2. Eligibility Setup and Configuration

Customer’s Platform has data and formatting requirements for the eligibility response (271); if the health plan is not able to meet to these requirements, Amwell will engage its vendor, Change Healthcare to normalize the eligibility response(s). Normalization is the manipulation, addition, or removal of data being sent on the 271 response by the Health Plan.

Amwell will include, as part of this Service Brief, the following services:

- Perform discovery sessions with the Health Plan(s) to understand the Health Plan’s telehealth benefits and eligibility requirements (e.g., service type code(s) to be used in the 270 request, special messages, etc.). In certain cases, the review sample 271 response files to identify any areas where normalization is needed is necessary.
- Based on the above assessment, create the specification document for the “normalization” work to be performed by Change Healthcare to map/transform the 271 response. This will include the submission of the request to Change Healthcare and the monitoring of the progress of the request.
- Perform end-to-end (E2E) testing of 270/271 data exchange with live members, once each Health Plan and Change Healthcare changes are in place. In many cases live members will be requested of the Customer.

If a Health Plan is unwilling or unable to comply with Amwell’s minimum requirements for data exchange, Amwell will notify Customer and discuss alternative methods for the calculation of the patient cost share.

2.3. Cost Script Creation and Activation

To add more than one (1) Health Plan on the Platform, Amwell will create and activate a cost script on the Platform. This Service Brief includes the creation of one cost script to support the Health Plan integration.

A cost script is a computer code used to handle the cost structure of a telehealth encounter. It can consider provider type, practice affiliation, eligibility request, eligibility service type code, health plan selection, claim sent, CPT code, visit length, and visit fees.

2.4. Project Management & Planning

Amwell will assign an Implementation Manager, who will partner with Customer's project manager and designated project team for the duration of this Service Brief. Key services that will be provided by the Implementation Manager include:

- Serving as the Amwell liaison, engaging additional Amwell resources in the appropriate fashion, as needed, throughout the course of the project
- Creation and ongoing management of a project work plan and key milestone dates
- Documentation of business and detailed requirements, including workflows, and other Platform configuration decisions made jointly between the two teams
- Management of scope, schedule, budget, risks, and issues
- Coordination and facilitation of weekly project team meetings and status updates, including dissemination of meeting agendas and minutes

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

Issue:	Health Plan Integration Quotation with American Well 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 Health Plan Integration Quotation with American Well Corporation; authorize the Chief Executive Officer to execute future orders 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 Center: 3000854000
Funded Pgm/Grant: N/A
Description: Health Plan module for the Amwell Telemedicine Technology Platform
Bid/RFP/CBE: NRS 332.115.1 (h) Computer Software
Term: One-time
Amount: \$25,000 increase to master Enterprise Service Agreement of \$913,000
Out Clause: Fiscal Fund Out/Breach

BACKGROUND:

The Health Plan Integration Quotation will allow UMC to purchase an additional module for the Amwell telemedicine technology platform subject to the terms and conditions of the Enterprise Service Agreement entered into on March 26, 2021. This module will allow UMC to customize the billing experience for patients based on their respective Health Plans. The one-time cost is \$25,000 for UMC to add fifteen (15) additional health plans to the platform for the integration of real-time eligibility and claims. Staff also requests authorization for the Hospital CEO to execute future orders within his yearly delegation of authority.

In accordance with NRS 332.115(1) (h), the competitive bidding process is not required for computer software.

UMCSN's Chief Information Officer has reviewed and recommends approval of the Health Plan Integration Quotation.

The Health Plan Integration Quotation has been approved as to form by UMC's Office of General Counsel.

American Well Corporation does not have a Clark County business license.

Cleared for Agenda
December 8, 2021

Agenda Item #

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:		American Well Corporation				
(Include d.b.a., if applicable)		Amwell				
Street Address:		75 State Street, Floor 26		Website: amwell.com		
City, State and Zip Code:		Boston, MA 02109		POC Name: Mike Lemovitz Email: Mike.Lemovitz@amwell.com		
Telephone No:		617.470.1555		Fax No: 617.428.4917		
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).

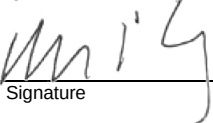
Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
N/A		

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

- 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.)
- 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	Brad Gay Print Name
SVP & General Counsel Title	2/5/2021 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

* 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: Quote# EXT-R002423733 with Extreme Networks, 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 Quote for Hardware Support and Maintenance with Extreme Networks, Inc. for network infrastructure equipment; or take action as deemed appropriate. <i>(For possible action)</i>	

FISCAL IMPACT:

Fund Number: 5420.000
Fund Name: UMC Operating Fund
Fund Center: 3000854000
Funded Pgm/Grant: N/A
Description: Hardware Support & Maintenance
Bid/RFP/CBE: NRS 332.115.1(i)(1) Maintenance and support for hardware and associated peripheral equipment and devices for computers
Term: Potential Five (5) Years
Amount: \$1,782,408.65
Out Clause: Fiscal Fund Out/Breach

BACKGROUND:

This Quote is to purchase annual hardware support and maintenance services from Extreme Networks, Inc. for a period of five (5) years beginning January 1, 2022 for advance network infrastructure equipment. The purchase of these services will be governed by the terms and conditions of the Agreement for Maintenance, Software/Hardware, Purchase and Services entered into between UMC and Extreme on May 11, 2016. The total not-to-exceed amount for this purchase is \$1,782,408.65.

In accordance with NRS 332.115(i)(1), the competitive bidding process is not required for maintenance and support for hardware and associated peripheral equipment and devices for computers.

UMCSN's Director of Information Technology has reviewed and recommends approval of the Quotation.

The Quotation has been approved as to form by UMC's Office of General Counsel.

Extreme Networks, Inc. currently holds a Clark County business license.

Cleared for Agenda
December 8, 2021

Agenda Item #

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Quote # EXT-R002423733

Quote Expires: Friday, December 31, 2021

Extreme Contact: Eric Rowe

Email Address: erowe@extremenetworks.com

Quote Revision: 3

Agreement Start Date: Saturday, January 01, 2022

Agreement End Date: Saturday, December 31, 2027

Agreement Details:

Agreement Owner: University Medical Center of Southern Nevada

1800 West Charleston Blvd

Las Vegas

NV

89129

United States

End User: University Medical Center of Southern Nevada

1800 West Charleston Blvd

Las Vegas

NV

89129

United States

Reseller:

Distributor:

Product	Part #	Service Product Type	Service Part #	Start Date	End Date	Contract Days	Qty	Unit List Price	Extended Unit list Price	Discount %	Unit Discount Amount	Net Unit Price	Net Extended Price	Service Class
S-SERIES S8 AND 4 BAY POE CHASSIS	S8-CHASSIS-POE4	EW NBD AHR	97004-H30510	01-Jan-2022	31-Dec-2022	365	2	\$2,136.00	\$2,136.00	20.00	\$427.20	\$1,708.80	\$3,417.60	Hardware
4 PORTS SFP+ TYPE2 OM	SOK2208-0204	EW NBD AHR	97004-H30550	01-Jan-2022	31-Dec-2022	365	6	\$661.00	\$661.00	20.00	\$132.20	\$528.80	\$3,172.80	Hardware
2 PORTS SFP+ TYPE1 OM	SOK2208-0102	EW NBD AHR	97004-H30548	01-Jan-2022	31-Dec-2022	365	2	\$393.00	\$393.00	20.00	\$78.60	\$314.40	\$628.80	Hardware
S140 48PORT TS I-O	ST2206-0848	EW NBD AHR	97004-H30587	01-Jan-2022	31-Dec-2022	365	54	\$2,178.00	\$2,178.00	20.00	\$435.60	\$1,742.40	\$94,089.60	Hardware
10TS 2SFP+ PORTS TYPE2 OM	SOTK2268-0212	EW NBD AHR	97004-H30553	01-Jan-2022	31-Dec-2022	365	44	\$626.00	\$626.00	20.00	\$125.20	\$500.80	\$22,035.20	Hardware
C5210 WLAN CONTROLLER	WS-C5210	EW NBD AHR	97004-H30643	01-Jan-2022	31-Dec-2022	365	2	\$3,494.00	\$3,494.00	20.00	\$698.80	\$2,795.20	\$5,590.40	Hardware
S-IOM 48 PORT TS RJ45 POE AT W1 OPSLOT	ST4106-0248	EW NBD AHR	97004-H30588	01-Jan-2022	31-Dec-2022	365	1	\$1,498.00	\$1,498.00	20.00	\$299.60	\$1,198.40	\$1,198.40	Hardware
S-IOM 48 PORT TS RJ45 POE AT W1 OPSLOT	ST4106-0248	EW NBD AHR	97004-H30588	01-Jan-2022	31-Dec-2022	365	3	\$1,498.00	\$1,498.00	20.00	\$299.60	\$1,198.40	\$3,595.20	Hardware
LR SFP+ module	10302	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	8	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
100Gb SWDM4 MMF	10406	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	12	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
SFP 1000BASE-T (RJ-45)	AA1419043-E6	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	8	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
VSP 7400-48Y-8C	VSP7400-48Y-8C	EW NBD AHR H35312	97004-H35312	01-Jan-2022	31-Dec-2022	365	4	\$1,916.00	\$1,916.00	20.00	\$383.20	\$1,532.80	\$6,131.20	Hardware
VSP 7400-48Y-8C-AC-F	VSP7400-48Y-8C-AC-F	EW NBD AHR H35313	97004-H35313	01-Jan-2022	31-Dec-2022	365	4	\$1,916.00	\$1,916.00	20.00	\$383.20	\$1,532.80	\$6,131.20	Hardware
SLX/VSP/X695/8520/8720 F2B Fan	XN-FAN-001-F	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	12	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
Summit 715W PoE AC PSU FB	10951	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	4	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
750W AC PSU F2B airflow	XN-ACPWR-750W-F	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	4	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
SSA180 FRONT TO BACK TRIPLESPEED	SSA-T8028-0652	EW NBD AHR	97004-H30576	01-Jan-2022	31-Dec-2022	365	1	\$2,136.00	\$2,136.00	20.00	\$427.20	\$1,708.80	\$1,708.80	Hardware
SSA AC POWER SUPPLY 625W	SSA-AC-PS-625W	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	4	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
S-SERIES AC POWER SUPPLY S3/S4/S8	S-AC-PS	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	25	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
VSP 4900 Premier License with MACsec	VSP-PRMR-LE-LIC-P	TAC &Software support only	97000	01-Jan-2022	31-Dec-2022	365	4	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
VSP Premier License	VSP-PRMR-LIC-P	TAC &Software support only	97000	01-Jan-2022	31-Dec-2022	365	4	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
SR SFP+ module	10301	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	20	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
12 PORTS TRIPLE TYPE1 OM	SOT2206-0112	EW NBD AHR	97004-H30552	01-Jan-2022	31-Dec-2022	365	18	\$393.00	\$393.00	20.00	\$78.60	\$314.40	\$5,659.20	Hardware
MINI GBIC 1000BASE-FX W/ 1 LC MM PT -2KM	MGBIC-LC03	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	1	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware

SSA AC POWER SUPPLY 1000W	SSA-AC-PS-1000W	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	6	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
12 PORTS TRIPLE TYPE1 OM	SOT2206-0112	EW NBD AHR	97004-H30552	01-Jan-2022	31-Dec-2022	365	25	\$393.00	\$393.00	20.00	\$78.60	\$314.40	\$7,860.00	Hardware
S140 48PORT TS I-O A	ST2206-0848A	EW NBD AHR	97004-H30707	01-Jan-2022	31-Dec-2022	365	10	\$2,136.00	\$2,136.00	20.00	\$427.20	\$1,708.80	\$17,088.00	Hardware
S-SERIES S3 CHASSIS/FANTRAY	S3-CHASSIS-A	EW NBD AHR	97004-H30496	01-Jan-2022	31-Dec-2022	365	1	\$809.00	\$809.00	20.00	\$161.80	\$647.20	\$647.20	Hardware
NAC ENTERPRISE LICENSE FOR 3K ES	IA-ES-3K	EW SOFTWARE SUPPORT S20099	97003-S20099	01-Jan-2022	31-Dec-2022	365	3	\$5,412.00	\$5,412.00	20.00	\$1,082.40	\$4,329.60	\$12,988.80	Software
S-SERIES POE POWER SUPPLY	S-POE-PS	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	16	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
S140 48PORT TS I-O A	ST2206-0848A	EW NBD AHR	97004-H30707	01-Jan-2022	31-Dec-2022	365	11	\$2,136.00	\$2,136.00	20.00	\$427.20	\$1,708.80	\$18,796.80	Hardware
S-SERIES S3 AND 4 BAY POE CHASSIS	S3-CHASSIS-POE4	EW NBD AHR	97004-H30497	01-Jan-2022	31-Dec-2022	365	2	\$1,195.00	\$1,195.00	20.00	\$239.00	\$956.00	\$1,912.00	Hardware
S3 CHASSIS-A AND 4 BAY POE SHELF	S3-CHASSIS-POEA	EW NBD AHR	97004-H30498	01-Jan-2022	31-Dec-2022	365	21	\$1,173.00	\$1,173.00	20.00	\$234.60	\$938.40	\$19,706.40	Hardware
100 AP CAPACITY UPGRADE (C5210)	WS-APCAP-100	EW SOFTWARE SUPPORT S20253	97003-S20253	01-Jan-2022	31-Dec-2022	365	2	\$1,007.00	\$1,007.00	20.00	\$201.40	\$805.60	\$1,611.20	Software
SSA 48TS RJ45 POEAT AND 4 SFPP PORT 1X-A	SSA-T1068-0652A	EW NBD AHR	97004-H30573	01-Jan-2022	31-Dec-2022	365	2	\$2,136.00	\$2,136.00	20.00	\$427.20	\$1,708.80	\$3,417.60	Hardware
10 GBASE-LR SFPP+ 10K SM OPTIC	10GB-LR-SFPP	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	11	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
SFP+ PLUGGABLE COPPER CABLE 3M	10GB-C03-SFPP	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	4	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
SFP+ PLUGGABLE COPPER CABLE 3M	10GB-C03-SFPP	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	2	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
12 PORTS TRIPLE TYPE1 OM	SOT2206-0112	EW NBD AHR	97004-H30552	01-Jan-2022	31-Dec-2022	365	3	\$393.00	\$393.00	20.00	\$78.60	\$314.40	\$943.20	Hardware
MINI GBIC 1000BASESX W/ 1 LC MM PORT	MGBIC-LC01	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	2	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
S140 48PORT TS I-O	ST2206-0848	EW NBD AHR	97004-H30587	01-Jan-2022	31-Dec-2022	365	2	\$2,178.00	\$2,178.00	20.00	\$435.60	\$1,742.40	\$3,484.80	Hardware
SFP+ PLUGGABLE COPPER CABLE 1M	10GB-C01-SFPP	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	2	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
WLAN CONTROLLER 25 APS CAPACITY UPG	WS-CTLCAUP25	EW SOFTWARE SUPPORT S20261	97003-S20261	01-Jan-2022	31-Dec-2022	365	4	\$281.00	\$281.00	20.00	\$56.20	\$224.80	\$899.20	Software
WLAN CONTROLLER 25 APS CAPACITY UPG	WS-CTLCAUP25	EW SOFTWARE SUPPORT S20261	97003-S20261	01-Jan-2022	31-Dec-2022	365	4	\$281.00	\$281.00	20.00	\$56.20	\$224.80	\$899.20	Software
S-SERIES S4 AND 4 BAY POE CHASSIS	S4-CHASSIS-POE4	EW NBD AHR	97004-H30502	01-Jan-2022	31-Dec-2022	365	7	\$1,802.00	\$1,802.00	20.00	\$360.40	\$1,441.60	\$10,091.20	Hardware
40GB, QSFP COPPER CABLE 7M	40GB-C07-QSFP	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	2	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
MS-ADV - 500 DEVICES/5000 APS	NMS-ADV-500	EW SOFTWARE SUPPORT S20155	97003-S20155	01-Jan-2022	31-Dec-2022	365	1	\$24,126.00	\$24,126.00	20.00	\$4,825.20	\$19,300.80	\$19,300.80	Software
EA LICENSE 100K FPM	PV-FPM-100K	EW SOFTWARE SUPPORT S20245	97003-S20245	01-Jan-2022	31-Dec-2022	365	1	\$6,894.00	\$6,894.00	20.00	\$1,378.80	\$5,515.20	\$5,515.20	Software
X690-48x-2q-4c	17350	EW NBD AHR 17350	97004-17350	01-Jan-2022	31-Dec-2022	365	1	\$2,041.00	\$2,041.00	20.00	\$408.20	\$1,632.80	\$1,632.80	Hardware
100 AP CAPACITY UPGRADE (C5210)	WS-APCAP-100	EW SOFTWARE SUPPORT S20253	97003-S20253	01-Jan-2022	31-Dec-2022	365	1	\$1,007.00	\$1,007.00	20.00	\$201.40	\$805.60	\$805.60	Software
X460-G2-24t-10GE4-Base	16701	EW NBD AHR 16701	97004-16701	01-Jan-2022	31-Dec-2022	365	1	\$399.00	\$399.00	20.00	\$79.80	\$319.20	\$319.20	Hardware
EA APPLIANCE (HARDWARE ONLY)	PV-A-300	EW NBD AHR	97004-A10155	01-Jan-2022	31-Dec-2022	365	1	\$4,864.00	\$4,864.00	20.00	\$972.80	\$3,891.20	\$3,891.20	Appliance
FAN ASSY,1x2,29.2CFM,12,FB	17115	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	3	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
FAN ASSY,1x2,29.2CFM,12,FB	17115	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	3	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
PSU,55Wx40.2Tx322Lmm,7 70W,AC,FB	10960	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	1	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
PSU,55Wx40.2Tx322Lmm,7 70W,AC,FB	10960	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	1	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
150W NON-POE REDUNDANT POWER SUPPLY	STK-RPS-150PS	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	2	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
Summit Fan module FB	10945	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	1	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
Summit 300W AC PSU XT	10930A	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	1	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
Summit 300W AC PSU XT	10930A	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	1	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware

VSP 4900 48PRT PoE+ FANS RMKIT	VSP4900-48P	EW NBD AHR H35471	97004-H35471	01-Jan-2022	31-Dec-2022	365	4	\$575.00	\$575.00	20.00	\$115.00	\$460.00	\$1,840.00	Hardware
VIM5 4x10GE SFP+ MACsec LRM	VIM5-4XE	EW NBD AHR VIM5-4XE	97004-VIM5-4XE	01-Jan-2022	31-Dec-2022	365	4	\$134.00	\$134.00	20.00	\$26.80	\$107.20	\$428.80	Hardware
Summit 1100W AC PSU FB	10941	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	4	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
VSP4900-48P-B1, VIM5-4XE Bundle	VSP4900-48P-B1-4XE	EW NBD AHR H35458	97004-H35458	01-Jan-2022	31-Dec-2022	365	4	\$708.00	\$708.00	20.00	\$141.60	\$566.40	\$2,265.60	Hardware
1m SFP+ Cable	10304	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	4	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
3m SFP+ Cable	10305	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	1	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
WS-AP3965i-FCC	31016	EW NBD AHR 31016	97004-31016	01-Jan-2022	31-Dec-2022	365	1	\$221.00	\$221.00	20.00	\$44.20	\$176.80	\$176.80	Hardware
S-SERIES S8 CHASSIS/FANTRAYS	S8-CHASSIS	EW NBD AHR	97004-H30509	01-Jan-2022	31-Dec-2022	365	1	\$1,802.00	\$1,802.00	20.00	\$360.40	\$1,441.60	\$1,441.60	Hardware
750W AC PSU F2B airflow	XN-ACPWR-750W-F	ExtrWorks NBD AHR	97004	01-Jan-2022	31-Dec-2022	365	4	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
750W AC PSU F2B airflow	XN-ACPWR-750W-F	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	18	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
LR SFP+ module	10302	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	12	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
10Gb SFP+ 10GBASE-T	10338	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	8	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
Premier License for 5000 series switches	5000-PRMR-LIC-P	TAC OS 5000-PRMR-LIC	97000-5000-PRMR-LIC	31-Mar-2022	31-Dec-2022	276	3	\$150.00	\$113.42	20.00	\$22.68	\$90.74	\$272.22	Hardware
X450-G2-48p-10GE4-Base	16179	EW NBD AHR 16179	97004-16179	09-Apr-2022	31-Dec-2022	267	43	\$489.00	\$357.71	20.00	\$71.54	\$286.17	\$12,305.31	Hardware
5520 24port 802.3bt 90w PoE Switch	5520-24W	EW NBD AHR 5520-24W	97004-5520-24W	09-Apr-2022	31-Dec-2022	267	3	\$470.00	\$343.81	20.00	\$68.76	\$275.05	\$825.15	Hardware
0.5m QSFP+ Passive Copper Cable	10311	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	31	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
1m QSFP+ Passive Copper Cable	10312	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	6	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
3m QSFP+ Passive Copper Cable	10313	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	6	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
Summit 1100W AC PSU FB	10941	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	98	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
Summit Fan module FB	10945	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	47	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
Summit 715W PoE AC PSU FB	10951	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	1	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
100G SWDM4 QSFP28 100m	100G-SWDM4-QSFP100M	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	12	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
SR SFP+ module	10301	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	8	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
100Gb, DAC QSFP28-QSFP28 1m	10411	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	12	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
VSP 7400-48Y-8C-AC-F	VSP7400-48Y-8C-AC-F	EW NBD AHR H35313	97004-H35313	17-May-2022	31-Dec-2022	229	5	\$1,916.00	\$1,202.09	20.00	\$240.42	\$961.67	\$4,808.35	Hardware
VSP 7400-48Y-8C-AC-F	VSP7400-48Y-8C-AC-F	EW NBD AHR H35313	97004-H35313	13-May-2022	31-Dec-2022	233	13	\$1,916.00	\$1,223.09	20.00	\$244.62	\$978.47	\$12,720.11	Hardware
SLX/VSP/X695/8520/8720 F2B Fan	XN-FAN-001-F	ExtrWorks NBD AHR	97004	17-May-2022	31-Dec-2022	229	30	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
VSP 7400-48Y-8C	VSP7400-48Y-8C	ExtrWorks NBD AHR	97004	17-May-2022	31-Dec-2022	229	5	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
VSP 7400-48Y-8C	VSP7400-48Y-8C	ExtrWorks NBD AHR	97004	13-May-2022	31-Dec-2022	233	13	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
750W AC PSU F2B airflow	XN-ACPWR-750W-F	ExtrWorks NBD AHR	97004	13-May-2022	31-Dec-2022	233	13	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
SLX/VSP/X695/8520/8720 F2B Fan	XN-FAN-001-F	ExtrWorks NBD AHR	97004	13-May-2022	31-Dec-2022	233	78	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
750W AC PSU F2B airflow	XN-ACPWR-750W-F	ExtrWorks NBD AHR	97004	17-May-2022	31-Dec-2022	229	5	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
XIQ Pilot SaaS, EW SaaS Support	XIQ-PIL-S-C-EW	XIQ Pilot SaaS, EW SaaS Support	XIQ-PIL-S-C-EW	09-May-2022	31-Dec-2022	237	3	\$150.00	\$97.40	20.00	\$19.48	\$77.92	\$233.76	Hardware
1m SFP+ Cable	10304	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	4	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
VSP Premier License	VSP-PRMR-LIC-P	TAC &Software support only	97000	13-May-2022	31-Dec-2022	233	18	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
100Gb, DAC QSFP28-QSFP28 5m	10414	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	4	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
100Gb, DAC QSFP28-QSFP28 3m	10413	ExtrWorks NBD AHR	97004	09-Apr-2022	31-Dec-2022	267	5	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware

5520-VIM 4x10GE SFP+	5520-VIM-4X	EW NBD AHR 5520-VIM-4X	97004-5520-VIM-4X	04-Aug-2022	31-Dec-2022	150	1	\$101.00	\$41.51	20.00	\$8.30	\$33.21	\$33.21	Hardware
Summit 1100W AC PSU FB	10941	ExtrWorks NBD AHR	97004	04-Aug-2022	31-Dec-2022	150	2	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
1000BASE-LX SFP, Hi	10052H	ExtrWorks NBD AHR	97004	04-Aug-2022	31-Dec-2022	150	2	\$0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	Hardware
Premier License for 5000 series switches	5000-PRMR-LIC-P	TAC OS 5000-PRMR-LIC	97000-5000-PRMR-LIC	29-Jul-2022	31-Dec-2022	156	1	\$150.00	\$64.11	20.00	\$12.82	\$51.29	\$51.29	Hardware

Total Extended List Amount: \$403,213.66
Total Discount: \$80,642.66
Total Credit Amount: \$0.00
Total Net Extended Amount: \$322,571.00

Year 2: \$338,699.55
Year 3: \$355,634.53
Year 4: \$373,416.50
Year 5: \$392,087.07

Total Not Exceed for 5 Years: \$1,782,408.65

This quote is governed solely by an applicable purchase and/or services agreement in effect between purchaser and Extreme, if any, or in the absence of such an agreement, Extreme Networks' Standard Terms of Sale and Services (as published at the following link: <http://www.extremenetworks.com/company/legal>) and, if applicable, Extreme Networks' Professional Services Terms and Conditions (as published at the following link: <http://learn.extremenetworks.com/rs/extreme/images/Professional-Services-Terms-and-Conditions.pdf>) shall govern in the event of any conflict with your order notwithstanding any terms to the contrary on Customer's purchase order. Extreme Networks hereby rejects any customer terms and conditions that may be submitted in accordance with acceptance of this quote.

The signature below affirms University Medical Center of Southern Nevada's commitment to pay for the services ordered in accordance with the terms of this Quote.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

By: _____

Name: Mason Van Houweling_____

Title: CEO_____

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: 1						
Corporate/Business Entity Name: Extreme Networks, Inc.						
(Include d.b.a., if applicable)						
Street Address:		6480 Via Del Oro		Website: www.extremenetworks.com		
City, State and Zip Code:		San Jose, CA 95119		POC Name:		
				Email:		
Telephone No:		1-888-257-3000		Fax No: 1-408-904-7002		
Nevada Local Street Address:		N/A		Website:		
(If different from above)						
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)
See Attachment		

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

- 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.)
- 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.

Katy Motiey
Katy Motiey (Sep 11, 2017)

Signature

Katy Motiey

Print Name

EVP, Chief Administrative Officer, HR, General Counsel & Corporate Secretary

Title

Sep 11, 2017

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	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)

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

DISCLOSURE OF RELATIONSHIP

Extreme Networks, Inc. Board of Directors as of September 2017

John C. Shoemaker

Edward B. Meyercord III

Edward H. Kennedy

Charles Carinalli

Kathleen M. Holmgren

Raj Khanna

Extreme Networks, Inc. Officers as of September 2017

Edward B. Meyercord III – President & Chief Executive Officer

Eric Brookman – Chief Technology and Engineering Officer

B. Drew Davies – EVP, Finance, Chief Financial Officer

Robert Gault - Chief Revenue and Services Officer

Katy Motiey – EVP, Chief Administrative Officer – HR, General Counsel & Corporate Secretary

Norman J. Rice III – Chief Marketing, Development and Product Operations Officer

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

Issue:	Professional Services Agreement (Nephrology) with Bernstein, Pokroy & Lehrner, Ltd. d/b/a Kidney Specialists of Southern Nevada	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 Services Agreement for Nephrology Clinical Coverage with Bernstein, Pokroy & Lehrner, Ltd. d/b/a Kidney Specialists of Southern Nevada; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. <i>(For possible action)</i>		

FISCAL IMPACT:

Fund Number: 5420.000
Fund Center: 3000719000
Description: Nephrology Clinical Services
Bid/RFP/CBE: NRS 332.115.1(b) – Professional Services
Term: 1/1/2022 to 12/31/2024 with two 1-year options
Amount: \$700,020 per year or \$3,500,100 for five (5) years
Out Clause: 180 days w/o cause

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

BACKGROUND:

Since August 2007, UMC has had an agreement with Bernstein, Pokroy & Lehrner, Ltd. d/b/a Kidney Specialists of Southern Nevada (“Provider”) to provide general nephrology and transplant nephrology services.

This request is to enter into a new Professional Services Agreement for Clinical Coverage with Provider to provide general nephrology services. Provider will provide, among other things: (i) emergency and on-call services with consultative coverage on a 24/7 basis to treat Hospital’s inpatients, outpatients, Emergency Department patients, and Trauma Department patients, in accordance with the schedule maintained by Provider; (ii) maintain a minimum of 4.5 FTE physicians for in-house Hospital coverage; and (iii) oversee and supervise the overall nephrology program and perform all administrative, departmental, supervisory and educational functions related to the operation of the nephrology program, as required from time-to-time by UMC.

Cleared for Agenda
December 8, 2021

Agenda Item #

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Staff also requests authorization for the Hospital CEO, at the end of the initial Term, to exercise the extension options at his discretion if deemed beneficial to UMC.

UMC will compensate Provider \$700,020 per year or potential aggregate of \$3,500,100 for five (5) years from January 1, 2022 through December 31, 2024, with the option to extend for two, 1-year periods. Either party may terminate this Agreement with a 180-day written notice to the other.

UMC's Support Services Executive Director has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Provider currently holds a Clark County business license.

**PROFESSIONAL SERVICES AGREEMENT
(Clinical Services)**

This Agreement, is made and entered into this 15th day of December, 2021, 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 **Bernstein, Pokroy & Lehrner, Ltd.**, a Nevada professional corporation existing under and by virtue of the laws of the State of Nevada doing business as **Kidney Specialists of Southern Nevada**, with its principal place of business at 500 South Rancho Drive, Suite 12, Las Vegas, Nevada 89106 (hereinafter referred to as "Provider"). Hospital and Provider together shall be referred to individually herein as "party" and collectively as "parties."

WHEREAS, Hospital is the operator of a Nephrology Department (the "Department") located in Hospital which requires certain Services (as defined below);

WHEREAS, Hospital recognizes that the proper functioning of the Department requires Services from physicians who have been properly trained and are fully qualified and credentialed to practice medicine as a nephrologist;

WHEREAS, Provider desires to contract for and provide said Services in the specialty of nephrology, as more specifically described herein; and

WHEREAS, the parties intend for this Agreement to supersede, terminate and wholly replace any prior verbal or written agreements between the parties respecting the subject matter hereof.

NOW THEREFORE, in consideration of the covenants and mutual promises made herein, the parties agree as follows:

I. DEFINITIONS

For the purposes of this Agreement, the following definitions apply:

- 1.1 Allied Health Providers. Individuals other than a licensed physician, medical doctor ("M.D."), doctor of osteopathy ("D.O."), chiropractor, or dentist who exercise independent or dependent judgment within the areas of their scope of practice and who are qualified to render patient care services under the supervision of a qualified physician who has been accorded privileges to provide such care in Hospital. Allied Health Providers to be utilized by Provider for the provision of Services are listed on **Exhibit A-1**, which shall be subject to change from time to time (collectively, the "Allied Health Providers").
- 1.2 Department. Unless the context requires otherwise, Department refers to Hospital's Department of Nephrology.
- 1.3 Medical Staff. The Medical and Dental Staff of University Medical Center of Southern Nevada.

- 1.4 Member Physicians. Physician(s) mutually appointed by Provider and Hospital (as listed on Exhibit A-1 and which shall be subject to change from time to time) to provide Services pursuant to this Agreement.
- 1.5 Services. Clinical services in the specialty of nephrology performed for the diagnosis, prevention or treatment of disease or for assessment of a medical condition, including but not limited to the delivery to the Department and Hospital certain Services to Unassigned Patients, twenty-four (24) hours per day/seven (7) days per week, as further described herein.
- 1.6 Unassigned Patients. Those patients seen by Provider during inpatient or outpatient service sessions (as applicable) at Hospital who are not designated patients of other physicians credentialed by Hospital's Medical Staff or are not assigned a physician under a managed care plan. Unassigned Patients include, but are not limited to, those patients who are uninsured. Where resident coverage has been assigned to another group or physician on a predetermined and agreed upon scheduled rotation, Hospital patients being covered by residents during such periods will not be considered Unassigned Patients for purposes of this Agreement. Also, for purposes of this Agreement, Unassigned Patients shall not include persons who are patients of Provider or whom Provider chooses to provide services at Hospital.

II. PROVIDER'S OBLIGATIONS

- 2.1 Department Coverage for Services. Provider, by and through its Member Physicians, shall deliver to the Department the following Services:
- a. Provider shall provide professional services in the best interest of Hospital's patients with all due diligence;
 - b. Provider shall conduct and professionally staff the Department in such a manner that Hospital, its Medical Staff, and patients shall at all times have adequate nephrology coverage during its normal operating hours as provided herein. Provider shall render and supervise nephrology services and consult with the Medical Staff and Hospital upon request;
 - c. Provider shall coordinate the schedules and assignments of physicians assigned to the Department;
 - d. Work closely with primary care physicians, assigned outpatient physicians and hospital case management personnel, as applicable, to assess the most appropriate follow-up plan options and settings;
 - e. Provider shall provide the Services on premises of Hospital on an emergency and on-call basis with consultative coverage on a twenty-four (24) hours per day, seven (7) days per week basis, including holidays, throughout the Term of this Agreement to treat patients in Hospital's Department;

- f. Service coverage includes all Hospital inpatients, outpatients, Emergency Department patients, and Trauma Department patients for which Services to such patients shall include patient examination/assessment, diagnosis, medical/surgical intervention and follow-up care;
- g. Provider shall maintain a minimum of 4.5 Full Time Equivalent (FTE) providers for in-house Hospital coverage (both routine and related emergency care on a 24/7 basis) in fulfilling its obligations pursuant to this Agreement;
- h. Emergency and on-call nephrology services to Hospital's inpatients and outpatients, twenty-four (24) hours per day/seven (7) days per week in accordance with the nephrology rotation schedule maintained by Provider.
- i. Provider shall be responsible for any staffing required to assist Member Physicians in carrying out its duties within the Department, so that Hospital, its Medical Staff, and patients shall at all times have adequate Services coverage;
- j. Provider shall cooperate with Hospital to provide formal and informal staff training programs as deemed necessary for the professional staff training and continuing medical education of its Medical Staff;
- k. On an annual basis, Provider shall use reasonable best efforts to create a collaborative plan with Hospital's affiliated medical school(s) for the provision of Services in support of the medical resident program;
- l. Provider shall ensure clinical effectiveness by providing direction and supervision in accordance with the standards and recommendations of The Joint Commission and the Medical Staff Bylaws and related manuals, and any requirements of local, state and national regulatory agencies and accrediting bodies;
- m. Work with Hospital to develop and administer Hospital's care pathways and enhance such pathways based upon Member Physicians' clinical experience;
- n. Provide consultative interpretations and documentation in accordance with the standards and recommendations of The Joint Commission, the American Board of Internal Medicine - Nephrology, the Bylaws, Rules and Regulations of the Medical Staff, and any policies and procedures of the applicable third party payors, as may then be in effect;
- o. Provider shall coordinate and integrate clinically related nephrology activities both inter and intra departmentally within Hospital and its affiliated clinics; and
- p. Provider shall perform such other Services, as more specifically described on **Exhibit A**, attached hereto and incorporated herein by reference.

2.2 Medical Staff Appointment.

- a. Member Physicians employed or contracted by Provider shall at all times hereunder, be members in good standing of Hospital's Medical Staff with appropriate clinical credentials and appropriate Hospital privileging. Any of Provider's Member Physicians who fail to maintain staff appointment of clinical privileges in good standing will not be permitted to render the Services and will be replaced reasonably promptly by Provider. Provider shall replace a Member Physician who is suspended, terminated or expelled from Hospital's Medical Staff, loses his license to practice medicine, tenders his resignation, or violates the terms and conditions required of this Agreement, including but not limited to those representations set forth in Section 2.3 below. In the event Provider replaces or adds a Member Physician, such new Member Physician shall meet all of the conditions set forth herein, and shall agree in writing to be bound by the terms of this Agreement. In the event that a Member Physician's appointment to Hospital's Medical Staff with clinical privileges is granted solely for purposes of this Agreement, such appointment and clinical privileges shall automatically terminate upon termination of this Agreement or Provider's removal of the physician as a Member Physician.
- b. Provider shall be fully responsible for the performance and supervision of any of its Member Physicians, Allied Health Providers or others under its direction and control, in the performance of Services under this Agreement.
- c. Allied Health Providers employed or utilized by Provider, if any, must apply for privileges and remain in good standing in accordance with the University Medical Center of Southern Nevada Medical and Dental Staff Bylaws and Rules and Regulations. In the event that an Allied Health Provider's granting of clinical privileges at Hospital is solely for purposes of this Agreement, such appointment and clinical privileges shall automatically terminate upon termination of this Agreement or Provider's removal of the Allied Health Provider under this Agreement.

2.3 Representations of Provider and Member Physicians.

- a. Provider represents and warrants that it:
 1. holds an active business license with Clark County and is currently in good standing with the Nevada Secretary of State and Department of Taxation;
 2. has never been excluded or suspended from participation in, or sanctioned by, a federal or state health care program;
 3. has never been convicted of a felony or misdemeanor involving fraud, dishonesty, moral turpitude, controlled substances or any crime related to the provision of medical services;
 4. at all times will comply with all applicable laws and regulations in the performance of the Services;
 5. is not restricted under any third party agreement from performing the obligations under this Agreement;

6. has not materially misrepresented or omitted any facts necessary for Hospital to analyze service level requirements (i.e., FTEs) and compensation paid hereunder; and
 7. will comply with the Standards of Performance, attached hereto as **Exhibit B** and incorporated by reference.
- b. Provider, on behalf of each of Provider's Member Physicians (and Allied Health Providers as applicable), represents and warrants to the best of Provider's knowledge after reasonable inquiry that he or she:
1. is Board certified in Nephrology;
 2. possesses an active license to practice medicine from the State of Nevada which is in good standing;
 3. has an active and unrestricted license to prescribe controlled substances with the Drug Enforcement Agency and a Nevada Board of Pharmacy registration, as needed to provide the Services;
 4. is not and/or has never been subject to any agreement or understanding, written or oral, that he or she will not engage in the practice of medicine, either temporarily or permanently;
 5. has never been excluded or suspended from participation in, or sanctioned by, a federal or state health care program;
 6. has never been convicted of a felony or misdemeanor involving fraud, dishonesty, moral turpitude, controlled substances or any crime related to the provision of medical services;
 7. has never been denied membership or reappointment to the medical staff of any hospital or healthcare facility;
 8. at all times will comply with all applicable laws and regulations in the performance of the Services;
 9. is not restricted under any third party agreement from performing the obligations under this Agreement; and
 10. will comply with the Standards of Performance, attached hereto as **Exhibit B** and incorporated by reference.

2.4 **Notification Requirements.** The representations contained in this Agreement are ongoing throughout the Term. Provider agrees to notify Hospital in writing within three (3) business days after Provider becomes aware of any event that occurs that constitutes a breach of the representations and warranties contained in Section 2.3 or elsewhere in this Agreement. Hospital shall, in its discretion, have the right to terminate this Agreement if Provider fails to notify Hospital of such a breach and fails to immediately remove any Member Physician or Allied Health Provider that fails to meet any of the requirements in this Agreement.

2.5 **Independent Contractor.** In the performance of the work duties and obligations performed by Provider under this Agreement, it is mutually understood and agreed that Provider is at all times acting and performing as an independent contractor practicing the profession of medicine. Hospital shall neither have, nor exercise any, control or direction over the methods by which Provider shall perform its work and functions.

2.6 Industrial Insurance.

- a. As an independent contractor, Provider shall be fully responsible for premiums related to accident and compensation benefits for its shareholders and/or direct employees as required by the industrial insurance laws of the State of Nevada.
- b. Provider agrees, as a condition precedent to the performance of any work under this Agreement and as a precondition to any obligation of Hospital to make any payment under this Agreement, to provide Hospital with a certificate issued by the appropriate entity in accordance with the industrial insurance laws of the State of Nevada. Provider agrees to maintain coverage for industrial insurance pursuant to the terms of this Agreement. If Provider does not maintain such coverage, Provider agrees that Hospital may withhold payment, order Provider to stop work, suspend this Agreement or terminate this Agreement.

2.7 Professional Liability Insurance. Provider shall carry professional liability insurance on its Member Physicians and employees at its own expense in accordance with the minimums established by the Bylaws of the Medical and Dental Staff and related documents. Said insurance shall annually be certified to Hospital's Administration and Medical Staff, as necessary.

2.8 Provider's Personal Expenses. Provider shall be responsible for all its personal expenses, including, but not limited to, membership fees, dues and expenses of attending conventions and meetings, except those specifically requested and designated by Hospital.

2.9 Maintenance of Records.

- a. All medical records, histories, charts and other information regarding patients treated or matters handled by Provider hereunder, or any data or databases derived therefrom, shall be the property of Hospital regardless of the manner, media or system in which such information is retained. Provider shall have access to and may copy relevant records upon reasonable notice to Hospital.
- b. Provider shall complete all patient charts in a timely manner in accordance with the standards and recommendations of The Joint Commission and Regulations of the Medical and Dental Staff, as may then be in effect.

2.10 Health Insurance Portability and Accountability Act of 1996.

- a. For purposes of this Agreement, "Protected Health Information" shall mean any information, whether oral or recorded in any form or medium, that: (1) was created or received by either party; (2) relates to the past, present, or future physical condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual; and (3) identifies such individual.
- b. Provider agrees to comply with the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d-1329d-8; 42 U.S.C. 1320d-2) ("HIPAA"), and any

current and future regulations promulgated thereunder, including, without limitation, the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164 (the "Federal Privacy Regulations"), the federal security standards contained in 45 C.F.R. Part 142 (the "Federal Security Regulations"), the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162, and all the amendments to HIPAA contained in Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH"), all collectively referred to as "HIPAA Regulations". Provider shall preserve the confidentiality of Protected Health Information ("PHI") it receives from Hospital, and shall be permitted only to use and disclose such information in compliance with the HIPAA Requirements and any applicable state law. Provider agrees to execute such further agreements deemed necessary by Hospital to facilitate compliance with the HIPAA Requirements or any applicable state law. Provider shall make its internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of Health and Human Services to the extent required for determining compliance with the Federal Privacy Regulations. Hospital and Provider shall be an Organized Health Care Arrangement ("OHCA"), as such term is defined in the HIPAA Regulations.

- c. Hospital shall, from time to time, obtain applicable privacy notice acknowledgments and/or authorizations from patients and other applicable persons, to the extent required by law, to permit Hospital, Provider and their respective employees and other representatives, to have access to and use of PHI for purposes of the OHCA. Hospital and Provider shall share a common patient's PHI to enable the other party to provide treatment, seek payment, and engage in quality assessment and improvement activities, population-based activities relating to improving health or reducing health care costs, case management, conducting training programs, and accreditation, certification, licensing or credentialing activities, to the extent permitted by law or by the HIPAA Regulations.

- 2.11 Personnel On-Site. Provider shall abide by the relevant compliance policies of Hospital, including its corporate compliance program, I-179 Policy, I-66 Policy and Code of Ethics, the relevant portions of which are available to Provider upon request, and Hospital's Vaccine Policy, as may be amended from time to time, and must register through Hospital's credentialing system prior to arriving on-site at any of Hospital's facilities. Hospital shall make commercially reasonable efforts to provide Provider with prior written notice of any anticipated amendments to any of the foregoing policies. Provider's employees, agents, subcontractors and/or healthcare workers who do not abide by Hospital's policies may be barred from physical access to Hospital's premises.

III. HOSPITAL'S OBLIGATIONS

- 3.1 Technical Support, Surveys, Space, Equipment and Supplies.

- a. Technical Support. Hospital's Information Technology (IT) Department will provide technical support at levels consistent with all members of the Medical Staff during normal working hours of Monday to Friday, 7:00 am to 5:00 pm, and emergency support for work stoppage issues after hours, weekends and holidays on a twenty-four-seven (24/7), three hundred sixty-five (365) day coverage.

- b. Surveys. Hospital shall provide staff emails for participation in annual feedback survey (i.e., nursing, case management/social work).
 - c. Space. Hospital shall provide space within Hospital for the Department (excluding Provider's private office space) that allows Provider to render the Services in compliance with applicable Nevada law; however, Provider shall not have exclusivity over any space or equipment provided therein and shall not use the space or equipment for any purpose not related to the proper functioning of the Department.
 - d. Equipment.
 - 1. Hospital shall make available during the Term of this Agreement such equipment as is determined by Hospital (following consultation with Provider) to be required for the proper operation and conduct of the Department. Hospital shall also keep and maintain said equipment in good order and repair.
 - 2. Hospital shall maintain and operate its IT system necessary for the proper operation of the Department, provided however, Provider shall be responsible for maintenance and operation of its own systems as necessary for the purpose of providing the Services and the requirements under this Agreement.
 - e. Supplies. Hospital shall purchase all necessary supplies for the proper operation of the Department and shall keep accurate records of the cost thereof.
- 3.2 Hospital Services. Hospital shall provide the services of other Hospital departments including, but not limited to, Accounting, Administration, Engineering, Human Resources, Materials Management, Medical Records and Nursing.
- 3.3 Personnel. Other than Member Physicians and Allied Health Providers, all personnel required for the proper operation of the Department shall be employed by Hospital. The selection and retention of such personnel shall be in cooperation with Provider, but Hospital shall have final authority with respect to such selection and retention. Salaries and personnel policies for persons within personnel classifications used in the Department shall be uniform with other Hospital personnel in the same classification insofar as may be consistent with the recognized skills and/or hazards associated with that position, providing that recognition and compensation be provided for personnel with special qualifications in accordance with the personnel policies of Hospital.
- 3.4 Representations of Hospital. Hospital represents and warrants to Provider that neither Hospital, nor to the best of Hospital's knowledge after reasonable inquiry that any of its employees, is:
- a. Currently excluded, debarred, or otherwise ineligible to participate in any of the Federal Health Care Programs; or

- b. Convicted of a criminal offense related to the provision of health care items or services but have not yet been excluded, debarred, or otherwise declared ineligible to participate in the Federal Health Care Programs.
- 3.5 Annual Review. Hospital and Provider shall conduct an annual review of Provider's performance of Services.
- 3.6 Exclusivity of Services. Provider shall ensure that the Member Physicians are not simultaneously on-call at another area facility at the same time it provides Services to Hospital. This Agreement does not preclude an attending physician (or another nephrology physician group) of Hospital's Medical Staff from requesting a specific physician, not a party to this Agreement, to provide a specific procedure or consultation in the Department, subject to Provider's right to schedule all Department procedures and services, and provided that such independent physician is a member of Hospital's Medical Staff.

IV. BILLING

- 4.1 Direct Billing. Except as otherwise specifically provided herein, Provider shall directly bill patients and/or third party payers for all professional components. Hospital shall make available within thirty (30) days of the date of service the usual social security and insurance information to facilitate direct billing. Provider's access to Hospital's Electronic Health Record system qualifies as availability. Unless specifically agreed to in writing or elsewhere in this Agreement, Hospital is not otherwise responsible for the billing or collection of professional component fees. Provider agrees to maintain a mandatory assignment contract with Medicaid and Medicare.
- 4.2 Fees. Fees will not exceed that which are usual, reasonable and customary for the community. Provider shall furnish a list of these fees upon request of Hospital.
- 4.3 Third Party Payors. If Hospital desires to enter into preferred provider, capitated or other managed care contracts, to the extent permitted by law, Provider agrees to cooperate with Hospital and to attempt to negotiate reasonable rates with such managed care payors.
- 4.4 Compliance. Provider agrees to comply with all applicable federal and state statutes and regulations (as well as applicable standards and requirements of non-governmental third-party payors) in connection with Provider's submission of claims and retention of funds for Provider's services (i.e., professional components) provided to patients at Hospital's facilities (collectively "Billing Requirements"). In furtherance of the foregoing and without limiting in any way the generality thereof, Provider agrees:
 - a. To use its best efforts to ensure that all claims by Provider for Provider's services provided to patients at Hospital's facilities are complete and accurate;

- b. To cooperate and communicate with Hospital in the claim preparation and submission process to avoid inadvertent duplication by ensuring that Provider does not bill for any items or services that has been or will be appropriately billed by Hospital as an item or service provided by Hospital at Hospital's facilities; and
- c. To keep current on applicable Billing Requirements as the same may change from time to time.

V. COMPENSATION

- 5.1 Compensation for Professional Services. During the Term, and subject to Section 7.5 below, Hospital will compensate Provider for the Services, monthly payments in the amount of Fifty-Eight Thousand Three Hundred Thirty-Five and 00/100 Dollars (\$58,335.00), for an annual amount of Seven Hundred Thousand Twenty and 00/100 Dollars (\$700,020.00). Payment shall be made on the third (3rd) Friday of each month, or if the third (3rd) Friday falls on a holiday, the following Monday, for the previous month's Services.
- 5.2 Fair Market Value. The compensation paid under this Agreement has been determined by the parties to be fair market value and commercially reasonable for the Services provided hereunder.

VI. TERM/MODIFICATIONS/TERMINATION

- 6.1 Term of Agreement. This Agreement shall become effective on January 1, 2022, and subject to Section 7.5, shall remain in effect through December 31, 2024 (the "Initial Term"). At the end of the Initial Term, Hospital has the option to extend this Agreement for two (2) additional one-year periods (each a "Successive Term") (together the Initial Term and any Successive Term(s) shall be referred to as the "Term").
- 6.2. Modifications. Within three (3) calendar days, Provider shall notify Hospital in writing of:
 - a. Any change of principal address of Provider;
 - b. Any change in membership or ownership of Provider's group or professional corporation of more than five percent (5%);
 - c. Any action against the license of any of Provider's Member Physicians;
 - d. Any action commenced against Provider which could reasonably be deemed to materially affect this Agreement; or
 - e. Any other occurrence known to Provider that could materially impair the ability of Provider to carry out its duties and obligations under this Agreement.
- 6.3 Termination For Cause.

- a. This Agreement shall immediately terminate upon the exclusion of Provider from participation in any federal health care program.
- b. This Agreement may be terminated by Hospital at any time with thirty (30) days written notice, upon the occurrence of any one of the following events which has not been remedied within thirty (30) days (or such earlier time period required under this Agreement) after written notice of said breach:
 1. Professional misconduct by any of Provider's Member Physicians or Allied Health Providers as determined by the Bylaws, Rules and Regulations of the Medical and Dental Staff and the appeal processes thereunder;
 2. Conduct by any of Provider's Member Physicians or Allied Health Providers which demonstrates an inability to work with others in the institution and such behavior presents a real and substantial danger to the quality of patient care provided at the facility as determined by Hospital or Medical Staff and Provider does not remove such Member Physician or Allied Health Provider from performing any further Services hereunder, and continue to provide adequate staffing hereunder;
 3. Disputes among the Member Physicians, partners, owners, principals, or of Provider's group or professional corporation that, in the reasonable discretion of Hospital, are determined to disrupt the provision of good patient care;
 4. Absence of any Member Physician required for the provision of Services hereunder, by reason of illness or other cause, for a period of ninety (90) days, unless adequate coverage is furnished by Provider. Such adequacy will be determined by Hospital; or
 5. Breach of any material term or condition of this Agreement; provided the same is not subject to earlier termination elsewhere under this Agreement.
- c. This Agreement may be terminated by Provider at any time with thirty (30) days written notice, upon the occurrence of any one of the following events which has not been remedied within said thirty (30) days written notice of said breach:
 1. The exclusion of Hospital from participation in a federal health care program;
 2. The loss or suspension of Hospital's licensure or any other certification or permit necessary for Hospital to provide services to patients;
 3. Hospital at any time engages in any criminal conduct or fraud that Provider reasonably determines is harming or is likely to materially harm the goodwill or reputation of Provider;
 4. The failure of Hospital to maintain full accreditation by The Joint Commission;

5. Failure of Hospital to compensate Provider in a timely manner as set forth in Section V above; or
 6. Breach of any material term or condition of this Agreement.
- 6.4 Termination Without Cause. Either party may terminate this Agreement, without cause, upon One Hundred Eighty (180) days written notice to the other party. If Hospital terminates this Agreement, Provider waives any cause of action or claim for damages arising out of or related to the termination; provided however, it will not relieve Hospital of any payment due and owing to Provider for Services rendered under the terms of this Agreement.

VII. MISCELLANEOUS

- 7.1 Access to Records. Upon written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, Provider shall, for a period of four (4) years after the furnishing of any service pursuant to this Agreement, make available to them those contracts, books, documents, and records necessary to verify the nature and extent of the costs of providing its services. If Provider carries out any of the duties of this Agreement through a subcontract with a value or cost equal to or greater than \$10,000 or for a period equal to or greater than twelve (12) months, such subcontract shall include this same requirement. This Section is included pursuant to and is governed by the requirements of the Social Security Act, 42 U.S.C. Section 1395x (v) (1) (I), and the regulations promulgated thereunder.
- 7.2 Amendments. No modifications or amendments to this Agreement shall be valid or enforceable unless mutually agreed to in writing by the parties.
- 7.3 Assignment/Binding on Successors. No assignment of rights, duties or obligations of this Agreement shall be made by either party without the express written approval of a duly authorized representative of the other party. Subject to the restrictions against transfer or assignment as herein contained, the provisions of this Agreement shall inure to the benefit of and shall be binding upon the assigns or successors-in-interest of each of the parties hereto and all persons claiming by, through or under them.
- 7.4 Authority to Execute. The individuals signing this Agreement on behalf of the parties have been duly authorized and empowered to execute this Agreement and by their signatures shall bind the parties to perform all the obligations set forth in this Agreement.
- 7.5 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 Hospital for the then current fiscal year under the Local Government Budget Act. This Agreement shall terminate and Hospital's obligations under it shall be extinguished at the end of any of Hospital's fiscal years in which Hospital'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. Hospital 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 Hospital of its obligations incurred through the thirtieth (30th) day of June of the fiscal year for which monies were appropriated.

- 7.6 Captions/Gender/Number. The articles, captions, and headings herein are for convenience and reference only and should not be used in interpreting any provision of this Agreement. Whenever the context herein requires, the gender of all words shall include the masculine, feminine and neuter and the number of all words shall include the singular and plural.
- 7.7 Confidential Records. All medical records, histories, charts and other information regarding patients, all Hospital statistical, financial, confidential, and/or personnel records and any data or databases derived therefrom shall be the property of Hospital regardless of the manner, media or system in which such information is retained. All such information received, stored or viewed by Provider shall be kept in the strictest confidence by Provider and its employees and contractors.
- 7.8 Corporate Compliance. Provider recognizes that it is essential to the core values of Hospital that its contractors conduct themselves in compliance with all ethical and legal requirements. Therefore, in performing its services under this Agreement, Provider agrees at all times to comply with all applicable federal, state and local laws and regulations in effect during the Term hereof and further agrees to use its good faith efforts to comply with the relevant compliance policies of Hospital, including its corporate compliance program and Code of Ethics, the relevant portions of which are available to Provider upon request.
- 7.9 Entire Agreement. This document 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.
- 7.10 False Claims Act.
- a. The state and federal False Claims Act statutes prohibit knowingly or recklessly submitting false claims to the Government, or causing others to submit false claims. Providers are required to adhere to the provisions of the False Claims Act as defined in 31 U.S. Code § 3729. Violation of the Federal False Claims Act may result in fines for each false claim, treble damages, and possible exclusion from federally-funded health programs. A Notice Regarding False Claims and Statements is attached to this Agreement as Attachment 1.
 - b. Hospital is committed to complying with all applicable laws, including but not limited to Federal and State False Claims statutes. As part of this commitment, Hospital has established and will maintain a Compliance Program. Provider is expected to immediately notify Hospital of any actions by a workforce member which Provider believes, in good faith, violates an ethical, professional or legal standard. Hospital

shall treat such information confidentially to the extent allowed by applicable law, and will only share such information on a bona fide need to know basis. Hospital is prohibited by law from retaliating in any way against any individual who, in good faith, reports a perceived problem. The Hospital Compliance Officer can be contacted via email at rani.gill@umcsn.com, by calling 702-383-6211, or through the UMC EthicsPoint hotline located at <http://umcintranet/compliancehotline.html>. Hospital's Medical Staff provider hotline, whose phone number is published within the Physician Link website, is also available for Medical Staff reporting.

- 7.11 Federal, State, Local Laws. Provider will comply with all federal, state and local laws and/or regulations relative to its activities in Clark County, Nevada.
- 7.12 Financial Obligation. Provider shall incur no financial obligation on behalf of Hospital without prior written approval of Hospital or the Board of Hospital Trustees or its designee.
- 7.13 Force Majeure. Neither party shall be liable for any delays or failures in performance due to circumstances beyond its control.
- 7.14 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada.
- 7.15 Indemnification. Provider shall indemnify and hold harmless, Hospital, its officers and employees from any and all claims, demands, actions or causes of action, of any kind or nature, arising out of the negligent or intentional acts or omissions of Provider, its employees, representatives, successors or assigns. Provider shall resist and defend at its own expense any actions or proceedings brought by reason of such claim, action or cause of action.
- To the extent expressly authorized by Nevada law, Hospital shall indemnify and hold harmless, Provider, its officers and employees from any and all claims, demands, actions or causes of action, of any kind or nature, arising out of the negligent or intentional acts or omissions of Hospital, its employees, representatives, successors or assigns. Hospital shall resist and defend at its own expense any actions or proceedings brought by reason of such claim, action or cause of action.
- 7.16 Interpretation. Each party hereto acknowledges that there was ample opportunity to review and comment on this Agreement. This Agreement shall be read and interpreted according to its plain meaning and any ambiguity shall not be construed against either party. It is expressly agreed by the parties that the judicial rule of construction that a document should be more strictly construed against the draftsman thereof shall not apply to any provision of this Agreement.
- 7.17 Non-Discrimination. Provider shall not discriminate against any person on the basis of age, color, disability, sex, handicapping condition (including AIDS or AIDS related conditions), disability, national origin, race, religion, sexual orientation, gender identity or expression, or any other class protected by law or regulation.

- 7.18 Notices. All notices required under this Agreement must be submitted in writing and delivered by U.S. mail, postage prepaid, certified mail, facsimile, electronic mail or by hand delivery, and directed to the appropriate party as follows:

To Hospital: University Medical Center of Southern Nevada
Attn: Chief Executive Officer
1800 West Charleston Boulevard
Las Vegas, Nevada 89102

To Provider: Kidney Specialists of Southern Nevada
Attn: Hailee Long
500 South Rancho Drive, Suite 12
Las Vegas, Nevada 89106

- 7.19 Publicity. Neither Hospital nor Provider 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 Agreement without the prior written consent of the other party.
- 7.20 Performance. Time is of the essence in this Agreement.
- 7.21 Severability. In the event any provision of this Agreement is rendered invalid or unenforceable, said provision(s) hereof will immediately be void and may be renegotiated for the sole purpose of rectifying the error. The remainder of the provisions of this Agreement not in question shall remain in full force and effect.
- 7.22 Third Party Interest/Liability. This Agreement is entered into for the exclusive benefit of the undersigned parties and is not intended to create any rights, powers or interests in any third party. Hospital and/or Provider, including any of their respective officers, directors, employees or agents, shall not be liable to third parties by any act or omission of the other party.
- 7.23 Waiver. A party's failure to insist upon strict performance of any covenant or condition of this Agreement, or to exercise any option or right herein contained, shall not act as a waiver or relinquishment of said covenant, condition or right nor as a waiver or relinquishment of any future right to enforce such covenant, condition or right.
- 7.24 Other Agreements. This Agreement supersedes all prior or contemporaneous negotiations, commitments, agreements and writings with respect to the subject matter hereof. All such negotiations, commitments, agreements and writings shall have no further force and effect. Provider and Hospital are parties under certain other agreements set forth below, if any:
- a. Professional Services Agreement (Nephrology and Transplant Nephrology) dated July 1, 2016, as amended.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first above written.

PROVIDER:

Bernstein, Pokroy & Lehrner, Ltd.,
a Nevada professional corporation

Syed Shah
By: Syed Shah (Nov 17, 2021 23:29 PST)
Syed Shah, MD
President

Date: Nov 17, 2021

HOSPITAL:

University Medical Center of Southern Nevada,
a publicly owned and operated hospital created by
virtue of Chapter 450 of the Nevada Revised Statutes

By: _____
Mason Van Houweling
Chief Executive Officer

Date: _____

EXHIBIT A PROFESSIONAL MEDICAL SERVICES

Provider, by and through its Member Physicians and Allied Health Providers, shall provide all Services, as specifically set forth in Section 2.1 of this Agreement and in this **Exhibit A**, which shall be performed pursuant to the following requirements:

Coverage Requirements:

1. Provide clinical direction of Hospital's nephrology services, all ambulatory care and satellite nephrology services, if any;
2. Provide onsite response calls as stipulated in Hospital Policy #MSS-0111, On Call Physician Policy, and the Medical Staff Bylaws for nephrology call twenty-four (24) hours per day, seven (7) days per week;
3. Carry pagers, cell phones, or other Hospital required communication devices while onsite and respond within five (5) minutes for requests from Critical Care (Leapfrog standard) or thirty (30) minutes from non-critical areas;
4. Provider shall make available a sufficient number of Member Physicians and Allied Health Providers (which has been determined to be a minimum of 4.5 Full Time Equivalent (FTE) physicians onsite) such that the Services are available to patients for both routine and related emergency care on a twenty-four (24) hour-a-day, seven (7) days-a-week basis (inclusive of all Holidays);
5. Provide twenty-four-seven (24/7) consultative services. For this purpose, consultative coverage consists of patient examination/assessment, diagnosis, medical/surgical intervention and follow-up care.
6. Service coverage includes all Hospital nephrology Unassigned inpatients, outpatients, Emergency Department patients, and Trauma Department patients who are not designated patients of other physicians unless resident coverage has been assigned to another group or physician on a predetermined and agreed upon scheduled rotation;
7. Provide twenty-four-seven (24/7) emergency and on-call services to meet the needs of Hospital's nephrology inpatients and outpatients;
8. Oversee and supervise the overall nephrology program and perform all administrative, departmental, supervisory and educational functions related to the operation of the nephrology program, and as required from time-to-time by Hospital's CEO or his/her designee;
9. Must see all patients that require follow-up visits in Provider's office regardless of patient's ability to make upfront payments or deposits;
10. Use best efforts to use Hospital's contracted anesthesiologists and hospitalists;
11. Participate in scheduled clinical staff meetings and conferences;
12. Contribute to a positive relationship among Hospital's Administration, healthcare providers (RN's, ancillary providers), Medical Staff and the community;
13. Promote the growth and development of the Services in conjunction with Hospital with special emphasis on expanding diagnostic and therapeutic services;
14. Inform the Department and/or Hospital's Administration of new equipment and applications; asses and recommend to Hospital's Administration the need for capital expenditure for equipment, supplies and space required to maintain and expand the Services;
15. Monitor the use of equipment and report any malfunction to the Department or Hospital's Administration;

16. Develop and implement guidelines, policies and procedures in accordance with recognized professional medical specialty standards, and the requirements of local, state and national regulatory agencies and accrediting bodies;
17. Actively participate in the Utilization Management (UM) Committee and related initiatives;
18. Assist Hospital in the appeal of any denial of payment of Hospital charges;
19. Provide quarterly standardized reports on mutually agreed upon metrics, reviewed by Hospital's Administration, including the CEO, COO, CNO and/or his or her designees; and
20. Ensure clinical effectiveness by providing direction and supervision in accordance with the standards and recommendations of The Joint Commission and the Medical Staff Bylaws and related manuals, and any requirements of local, state, and national regulatory agencies and accrediting bodies.

Performance Measures:

Provider shall:

1. Undertake commercially reasonable efforts to reduce readmission rates below the national average, in accordance with Vizient peer review data, as applicable.
2. Undertake commercially reasonable efforts to improve core measures as mutually agreed upon and as applicable.
3. Attend at least eighty percent (80%) of appointed committee meetings, as reasonably assigned.
4. Perform appropriate clinical documentation in OTTR (i.e., organ transplant tracking record) and in Hospital's Electronic Health Record (EHR) system.
5. Attend monthly Transplant Leadership, Quality and Policy meetings, quarterly HLA (i.e., Human Leukocyte Antigen) meetings and other ad hoc meetings as needed.
6. Undertake commercially reasonable efforts to maintain the seventieth percentile (70%) on Transplant Clinic Survey questions related to Provider.
7. Undertake commercially reasonable efforts to cause waitlist growth for Status 1 patients: 500 at end of year 1; total waitlisted patients is 800.
8. Undertake commercially reasonable efforts to cause waitlist growth for Status 1 patients: 800 at end of year 2; total waitlisted patients is 1,200.
9. Undertake commercially reasonable efforts to cause annual updates greater than 90%.
10. Meeting attendance with at least two (2) nephrologists annually is greater than 90%.
11. Undertake commercially reasonable efforts to cause inpatient on time rounds to be greater than 90%.
12. Undertake commercially reasonable efforts to cause clinic on time start to be greater than 90%.
13. Undertake commercially reasonable efforts to cause in-person lab review to be greater than 90% (non-telephonic).
14. Review and present candidates for selection for wait listing is greater than 90% of all candidates presented.
15. Undertake commercially reasonable efforts to obtain referral physician letters after evaluation at least 90% of the time.

Patient Safety and Quality:

1. Assist with the development and follow full implementation of clinical pathways.
 - a. At least ninety percent (90%) of transfers to specialty services will follow guidelines requiring higher level of care, as applicable.

2. All policies and procedures will be followed, including verbal orders, charted in Hospital's EHR system.
3. Critical findings and outcomes (nephrology) to be verified monthly by the parties.
4. Follow all guidelines, policies and procedures set forth by the Centers for Medicare and Medicaid Services (CMS), the United Network for Organ Sharing (UNOS) and The Joint Commission.
5. Recommend innovative changes directed toward improved patient services.
6. Participate in Quality Assurance and Performance Improvement activities by monitoring and evaluating care; communicating findings, conclusions, recommendations and actions taken; and using established Hospital mechanisms for appropriate follow-up.

Service Location: All Services are to be performed at Hospital's main campus location at:
1800 W. Charleston Blvd., Las Vegas, NV 89102

Member Physicians and Allied Health Providers: See Exhibit A-1

EXHIBIT A-1
PROVIDER'S MEMBER PHYSICIANS AND ALLIED HEALTH PROVIDERS

Ayoola Adekile, M.D.	Cristy Robertson, M.D.
Marwah Al-Khazaali, M.D.	Kamron Saleem, M.D.
Taurino Avelar, M.D.	Zvi Sela, M.D.
Adin Boldur, M.D.	Syed Shah, M.D.
Venugopal Botla, M.D.	Vipul Shah, M.D.
Charissa Carag, M.D.	Raj Singh, M.D.
Jay Chu, M.D.	Nauman Tahir, M.D.
Dina Corbin, M.D.	Vivek Veerapaneni, M.D.
Danyal Hassan, M.D.	Mark Vishnepolsky, M.D.
Bilal Iqbal, M.D.	James Weltman, D.O.
Gaurav Jain, M.D.	Vincent Yang, M.D.
Bindu Khanna, M.D.	Kevin Yu, D.O.
Jennifer Kumar, M.D.	Evelina Baltrune, APRN
Lawrence Lehrner, M.D.	Myra Barlaan, APRN
Marc Leiserowitz, M.D.	Zvia Ben-Rey, APRN
Thomas Lim, M.D.	Nerissa Bonina, APRN
Robert Merrell, M.D.	Valerie Chang, PA-C
Syedqumars Mirfendereski, M.D.	Melissa Hansen, APRN
Deepak Nandikanti, M.D.	Nathan Hugg, APRN
Shadi Nijim, M.D.	Michael Lim, APRN
Chidi Okafor, M.D.	Catherine Lorentz, APRN
Parag Parekh, D.O.	Khelsey Macaspac, APRN
Neville Pokroy, M.D.	LaDonna Mills, APRN
Rizwan Qazi, M.D.	Marites Molina-Matro, APRN
Asima Raja, M.D.	Kimbrelle Anne Pascua, APRN
Ramchand Ranai, M.D.	Leigha Schafer, APRN
Phillip Ribeiro, M.D.	

EXHIBIT B

STANDARDS OF PERFORMANCE

Provider shall undertake commercially reasonable efforts to ensure that all Member Physicians comply with the Standards of Performance, attached hereto as **Exhibit B** and incorporated by reference (and, if required, to replace any Member Physicians who fail to comply with these Standards of Performance following thirty (30) days' written notice of their failure to comply).

- a. Provider promises to adhere to Hospital's established standards and policies for providing exceptional patient care. In addition, Provider shall ensure that its Member Physicians shall also operate and conduct themselves in accordance with the standards and recommendations of The Joint Commission, all applicable national patient safety goals, and the Bylaws, Rules and Regulations of the Medical and Dental Staff, as may then be in effect.
- b. Hospital expressly agrees that the professional services of Provider may be performed by such physicians as Provider may associate with, so long as Provider has obtained the prior written approval of Hospital. So long as Provider is performing the services required hereby, its employed or contracted physicians shall be free to perform private practice at other offices and hospitals. If any of Provider's Member Physicians are employed by Provider under the J-1 Visa waiver program, Provider will so advise Hospital, and Provider shall be in strict compliance, at all times during the performance of this Agreement, with all federal laws and regulations governing said program and any applicable state guidelines.
- c. Provider shall maintain professional demeanor and not violate Medical Staff Physician's Code of Conduct.
- d. Provider shall develop and implement guidelines and critical pathways to improve quality of care and decrease length of stay.
- e. Provider shall be in compliance with all state and federal regulations, State of Nevada, and The Joint Commission guidelines, as evidenced by:
 1. Ongoing participation in preparations for inspections/surveys and timely resolutions of any identified deficiencies for State of Nevada and The Joint Commission or other regulatory agencies.
 2. No significant findings related to the clinical or administrative practice of nephrology.
- f. Provider shall be in compliance with all surgical standards, pre-operative, intra-operative, and post-operative as defined by The Joint Commission.
- g. Provider shall be in one hundred percent (100%) compliance with active participation with time-out (universal protocol).
- h. Provider shall assist Hospital with improvement of patient satisfaction and performance ratings.
- i. Provider shall perform appropriate clinical documentation.
- j. Member Physicians shall provide medical services to all Hospital patients without

regard to the patient's insurance status or ability to pay in a way that complies with all state and federal law, including but not limited to the Emergency Medical Treatment and Active Labor Act ("EMTALA").

- k. Provider and all Member Physicians shall comply with the rules, regulations, policies and directives of Hospital, provided that the same (including, without limitation any and all changes, modifications or amendments thereto) are made available to Provider by Hospital. Specifically, Provider and all Member Physicians shall comply with all policies and directives related to Just Culture, Ethical Standards, Corporate Compliance/Confidentiality, Dress Code, and any and all applicable policies and/or procedures.
- l. Provider and all Member Physicians shall comply with Hospital's Affirmative Action/Equal Employment Opportunity Agreement.
- m. The parties recognize that as a result of Hospital's patient mix, Hospital has been required to contract with various groups of physicians to provide on-call coverage for numerous medical specialties. In order to ensure patient coverage and continuity of patient care, in the event Provider requires the services of a medical specialist, Provider shall use its best efforts to contact Hospital's contracted provider of such medical specialist services. However, nothing in this Agreement shall be construed to require the referral by Provider or any Member Physicians, and in no event is a Member Physician required to make a referral under any of the following circumstances: (1) the referral relates to services that are not provided by Member Physicians within the scope of this Agreement; (2) the patient expresses a preference for a different provider, practitioner, or supplier; (3) the patient's insurer or other third party payor determines the provider, practitioner, or supplier of the applicable service; or (4) the referral is not in the patient's best medical interests in the Member Physician's judgment. The parties agree that this provision concerning referrals by Member Physicians complies with the rule for conditioning compensation on referrals to a particular provider under 42 C.F.R. 411.354(d)(4) of the federal physician self-referral law, 42 U.S.C. § 1395nn (the "Stark Law").
- n. The disposition of patients for whom medical services have been provided, following such treatment, shall be in the sole discretion of the Member Physician(s) performing such treatment. Such Member Physician(s) may refer such patients for further treatment as is deemed necessary and in the best interests of such patients. Member physicians shall facilitate discharges in an appropriate and timely manner. Member Physicians will provide the patient's Primary Care Physician with a discharge summary and such other information necessary to facilitate appropriate post-discharge care. However, nothing in this Agreement shall be construed to require a referral by Provider or any Member Physician.
- o. Provider agrees to participate in the Merit-based Incentive Payment System ("MIPS") established by the Centers for Medicare and Medicaid Services ("CMS") to the extent quality measures contained therein are applicable to the medical services provided by Provider pursuant to this Agreement.
- p. Provider shall meet quarterly with Hospital's Administration to discuss and verify inpatient admission data collections.

- q. Provider shall work in the development and maintenance of key clinical protocols to standardize patient care.
- r. Provider shall maintain at a minimum ninety-five percent (95%) compliance with all applicable core value based measures.
- s. Provider shall maintain a minimum of the fiftieth (50th) percentile for all scores of Hospital's patient satisfaction surveys applicable to Provider.
- t. Provider shall ensure that all medical record charts will be completed and signed as follows: (1) orders related to patient status and admission must be completed and signed in accordance with the timeframes set forth in the UMC Medical and Dental Staff Bylaws, and (2) all other records must be completed and signed within thirty (30) days of treatment, for patients to whom services were provided. The thirty (30) days is inclusive of all signatures including any residents and the attending physician.
- u. Provider shall maintain a score within ten percent (10%) of the University Health System Consortium (UHC) compared (currently 6.24%) to its thirty (30) day readmission score for related admissions.
- v. Upon request from Hospital, Provider shall provide a quarterly report to include data supporting the continued requirement for FTE support as measured by industry standards for, at a minimum, the following, as applicable: (1) inpatient admissions, (2) observation admissions, (3) encounters, (4) encounters per day, (5) average staffed hours per day, (6) frequently used procedure codes, (7) work Relative Value Units (RVUs) per encounter, (8) payor mix, and (9) average length of stay unadjusted for inpatient and observation. Additional statistics may be reasonably requested by Hospital's Administration with written notice. Hospital staff/analysts can support requested data collection in collaboration with Provider.
- w. Provider shall be in one hundred percent (100%) compliance with the Drug Wastage Policy. Provider shall be in one hundred percent (100%) compliance with patient specific Pyxis guidelines (charge capture), as applicable, to include retrieval of medication/anesthesia agents.
- x. Provider shall collaborate with Hospital leadership to minimize and address staff and patient complaints. Provider shall participate with Hospital's Administration in staff evaluations and joint operating committees.
- y. Provider shall participate in clinical staff meetings and conferences, and represent the Services on Hospital's Committees, initiatives, and at Hospital Department meetings as deemed appropriate.
- z. Provider shall actively participate in Hospital's Value Analysis Program and attend the Value Analysis meetings when requested by Hospital.

ATTACHMENT 1 NOTICE OF FALSE CLAIMS AND STATEMENTS

UMC's Compliance Program demonstrates its commitment to ethical and legal business practices and ensures service of the highest level of integrity and concern. UMC's Compliance Department provides UMC compliance oversight, education, reporting, investigations and resolution. It conducts routine, independent audits of UMC's business practices and undertakes regular compliance efforts relating to local, state and federal regulatory standards. It is our expectation that as a physician, business associate, contractor, vendor, or agent, your business practices are committed to the same ethical and legal standards.

The purpose of this Notice is to educate you regarding the federal and state false claims statutes and the role of such laws in preventing and detecting fraud, waste, and abuse in federally funded health care programs. As a Medical Staff Member, Vendor, Contractor and/or Agent, you and your employees must abide by UMC's policies insofar as they are relevant and applicable to your interaction with UMC. Additionally, providers found in violation of any regulations regarding false claims or fraudulent acts are subject to exclusion, suspension, or termination of their provider status for participation in federally funded healthcare programs.

Federal False Claims Act

The Federal False Claims Act (the "Act") applies to persons or entities that knowingly submit, cause to be submitted, conspire to submit a false or fraudulent claim, or use a false record or statement in support of a claim for payment to a federally-funded program. The Act applies to all claims submitted by a healthcare provider to a federally funded healthcare program, such as Medicare and Medicaid.

Liability under the Act attaches to any person or organization who, among other actions, "knowingly":

- Presents a false/fraudulent claim for payment/approval;
- Makes or uses a false record or statement to get a false/fraudulent claim paid or approved by the government;
- Conspires to defraud the government by getting a false/fraudulent claim paid/allowed;
- Provides less property or equipment than claimed; or
- Makes or uses a false record to conceal/decrease an obligation to pay/provide money/property.

"Knowingly" means a person has: 1) actual knowledge the information is false; 2) acts in deliberate ignorance of the truth or falsity of the information; or 3) acts in reckless disregard of the truth or falsity of the information. No proof of intent to defraud is required.

A "claim" includes any request/demand (whether or not under a contract), for money/property if the US Government provides/reimburses any portion of the money/property being requested or demanded.

For knowing violations, a civil monetary penalty can be imposed pursuant to the federal False Claims Act, 31 U.S.C. § 3729(a), adjusted as set forth in 28 CFR 85 in accordance with the requirements of the Bipartisan Budget Act of 2015, plus three times (3x) the value of the claim and the costs of any civil action brought. If a provider unknowingly accepts payment in excess of the amount entitled to, the provider may also be required to repay the excess amount.

Criminal penalties are imprisonment for a maximum five (5) years; a maximum fine of \$25,000; or both.

Nevada State False Claims Act

Nevada has a state version of the False Claims Act that mirrors many of the federal provisions. A person is liable under state law, if they, with or without specific intent to defraud, "knowingly:"

- presents or causes to be presented a false claim for payment or approval;
- makes or uses, or causes to be made or used, a false record/statement to obtain payment/approval of a false claim;
- conspires to defraud by obtaining allowance or payment of a false claim;

- has possession, custody or control of public property or money and knowingly delivers or causes to be delivered to the State or a political subdivision less money or property than the amount for which he receives a receipt;
- is authorized to prepare or deliver a receipt for money/property to be used by the State/political subdivision and knowingly prepares or delivers a receipt that falsely represents the money/property;
- buys or receives as security for an obligation, public property from a person who is not authorized to sell or pledge the property; or
- makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the state/political subdivision.

Under state law, a person may also be liable if they are a beneficiary of an inadvertent submission of a false claim to the state, subsequently discovers that the claim is false, and fails to disclose the false claim to the state within a reasonable time after discovery of the false claim.

Civil penalties imposed pursuant to the State False Claims Act for each act correspond to any adjustments in the monetary amount of a civil penalty for a violation of the federal False Claims Act, 31 U.S.C. § 3729(a), plus three times (3x) the amount of damages sustained by the State/political subdivision and the costs of a civil action brought to recover those damages.

Criminal penalties where the value of the false claim(s) is less than \$250, are six (6) months to one (1) year imprisonment in the county jail; a maximum fine of \$1,000 to \$2,000; or both. If the value of the false claim(s) is greater than \$250, the penalty is imprisonment in the state prison from one (1) to four (4) years and a maximum fine of \$5,000.

Non-Retaliation/Whistleblower Protections

Both the federal and state false claims statutes protect employees from retaliation or discrimination in the terms and conditions of their employment based on lawful acts done in furtherance of an action under the Act. UMC policy strictly prohibits retaliation, in any form, against any person making a report, complaint, inquiry, or participating in an investigation in good faith.

An employer is prohibited from discharging, demoting, suspending, harassing, threatening, or otherwise discriminating against an employee for reporting on a false claim or statement or for providing testimony or evidence in a civil action pertaining to a false claim or statement. Any employer found in violation of these protections will be liable to the employee for all relief necessary to correct the wrong, including, if needed:

- reinstatement with the same seniority; or
- damages in lieu of reinstatement, if appropriate; and
- two times the lost compensation, plus interest; and
- any special damage sustained; and
- punitive damages, if appropriate.

Reporting Concerns Regarding Fraud, Waste, Abuse and False Claims

Anyone who suspects a violation of federal or state false claims provisions is required to notify the Compliance Officer. This can be done anonymously via the EthicsPoint Hotline at (888) 691-0772, via the UMC EthicsPoint Website at <http://www.goldenegg.ethicspoint.com>, or by contacting the UMC Compliance Officer at Rani.Gill@umcsn.com or (702) 383-6211.

Retaliation for reporting, in good faith, actual or potential violations or problems, or for cooperating in an investigation is expressly prohibited by UMC policy.

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: Bernstein, Pokroy & Lehrner, LTD						
(Include d.b.a., if applicable) Kidney Specialists of Southern Nevada						
Street Address: 500 S. Rancho Dr., Ste. 12			Website: www.ksosn.com			
City, State and Zip Code: Las Vegas, NV 89106			POC Name: Alvia Westgarth/ awestgarth@ksosn.com			
Telephone No: 7002-877-1887			Fax No: 702-877-4536			
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: N/A			

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 attached list		

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.

Hailee Long

Signature

COO

Title

Hailee Long

Print Name

Nov 17, 2021

Date



KIDNEY SPECIALISTS
OF SOUTHERN NEVADA

List of Partners

Name/ Title	% owned
1. Ayoola Adekile, M.D.	3.7%
2. Adin Boldur, M.D.	3.7%
3. Venugopal Botla, M.D.	3.7%
4. Jay Chu, M.D.	3.7%
5. Dina Corbin, M.D.	3.7%
6. Bilal Iqbal, M.D.	3.7%
7. Gaurav Jain, M.D.	3.7%
8. Bindu Khanna, M.D.	3.7%
9. Jennifer Kumar, M.D.	3.7%
10. Thomas Lim, M.D.	3.7%
11. Seyedqumars Mirfendereski, M.D.	3.7%
12. Deepak Nandikanti, M.D.	3.7%
13. Shadi Nijim, M.D.	3.7%
14. Chidi Okafor, M.D.	3.7%
15. Rizwan Qazi, M.D.	3.7%
16. Ramchand Ranai, M.D.	3.7%
17. Phillip Ribeiro, M.D.	3.7%
18. Cristy Robertson, M.D.	3.7%
19. Kamron Saleem, M.D.	3.7%
20. Syed Shah, M.D.	3.7%
21. Vipul Shah, M.D.	3.7%
22. Raj Singh, M.D.	3.7%
23. Nauman Tahir, M.D.	3.7%
24. Vivek Veerapaneni, M.D.	3.7%
25. Mark Vishnepolsky, M.D.	3.7%
26. Vincent Yang, M.D.	3.7%
27. Kevin Yu, D.O.	3.7%

Revised 10/12/2021

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

Issue:	Professional Services Agreement (Transplant Nephrology) with Bernstein, Pokroy & Lehrner, Ltd. d/b/a Kidney Specialists of Southern Nevada	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 Services Agreement for Transplant Nephrology Clinical Coverage with Bernstein, Pokroy & Lehrner, Ltd. d/b/a Kidney Specialists of Southern Nevada; authorize the Chief Executive Officer to exercise any extension options; 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: Transplant Nephrology Clinical Services	
Bid/RFP/CBE: NRS 332.115.1(b) – Professional Services	
Term: 1/1/2022 to 12/31/2024 with two 1-year options	
Amount:	Professional Services \$371,580 per year
	Medical Directorship Services \$48,000 per year

Total is \$419,580 per year or \$2,097,900 for five (5) years	

Out Clause: 180 days w/o cause

BACKGROUND:

Since August 2007, UMC has had an agreement with Bernstein, Pokroy & Lehrner, Ltd. d/b/a Kidney Specialists of Southern Nevada (“Provider”) to provide general nephrology and transplant nephrology services.

This request is to enter into a new Professional Services Agreement for Clinical Coverage with Provider to provide transplant nephrology services. Provider will provide, among other things: (i) emergency and on-call services with consultative coverage on a 24/7 basis to treat Hospital’s transplant nephrology inpatients, outpatients, Emergency Department patients, and Trauma Department patients, in accordance with the schedule maintained by Provider; (ii) a medical director to oversee and supervise the overall program; and (iii) maintain a minimum of 1.5 FTE physicians for in-house Hospital coverage.

Cleared for Agenda
December 8, 2021

Agenda Item #

16

Staff also requests authorization for the Hospital CEO, at the end of the initial Term, to exercise the extension options at his discretion if deemed beneficial to UMC.

UMC will compensate Provider \$419,580 per year or potential aggregate of \$2,097,900 for five (5) years from January 1, 2022 through December 31, 2024, with the option to extend for two, 1-year periods. Either party may terminate this Agreement with a 180-day written notice to the other.

UMC's Support Services Executive Director has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Provider currently holds a Clark County business license.

**PROFESSIONAL SERVICES AGREEMENT
(Clinical Services)**

This Agreement, is made and entered into this 15th day of December, 2021, 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 **Bernstein, Pokroy & Lehrner, Ltd.**, a Nevada professional corporation existing under and by virtue of the laws of the State of Nevada doing business as **Kidney Specialists of Southern Nevada**, with its principal place of business at 500 South Rancho Drive, Suite 12, Las Vegas, Nevada 89106 (hereinafter referred to as "Provider"). Hospital and Provider together shall be referred to individually herein as "party" and collectively as "parties."

WHEREAS, Hospital is the operator of a Transplant Department (the "Department") located in Hospital which requires certain Services (as defined below);

WHEREAS, Hospital recognizes that the proper functioning of the Department requires Services from physicians who have been properly trained and are fully qualified and credentialed to practice medicine as a transplant nephrologist;

WHEREAS, Provider desires to contract for and provide said Services in the specialty of transplant nephrology, as more specifically described herein; and

WHEREAS, the parties intend for this Agreement to supersede, terminate and wholly replace any prior verbal or written agreements between the parties respecting the subject matter hereof.

NOW THEREFORE, in consideration of the covenants and mutual promises made herein, the parties agree as follows:

I. DEFINITIONS

For the purposes of this Agreement, the following definitions apply:

- 1.1 Allied Health Providers. Individuals other than a licensed physician, medical doctor ("M.D."), doctor of osteopathy ("D.O."), chiropractor, or dentist who exercise independent or dependent judgment within the areas of their scope of practice and who are qualified to render patient care services under the supervision of a qualified physician who has been accorded privileges to provide such care in Hospital. Allied Health Providers to be utilized by Provider for the provision of Services are listed on Exhibit A-1, which shall be subject to change from time to time (collectively, the "Allied Health Providers").
- 1.2 Department. Unless the context requires otherwise, Department refers to Hospital's Department of Transplant.
- 1.3 Medical Staff. The Medical and Dental Staff of University Medical Center of Southern Nevada.
- 1.4 Medical Director. The Medical Director performs certain administrative services in coordination with Hospital for the Department. Among other administrative duties

assigned to the Medical Director, he or she shall be responsible for scheduling the call coverage services detailed in this Agreement and coordinating certain other hospital administrative services related to the operations of Hospital and the Department, as more specifically described herein. Due to the operations of a Transplant Department, Provider shall provide for a Medical Director in this area, as more specifically described in Section 2.2.

- 1.5 Member Physicians. Physician(s) mutually appointed by Provider and Hospital (as listed on Exhibit A-1 and which shall be subject to change from time to time) to provide Services pursuant to this Agreement.
- 1.6 Services. Clinical services in the specialty of transplant nephrology performed for the diagnosis, prevention or treatment of disease or for assessment of a medical condition, including but not limited to the delivery to the Department and Hospital certain Services to patients, twenty-four (24) hours per day/seven (7) days per week, as further described herein.

II. PROVIDER'S OBLIGATIONS

- 2.1 Department Coverage for Services. Provider, by and through its Member Physicians, shall deliver to the Department the following Services:
 - a. Provider shall provide professional services in the best interest of Hospital's patients with all due diligence;
 - b. Provider shall conduct and professionally staff the Department in such a manner that Hospital, its Medical Staff, and patients shall at all times have adequate transplant nephrology coverage during its normal operating hours as provided herein. Provider shall render and supervise transplant nephrology services and consult with the Medical Staff and Hospital upon request;
 - c. Provider shall coordinate the schedules and assignments of the Member Physicians and Allied Health Providers assigned to the Department. Provider will make available to Hospital's Director of Transplant Services, on a monthly basis, a copy of the transplant nephrology physician schedule and any on-call schedule;
 - d. Work closely with primary care physicians, assigned outpatient physicians and hospital case management personnel, as applicable, to assess the most appropriate follow-up plan options and settings;
 - e. Provider shall provide the Services on premises of Hospital on an emergency and on-call basis with consultative coverage on a twenty-four (24) hours per day, seven (7) days per week basis, including holidays, throughout the Term of this Agreement to treat patients in Hospital's Department. This coverage includes all Hospital inpatients, outpatients, Emergency Department patients, and Trauma Department patients;

- f. Provider shall maintain a minimum of 1.5 Full Time Equivalent (FTE) physicians for in-house Hospital coverage (comprised of 1 Medical Director and 1 Transplant Nephrologist) in fulfilling its obligations pursuant to this Agreement;
- g. Emergency and on-call transplant nephrology services to Hospital's inpatients and outpatients, twenty-four (24) hours per day/seven (7) days per week in accordance with the transplant nephrology rotation schedule maintained by Provider.
- h. Provider shall be responsible for any staffing required to assist Member Physicians in carrying out its duties within the Department, so that Hospital, its Medical Staff, and patients shall at all times have adequate Services coverage;
- i. Provider shall cooperate with Hospital to provide formal and informal staff training programs as deemed necessary for the professional staff training and continuing medical education of its Medical Staff;
- j. Consistently demonstrates loyalty to Hospital and the Transplant program i.e., 'manage-up' the organization and the program;
- k. On an annual basis, Provider shall use reasonable best efforts to create a collaborative plan with Hospital's affiliated medical school(s) for the provision of Services in support of the medical resident program;
- l. Provider shall ensure clinical effectiveness by providing direction and supervision in accordance with the standards and recommendations of The Joint Commission and the Medical Staff Bylaws and related manuals, and any requirements of local, state and national regulatory agencies and accrediting bodies;
- m. Work with Hospital to develop and administer Hospital's care pathways and enhance such pathways based upon Member Physicians' clinical experience;
- n. Provide consultative interpretations and documentation in accordance with the standards and recommendations of the United Network of Organ Sharing (UNOS), the Centers for Medicare and Medicaid Services (CMS), The Joint Commission, the American Society of Nephrologists, the American Board of Transplantation, the Bylaws, Rules and Regulations of the Medical Staff, and any policies and procedures of the applicable third party payors, as may then be in effect;
- o. Provider shall coordinate and integrate clinically related transplant nephrology activities both inter and intra departmentally within Hospital and its affiliated clinics;
- p. Provider shall respect Hospital's program leadership and will collaborate with the Director to develop protocols and directives; and
- q. Provider shall perform such other Services, as more specifically described on Exhibit A, attached hereto and incorporated herein by reference.

2.2 Medical Directorship. During the Term, in addition to the Services provided by a Member Physician, Provider shall designate a Medical Director for the provision of certain administrative medical directorship services (the "Medical Directorship Services"). Hospital acknowledges and agrees that certain Medical Directorship Services of the Medical Director may be assigned to another qualified Member Physician acceptable to Hospital provided the same are documented in accordance with Section 5.3. The Medical Director has to be interviewed and agreed upon by both parties (in conjunction with Hospital's Transplant Program Director and Transplant Administrator). Hospital's Transplant Program Director has the right to refuse Provider's offered Medical Director. The Medical Director shall provide the following Medical Directorship Services:

a. Administrative and Clinical Responsibilities to include:

1. Oversee and supervise the overall Transplant Nephrology program and perform all administrative, supervisory and education functions in relation to the operation of the Services, and as required from time-to-time by Hospital's CEO, or his/her designee;
2. Provide quarterly standardized reports on metrics, as requested by Hospital's Administration, including the CEO, COO, CNO, Patient Safety and Quality Committees, and/or his or her designees;
3. Contribute to a positive relationship among Hospital's Administration, the Medical Staff, healthcare providers (i.e., RN's, ancillary providers) and the community;
4. Promote the growth and development of the Department in conjunction with Hospital with special emphasis on expanding diagnostic and therapeutic transplant nephrology services;
5. Inform the Medical Staff of new transplant nephrology equipment and applications, and recommend innovative changes directed toward improved patient services;
6. Develop and implement guidelines, policies and procedures in accordance with recognized professional medical specialty standards and the requirements of local, state and national regulatory agencies and accrediting bodies. Also, develop clinical protocols encompassing all levels of transplant experience;
7. Facilitate strategic planning with an aim to expand access to transplantation within the community of Las Vegas and surrounding areas, with a focus on excellent outcomes essential for long-term growth of the program;
8. Be a liaison between the Nephrology community in Las Vegas and the Transplant program, building collaborative relations with multiple private practice groups, dialysis centers and other key stakeholders;

9. Help to develop relations within the industry so as to facilitate early access to newer technologies for the program;
10. Oversee quality metrics of the program so as to ensure uniform outcomes, as well as monitor metrics required, to meet regulatory criteria mandated by UNOS and CMS;
11. Desire to build a strong team in collaboration with Hospital's current nephrology partners, be able to evaluate and give feedback to team members, continuously monitor growth and development of staff, and participate in ongoing education for the Transplant Center staff as to facilitate sustained long-term growth;
12. Recommend the selection and development of appropriate methods, instrumentation and supplies to assure proper utilization of staff and efficient reporting of results;
13. Participate in Quality Assurance and Performance Improvement activities by monitoring and evaluating care; communicating findings, conclusions, recommendations and actions taken; and using established Hospital mechanisms for appropriate follow up;
14. Participate in ongoing CME's (i.e., continuing medical education) relating to current transplant practice;
15. Assess and recommend to Hospital's Administration a sufficient number of qualified and competent staff members to provide patient care;
16. Assess and recommend to Hospital's Administration and to the Department the need for capital expenditure for equipment, supplies and space required to maintain and expand the Department;
17. Provide for the education of Medical Staff and Hospital personnel in a defined organized structure and as the need presents itself;
18. Monitor the use of equipment and report any malfunction to Hospital's Administration and the Department;
19. Assist Hospital in the selection of outside sources for needed medical professional services;
20. Assist Hospital in the appeal of any denial of payment of Hospital charges; and
21. Assist Hospital's Administration with the performance of such other administrative duties as necessary to operate the Department.

b. Requirements of the Medical Director:

1. Board certification in Internal Medicine and Nephrology;
2. Fellowship trained in an American Society of Transplantation (AST) accredited kidney and pancreas transplant nephrology program;
3. Must meet the criteria to be the primary physician for kidney and pancreas transplantation per UNOS Bylaws;
4. Must be able to obtain an unrestricted medical license in the State of Nevada;
5. Must be proactive, possess strong communication skills and has a strong desire to grow a candidate waitlist and eventually the program for the State of Nevada; and
6. Must be dedicated to the Transplant Clinic and be present eighty percent (80%) of the time at the Clinic.

The Medical Director will provide no more than twenty (20) hours per month or 240 hours per year of directorship services. The Medical Director shall be required to submit monthly time records which details with reasonable specificity the time spent performing the Medical Directorship Services as further described in Section 5.3. Hospital reserves the right to request a change of the Medical Director if he or she is not meeting the program's needs.

2.3 Medical Staff Appointment.

- a. Member Physicians employed or contracted by Provider shall at all times hereunder, be members in good standing of Hospital's Medical Staff with appropriate clinical credentials and appropriate Hospital privileging. Any of Provider's Member Physicians who fail to maintain staff appointment of clinical privileges in good standing will not be permitted to render the Services and will be replaced reasonably promptly by Provider. Provider shall replace a Member Physician who is suspended, terminated or expelled from Hospital's Medical Staff, loses his license to practice medicine, tenders his resignation, or violates the terms and conditions required of this Agreement, including but not limited to those representations set forth in Section 2.4 below. In the event Provider replaces or adds a Member Physician, such new Member Physician shall meet all of the conditions set forth herein, and shall agree in writing to be bound by the terms of this Agreement. In the event that a Member Physician's appointment to Hospital's Medical Staff with clinical privileges is granted solely for purposes of this Agreement, such appointment and clinical privileges shall automatically terminate upon termination of this Agreement or Provider's removal of the physician as a Member Physician.
- b. Provider shall be fully responsible for the performance and supervision of any of its Member Physicians, Allied Health Providers or others under its direction and control, in the performance of Services under this Agreement.

- c. Allied Health Providers employed or utilized by Provider, if any, must apply for privileges and remain in good standing in accordance with the University Medical Center of Southern Nevada Medical and Dental Staff Bylaws and Rules and Regulations. In the event that an Allied Health Provider's granting of clinical privileges at Hospital is solely for purposes of this Agreement, such appointment and clinical privileges shall automatically terminate upon termination of this Agreement or Provider's removal of the Allied Health Provider under this Agreement.

2.4 Representations of Provider and Member Physicians.

a. Provider represents and warrants that it:

- 1. holds an active business license with Clark County and is currently in good standing with the Nevada Secretary of State and Department of Taxation;
- 2. has never been excluded or suspended from participation in, or sanctioned by, a federal or state health care program;
- 3. has never been convicted of a felony or misdemeanor involving fraud, dishonesty, moral turpitude, controlled substances or any crime related to the provision of medical services;
- 4. at all times will comply with all applicable laws and regulations in the performance of the Services;
- 5. is not restricted under any third party agreement from performing the obligations under this Agreement;
- 6. has not materially misrepresented or omitted any facts necessary for Hospital to analyze service level requirements (i.e., FTEs) and compensation paid hereunder; and
- 7. will comply with the Standards of Performance, attached hereto as **Exhibit B** and incorporated by reference.

b. Provider, on behalf of each of Provider's Member Physicians (and Allied Health Providers as applicable), represents and warrants to the best of Provider's knowledge after reasonable inquiry that he or she:

- 1. is Board certified in Nephrology;
- 2. possesses an active license to practice medicine from the State of Nevada which is in good standing;
- 3. has an active and unrestricted license to prescribe controlled substances with the Drug Enforcement Agency and a Nevada Board of Pharmacy registration, as needed to provide the Services;
- 4. is not and/or has never been subject to any agreement or understanding, written or oral, that he or she will not engage in the practice of medicine, either temporarily or permanently;
- 5. has never been excluded or suspended from participation in, or sanctioned by, a federal or state health care program;
- 6. has never been convicted of a felony or misdemeanor involving fraud, dishonesty, moral turpitude, controlled substances or any crime related to the provision of medical services;

7. has never been denied membership or reappointment to the medical staff of any hospital or healthcare facility;
8. at all times will comply with all applicable laws and regulations in the performance of the Services;
9. is not restricted under any third party agreement from performing the obligations under this Agreement; and
10. will comply with the Standards of Performance, attached hereto as **Exhibit B** and incorporated by reference.

2.5 **Notification Requirements.** The representations contained in this Agreement are ongoing throughout the Term. Provider agrees to notify Hospital in writing within three (3) business days after Provider becomes aware of any event that occurs that constitutes a breach of the representations and warranties contained in Section 2.4 or elsewhere in this Agreement. Hospital shall, in its discretion, have the right to terminate this Agreement if Provider fails to notify Hospital of such a breach and fails to immediately remove any Member Physician or Allied Health Provider that fails to meet any of the requirements in this Agreement.

2.6 **Independent Contractor.** In the performance of the work duties and obligations performed by Provider under this Agreement, it is mutually understood and agreed that Provider is at all times acting and performing as an independent contractor practicing the profession of medicine. Hospital shall neither have, nor exercise any, control or direction over the methods by which Provider shall perform its work and functions.

2.7 **Industrial Insurance.**

- a. As an independent contractor, Provider shall be fully responsible for premiums related to accident and compensation benefits for its shareholders and/or direct employees as required by the industrial insurance laws of the State of Nevada.
- b. Provider agrees, as a condition precedent to the performance of any work under this Agreement and as a precondition to any obligation of Hospital to make any payment under this Agreement, to provide Hospital with a certificate issued by the appropriate entity in accordance with the industrial insurance laws of the State of Nevada. Provider agrees to maintain coverage for industrial insurance pursuant to the terms of this Agreement. If Provider does not maintain such coverage, Provider agrees that Hospital may withhold payment, order Provider to stop work, suspend this Agreement or terminate this Agreement.

2.8 **Professional Liability Insurance.** Provider shall carry professional liability insurance on its Member Physicians and employees at its own expense in accordance with the minimums established by the Bylaws of the Medical and Dental Staff and related documents. Said insurance shall annually be certified to Hospital's Administration and Medical Staff, as necessary.

2.9 **Provider's Personal Expenses.** Provider shall be responsible for all its personal expenses, including, but not limited to, membership fees, dues and expenses of attending conventions and meetings, except those specifically requested and designated by Hospital.

2.10 Maintenance of Records.

- a. All medical records, histories, charts and other information regarding patients treated or matters handled by Provider hereunder, or any data or databases derived therefrom, shall be the property of Hospital regardless of the manner, media or system in which such information is retained. Provider shall have access to and may copy relevant records upon reasonable notice to Hospital.
- b. Provider shall complete all patient charts in a timely manner in accordance with the standards and recommendations of The Joint Commission and Regulations of the Medical and Dental Staff, as may then be in effect.

2.11 Health Insurance Portability and Accountability Act of 1996.

- a. For purposes of this Agreement, "Protected Health Information" shall mean any information, whether oral or recorded in any form or medium, that: (1) was created or received by either party; (2) relates to the past, present, or future physical condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual; and (3) identifies such individual.
- b. Provider agrees to comply with the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d-1329d-8; 42 U.S.C. 1320d-2) ("HIPAA"), and any current and future regulations promulgated thereunder, including, without limitation, the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164 (the "Federal Privacy Regulations"), the federal security standards contained in 45 C.F.R. Part 142 (the "Federal Security Regulations"), the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162, and all the amendments to HIPAA contained in Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH"), all collectively referred to as "HIPAA Regulations". Provider shall preserve the confidentiality of Protected Health Information ("PHI") it receives from Hospital, and shall be permitted only to use and disclose such information in compliance with the HIPAA Requirements and any applicable state law. Provider agrees to execute such further agreements deemed necessary by Hospital to facilitate compliance with the HIPAA Requirements or any applicable state law. Provider shall make its internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of Health and Human Services to the extent required for determining compliance with the Federal Privacy Regulations. Hospital and Provider shall be an Organized Health Care Arrangement ("OHCA"), as such term is defined in the HIPAA Regulations.
- c. Hospital shall, from time to time, obtain applicable privacy notice acknowledgments and/or authorizations from patients and other applicable persons, to the extent required by law, to permit Hospital, Provider and their respective employees and other representatives, to have access to and use of PHI for purposes of the OHCA. Hospital and Provider shall share a common patient's PHI to enable the other party to provide treatment, seek payment, and engage in quality assessment and improvement

activities, population-based activities relating to improving health or reducing health care costs, case management, conducting training programs, and accreditation, certification, licensing or credentialing activities, to the extent permitted by law or by the HIPAA Regulations.

- 2.12 Personnel On-Site. Provider shall abide by the relevant compliance policies of Hospital, including its corporate compliance program, I-179 Policy, I-66 Policy and Code of Ethics, the relevant portions of which are available to Provider upon request, and Hospital's Vaccine Policy, as may be amended from time to time, and must register through Hospital's credentialing system prior to arriving on-site at any of Hospital's facilities. Hospital shall make commercially reasonable efforts to provide Provider with prior written notice of any anticipated amendments to any of the foregoing policies. Provider's employees, agents, subcontractors and/or healthcare workers who do not abide by Hospital's policies may be barred from physical access to Hospital's premises.

III. HOSPITAL'S OBLIGATIONS

3.1 Technical Support, Surveys, Space, Equipment and Supplies.

- a. Technical Support. Hospital's Information Technology (IT) Department will provide technical support at levels consistent with all members of the Medical Staff during normal working hours of Monday to Friday, 7:00 am to 5:00 pm, and emergency support for work stoppage issues after hours, weekends and holidays on a twenty-four-seven (24/7), three hundred sixty-five (365) day coverage.
- b. Surveys. Hospital shall provide staff emails for participation in annual feedback survey (i.e., nursing, case management/social work).
- c. Space. Hospital shall provide space within Hospital for the Department (excluding Provider's private office space) that allows Provider to render the Services in compliance with applicable Nevada law; however, Provider shall not have exclusivity over any space or equipment provided therein and shall not use the space or equipment for any purpose not related to the proper functioning of the Department.
- d. Equipment.
 1. Hospital shall make available during the Term of this Agreement such equipment as is determined by Hospital (following consultation with Provider) to be required for the proper operation and conduct of the Department. Hospital shall also keep and maintain said equipment in good order and repair.
 2. Hospital shall maintain and operate its IT system necessary for the proper operation of the Department, provided however, Provider shall be responsible for maintenance and operation of its own systems as necessary for the purpose of providing the Services and the requirements under this Agreement.
- e. Supplies. Hospital shall purchase all necessary supplies for the proper operation of the Department and shall keep accurate records of the cost thereof.

- 3.2 Hospital Services. Hospital shall provide the services of other Hospital departments including, but not limited to, Accounting, Administration, Engineering, Human Resources, Materials Management, Medical Records and Nursing.
- 3.3 Personnel. Other than Member Physicians and Allied Health Providers, all personnel required for the proper operation of the Department shall be employed by Hospital. The selection and retention of such personnel shall be in cooperation with Provider, but Hospital shall have final authority with respect to such selection and retention. Salaries and personnel policies for persons within personnel classifications used in the Department shall be uniform with other Hospital personnel in the same classification insofar as may be consistent with the recognized skills and/or hazards associated with that position, providing that recognition and compensation be provided for personnel with special qualifications in accordance with the personnel policies of Hospital.
- 3.4 Representations of Hospital. Hospital represents and warrants to Provider that neither Hospital, nor to the best of Hospital's knowledge after reasonable inquiry that any of its employees, is:
- a. Currently excluded, debarred, or otherwise ineligible to participate in any of the Federal Health Care Programs; or
 - b. Convicted of a criminal offense related to the provision of health care items or services but have not yet been excluded, debarred, or otherwise declared ineligible to participate in the Federal Health Care Programs.
- 3.5 Annual Review. Hospital and Provider shall conduct an annual review of Provider's performance of Services.
- 3.6 Exclusivity of Services. Provider shall ensure that the Member Physicians are not simultaneously on-call at another area facility at the same time it provides Services to Hospital. This Agreement does not preclude an attending physician (or another nephrology physician group) of Hospital's Medical Staff from requesting a specific physician, not a party to this Agreement, to provide a specific procedure or consultation in the Department, subject to Provider's right to schedule all Department procedures and services, and provided that such independent physician is a member of Hospital's Medical Staff.

IV. BILLING

- 4.1 Direct Billing. Except as otherwise specifically provided herein, Provider shall directly bill patients and/or third party payers for all professional components. Hospital shall make available within thirty (30) days of the date of service the usual social security and insurance information to facilitate direct billing. Provider's access to Hospital's Electronic Health Record system qualifies as availability. Unless specifically agreed to in writing or elsewhere in this Agreement, Hospital is not otherwise responsible for the billing or collection of professional component fees. Provider agrees to maintain a mandatory assignment contract with Medicaid and Medicare.

- 4.2 Fees. Fees will not exceed that which are usual, reasonable and customary for the community. Provider shall furnish a list of these fees upon request of Hospital.
- 4.3 Third Party Payors. If Hospital desires to enter into preferred provider, capitated or other managed care contracts, to the extent permitted by law, Provider agrees to cooperate with Hospital and to attempt to negotiate reasonable rates with such managed care payors.
- 4.4 Compliance. Provider agrees to comply with all applicable federal and state statutes and regulations (as well as applicable standards and requirements of non-governmental third-party payors) in connection with Provider's submission of claims and retention of funds for Provider's services (i.e., professional components) provided to patients at Hospital's facilities (collectively "Billing Requirements"). In furtherance of the foregoing and without limiting in any way the generality thereof, Provider agrees:
- a. To use its best efforts to ensure that all claims by Provider for Provider's services provided to patients at Hospital's facilities are complete and accurate;
 - b. To cooperate and communicate with Hospital in the claim preparation and submission process to avoid inadvertent duplication by ensuring that Provider does not bill for any items or services that has been or will be appropriately billed by Hospital as an item or service provided by Hospital at Hospital's facilities; and
 - c. To keep current on applicable Billing Requirements as the same may change from time to time.

V. COMPENSATION

- 5.1 Compensation for Professional Services. During the Term, and subject to Section 7.5 below, Hospital will compensate Provider for the Services, monthly payments in the amount of Thirty Thousand Nine Hundred Sixty-Five and 00/100 Dollars (\$30,965.00), for an annual amount of Three Hundred Seventy-One Thousand Five Hundred Eighty and 00/100 Dollars (\$371,580.00). Payment shall be made on the third (3rd) Friday of each month, or if the third (3rd) Friday falls on a holiday, the following Monday, for the previous month's Services.
- 5.2 Compensation for Medical Directorship Services. As compensation for the Medical Directorship Services as described in Section 2.2, Provider shall be entitled to an hourly compensation of Two Hundred and 00/100 Dollars (\$200.00) per hour for up to twenty (20) hours per month, for an annual not-to-exceed amount of Forty-Eight Thousand and 00/100 Dollars (\$48,000.00), as documented and verified pursuant to accurate and complete time records submitted by the Medical Director.
- 5.3 Time Studies/Payment. Provider shall record in hourly increments Member Physicians' time spent on the various responsibilities for the Medical Directorship Services on a weekly basis, and via electronic submission utilizing Hospital's time tracking software, or as otherwise instructed by Hospital from time to time. Provider shall submit such time studies to Hospital's Fiscal Services Department by the twelfth (12th) of each month for

the preceding month. Failure to submit the required time study by the twelfth (12th) of each month will delay that month's payment until the time study is received. Provider will be paid on the third (3rd) Friday of each month, or if the third (3rd) Friday falls on a holiday, the following business day for the previous month's Medical Directorship Services.

- 5.4 Fair Market Value. The compensation paid under this Agreement has been determined by the parties to be fair market value and commercially reasonable for the Services and the Medical Directorship Services, provided hereunder.

VI. TERM/MODIFICATIONS/TERMINATION

- 6.1 Term of Agreement. This Agreement shall become effective on January 1, 2022, and subject to Section 7.5, shall remain in effect through December 31, 2024 (the "Initial Term"). At the end of the Initial Term, Hospital has the option to extend this Agreement for two (2) additional one-year periods (each a "Successive Term") (together the Initial Term and any Successive Term(s) shall be referred to as the "Term").

- 6.2. Modifications. Within three (3) calendar days, Provider shall notify Hospital in writing of:

- a. Any change of principal address of Provider;
- b. Any change in membership or ownership of Provider's group or professional corporation of more than five percent (5%);
- c. Any action against the license of any of Provider's Member Physicians;
- d. Any action commenced against Provider which could reasonably be deemed to materially affect this Agreement; or
- e. Any other occurrence known to Provider that could materially impair the ability of Provider to carry out its duties and obligations under this Agreement.

- 6.3 Termination For Cause.

- a. This Agreement shall immediately terminate upon the exclusion of Provider from participation in any federal health care program.
- b. This Agreement may be terminated by Hospital at any time with thirty (30) days written notice, upon the occurrence of any one of the following events which has not been remedied within thirty (30) days (or such earlier time period required under this Agreement) after written notice of said breach:
 1. Professional misconduct by any of Provider's Member Physicians or Allied Health Providers as determined by the Bylaws, Rules and Regulations of the Medical and Dental Staff and the appeal processes thereunder;

2. Conduct by any of Provider's Member Physicians or Allied Health Providers which demonstrates an inability to work with others in the institution and such behavior presents a real and substantial danger to the quality of patient care provided at the facility as determined by Hospital or Medical Staff and Provider does not remove such Member Physician or Allied Health Provider from performing any further Services hereunder, and continue to provide adequate staffing hereunder;
 3. Disputes among the Member Physicians, partners, owners, principals, or of Provider's group or professional corporation that, in the reasonable discretion of Hospital, are determined to disrupt the provision of good patient care;
 4. Absence of any Member Physician required for the provision of Services hereunder, by reason of illness or other cause, for a period of ninety (90) days, unless adequate coverage is furnished by Provider. Such adequacy will be determined by Hospital; or
 5. Breach of any material term or condition of this Agreement; provided the same is not subject to earlier termination elsewhere under this Agreement.
- c. This Agreement may be terminated by Provider at any time with thirty (30) days written notice, upon the occurrence of any one of the following events which has not been remedied within said thirty (30) days written notice of said breach:
1. The exclusion of Hospital from participation in a federal health care program;
 2. The loss or suspension of Hospital's licensure or any other certification or permit necessary for Hospital to provide services to patients;
 3. Hospital at any time engages in any criminal conduct or fraud that Provider reasonably determines is harming or is likely to materially harm the goodwill or reputation of Provider;
 4. The failure of Hospital to maintain full accreditation by The Joint Commission;
 5. Failure of Hospital to compensate Provider in a timely manner as set forth in Section V above; or
 6. Breach of any material term or condition of this Agreement.

6.4 Termination Without Cause. Either party may terminate this Agreement, without cause, upon One Hundred Eighty (180) days written notice to the other party. If Hospital terminates this Agreement, Provider waives any cause of action or claim for damages arising out of or related to the termination; provided however, it will not relieve Hospital of any payment due and owing to Provider for Services rendered under the terms of this Agreement.

VII. MISCELLANEOUS

- 7.1 Access to Records. Upon written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, Provider shall, for a period of four (4) years after the furnishing of any service pursuant to this Agreement, make available to them those contracts, books, documents, and records necessary to verify the nature and extent of the costs of providing its services. If Provider carries out any of the duties of this Agreement through a subcontract with a value or cost equal to or greater than \$10,000 or for a period equal to or greater than twelve (12) months, such subcontract shall include this same requirement. This Section is included pursuant to and is governed by the requirements of the Social Security Act, 42 U.S.C. Section 1395x (v) (1) (I), and the regulations promulgated thereunder.
- 7.2 Amendments. No modifications or amendments to this Agreement shall be valid or enforceable unless mutually agreed to in writing by the parties.
- 7.3 Assignment/Binding on Successors. No assignment of rights, duties or obligations of this Agreement shall be made by either party without the express written approval of a duly authorized representative of the other party. Subject to the restrictions against transfer or assignment as herein contained, the provisions of this Agreement shall inure to the benefit of and shall be binding upon the assigns or successors-in-interest of each of the parties hereto and all persons claiming by, through or under them.
- 7.4 Authority to Execute. The individuals signing this Agreement on behalf of the parties have been duly authorized and empowered to execute this Agreement and by their signatures shall bind the parties to perform all the obligations set forth in this Agreement.
- 7.5 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 Hospital for the then current fiscal year under the Local Government Budget Act. This Agreement shall terminate and Hospital's obligations under it shall be extinguished at the end of any of Hospital's fiscal years in which Hospital'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. Hospital 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 Hospital of its obligations incurred through the thirtieth (30th) day of June of the fiscal year for which monies were appropriated.
- 7.6 Captions/Gender/Number. The articles, captions, and headings herein are for convenience and reference only and should not be used in interpreting any provision of this Agreement. Whenever the context herein requires, the gender of all words shall include the masculine, feminine and neuter and the number of all words shall include the singular and plural.
- 7.7 Confidential Records. All medical records, histories, charts and other information regarding patients, all Hospital statistical, financial, confidential, and/or personnel records

and any data or databases derived therefrom shall be the property of Hospital regardless of the manner, media or system in which such information is retained. All such information received, stored or viewed by Provider shall be kept in the strictest confidence by Provider and its employees and contractors.

- 7.8 Corporate Compliance. Provider recognizes that it is essential to the core values of Hospital that its contractors conduct themselves in compliance with all ethical and legal requirements. Therefore, in performing its services under this Agreement, Provider agrees at all times to comply with all applicable federal, state and local laws and regulations in effect during the Term hereof and further agrees to use its good faith efforts to comply with the relevant compliance policies of Hospital, including its corporate compliance program and Code of Ethics, the relevant portions of which are available to Provider upon request.
- 7.9 Entire Agreement. This document 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.
- 7.10 False Claims Act.
- a. The state and federal False Claims Act statutes prohibit knowingly or recklessly submitting false claims to the Government, or causing others to submit false claims. Providers are required to adhere to the provisions of the False Claims Act as defined in 31 U.S. Code § 3729. Violation of the Federal False Claims Act may result in fines for each false claim, treble damages, and possible exclusion from federally-funded health programs. A Notice Regarding False Claims and Statements is attached to this Agreement as Attachment 1.
 - b. Hospital is committed to complying with all applicable laws, including but not limited to Federal and State False Claims statutes. As part of this commitment, Hospital has established and will maintain a Compliance Program. Provider is expected to immediately notify Hospital of any actions by a workforce member which Provider believes, in good faith, violates an ethical, professional or legal standard. Hospital shall treat such information confidentially to the extent allowed by applicable law, and will only share such information on a bona fide need to know basis. Hospital is prohibited by law from retaliating in any way against any individual who, in good faith, reports a perceived problem. The Hospital Compliance Officer can be contacted via email at rani.gill@umcsn.com, by calling 702-383-6211, or through the UMC EthicsPoint hotline located at <http://umcintranet/compliancehotline.html>. Hospital's Medical Staff provider hotline, whose phone number is published within the Physician Link website, is also available for Medical Staff reporting.
- 7.11 Federal, State, Local Laws. Provider will comply with all federal, state and local laws and/or regulations relative to its activities in Clark County, Nevada.

- 7.12 Financial Obligation. Provider shall incur no financial obligation on behalf of Hospital without prior written approval of Hospital or the Board of Hospital Trustees or its designee.
- 7.13 Force Majeure. Neither party shall be liable for any delays or failures in performance due to circumstances beyond its control.
- 7.14 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada.
- 7.15 Indemnification. Provider shall indemnify and hold harmless, Hospital, its officers and employees from any and all claims, demands, actions or causes of action, of any kind or nature, arising out of the negligent or intentional acts or omissions of Provider, its employees, representatives, successors or assigns. Provider shall resist and defend at its own expense any actions or proceedings brought by reason of such claim, action or cause of action.

To the extent expressly authorized by Nevada law, Hospital shall indemnify and hold harmless, Provider, its officers and employees from any and all claims, demands, actions or causes of action, of any kind or nature, arising out of the negligent or intentional acts or omissions of Hospital, its employees, representatives, successors or assigns. Hospital shall resist and defend at its own expense any actions or proceedings brought by reason of such claim, action or cause of action.

- 7.16 Interpretation. Each party hereto acknowledges that there was ample opportunity to review and comment on this Agreement. This Agreement shall be read and interpreted according to its plain meaning and any ambiguity shall not be construed against either party. It is expressly agreed by the parties that the judicial rule of construction that a document should be more strictly construed against the draftsman thereof shall not apply to any provision of this Agreement.
- 7.17 Non-Discrimination. Provider shall not discriminate against any person on the basis of age, color, disability, sex, handicapping condition (including AIDS or AIDS related conditions), disability, national origin, race, religion, sexual orientation, gender identity or expression, or any other class protected by law or regulation.
- 7.18 Notices. All notices required under this Agreement must be submitted in writing and delivered by U.S. mail, postage prepaid, certified mail, facsimile, electronic mail or by hand delivery, and directed to the appropriate party as follows:

To Hospital: University Medical Center of Southern Nevada
 Attn: Chief Executive Officer
 1800 West Charleston Boulevard
 Las Vegas, Nevada 89102

To Provider: Kidney Specialists of Southern Nevada
Attn: Hailee Long
500 South Rancho Drive, Suite 12
Las Vegas, Nevada 89106

- 7.19 Publicity. Neither Hospital nor Provider 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 Agreement without the prior written consent of the other party.
- 7.20 Performance. Time is of the essence in this Agreement.
- 7.21 Severability. In the event any provision of this Agreement is rendered invalid or unenforceable, said provision(s) hereof will immediately be void and may be renegotiated for the sole purpose of rectifying the error. The remainder of the provisions of this Agreement not in question shall remain in full force and effect.
- 7.22 Third Party Interest/Liability. This Agreement is entered into for the exclusive benefit of the undersigned parties and is not intended to create any rights, powers or interests in any third party. Hospital and/or Provider, including any of their respective officers, directors, employees or agents, shall not be liable to third parties by any act or omission of the other party.
- 7.23 Waiver. A party's failure to insist upon strict performance of any covenant or condition of this Agreement, or to exercise any option or right herein contained, shall not act as a waiver or relinquishment of said covenant, condition or right nor as a waiver or relinquishment of any future right to enforce such covenant, condition or right.
- 7.24 Other Agreements. This Agreement supersedes all prior or contemporaneous negotiations, commitments, agreements and writings with respect to the subject matter hereof. All such negotiations, commitments, agreements and writings shall have no further force and effect. Provider and Hospital are parties under certain other agreements set forth below, if any:
- a. Professional Services Agreement (Nephrology and Transplant Nephrology) dated July 1, 2016, as amended.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first above written.

PROVIDER:

Bernstein, Pokroy & Lehrner, Ltd.,
a Nevada professional corporation

By: Syed Shah
Syed Shah (Nov 17, 2021 23:41 PST)
Syed Shah, MD
President

Date: Nov 17, 2021

HOSPITAL:

University Medical Center of Southern Nevada,
a publicly owned and operated hospital created by
virtue of Chapter 450 of the Nevada Revised Statutes

By: _____
Mason Van Houweling
Chief Executive Officer

Date: _____

EXHIBIT A PROFESSIONAL MEDICAL SERVICES

Provider, by and through its Member Physicians and Allied Health Providers, shall provide all Services, as specifically set forth in Section 2.1 of this Agreement and in this **Exhibit A**, which shall be performed pursuant to the following requirements:

Coverage Requirements:

1. Provide clinical direction of Hospital's transplant nephrology services, all ambulatory care and satellite transplant nephrology services, if any;
2. Provide onsite response calls as stipulated in Hospital Policy #MSS-0111, On Call Physician Policy, and the Medical Staff Bylaws for transplant nephrology call twenty-four (24) hours per day, seven (7) days per week;
3. Carry pagers, cell phones, or other Hospital required communication devices while onsite and respond within five (5) minutes for requests from Critical Care (Leapfrog standard) or thirty (30) minutes from non-critical areas;
4. Provider shall make available a sufficient number of Member Physicians and Allied Health Providers (which has been determined to be a minimum of 1.5 Full Time Equivalents (FTEs) onsite) (comprised of 1 Medical Director and 1 Transplant Nephrologist) such that the Services are available to patients for both routine and related emergency care on a twenty-four (24) hour-a-day, seven (7) days-a-week basis (inclusive of all Holidays);
5. Provide twenty-four-seven (24/7) consultative services (including surgeon consults). For this purpose, consultative coverage consists of patient examination/assessment, diagnosis, medical/surgical intervention and follow-up care. This coverage includes all Hospital transplant nephrology inpatients, outpatients, Emergency Department patients, and Trauma Department patients;
6. Communications containing any PHI shall be done via secure devices to protect patient confidentiality and follow HIPPA regulations (texts, calls, emails, etc.);
7. Use best efforts to use Hospital's contracted anesthesiologists and hospitalists;
8. Participate in scheduled clinical staff meetings and conferences;
9. Member Physicians will maintain current knowledge and competency as evidenced by maintaining his/her Board certification and attending relevant conferences (such as the American Society of Nephrology, the American Society of Transplant Surgeons, etc.), conducting journal reviews (such as the American Journal of Nephrology, etc.) and by routinely attending the UNOS bi-annual Region 5 Meetings;
10. Contribute to a positive relationship among Hospital's Administration, healthcare providers (RN's, ancillary providers), Medical Staff and the community;
11. Promote the growth and development of the Services in conjunction with Hospital with special emphasis on expanding diagnostic and therapeutic services;
12. Monitor the use of equipment and report any malfunction to the Department or Hospital's Administration;
13. Assist in the development and implementation of guidelines, policies and procedures in accordance with recognized professional medical specialty standards, and the requirements of local, state and national regulatory agencies and accrediting bodies;
14. Actively participate in the Utilization Management (UM) Committee and related initiatives;
15. Assist Hospital in the appeal of any denial of payment of Hospital charges;

16. Provide quarterly standardized reports on mutually agreed upon metrics, reviewed by Hospital's Administration, including the CEO, COO, CNO and/or his or her designees; and
17. Ensure clinical effectiveness by providing direction and supervision in accordance with the standards and recommendations of The Joint Commission and the Medical Staff Bylaws and related manuals, and any requirements of local, state, and national regulatory agencies and accrediting bodies.

Performance Measures:

Provider shall:

1. Undertake commercially reasonable efforts to reduce readmission rates below the national average, in accordance with Vizient peer review data, as applicable.
2. Undertake commercially reasonable efforts to improve core measures as mutually agreed upon and as applicable.
3. Attend at least eighty percent (80%) of appointed committee meetings, as reasonably assigned.
4. Perform appropriate clinical documentation in OTTR (i.e., organ transplant tracking record) and in Hospital's Electronic Health Record (EHR) system.
5. Attend monthly Transplant Leadership, Quality and Policy meetings, quarterly HLA (i.e., Human Leukocyte Antigen) meetings and other ad hoc meetings as needed.
6. Undertake commercially reasonable efforts to maintain the seventieth percentile (70%) on Transplant Clinic Survey questions related to Provider.
7. Undertake commercially reasonable efforts to cause waitlist growth for Status 1 patients: 500 at end of year 1; total waitlisted patients is 800.
8. Undertake commercially reasonable efforts to cause waitlist growth for Status 1 patients: 800 at end of year 2; total waitlisted patients is 1,200.
9. Undertake commercially reasonable efforts to cause annual updates greater than 90%.
10. Meeting attendance with at least two (2) nephrologists annually is greater than 90%.
11. Undertake commercially reasonable efforts to cause inpatient on time rounds to be greater than 90%.
12. Undertake commercially reasonable efforts to cause clinic on time start to be greater than 90%.
13. Undertake commercially reasonable efforts to cause in-person lab review to be greater than 90% (non-telephonic).
14. Review and present candidates for selection for wait listing is greater than 90% of all candidates presented.
15. Undertake commercially reasonable efforts to obtain referral physician letters after evaluation at least 90% of the time.

Patient Safety and Quality:

1. Assist with the development and follow full implementation of clinical pathways.
 - a. At least ninety percent (90%) of transfers to specialty services will follow guidelines requiring higher level of care, as applicable.
2. All policies and procedures will be followed, including verbal orders, charted in Hospital's EHR system.
3. Critical findings and outcomes (transplant nephrology) to be verified monthly by the parties.
4. Follow all guidelines, policies and procedures set forth by CMS, UNOS and The Joint Commission.

5. Recommend innovative changes directed toward improved patient services.
6. Participate in Quality Assurance and Performance Improvement activities by monitoring and evaluating care; communicating findings, conclusions, recommendations and actions taken; and using established Hospital mechanisms for appropriate follow-up.

Service Location: All Services are to be performed at Hospital's main campus location at:
1800 W. Charleston Blvd., Las Vegas, NV 89102

Member Physicians and Allied Health Providers: See **Exhibit A-1**

EXHIBIT A-1
PROVIDER'S MEMBER PHYSICIANS AND ALLIED HEALTH PROVIDERS

Ayoola Adekile, M.D.
Shadi Nijim, M.D.
Syed Shah, M.D.
LaDonna Mills, APRN

EXHIBIT B

STANDARDS OF PERFORMANCE

Provider shall undertake commercially reasonable efforts to ensure that all Member Physicians comply with the Standards of Performance, attached hereto as **Exhibit B** and incorporated by reference (and, if required, to replace any Member Physicians who fail to comply with these Standards of Performance following thirty (30) days' written notice of their failure to comply).

- a. Provider promises to adhere to Hospital's established standards and policies for providing exceptional patient care. In addition, Provider shall ensure that its Member Physicians shall also operate and conduct themselves in accordance with the standards and recommendations of The Joint Commission, all applicable national patient safety goals, and the Bylaws, Rules and Regulations of the Medical and Dental Staff, as may then be in effect.
- b. Hospital expressly agrees that the professional services of Provider may be performed by such physicians as Provider may associate with, so long as Provider has obtained the prior written approval of Hospital. So long as Provider is performing the services required hereby, its employed or contracted physicians shall be free to perform private practice at other offices and hospitals. If any of Provider's Member Physicians are employed by Provider under the J-1 Visa waiver program, Provider will so advise Hospital, and Provider shall be in strict compliance, at all times during the performance of this Agreement, with all federal laws and regulations governing said program and any applicable state guidelines.
- c. Provider shall maintain professional demeanor and not violate Medical Staff Physician's Code of Conduct.
- d. Provider shall develop and implement guidelines and critical pathways to improve quality of care and decrease length of stay.
- e. Provider shall be in compliance with all state and federal regulations, State of Nevada, and The Joint Commission guidelines, as evidenced by:
 1. Ongoing participation in preparations for inspections/surveys and timely resolutions of any identified deficiencies for State of Nevada and The Joint Commission or other regulatory agencies.
 2. No significant findings related to the clinical or administrative practice of transplant nephrology.
- f. Provider shall be in compliance with all surgical standards, pre-operative, intra-operative, and post-operative as defined by The Joint Commission.
- g. Provider shall be in one hundred percent (100%) compliance with active participation with time-out (universal protocol).
- h. Provider shall assist Hospital with improvement of patient satisfaction and performance ratings.
- i. Provider shall perform appropriate clinical documentation.
- j. Member Physicians shall provide medical services to all Hospital patients without

regard to the patient's insurance status or ability to pay in a way that complies with all state and federal law, including but not limited to the Emergency Medical Treatment and Active Labor Act ("EMTALA").

- k. Provider and all Member Physicians shall comply with the rules, regulations, policies and directives of Hospital, provided that the same (including, without limitation any and all changes, modifications or amendments thereto) are made available to Provider by Hospital. Specifically, Provider and all Member Physicians shall comply with all policies and directives related to Just Culture, Ethical Standards, Corporate Compliance/Confidentiality, Dress Code, and any and all applicable policies and/or procedures.
- l. Provider and all Member Physicians shall comply with Hospital's Affirmative Action/Equal Employment Opportunity Agreement.
- m. The parties recognize that as a result of Hospital's patient mix, Hospital has been required to contract with various groups of physicians to provide on-call coverage for numerous medical specialties. In order to ensure patient coverage and continuity of patient care, in the event Provider requires the services of a medical specialist, Provider shall use its best efforts to contact Hospital's contracted provider of such medical specialist services. However, nothing in this Agreement shall be construed to require the referral by Provider or any Member Physicians, and in no event is a Member Physician required to make a referral under any of the following circumstances: (1) the referral relates to services that are not provided by Member Physicians within the scope of this Agreement; (2) the patient expresses a preference for a different provider, practitioner, or supplier; (3) the patient's insurer or other third party payor determines the provider, practitioner, or supplier of the applicable service; or (4) the referral is not in the patient's best medical interests in the Member Physician's judgment. The parties agree that this provision concerning referrals by Member Physicians complies with the rule for conditioning compensation on referrals to a particular provider under 42 C.F.R. 411.354(d)(4) of the federal physician self-referral law, 42 U.S.C. § 1395nn (the "Stark Law").
- n. The disposition of patients for whom medical services have been provided, following such treatment, shall be in the sole discretion of the Member Physician(s) performing such treatment. Such Member Physician(s) may refer such patients for further treatment as is deemed necessary and in the best interests of such patients. Member physicians shall facilitate discharges in an appropriate and timely manner. Member Physicians will provide the patient's Primary Care Physician with a discharge summary and such other information necessary to facilitate appropriate post-discharge care. However, nothing in this Agreement shall be construed to require a referral by Provider or any Member Physician.
- o. Provider agrees to participate in the Merit-based Incentive Payment System ("MIPS") established by the Centers for Medicare and Medicaid Services ("CMS") to the extent quality measures contained therein are applicable to the medical services provided by Provider pursuant to this Agreement.
- p. Provider shall meet quarterly with Hospital's Administration to discuss and verify inpatient admission data collections.

- q. Provider shall work in the development and maintenance of key clinical protocols to standardize patient care.
- r. Provider shall maintain at a minimum ninety-five percent (95%) compliance with all applicable core value based measures.
- s. Provider shall maintain a minimum of the fiftieth (50th) percentile for all scores of Hospital's patient satisfaction surveys applicable to Provider.
- t. Provider shall ensure that all medical record charts will be completed and signed as follows: (1) orders related to patient status and admission must be completed and signed in accordance with the timeframes set forth in the UMC Medical and Dental Staff Bylaws, and (2) all other records must be completed and signed within thirty (30) days of treatment, for patients to whom services were provided. The thirty (30) days is inclusive of all signatures including any residents and the attending physician.
- u. Provider shall maintain a score within ten percent (10%) of the University Health System Consortium (UHC) compared (currently 6.24%) to its thirty (30) day readmission score for related admissions.
- v. Upon request from Hospital, Provider shall provide a quarterly report to include data supporting the continued requirement for FTE support as measured by industry standards for, at a minimum, the following, as applicable: (1) inpatient admissions, (2) observation admissions, (3) encounters, (4) encounters per day, (5) average staffed hours per day, (6) frequently used procedure codes, (7) work Relative Value Units (RVUs) per encounter, (8) payor mix, and (9) average length of stay unadjusted for inpatient and observation. Additional statistics may be reasonably requested by Hospital's Administration with written notice. Hospital staff/analysts can support requested data collection in collaboration with Provider.
- w. Provider shall be in one hundred percent (100%) compliance with the Drug Wastage Policy. Provider shall be in one hundred percent (100%) compliance with patient specific Pyxis guidelines (charge capture), as applicable, to include retrieval of medication/anesthesia agents.
- x. Provider shall collaborate with Hospital leadership to minimize and address staff and patient complaints. Provider shall participate with Hospital's Administration in staff evaluations and joint operating committees.
- y. Provider shall participate in clinical staff meetings and conferences, and represent the Services on Hospital's Committees, initiatives, and at Hospital Department meetings as deemed appropriate.
- z. Provider shall actively participate in Hospital's Value Analysis Program and attend the Value Analysis meetings when requested by Hospital.

ATTACHMENT 1 NOTICE OF FALSE CLAIMS AND STATEMENTS

UMC's Compliance Program demonstrates its commitment to ethical and legal business practices and ensures service of the highest level of integrity and concern. UMC's Compliance Department provides UMC compliance oversight, education, reporting, investigations and resolution. It conducts routine, independent audits of UMC's business practices and undertakes regular compliance efforts relating to local, state and federal regulatory standards. It is our expectation that as a physician, business associate, contractor, vendor, or agent, your business practices are committed to the same ethical and legal standards.

The purpose of this Notice is to educate you regarding the federal and state false claims statutes and the role of such laws in preventing and detecting fraud, waste, and abuse in federally funded health care programs. As a Medical Staff Member, Vendor, Contractor and/or Agent, you and your employees must abide by UMC's policies insofar as they are relevant and applicable to your interaction with UMC. Additionally, providers found in violation of any regulations regarding false claims or fraudulent acts are subject to exclusion, suspension, or termination of their provider status for participation in federally funded healthcare programs.

Federal False Claims Act

The Federal False Claims Act (the "Act") applies to persons or entities that knowingly submit, cause to be submitted, conspire to submit a false or fraudulent claim, or use a false record or statement in support of a claim for payment to a federally-funded program. The Act applies to all claims submitted by a healthcare provider to a federally funded healthcare program, such as Medicare and Medicaid.

Liability under the Act attaches to any person or organization who, among other actions, "knowingly":

- Presents a false/fraudulent claim for payment/approval;
- Makes or uses a false record or statement to get a false/fraudulent claim paid or approved by the government;
- Conspires to defraud the government by getting a false/fraudulent claim paid/allowed;
- Provides less property or equipment than claimed; or
- Makes or uses a false record to conceal/decrease an obligation to pay/provide money/property.

"Knowingly" means a person has: 1) actual knowledge the information is false; 2) acts in deliberate ignorance of the truth or falsity of the information; or 3) acts in reckless disregard of the truth or falsity of the information. No proof of intent to defraud is required.

A "claim" includes any request/demand (whether or not under a contract), for money/property if the US Government provides/reimburses any portion of the money/property being requested or demanded.

For knowing violations, a civil monetary penalty can be imposed pursuant to the federal False Claims Act, 31 U.S.C. § 3729(a), adjusted as set forth in 28 CFR 85 in accordance with the requirements of the Bipartisan Budget Act of 2015, plus three times (3x) the value of the claim and the costs of any civil action brought. If a provider unknowingly accepts payment in excess of the amount entitled to, the provider may also be required to repay the excess amount.

Criminal penalties are imprisonment for a maximum five (5) years; a maximum fine of \$25,000; or both.

Nevada State False Claims Act

Nevada has a state version of the False Claims Act that mirrors many of the federal provisions. A person is liable under state law, if they, with or without specific intent to defraud, "knowingly:"

- presents or causes to be presented a false claim for payment or approval;
- makes or uses, or causes to be made or used, a false record/statement to obtain payment/approval of a false claim;
- conspires to defraud by obtaining allowance or payment of a false claim;

- has possession, custody or control of public property or money and knowingly delivers or causes to be delivered to the State or a political subdivision less money or property than the amount for which he receives a receipt;
- is authorized to prepare or deliver a receipt for money/property to be used by the State/political subdivision and knowingly prepares or delivers a receipt that falsely represents the money/property;
- buys or receives as security for an obligation, public property from a person who is not authorized to sell or pledge the property; or
- makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the state/political subdivision.

Under state law, a person may also be liable if they are a beneficiary of an inadvertent submission of a false claim to the state, subsequently discovers that the claim is false, and fails to disclose the false claim to the state within a reasonable time after discovery of the false claim.

Civil penalties imposed pursuant to the State False Claims Act for each act correspond to any adjustments in the monetary amount of a civil penalty for a violation of the federal False Claims Act, 31 U.S.C. § 3729(a), plus three times (3x) the amount of damages sustained by the State/political subdivision and the costs of a civil action brought to recover those damages.

Criminal penalties where the value of the false claim(s) is less than \$250, are six (6) months to one (1) year imprisonment in the county jail; a maximum fine of \$1,000 to \$2,000; or both. If the value of the false claim(s) is greater than \$250, the penalty is imprisonment in the state prison from one (1) to four (4) years and a maximum fine of \$5,000.

Non-Retaliation/Whistleblower Protections

Both the federal and state false claims statutes protect employees from retaliation or discrimination in the terms and conditions of their employment based on lawful acts done in furtherance of an action under the Act. UMC policy strictly prohibits retaliation, in any form, against any person making a report, complaint, inquiry, or participating in an investigation in good faith.

An employer is prohibited from discharging, demoting, suspending, harassing, threatening, or otherwise discriminating against an employee for reporting on a false claim or statement or for providing testimony or evidence in a civil action pertaining to a false claim or statement. Any employer found in violation of these protections will be liable to the employee for all relief necessary to correct the wrong, including, if needed:

- reinstatement with the same seniority; or
- damages in lieu of reinstatement, if appropriate; and
- two times the lost compensation, plus interest; and
- any special damage sustained; and
- punitive damages, if appropriate.

Reporting Concerns Regarding Fraud, Waste, Abuse and False Claims

Anyone who suspects a violation of federal or state false claims provisions is required to notify the Compliance Officer. This can be done anonymously via the EthicsPoint Hotline at (888) 691-0772, via the UMC EthicsPoint Website at <http://www.goldenegg.ethicspoint.com>, or by contacting the UMC Compliance Officer at Rani.Gill@umcsn.com or (702) 383-6211.

Retaliation for reporting, in good faith, actual or potential violations or problems, or for cooperating in an investigation is expressly prohibited by UMC policy.

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: Bernstein, Pokroy & Lehrner, LTD						
(Include d.b.a., if applicable) Kidney Specialists of Southern Nevada						
Street Address: 500 S. Rancho Dr., Ste. 12			Website: www.ksosn.com			
City, State and Zip Code: Las Vegas, NV 89106			POC Name: Alvia Westgarth/ awestgarth@ksosn.com			
Telephone No: 7002-877-1887			Fax No: 702-877-4536			
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: N/A			

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 attached list		

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

- 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.)
- 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.

Hailee Long
 Signature
 COO
 Title

Hailee Long
 Print Name
 Nov 17, 2021
 Date



KIDNEY SPECIALISTS
OF SOUTHERN NEVADA

List of Partners

Name/ Title	% owned
1. Ayoola Adekile, M.D.	3.7%
2. Adin Boldur, M.D.	3.7%
3. Venugopal Botla, M.D.	3.7%
4. Jay Chu, M.D.	3.7%
5. Dina Corbin, M.D.	3.7%
6. Bilal Iqbal, M.D.	3.7%
7. Gaurav Jain, M.D.	3.7%
8. Bindu Khanna, M.D.	3.7%
9. Jennifer Kumar, M.D.	3.7%
10. Thomas Lim, M.D.	3.7%
11. Seyedqumars Mirfendereski, M.D.	3.7%
12. Deepak Nandikanti, M.D.	3.7%
13. Shadi Nijim, M.D.	3.7%
14. Chidi Okafor, M.D.	3.7%
15. Rizwan Qazi, M.D.	3.7%
16. Ramchand Ranai, M.D.	3.7%
17. Phillip Ribeiro, M.D.	3.7%
18. Cristy Robertson, M.D.	3.7%
19. Kamron Saleem, M.D.	3.7%
20. Syed Shah, M.D.	3.7%
21. Vipul Shah, M.D.	3.7%
22. Raj Singh, M.D.	3.7%
23. Nauman Tahir, M.D.	3.7%
24. Vivek Veerapaneni, M.D.	3.7%
25. Mark Vishnepolsky, M.D.	3.7%
26. Vincent Yang, M.D.	3.7%
27. Kevin Yu, D.O.	3.7%

Revised 10/12/2021

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

Issue:	Notice of Subaward with the State of Nevada Division of Public & Behavioral 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 Notice of Subaward with the State of Nevada Division of Public & Behavioral Health for COVID-19 testing of passengers traveling to, throughout and from Nevada; authorize the Chief Executive Officer to execute the monthly Request for Reimbursement Form; or take action as deemed appropriate. (For possible action)		

FISCAL IMPACT:

Fund Number: 5420.000	Fund Name: UMC Operating Fund
Fund Center: 3000991200	Funded Pgm/Grant: Traveler's Health Grant
Description: COVID-19 Testing for Travelers in the State of Nevada	
Bid/RFP/CBE: N/A	
Term: DOA through 9/30/2022	
Amount: Revenue to UMC based on volume of travelers tested; grant amount NTE \$754,000	
Out Clause: 30 days w/o cause	

BACKGROUND:

This request is to enter into a new Notice of Subaward ("Agreement") with the State of Nevada Division of Public & Behavioral Health ("DPBH") for UMC to provide COVID-19 testing of passengers traveling to, throughout and from Nevada. UMC shall receive a not-to-exceed grant amount of \$754,000 (at a rate of \$130 per PCR test and \$200 per Rapid PCR test) from DPBH to subsidize the testing costs.

The Term of this Agreement is from the date of approval through September 30, 2022. Either party may terminate this Agreement with a 30-day written notice to the other.

Staff also requests authorization for the Hospital CEO to execute the monthly Request for Reimbursement Form (Section D) for submission to DPBH.

UMC's Interim Healthcare Operations Manager has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Cleared for Agenda
December 8, 2021

Agenda Item #

17



State of Nevada
Department of Health and Human Services

Division of Public & Behavioral Health
(hereinafter referred to as the Department)

Agency Ref. #: **SG 25493**
Budget Account: **3219**
Category: **13**
GL: **8791**
Sub Org: **TR**
Job Number: **9332321V**

NOTICE OF SUBAWARD

Program Name: Epidemiology and Laboratory Capacity (ELC) Office of Public Health Investigation and Epidemiology (OPHIE) Judy DuMonte / JDumont@health.nv.gov	Subrecipient's Name: University Medical Center of Southern Nevada Julie Magnum / Julie.magnum@umcsn.com
Address: 4150 Technology Way, Suite #300 Carson City, NV 89706-200300	Address: 1800 West Charleston Boulevard Las Vegas, Nevada 89102
Subaward Period: Upon approval through 09/30/2022	Subrecipient's: EIN: 88-6000436 Vendor #: T40244401 Dun & Bradstreet: 029597346

Purpose of Award: To provide COVID-19 testing for passengers traveling to, throughout and from Nevada.

Region(s) to be served: ☐ Statewide ☒ Specific county or counties: Clark County, Nevada

Approved Budget Categories:		FEDERAL AWARD COMPUTATION:	
1. Personnel	\$0.00	Total Obligated by this Action:	\$ 754,000
2. Travel	\$0.00	Cumulative Prior Awards this Budget Period:	\$ 754,000
3. Operating	\$754,000.00	Total Federal Funds Awarded to Date:	\$ 754,000
4. Equipment	\$0.00	Match Required ☐ Y ☒ N	\$ 0.00
5. Contractual/Consultant	\$0.00	Amount Required this Action:	\$ 0.00
6. Training	\$0.00	Amount Required Prior Awards:	\$ 0.00
7. Other	\$0.00	Total Match Amount Required:	\$ 0.00
TOTAL DIRECT COSTS	\$754,000.00	Research and Development (R&D) ☐ Y ☒ N	
8. Indirect Costs	\$0.00	Federal Budget Period: 08/01/2020 through 07/31/2021	
TOTAL APPROVED BUDGET	\$754,000.00	Federal Project Period: 08/01/2019 through 07/31/2024	
		FOR AGENCY USE, ONLY	

Source of Funds Center for Disease Control and Prevention (CDC) Epidemiology Laboratory Capacity (ELC) Traveler's Health Grant (TR)	% Funds: 100%	CFDA: 93.323	FAIN: NU50CK000560	Federal Grant #: 6 NU50CK000560-02-03	Federal Grant Award Date by Federal Agency: 12/17/2020

Agency Approved Indirect Rate: 7.4% **Subrecipient Approved Indirect Rate:** 0.0%

Terms and Conditions:

In accepting these grant funds, it is understood that:

1. This award is subject to the availability of appropriated funds.
2. Expenditures must comply with any statutory guidelines, the DHHS Grant Instructions and Requirements, and the State Administrative Manual.
3. Expenditures must be consistent with the narrative, goals and objectives, and budget as approved and documented
4. Subrecipient must comply with all applicable Federal regulations
5. Quarterly progress reports are due by the 30th of each month following the end of the quarter, unless specific exceptions are provided in writing by the grant administrator.
6. Financial Status Reports and Requests for Funds must be submitted monthly, unless specific exceptions are provided in writing by the grant administrator.

Incorporated Documents:

Section A: Grant Conditions and Assurances;
Section B: Description of Services, Scope of Work and Deliverables;
Section C: Budget and Financial Reporting Requirements;
Section D: Request for Reimbursement;

Section E: Audit Information Request;
Section F: Current/Former State Employee Disclaimer;
Section G: DHHS Confidentiality Addendum; and

Name	Signature	Date
Mason Van Houweling CEO, University Medical Center of Southern Nevada		
Lindsey Kinsinger OPHIE Manager	<i>[Signature]</i> Lindsey Kinsinger	11/22/2021
for Lisa Sherych Administrator, DPBH	<i>[Signature]</i> Kitty B. DeSoio	11/23/2021

STATE OF NEVADA
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC & BEHAVIORAL HEALTH
NOTICE OF SUBAWARD

SECTION A

GRANT CONDITIONS AND ASSURANCES

General Conditions

1. Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Recipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Department of Health and Human Services (hereafter referred to as "Department") shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance as the Recipient is an independent entity.
2. The Department or Recipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, and signed by a duly authorized representative of both organizations. Such amendments shall not invalidate this Agreement, nor relieve or release the Department or Recipient from its obligations under this Agreement.
 - The Department may, in its discretion, amend this Agreement to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the Department and Recipient.
3. Either party may terminate this Agreement at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. Partial terminations of the Scope of Work in Section B may only be undertaken with the prior approval of the Department. In the event of any termination for convenience, all finished or unfinished documents, data, studies, surveys, reports, or other materials prepared by the Recipient under this Agreement shall, at the option of the Department, become the property of the Department, and the Recipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.
 - The Department may also suspend or terminate this Agreement, in whole or in part, if the Recipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the Department may declare the Recipient ineligible for any further participation in the Department's grant agreements, in addition to other remedies as provided by law. In the event there is probable cause to believe the Recipient is in noncompliance with any applicable rules or regulations, the Department may withhold funding.

Grant Assurances

A signature on the cover page of this packet indicates that the applicant is capable of and agrees to meet the following requirements, and that all information contained in this proposal is true and correct.

1. Adopt and maintain a system of internal controls which results in the fiscal integrity and stability of the organization, including the use of Generally Accepted Accounting Principles (GAAP).
2. Compliance with state insurance requirements for general, professional, and automobile liability; workers' compensation and employer's liability; and, if advance funds are required, commercial crime insurance.
3. These grant funds will not be used to supplant existing financial support for current programs.
4. No portion of these grant funds will be subcontracted without prior written approval unless expressly identified in the grant agreement.
5. Compliance with the requirements of the Civil Rights Act of 1964, as amended, and the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions).
6. Compliance with the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted there under contained in 28 CFR 26.101-36.999 inclusive, and any relevant program-specific regulations.
7. Compliance with the Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
8. Compliance with Title 2 of the Code of Federal Regulations (CFR) and any guidance in effect from the Office of Management and Budget (OMB) related (but not limited to) audit requirements for grantees that expend \$750,000 or more in Federal awards during the grantee's fiscal year must have an annual audit prepared by an independent auditor in accordance with the terms and requirements of the appropriate circular.
To acknowledge this requirement, Section E of this notice of subaward must be completed.
9. Certification that neither the Recipient nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. This certification is made pursuant to regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67 § 67.510, as published as pt. VII of May 26, 1988, Federal Register (pp. 19150-19211).

**STATE OF NEVADA
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC & BEHAVIORAL HEALTH
NOTICE OF SUBAWARD**

10. No funding associated with this grant will be used for lobbying.
11. Disclosure of any existing or potential conflicts of interest relative to the performance of services resulting from this grant award.
12. Provision of a work environment in which the use of tobacco products, alcohol, and illegal drugs will not be allowed.
13. An organization receiving grant funds through the Department of Health and Human Services shall not use grant funds for any activity related to the following:
 - Any attempt to influence the outcome of any federal, state or local election, referendum, initiative or similar procedure, through in-kind or cash contributions, endorsements, publicity or a similar activity.
 - Establishing, administering, contributing to or paying the expenses of a political party, campaign, political action committee or other organization established for the purpose of influencing the outcome of an election, referendum, initiative or similar procedure.
 - Any attempt to influence:
 - The introduction or formulation of federal, state or local legislation; or
 - The enactment or modification of any pending federal, state or local legislation, through communication with any member or employee of Congress, the Nevada Legislature or a local governmental entity responsible for enacting local legislation, including, without limitation, efforts to influence State or local officials to engage in a similar lobbying activity, or through communication with any governmental official or employee in connection with a decision to sign or veto enrolled legislation.
 - Any attempt to influence the introduction, formulation, modification or enactment of a federal, state or local rule, regulation, executive order or any other program, policy or position of the United States Government, the State of Nevada or a local governmental entity through communication with any officer or employee of the United States Government, the State of Nevada or a local governmental entity, including, without limitation, efforts to influence state or local officials to engage in a similar lobbying activity.
 - Any attempt to influence:
 - The introduction or formulation of federal, state or local legislation;
 - The enactment or modification of any pending federal, state or local legislation; or
 - The introduction, formulation, modification or enactment of a federal, state or local rule, regulation, executive order or any other program, policy or position of the United States Government, the State of Nevada or a local governmental entity, **by preparing, distributing or using** publicity or propaganda, or by urging members of the general public or any segment thereof to contribute to or participate in any mass demonstration, march, rally, fundraising drive, lobbying campaign or letter writing or telephone campaign.
 - Legislative liaison activities, including, without limitation, attendance at legislative sessions or committee hearings, gathering information regarding legislation and analyzing the effect of legislation, when such activities are carried on in support of or in knowing preparation for an effort to engage in an activity prohibited pursuant to subsections 1 to 5, inclusive.
 - Executive branch liaison activities, including, without limitation, attendance at hearings, gathering information regarding a rule, regulation, executive order or any other program, policy or position of the United States Government, the State of Nevada or a local governmental entity and analyzing the effect of the rule, regulation, executive order, program, policy or position, when such activities are carried on in support of or in knowing preparation for an effort to engage in an activity prohibited pursuant to subsections 1 to 5, inclusive.
14. An organization receiving grant funds through the Nevada Department of Health and Human Services may, to the extent and in the manner authorized in its grant, use grant funds for any activity directly related to educating persons in a nonpartisan manner by providing factual information in a manner that is:
 - Made in a speech, article, publication, or other material that is distributed and made available to the public, or through radio, television, cable television or other medium of mass communication; and
 - Not specifically directed at:
 - Any member or employee of Congress, the Nevada Legislature or a local governmental entity responsible for enacting local legislation;
 - Any governmental official or employee who is or could be involved in a decision to sign or veto enrolled legislation; or
 - Any officer or employee of the United States Government, the State of Nevada or a local governmental entity who is involved in introducing, formulating, modifying or enacting a Federal, State or local rule, regulation, executive order or any other program, policy or position of the United States Government, the State of Nevada or a local governmental entity.

This provision does not prohibit a recipient or an applicant for a grant from providing information that is directly related to the grant or the application for the grant to the granting agency.

To comply with reporting requirements of the Federal Funding and Accountability Transparency Act (FFATA), the sub-grantee agrees to provide the Department with copies of all contracts, sub-grants, and or amendments to either such documents, which are funded by funds allotted in this agreement.

Compliance with this section is acknowledged by signing the subaward cover page of this packet.

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SECTION B

Description of Services, Scope of Work and Deliverables

University Medical Center of Southern Nevada (UMC), hereinafter referred to as Subrecipient, agrees to provide the following services and reports according to the identified timeframes:

Scope of Work for University Medical Center of Southern Nevada

Goal 1: Provide COVID-19 testing to travelers in the State of Nevada.

<u>Objective</u>	<u>Activities</u>	<u>Due Date</u>	<u>Documentation Needed</u>
1. Test travelers at various Points of Entry for COVID-19 and to aide in the cost associated with testing	1. 1. To subsidize the cost for travelers to test for COVID-19 associated with travel and to ensure passengers can be tested for COVID-19 as needed.	09/30/2022	1. 1. Monthly Activity Report

Compliance with this section is acknowledged by signing the subaward cover page of this packet.

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SECTION C

Budget and Financial Reporting Requirements

Identify the source of funding on all printed documents purchased or produced within the scope of this subaward, using a statement similar to: "This publication (journal, article, etc.) was supported by the Nevada State Department of Health and Human Services Grant Number 25493 from Centers for Disease Control and Prevention (CDC). Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the Department nor Centers for Disease Control and Prevention (CDC)."

Any activities performed under this subaward shall acknowledge the funding was provided through the Department by Grant Number 25493 from Centers for Disease Control and Prevention (CDC).

Subrecipient agrees to adhere to the following budget:

BUDGET NARRATIVE-SFY21

COVID-19				
COVID-19 PCR testing for Nevada Travelers at a rate of \$130 per test, *260 tests per month *10 months	\$33,800			
COVID-19 Rapid PCR testing for Nevada Travelers at the rate of \$200 per test *208 tests per month *10 months	\$41,600			
Justification: University Medical Center of Southern Nevada will administer COVID-19 testing to travelers desiring or requiring a COVID-19 test. The cost for per PCR test is \$130 and will cover 260 tests per month for the duration of 10 months. The cost per PCR rapid test is \$200 and will cover 208 tests per month for the duration of 10 months.				
TOTAL DIRECT CHARGES				\$
Indirect Methodology: There are no indirect charges.				
TOTAL BUDGET				Total: \$754,000

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Applicant Name: University Medical Center of Southern Nevada (UMC)
PROPOSED BUDGET SUMMARY - SFY20

Form 2

A. PATTERN BOXES ARE FORMULA DRIVEN - DO NOT OVERRIDE - SEE INSTRUCTIONS

FUNDING SOURCES	ELC	Other Funding	Other Funding	Other Funding	Other Funding	Other Funding	Other Funding	Program Income	TOTAL
SECURED									
ENTER TOTAL REQUEST	\$754,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$754,000

EXPENSE CATEGORY

Personnel	\$0								\$0
Travel	\$0								\$0
Operating	\$754,000								\$754,000
Equipment	\$0								\$0
Contractual/Consultant	\$0								\$0
Training	\$0								\$0
Other Expenses	\$0								\$0
Indirect	\$0								\$0

TOTAL EXPENSE	\$0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0

These boxes should equal 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Indirect Cost	\$0

Total Agency Budget	\$ 754,000
Percent of Subrecipient Budget	100%

B. Explain any items noted as pending:

C. Program Income Calculation:

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- Department of Health and Human Services policy allows no more than 10% flexibility of the total not to exceed amount of the subaward, within the approved Scope of Work/Budget. Subrecipient will obtain written permission to redistribute funds within categories. **Note: the redistribution cannot alter the total not to exceed amount of the subaward. Modifications in excess of 10% require a formal amendment.**
- Equipment purchased with these funds belongs to the federal program from which this funding was appropriated and shall be returned to the program upon termination of this agreement.
- Travel expenses, per diem, and other related expenses must conform to the procedures and rates allowed for State officers and employees. It is the Policy of the Board of Examiners to restrict contractors/ Subrecipients to the same rates and procedures allowed State Employees. The State of Nevada reimburses at rates comparable to the rates established by the US General Services Administration, with some exceptions (State Administrative Manual 0200.0 and 0320.0).

The Subrecipient agrees:

To request reimbursement according to the schedule specified below for the actual expenses incurred related to the Scope of Work during the subaward period.

- Total reimbursement through this subaward will not exceed \$754,000
- Requests for Reimbursement will be accompanied by supporting documentation, including a line item description of expenses incurred;
- Additional expenditure detail will be provided upon request from the Department.

Additionally, the Subrecipient agrees to provide:

- A complete financial accounting of all expenditures to the Department within 30 days of the CLOSE OF THE SUBAWARD PERIOD. Any un-obligated funds shall be returned to the Department at that time, or if not already requested, shall be deducted from the final award.
- Any work performed after the BUDGET PERIOD will not be reimbursed.
- If a Request for Reimbursement (RFR) is received after the 45-day closing period, the Department may not be able to provide reimbursement.
- If a credit is owed to the Department after the 45-day closing period, the funds must be returned to the Department within 30 days of identification.

The Department agrees:

- The Department reserves the right to hold reimbursement under this subaward until any delinquent forms, reports, and expenditure documentation are submitted to and accepted by the Department.

Both parties agree:

- The Division will make one site visit annually.
- The Subrecipient will, in the performance of the Scope of Work specified in this subaward, perform functions and/or activities that could involve confidential information; therefore, the Subrecipient is requested to fill out Section G, which is specific to this subaward, and will be in effect for the term of this subaward.
- All reports of expenditures and requests for reimbursement processed by the Department are SUBJECT TO AUDIT.
- This subaward agreement may be TERMINATED by either party prior to the date set forth on the Notice of Subaward, provided the termination shall not be effective until 30 days after a party has served written notice upon the other party. This agreement may be terminated by mutual consent of both parties or unilaterally by either party without cause. The parties expressly agree that this Agreement shall be terminated immediately if for any reason the Department, state, and/or federal funding ability to satisfy this Agreement is withdrawn, limited, or impaired.

Financial Reporting Requirements

- A Request for Reimbursement is due on a monthly basis, based on the terms of the subaward agreement, no later than the 15th of the month.
- Reimbursement is based on actual expenditures incurred during the period being reported.
- Payment will not be processed without all reporting being current.
- Reimbursement may only be claimed for expenditures approved within the Notice of Subaward.

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Agency Ref. #: **SG 25493**
Budget Account: **3219**
GL: **8781**
Draw #: _____

**SECTION D
Request for Reimbursement**

Program Name: Epidemiology and Laboratory Capacity (ELC) Office of Public Health Investigation and Epidemiology (OPHIE) Judy DuMonte / JDumont@health.nv.gov	Subrecipient Name: University Medical Center of Southern Nevada (UMC) Julie Magnum / Julie.Magnum@usmnc.com
Address: 4150 Technology Way, Suite #300 Carson City, Nevada 89706	Address: 1800 West Charleston Boulevard Las Vegas, Nevada 89102
Subaward Period: Upon approval through 09/30/2022	Subrecipient's: EIN: 88-6000436 Vendor #: T40244401

FINANCIAL REPORT AND REQUEST FOR REIMBURSEMENT

(must be accompanied by expenditure report/back-up)

	Month(s)	Calendar year				
Approved Budget Category	A Approved Budget	B Total Prior Requests	C Current Request	D Year to Date Total	E Budget Balance	F Percent Expended
1. Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-
2. Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-
3. Operating	\$754,000.00	\$0.00	\$0.00	\$0.00	\$754,000.00	0.0%
4. Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-
5. Contractual/Consultant	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-
6. Training	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-
7. Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-
8. Indirect	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-
Total	\$754,000.00	\$0.00	\$0.00	\$0.00	\$754,000.00	0.0%

INSERT MONTH/QUARTER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-

I, a duly authorized signatory for the applicant, certify to the best of my knowledge and belief that this report is true, complete and accurate; that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the grant award; and that the amount of this request is not in excess of current needs or, cumulatively for the grant term, in excess of the total approved grant award. I am aware that any false, fictitious or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims, or otherwise. I verify that the cost allocation and backup documentation attached is correct.

Authorized Signature _____	Title _____	Date _____
FOR DEPARTMENT USE ONLY		
Is program contact required? ☐ Yes ☐ No Contact Person: _____		
Reason for contact: _____		
Fiscal review/approval date: _____		
Scope of Work review/approval date: _____		
ASO or Bureau Chief (as required): _____		
		Date _____

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SECTION E

Audit Information Request

1. Non-Federal entities that **expend** \$750,000.00 or more in total federal awards are required to have a single or program-specific audit conducted for that year, in accordance with 2 CFR § 200.501(a).
2. Did your organization expend \$750,000 or more in all federal awards during your organization's most recent fiscal year? ☒ YES ☐ NO
3. When does your organization's fiscal year end? June 30
4. What is the official name of your organization? University Medical Center of Southern Nevada
5. How often is your organization audited? Annually
6. When was your last audit performed? Last completed audit: 1/15/2021 (Financial Statements) & 3/10/2021 (Single Audit)
7. What time-period did your last audit cover? 7/1/2019 – 6/30/2020
8. Which accounting firm conducted your last audit? BDO USA, LLP

Compliance with this section is acknowledged by signing the subaward cover page of this packet.

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SECTION F

Current or Former State Employee Disclaimer

For the purpose of State compliance with NRS 333.705, subrecipient represents and warrants that if subrecipient, or any employee of subrecipient who will be performing services under this subaward, is a current employee of the State or was employed by the State within the preceding 24 months, subrecipient has disclosed the identity of such persons, and the services that each such person will perform, to the issuing Agency. Subrecipient agrees they will not utilize any of its employees who are Current State Employees or Former State Employees to perform services under this subaward without first notifying the Agency and receiving from the Agency approval for the use of such persons. This prohibition applies equally to any subcontractors that may be used to perform the requirements of the subaward.

The provisions of this section do not apply to the employment of a former employee of an agency of this State who is not receiving retirement benefits under the Public Employees' Retirement System (PERS) during the duration of the subaward.

Are any current or former employees of the State of Nevada assigned to perform work on this subaward?

- YES ☐ If "YES", list the names of any current or former employees of the State and the services that each person will perform.
- NO ☒ Subrecipient agrees that if a current or former state employee is assigned to perform work on this subaward at any point after execution of this agreement, they must receive prior approval from the Department.

Name	Services

Subrecipient agrees that any employees listed cannot perform work until approval has been given from the Department.

Compliance with this section is acknowledged by signing the subaward cover page of this packet.

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SECTION G

Confidentiality Addendum

BETWEEN

Nevada Department of Health and Human Services

Hereinafter referred to as "Department"

And

University Medical Center of Southern Nevada (UMC)

Hereinafter referred to as "Subrecipient"

This CONFIDENTIALITY ADDENDUM (the Addendum) is hereby entered into between Department and Subrecipient.

WHEREAS, Subrecipient may have access, view or be provided information, in conjunction with goods or services provided by Subrecipient to Department that is confidential and must be treated and protected as such.

NOW, THEREFORE, Department and Subrecipient agree as follows:

I. DEFINITIONS

The following terms shall have the meaning ascribed to them in this Section. Other capitalized terms shall have the meaning ascribed to them in the context in which they first appear.

1. **Agreement** shall refer to this document and that particular inter-local or other agreement to which this addendum is made a part.
2. **Confidential Information** shall mean any names, addresses or any other identifying information or health information of individual subjects or any identifying data concerning individuals in any records disclosed to sub-grantee in conjunction with the goods or services provided by Sub-grantee under the Sub-grant Award.
3. **Subrecipient** shall mean the name of the organization described above.
4. **Required by Law** shall mean a mandate contained in law that compels a use or disclosure of information.

II. TERM

The term of this Addendum shall commence as of the effective date of the primary inter-local or other agreement and shall expire coterminous with the Subaward Period of this Agreement. Upon termination of this Agreement, at the request of Department and/or pursuant to Clause VI (4), Subrecipient will return or destroy all confidential information, or if such return or destruction is not feasible, Subrecipient will extend the protections of this Agreement to the confidential information and limit further uses and disclosures to those purposes that make the return or destruction of the confidential information not feasible.

III. LIMITS ON USE AND DISCLOSURE ESTABLISHED BY TERMS OF CONTRACT OR LAW

Subrecipient hereby agrees it shall not use or disclose the confidential information provided, viewed or made available by Department for any purpose other than as permitted by Agreement or required by law.

IV. PERMITTED USES AND DISCLOSURES OF INFORMATION BY CONTRACTOR

Subrecipient shall be permitted to use and/or disclose information accessed, viewed or provided from Department for the purpose(s) required in fulfilling its responsibilities under the primary inter-local or other agreement.

V. USE OR DISCLOSURE OF INFORMATION

Subrecipient may use information as stipulated in the primary inter-local or other agreement if necessary for the proper management and administration of Subrecipient; to carry out legal responsibilities of Subrecipient; and to provide data aggregation services relating to the health care operations of Department. Subrecipient may disclose information if:

1. The disclosure is required by law; or
2. The disclosure is allowed by the inter-local or other agreement to which this Addendum is made a part; or
3. The Subrecipient has obtained written approval from the Department.

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VI. OBLIGATIONS OF CONTRACTOR

1. **Agents and Subcontractors.** Subrecipient shall ensure by subcontract that any agents or subcontractors to whom it provides or makes available information, will be bound by the same restrictions and conditions on the access, view or use of confidential information that apply to Subrecipient and are contained in Agreement.
2. **Appropriate Safeguards.** Subrecipient will use appropriate safeguards to prevent use or disclosure of confidential information other than as provided for by Agreement.
3. **Reporting Improper Use or Disclosure.** Subrecipient will immediately report in writing to Department any use or disclosure of confidential information not provided for by Agreement of which it becomes aware.
4. **Return or Destruction of Confidential Information.** Upon termination of Agreement, Subrecipient will return or destroy all confidential information created or received by Subrecipient on behalf of Department. If returning or destroying confidential information at termination of Agreement is not feasible, Subrecipient will extend the protections of Agreement to that confidential information as long as the return or destruction is infeasible. All confidential information of which the Subrecipient maintains will not be used or disclosed.

IN WITNESS WHEREOF, Subrecipient and the Department have agreed to the terms of the above written Addendum as of the effective date of the inter-local or other agreement to which this Addendum is made a part.

Compliance with this section is acknowledged by signing the subaward cover page of this packet.

**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. <i>(For possible action)</i>	

FISCAL IMPACT:

None

BACKGROUND:

None

Cleared for Agenda
December 8, 2021

Agenda Item #

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