



UMC Audit and Finance Committee Meeting

Wednesday, November 6, 2024 2:00 p.m.

UMC Trauma Building - Providence Suite - 5th Floor

Las Vegas, NV

AGENDA

University Medical Center of Southern Nevada
GOVERNING BOARD
AUDIT & FINANCE COMMITTEE
November 6, 2024 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 October 23, 2024. *(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 2024 Basic Financial Statements and Single Audit Information from BDO USA, LLP, Certified

Public Accountants for University Medical Center of Southern Nevada; and or take action as deemed appropriate. *(For possible action)*

5. Receive an update report from the Chief Financial Officer; and direct staff accordingly. *(For possible action)*
6. Review and recommend for ratification by the Governing Board the Amendment Two to the Hospital Agreement with Alignment Health Plan of Nevada, Inc. for Managed Care Services; or take action as deemed appropriate. *(For possible action)*
7. Review and recommend for approval by the Governing Board the First Amendment to Master Service Agreement for Architectural Design and Documentation Services with Encompass Studio LLC; or take action as deemed appropriate. *(For possible action)*
8. Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Agreements with DNV Healthcare USA Inc. for Management System Certification/Accreditation; authorize the Chief Executive Officer to execute any future amendments or addendums; or take action as deemed appropriate. *(For possible action)*
9. Review and recommend for approval by the Governing Board the Agreement with Insight Direct USA Inc. for the purchase of computers; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. *(For possible action)*
10. Review and recommend for ratification by the Governing Board the Telemedicine Professional Services Agreement (Pediatric Neurology) with Pokroy Medical Group of Nevada, Ltd. d/b/a Pediatrix Medical Group of Nevada; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)*
11. Review and recommend for approval by the Governing Board the Equipment Schedule No. 018 to Master Agreement 21237667 with Flex Financial, a division of Stryker Sales, LLC; or take action as deemed appropriate. *(For possible action)*
12. Review and recommend for approval by the Governing Board the Amendment Six to Agreement with Terminix International Company Limited Partnership d/b/a Terminix Commercial for Integrated Pest Management Program; or take action as deemed appropriate. *(For possible action)*
13. Review and recommend for approval by the Governing Board the Residency Affiliation Agreement for dental anesthesia training with The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Las Vegas School of Dental Medicine; authorize the Chief Executive Officer to execute future amendments within the not-to-exceed amount of this Agreement; or take action as deemed appropriate. *(For possible action)*

SECTION 3: EMERGING ISSUES

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)*

COMMENTS BY THE GENERAL PUBLIC

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

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

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

**University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
October 23, 2024**

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

The University Medical Center Governing Board Audit and Finance Committee met at the location and date above, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:01 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
Jeff Ellis (via WebEx)
Harry Hagerty (via webex)
Christian Haase (via WebEx)

Absent:

Mary Lynn Palenik (Excused)

Others Present:

Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Ernest Barela, Practice Plan Administrator
Frederick Lippmann, Chief Medical Officer
Chris Jones, Executive Dir. Of Support Services
Susan Pitz, General Counsel
Lia Allen, Assistant General Counsel - Contracts
Stephanie Ceccarelli, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

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

Speaker(s): None

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Audit and Finance Committee meeting on September 25, 2024. (For possible action)

FINAL ACTION:

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

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

FINAL ACTION:

Item 11 was removed from the agenda.

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive an update from Ernest Barela, UMC Physician Practice Plan Administrator, on managed medicine at UMC; and direct staff accordingly. (*For possible action*)

DOCUMENTS SUBMITTED:

- Presentation

DISCUSSION:

Ernest Barela, UMC Physician Practice Plan Administrator, presented a high level overview of managed medicine at UMC, how third-party payers manage the care in medical offices and the benefits of participating in these programs. He also provided a summary of managed medicine as it relates to Medicare and Medicaid. The statistics provided in the report relate to the ambulatory locations.

The approach in a medical group in taking care of patients is:

1. Good medicine checks the boxes automatically.
2. Patient engagement closes gaps in care.
3. Access improves patient engagement.

Approximately 22% of traditional Medicare members are managed within the Silver State ACO program and 78% of Medicare Advantage members have selected payer care groups such as Optum, Intermountain Health, Aetna and Humana. Traditional Medicaid groups include Anthem Blue Cross, Molina, Silver Summit and Sierra Health.

Mr. Barela next reviewed the hospital reimbursement schedules based on payment methods – fee-for-service, capitation or carveout services. In addition to standard payments, incentive payments may also be received depending on the type of program. The incentives are created to improve care and reduce cost. The intent of these programs are to improve quality in patient care and patient access.

A lengthy discussion ensued regarding reimbursements, discounts provided in the fee-for-service programs and the percentage of the Medicare managed care program members at UMC.

The Committee would like to receive more data in the future regarding hospital costs as they relate to Medicare and Medicare Advantage programs, reimbursements and benefit structures. The discussion continued regarding Mr. Barela's role at UMC as it relates to management of the employed physicians at UMC.

FINAL ACTION TAKEN:

None taken.

ITEM NO. 5 Receive the monthly financial report for September FY25; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:

- September FY25 Financials

DISCUSSION:

Jennifer Wakem, Chief Financial Officer presented the financials for the month of September.

Key indicators showed admissions 7% below budget. AADC was 579. Length of stay was 6.23.

Hospital acuity was 1.90 and Medicare CMI was 2.13.

Inpatient surgeries were 3% below budget and outpatient surgeries were 7% above budget.

There were 19 transplants for the month.

ER visits were 2% below budget.

ED to admission/observation was at 22%.

Quick care volume was 15,222.

Primary care volume was above budget by 871 visits.

There were 456 telehealth visits and 1,653 Ortho visits.

There were 104 deliveries for the month.

Trended stats showed admissions below the 12-month average by 72 visits and observation cases were up by 25 cases.

Inpatient surgical cases were up 35 cases and outpatient cases were up by 73 cases. Transplant hit a record high at 19 cases for the month. Quick cares are consistent with prior year volumes. Ortho is below the 12-month average. A discussion ensued regarding the recent downward trends in deliveries.

Payor mix trends for inpatient showed Medicaid down 2%, Medicare was up 1%. In ED, government was up 1%, Medicaid was down 3% and self-pay was up 1%.

Inpatient surgical payor mix trends showed government went up 3%, Medicare was down 3%. Outpatient surgical cases showed government up 1.5%, Medicare was down 2.77% and self-pay was up 1.23%.

Summary income statement showed total net revenue was \$2.4 million above budget. Other revenue was above budget \$400K. Total operating revenue was \$2.8 million above budget and operating expenses were above budget \$4.8 million. Earnings before depreciation and amortization was \$1.1 million on a budget of \$3.2 million. For the month we were \$2 million below budget. September year to date showed operating revenue was \$9 million above budget. For the year, we are \$642K below budget. Trended stats were shown as informational.

Salaries, wages and benefits for September showed labor was above budget \$3.6 million. Overtime was down and contract labor was above budget \$770K, primarily due to radiology, which continues to be a challenge. Six radiologist will be coming on board soon. A breakdown of the contract labor challenges were reviewed.

Member Ellis asked if there was any retro payments due to the passage of the union agreement. Mr. Wakem responded that those payments will be executed next month. Mr. Marinello added that the increase in salaries is due to physician contracted labor. The team commented on restructuring plans which include a hiring freeze, staff reductions, shifting of resources and improve efficiencies in the hospital and quick care locations. Chief approval is required to fill vacancies.

All other expenses was \$1.3 million over budget for the month primarily due to medical supplies related to surgery and high cost drugs.

Key financial indicators for September were reviewed in profitability, labor, liquidity and cash collections. Profitability and labor was in the red. Paid FTEs are over budget. Liquidity showed 2.77 months cash on hand and net days in A/R was at 66.6 days. Candidate for bill target was missed. Cash collections were strong for the month. We did not hit our point of sale cash collection goal for the month.

The organizational goals status to date were reviewed. At this time, none of the goals have been met. At this point, October is going to be a struggle.

Cash flow statement for September shows \$60 million of cash received, which includes current supplemental payments. Cash decreased overall for September.

FINAL ACTION TAKEN:

None taken

- ITEM NO. 6 Receive the FY24 planning update from BDO USA, LLP, Certified Public Accountants for University Medical Center of Southern Nevada; and direct staff accordingly. (For possible action)**

DOCUMENTS SUBMITTED:

- Audit Planning - Year Ending June 30, 2024

DISCUSSION:

Ms. Wakem provided a brief update on the financial statement audit for FY2024. BDO is wrapping up the audit and the goal is to have it completed by November 1st. There are no auditing issues. BDO is expected to present at the November meeting.

The financial impact of Period 13 showed a pickup of approximately \$430K.

Ms. Wakem added that the financial statements for October will not be presented at the November meeting.

FINAL ACTION TAKEN:

No Action

- ITEM NO. 7 Receive an update report from the Chief Financial Officer; and direct staff accordingly. (For possible action)**

DOCUMENTS SUBMITTED:

- None

DISCUSSION:

- Façade update: The project is on time, on budget and 77% complete. There is a balance of \$13.7 million left. Several buildings are completed and we are in the process of finishing the Healing Gardens. The main entrance is under way and ASU and west campus construction will begin next month. Signage and digital lighting is underway.

FINAL ACTION TAKEN:

None taken

- ITEM NO. 8 Review and recommend for ratification by the Governing Board the Second Amendment to Hospital Services Agreement with Health Plan of Nevada, Inc., Sierra Health and life Insurance Company, Inc. and Sierra Healthcare Options, Inc.; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Second Amendment to Hospital Services Agreement
- Disclosure of Ownership

DISCUSSION:

This amendment will extend the agreement for an additional month while the new contract is being negotiated.

Member Ellis asked if there is a retro due to the delay in renewal. Ms. Wakem commented that the team is still negotiating rates.

FINAL ACTION TAKEN:

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

ITEM NO. 9 Review and receive a report on the emergency repairs of deteriorated sanitary/domestic water main/pipes; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Report

DISCUSSION:

There were additional issues with the domestic water line. Additional repairs were required immediately on the additional damaged lines which affected patient areas on the 6th and 7th floors.

Member Hagerty commented on the cost for repairs in the 7th story tower and the unbudgeted financial impact. Mr. Marinello explained the challenges that have been experienced in replacing the sewer lines in the building.

FINAL ACTION TAKEN:

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

ITEM NO. 10 Review and recommend for approval by the Governing Board the Professional Services Agreement (Clinical Services) for pathology services with Quest Diagnostics Incorporated and Hoffman, M.D., Associated Pathologists, Chartered; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Professional Services Agreement
- Disclosure of Ownership

DISCUSSION:

This is a new provider agreement for pathology services onsite, including 24/7 pathology consultative services, on-call coverage, Medical Directorship and

laboratory testing services. This is a 3-year agreement with two 1- year renewal options, and may terminate with 180-days' notice.

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 Telemedicine Professional Services Agreement (Pediatric Neurology) with Pokroy Medical Group of Nevada, Ltd. d/b/a Pediatrix Medical Group of Nevada; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- PDX Teleneurology PSA
- Disclosure of Ownership

DISCUSSION:

This item was tabled.

FINAL ACTION TAKEN:

No action taken.

- ITEM NO. 12 Review and recommend for approval by the Governing Board the Therapeutic Apheresis Services Agreement with Vitalant; authorize the Chief Executive Officer to exercise any extension/renewal options; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Therapeutic Apheresis Services Agreement
- Disclosure of Ownership

DISCUSSION:

This is an agreement to provide therapeutic apheresis services to on-site hospital patients. This is a three year agreement with two 1-year options and it may be terminated upon 30 days notice.

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 Revenue Cycle Assessment Statement of Work with Vizient, Inc.;**

authorize the Chief Executive Officer to execute the extension option and future amendments within the not-to-exceed amount of this agreement; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:

- Statement of Work

DISCUSSION:

This request is to enter into a new statement of work for Vizient to evaluate UMC's current clinical documentation quality and identify revenue cycle improvement opportunities that can be implemented across the hospital. The vendor will provide an assessment report of findings and recommendations of improvement to UMC's revenue cycle. Termination may be at any time with 10-days notice.

Member Hagerty disclosed that the UMC Foundation is a shareholder of Vizient shares, but there is no conflict of interest.

FINAL ACTION TAKEN:

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

ITEM NO. 14 Review and recommend for award by the Governing Board, the RFP No. 2024-07 for Federal and State Advocacy Services to R&R Partners, Inc.; authorize the Chief Executive Officer to sign the Services Agreement, and execute any extension options and future amendments within the not-to-exceed amount of this Agreement; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:

- RFP 2024-07 Fed & State Advocacy Agreement
- Disclosure of Ownership

DISCUSSION:

A request for proposals for federal and state advocacy services was published in August. Response was received from the incumbent vendor R&R Partners. The terms of the agreement remain the same as the current agreement with the vendor. The term of the agreement is a three year term with 2 one-year renewal options.

A discussion ensued regarding the bidding process in general and competitors in the market.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to approve the award and make a recommendation to the Governing Board to approve award of bid. Motion carried by unanimous vote. Member Hagerty abstained.

ITEM NO. 15 Review and recommend for award by the Governing Board the Bid No. 2024-08, UMC 2040 Administrative Office Buildout Floors 3, 4 & 5 Project PWP# CL-2024-521, to Martin-Harris Construction, LLC, the lowest responsive and responsible bidder, contingent upon submission of the required bonds and insurance; authorize the Chief Executive Officer to execute change orders within his delegation of authority; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- 2040 Administrative Office Buildout Project Agreement
- Disclosure of Ownership

DISCUSSION:

This is a bid for construction improvements to the 2040 W. Charleston Blvd. building. Six bids were received, one proposal was rejected. Martin-Harris was the lowest responsive bidder. The project is estimated to take approximately 126 to complete after notice to proceed is issued.

FINAL ACTION TAKEN:

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

ITEM NO. 16 Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Lease Agreement with Tonopah Partners, LLC for rentable space at 2100 West Charleston Blvd., APN# 13932804013; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Lease Agreement
- Disclosure of Ownership

DISCUSSION:

This is a new 10-year lease agreement. The lease term is for 10 years with the option of 5-one year periods for renewal. UMC has the right of first refusal to purchase should the landlord receive an offer to purchase from a third party.

FINAL ACTION TAKEN:

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

- ITEM NO. 17 Review and recommend for award by the Board of Hospital Trustees for University Medical Center of Southern Nevada the Bid No. 2024-03, UMC 6 North & 1 South Renovation Project PWP# CL-2024-535, to Builders United, LLC, the lowest responsive and responsible bidder, contingent upon submission of the required bonds and insurance; authorize the Chief Executive Officer to execute change orders within his delegation of authority; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- UMC 6 North & 1 South Project Agreement
- Disclosure of Ownership

DISCUSSION:

This improvement project is primarily planned to take place within the Main 7 Story Tower and a single level building at the southeast side of the primary UMC campus. Six bids were received and the lowest responsive and responsible bidder was Builders United. The term of the agreement is 154 days from the notice to proceed.

FINAL ACTION TAKEN:

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

- ITEM NO. 18 Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Amendment Four to Master Professional Services Agreement and its Statement of Work with Medicus Healthcare Solutions, LLC for locum tenens and advanced practitioners staffing services; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Master Professional Agreement – Amendment 4
- Disclosure of Ownership

DISCUSSION:

This amendment requests to extend the agreement for an additional year, through December 31, 2025 and increase the funding, as well as update the scope of services and fee schedule.

FINAL ACTION TAKEN:

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

SECTION 3: EMERGING ISSUES

ITEM NO. 19 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*)

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

There were none.

COMMENTS BY THE GENERAL PUBLIC:

SPEAKERS(S): None

There being no further business to come before the Committee at this time, at the hour of 3:20 p.m., 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, 2024	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 2024 Basic Financial Statements and Single Audit Information 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, 2024. The basic financial statements present fairly, in all material respects, the financial position of the Hospital as of June 30, 2024, 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
November 6, 2024

Agenda Item #

4



REPORT TO THOSE CHARGED WITH GOVERNANCE

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

AUDIT WRAP UP:
YEAR ENDED JUNE 30, 2024

Contents

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FULL REPORT

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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Entity, and is not intended and should not be used by anyone other than these specified parties.

Welcome

November 1, 2024

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. We presented management an overview of our plan for the audit of the financial statements including the schedule of expenditure of federal awards (“SEFA”) of University Medical Center of Southern Nevada (“UMC” or the “Hospital”) as of and for the year ended June 30, 2024, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

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

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

Respectfully,

BDO USA, P.C.

BDO USA, P.C., a Virginia professional corporation, 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 completed our audit of the financial statements and the SEFA as of and for the year ended June 30, 2024. 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 and the SEFA does not relieve management or those charged with governance of their responsibilities.

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



Results of the Audit

ACCOUNTING PRACTICES, POLICIES, AND ESTIMATES

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

The Hospital’s significant accounting practices and policies are those included in Note 1 to the 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 Hospital’s financial statements.
- ▶ There were no other changes in significant accounting policies and practices during fiscal year 2024.

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 Hospital’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/MDSP Recoupment Estimate

Medical Malpractice and Worker’s Compensation Liabilities

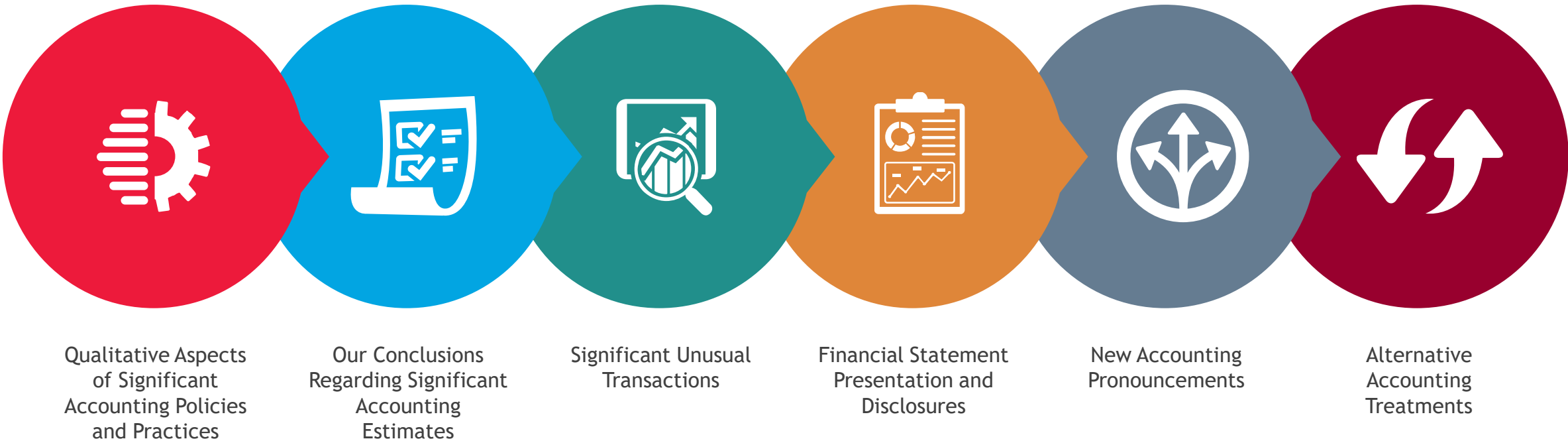
Pension and Other Postemployment Benefits

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2024

Results of the Audit

QUALITY OF THE HOSPITAL’S FINANCIAL REPORTING

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



Results of the Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements to accounts and/or disclosures that we brought to the attention of management.

There were no uncorrected misstatements related to accounts and/or disclosures that we presented to management.





Internal Control Over Financial Reporting

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the UMC’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion(s) on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the UMC’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the UMCs internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Control Deficiency	A deficiency in internal control 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 the 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 Hospital:

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risks of material misstatement, including fraud risks; or tips or complaints regarding the 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.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of requirements of an applicable financial reporting framework.
Significant findings and issues arising during the audit in connection with the Hospital’s related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.
Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management	There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management.

Other Required Communications

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

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

Independence

Our engagement letter to you dated June 4, 2024 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the Hospital with respect to independence as agreed to by the Hospital. Please refer to that letter for further information.



Audit Firm System of Quality Management

An audit firm’s system of quality control (aka system of quality management) is essential to how the firm conducts audits and is in place to protect investors, shareholders and other users of financial statements.

QUALITY MANAGEMENT STANDARDS

In June 2022, the AICPA Auditing Standards Board (ASB) issued the following interrelated standards on audit quality management (collectively, the QM standards), which are designed to improve a CPA firm’s risk assessment and audit quality. The effective date of the QM standards is December 15, 2025.

Statement on Quality Management Standards (SQMS) No. 1	Statement on Quality Management Standards (SQMS) No. 2	Statement on Auditing Standards (SAS) No. 146
<i>A Firm’s System of Quality Management</i>	<i>Engagement Quality Reviews</i>	<i>Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards</i>

BDO has assessed the requirements of the QM standards and has analyzed our firm’s current system of quality management to identify changes and improvements necessary for compliance. This includes the identification of quality objectives, quality risks and the assessment of those quality risks, and responses to address those risks. We are further working with BDO Global to appropriately integrate processes deployed at a global level into our firm’s system of quality management.



2020 BDO AUDIT QUALITY REPORT

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We will continue to provide you with updates on our progress. Currently, you may find discussion of BDO’s system of quality control within our annual [Audit Quality Reports](#), the most recent of which is accessible [here](#).

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Material discussed in this publication is meant to provide general information and should not be acted on without professional advice tailored to your needs.

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**BASIC FINANCIAL STATEMENTS
AND
SINGLE AUDIT INFORMATION**

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

YEARS ENDED JUNE 30, 2024 AND 2023

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

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the University Medical Center of Southern Nevada ("UMC"), a component unit of Clark County, Nevada as of and for the year ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise UMC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of UMC, as of June 30, 2024 and 2023, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of the Hospital's Proportionate Share of the Net Pension Liability Public Employees' Retirement System of Nevada, Schedule of Hospital's Contributions Public Employees' Retirement System of Nevada, and Schedule of Changes in Total OPEB Liability and Related Ratios on pages 4 through 14 and 70 through 73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2024 on our consideration of UMC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UMC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UMC's internal control over financial reporting and compliance.

BDO USA, P.C.

Las Vegas, Nevada
November 1, 2024

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

Management's Discussion and Analysis

This section of the annual financial report of the University Medical Center of Southern Nevada (the Hospital) presents background information and our analysis of the Hospital's financial performance during the fiscal years ended June 30, 2024, 2023, and 2022 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 changes, 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 of America 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 *Statements of Net Position* 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
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

The *Statements of Revenues, Expenses, and Changes in Net Position* 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 *Statements 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 *Statements 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 nine individuals from the community to serve on the board. The UMC Governing Board provides oversight of the Hospital and reports back to the Board of Hospital Trustees.

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

Financial and Operating Highlights for Fiscal 2024

- Overall activity at the Hospital as measured by patient days adjusted for outpatient services (adjusted patient days) decreased by 9.6% from prior year levels.
 - Hospital patient days decreased by 13.3% from the prior year.
 - Outpatient visits decreased by 0.6% from the prior year.
- The Hospital experienced loss from operations of \$26.5 million, and total net position decreased by \$13.4 million.
 - The Upper Payment Limit (UPL) and Indigent Accident Fund (IAF) revenues increased \$11.7 million from the prior year to \$118.0 million.
 - The Medicaid State Directed Payment (MSDP) revenues increased \$80.2 million from the prior year to \$231.5 million.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

- Total operating revenues increased by 13.1% to \$972.0 million.
- Operating expenses, including other postemployment benefits (OPEB) and provision for NPL (GASB 68), increased by 16.0% to \$998.5 million as compared to the prior year.
- Total employee full-time equivalents (FTEs) increased by 216, or 5.9%, from fiscal 2023.
- The Hospital invested \$51.5 million in the following capital acquisitions:
 - CPH Infrastructure Installation
 - 710 S. Tonopah Building and Parking Garage Purchase
 - 5755 E. Charleston Building Purchase
 - 820 Rancho Lane Building Purchase
 - CT Scan IR X-Ray Trauma Project

Financial and Operating Highlights for Fiscal 2023

- Overall activity at the Hospital as measured by patient days adjusted for outpatient services (adjusted patient days) increased by 2.0% from prior year levels.
 - Hospital patient days increased by 1.6% from the prior year.
 - Outpatient visits decreased by 4.2% from the prior year.
- The Hospital experienced loss from operations of \$1.4 million, and total net position increased by \$36.6 million.
 - The Upper Payment Limit (UPL) and Indigent Accident Fund (IAF) revenues increased \$6.6 million from the prior year to \$106.2 million.
 - Total operating revenues increased by 6.3% to \$859.1 million.
 - Operating expenses, including other postemployment benefits (OPEB) and provision for NPL (GASB 68), increased by 12.7% to \$860.5 million as compared to the prior year.
- Total employee full-time equivalents (FTEs) increased by 184, or 5.3%, from fiscal 2022.
- The Hospital invested \$37.9 million in the following capital acquisitions:
 - Aliante Quick Care and Primary Care Construction Tenant Improvements
 - Information Technology End User Devices
 - Round Building and South Building Sanitary Lines
 - Pharmacy Clean Room Design and Build
 - CPH Infrastructure Replacement

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(A COMPONENT UNIT OF CLARK COUNTY, NEVADA)

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

Financial Analysis of the Hospital for June 30, 2024 and 2023

In fiscal 2024, net position decreased \$13.4 million to a deficit of \$201.3 million, from a deficit of \$187.8 million in fiscal 2023, primarily due to loss from operations, being offset by contributions from the County. In fiscal 2023, net position increased \$36.5 million to a deficit of \$187.8 million, from a deficit of \$224.3 million in fiscal 2022, primarily due to gains from operations, and contributions from the County.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

A summary of the Hospital's Statements of Net Position as of June 30, 2024, 2023 and 2022 is presented in Table 1 below:

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

	2024	2023	2022 (As Restated)
Current assets	\$ 384,409	\$ 439,369	\$ 393,475
Restricted and other assets	77,678	65,772	119,410
Capital assets	312,199	255,387	230,970
Total assets	<u>\$ 774,286</u>	<u>\$ 760,528</u>	<u>\$ 743,855</u>
Deferred outflows of resources	<u>331,739</u>	<u>298,253</u>	<u>230,076</u>
Current liabilities	157,415	160,796	161,955
Long-term debt outstanding (a)	-	-	6,565
Other liabilities (b)	979,455	897,618	609,683
Total liabilities	<u>1,136,870</u>	<u>1,058,414</u>	<u>778,203</u>
Deferred inflows of resources	<u>170,330</u>	<u>188,154</u>	<u>420,114</u>
Net investment in capital assets	271,162	253,941	254,270
Restricted	4,320	4,363	3,789
Unrestricted (deficit)	(476,656)	(446,091)	(482,444)
Total net position (deficit)	<u>(201,174)</u>	<u>(187,787)</u>	<u>(224,385)</u>
Total liabilities, deferred inflows and net position (deficit)	<u>\$ 1,106,026</u>	<u>\$ 1,058,781</u>	<u>\$ 973,932</u>

(a) Long-term debt excludes current portions of \$6,565 in FY 2022.

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

Summary of Revenues, Expenses, and Changes in Net Position

The following table presents a summary of the Hospital's revenues and expenses for the years ended June 30, 2024, 2023, and 2022.

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

	2024	2023	2022 (As Restated)
Net patient revenues	\$ 926,667	\$ 818,955	\$ 773,573
Other operating revenues	45,315	40,176	34,628
Total operating revenues	971,982	859,131	808,201
Operating expenses	950,883	816,390	723,721
Depreciation and amortization	48,106	44,108	39,605
	998,989	860,498	763,326
Operating income/(loss)	(27,007)	(1,367)	44,875
Nonoperating revenues, net	3,620	6,953	1,978
Transfers In	10,000	31,000	31,000
Change in net position (deficit)	(13,387)	36,586	77,853
Total net position (deficit), beginning of year	(187,787)	(224,385)	(303,663)
GASB No. 96 / 87 Adjustment	-	12	1,425
Total net position (deficit), end of year	\$ (201,174)	\$ (187,787)	\$ (224,385)

During fiscal 2024, 2023 and 2022, the Hospital derived approximately 99.6%, 99.2% and 99.8% 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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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

Table 3 presents the relative percentages of gross charges billed for patient services by payer for the years ended June 30, 2024, 2023 and 2022.

Table 3
Payer Mix by Percentage

	2024	2023	2022
Medicare	32 %	32 %	30 %
Medicaid, and self-pay	41	41	43
Commercial, HMO, PPO	22	22	22
Other	5	5	5
Total patient revenue	100 %	100 %	100 %

During fiscal 2024, 2023 and 2022, the Hospital derived 0.49%, 0.98% and -1.1%, respectively, of its total revenues from interest income on its general funds, capital funds, restricted funds, 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 2024, 2023 and 2022 include \$10 million, \$31 million and \$31 million, respectively, in contributions from the County used primarily to defray operating, capital and debt service costs.

Fiscal 2024 Activity

In fiscal 2024, overall activity at the Hospital as measured by patient days adjusted for outpatient services decreased by 9.6% to 218,184 compared to 241,399 in fiscal 2023. This decrease was due primarily to a 13.3% decrease in patient days.

In fiscal 2024, the Hospital had patient days and discharges of 138,231 and 23,276, respectively. This was a decrease of 13.3% and 0.5%, respectively, as compared to fiscal 2023. Outpatient and emergency visits were 495,495 or 0.6% below revised 2023 levels of 498,688. The increase in outpatient volume occurred primarily due to an increase in Primary Care and Quick Care registrations of 9.3%, being offset by a decrease in emergency registrations of 4.0%.

In fiscal 2024, net patient revenue increased compared to fiscal 2023 by \$107.7 million due primarily to increased supplemental payments.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

Excluded from net patient revenue are charges foregone for uncompensated and charity care patient services. Based on established rates, gross charges of \$107.5 million were foregone during fiscal 2024, a 9.5% decrease from fiscal 2023. 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 2024, total operating expenses including OPEB and pension increased by \$138.0 million, or 16.0%. The increase was mainly due to a \$98.5 million increase in operating expense and \$39.5 million increase in OPEB and pension provision.

In fiscal 2024, employee compensation and benefits increased \$71.8 million, or 14.1%, primarily due to increases in registered nurses pay, in-house radiology physician services, bonus pay, paid time off to cover nursing shifts, and a mandated 3.75% increase in retirement contributions. The number of paid FTEs increased by 5.9% from 3,666 in fiscal 2023 to 3,882 in fiscal 2024. There was a 3% cost of living increase in fiscal 2024, and 3% cost of living increase in fiscal 2023.

Professional fees for contracted physician services to provide coverage for emergency services, trauma services, and for indigent patients decreased \$3.5 million, or 9.1%, in fiscal 2024. This is primarily due to reduced anesthesia service due to in-house service at the Hospital.

In fiscal 2024 the cost of supplies increased by \$19.2 million, or 12.4%, primarily due to increases in cost related to chargeable medical supplies and implantables.

Purchased services expense increased by \$0.9 million or 1.0% in fiscal year 2024 primarily due to increases in advertising and ad hoc services.

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

The County contributed a total of \$10 million to the Hospital in fiscal 2024 for additional capital equipment and hospital operation.

Net position decreased \$13.4 million to a deficit of \$201.2 million in fiscal 2024 primarily due to a loss from operations, being offset by contributions from the County.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

Fiscal 2023 Activity

In fiscal 2023, overall activity at the Hospital as measured by patient days adjusted for outpatient services increased by 2.0% to 241,399 compared to 236,741 in fiscal 2022. This increase was due primarily to a 1.6% increase in patient days.

In fiscal 2023, the Hospital had patient days and discharges of 159,501 and 23,392, respectively. This was an increase of 1.6% and 6.8%, respectively, as compared to fiscal 2022. Outpatient and emergency visits were 412,901 or 4.2% below 2022 levels. The decrease in outpatient volume occurred primarily due to a decrease in Primary Care and Quick Care registrations of 8.0%, being offset by an increase in emergency registrations of 2.4%.

In fiscal 2023, net patient revenue increased compared to fiscal 2022 by \$45.4 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 \$118.8 million were foregone during fiscal 2023, a 7.3% decrease from fiscal 2022. 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 2023, total operating expenses including OPEB and pension increased by \$97.2 million, or 12.7%. The increase was mainly due to a \$52.6 million increase in OPEB and pension provision, and \$44.3 million increase in operating expense.

In fiscal 2023, employee compensation and benefits increased \$79.4 million, or 18.2%, primarily due to increases in registered nurses pay, physician pay, paid time off to cover nursing shifts, and retirement contributions. The number of paid FTEs increased by 5.3% from 3,482 in fiscal 2022 to 3,666 in fiscal 2023. There was a 3% cost of living increase in fiscal 2023, and 4.5% cost of living increase in fiscal 2022.

Professional fees for contracted physician services to provide coverage for emergency services, trauma services, and for indigent patients decreased \$4.7 million, or 10.9%, in fiscal 2023. This is primarily due to reduced anesthesia service due to in-house service at the Hospital.

In fiscal 2023, the cost of supplies increased by \$13.0 million, or 9.2%, primarily due to increases in cost related to 340B drugs, and an unfavorable adjustment to inventory.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

Purchased services expense increased by \$3.7 million or 4.4% in fiscal year 2023 primarily due to increase in perfusion support services, and UNLV resident salaries.

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

The County contributed a total of \$31 million to the Hospital in fiscal 2023 for additional capital equipment and hospital operation.

Net position increased \$36.6 million to a deficit of \$187.8 million in fiscal 2023 primarily due to the income from contributions from the County and operating income.

Capital Assets

During fiscal 2024 and 2023, the Hospital invested \$51.5 million and \$37.9 million, respectively, in a broad range of capital assets. Gross capital assets increased in fiscal 2024 due to an increase in CPH Infrastructure Installation, 710 S. Tonopah Building and Parking Garage Purchase, 5755 E. Charleston Building Purchase, 820 Rancho Lane Building Purchase, and CT Scan IR X-Ray Trauma Project. Gross capital assets increased in fiscal 2023 due to an increase in Tenant Improvements at Aliante Quick Care and Primary Care, Information Technology End User Devices, Round Building and South Building, Pharmacy Clean Room Design and Build and CPH Infrastructure Replacement.

The Hospital's fiscal 2025 capital budget included up to \$51.7 million for capital projects, consisting of critical patient-related equipment replacement items, facility remodeling and 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.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023

Long-Term Debt

At June 30, 2024 and 2023, the Hospital had \$0 and \$0 million, respectively, in long-term debt, excluding the current portion thereof. This represented a decrease of \$0 million and \$6.6 million, respectively, from the outstanding balances at June 30, 2023, and June 30, 2022. Total outstanding debt represents 0.0% and 0.6% of the Hospital's total liabilities as of June 30, 2024 and 2023, respectively.

Economic Factors

The most recent unemployment statistics, as of August 29 2024, indicated that the unemployment rate for the Las Vegas, Nevada metropolitan area was 6.7%, which was a 1.0% increase from a year ago. The unemployment rate for the State of Nevada and the United States was 6.3% and 4.5%, respectively.

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

All of these factors affected the fiscal year 2024 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

	June 30	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 159,715,101	\$ 46,619,972
Assets limited as to use, current portion	9,959,659	6,227,424
Patient receivables, net of allowance for uncollectible accounts of \$161,918,030 in 2024 and \$137,231,409 in 2023	-	183,022,599
Other receivables, net	8,469,941	8,322,649
Inventories	17,503,188	15,819,961
Prepaid expenses and other	5,738,598	6,069,583
Total current assets	<u>384,409,086</u>	<u>439,368,604</u>
Non-current assets:		
Assets limited as to use, net of current portion:		
Contributor or grantor restricted:		
Cash and cash equivalents	3,710,239	3,728,053
Grants receivable	537,909	654,529
Internally designated cash and cash equivalents	83,257,477	67,434,597
	<u>87,505,625</u>	<u>71,817,179</u>
Less amount required to meet current obligations	(9,959,659)	(6,227,424)
Total assets limited as to use, net of current portion	<u>77,545,966</u>	<u>65,589,755</u>
Land	10,204,997	10,204,997
Depreciable property and equipment, net	207,630,261	185,802,117
Construction in progress	53,112,703	17,298,356
Leased assets, net	21,653,025	24,633,625
Subscription assets, net	19,598,319	17,448,776
Deposits	131,656	181,656
Total assets	<u><u>\$ 774,286,013</u></u>	<u><u>\$ 760,527,886</u></u>
Deferred outflows of resources		
Unamortized loss on refunding	\$ -	\$ 8,639
Related to pensions	268,233,124	229,353,877
Related to OPEB (postemployment benefits other than pensions)	63,506,131	68,890,429
Total deferred outflows of resources	<u><u>\$ 331,739,255</u></u>	<u><u>\$ 298,252,945</u></u>

(Continued)

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

Statements of Net Position (continued)

	June 30	
	2024	2023
Liabilities, deferred inflows of resources and net position		
Current liabilities:		
Accounts payable	\$ 72,585,294	\$ 65,307,334
Accrued compensation and benefits	54,014,440	50,808,415
Other accrued expenses	852,556	682,698
Current portion of long-term debt	—	6,565,000
Current portion of lease payable	7,178,822	6,412,186
Current portion of subscription payable	7,493,060	6,313,000
Due to related party	7,274,464	18,317,411
Current portion of self-insurance liability	8,016,022	6,390,166
Total current liabilities	<u>157,414,658</u>	<u>160,796,210</u>
Non-current liabilities:		
OPEB liability	206,347,989	200,160,059
Long-term debt, net of current portion	—	—
Lease payable, net of current portion	15,549,064	19,036,387
Subscription payable, net of current portion	8,377,265	7,963,170
Self-insurance liability, net of current portion	14,667,167	10,801,770
Intergovernmental liability	17,674,428	29,235,450
Net pension liability	716,838,932	630,420,958
Total liabilities	<u>1,136,869,503</u>	<u>1,058,414,004</u>
Deferred inflows of resources		
Related to lease	177,370	709,481
Related to pensions	29,968,440	32,269,401
Related to OPEB	140,183,948	155,174,632
Total deferred inflows of resources	<u>170,329,758</u>	<u>188,153,514</u>
Net position:		
Net investment in capital assets	<u>271,162,035</u>	<u>208,882,222</u>
Restricted:		
Donations, various programs	2,245,853	2,447,373
Research programs	738,535	596,479
Educational programs	1,335,209	1,319,425
	<u>4,319,597</u>	<u>4,363,277</u>
Unrestricted (deficit)	<u>(476,655,625)</u>	<u>(401,032,186)</u>
Total net position (deficit)	<u><u>\$ (201,173,993)</u></u>	<u><u>\$ (187,786,687)</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	
	2024	2023
Operating revenues:		
Net patient revenues (net of provisions for bad debts of \$38,682,343 and \$46,425,633 in 2024 and 2023, respectively)	\$ 926,666,768	\$ 818,955,276
Other operating revenues	45,314,675	40,175,731
Total operating revenues	971,981,443	859,131,007
Operating expenses:		
Nursing and other professional services	670,116,099	604,602,720
Administrative and fiscal services	167,449,609	148,723,245
General services	66,617,607	55,850,508
Depreciation and amortization	48,105,549	44,107,976
Total operating expenses	952,288,864	853,284,449
Income (loss) from operations before provision for OPEB and net pension liabilities	19,692,579	5,846,558
Provision for OPEB	1,462,544	(6,590,580)
Provision for net pension liabilities	45,237,765	13,803,635
Income (loss) from operations	(27,007,730)	(1,366,497)
Nonoperating revenues (expenses):		
Gain on the change of the investments	4,807,097	8,477,579
Rental income (loss)	(46,972)	-
Interest expense	(1,143,264)	(1,479,098)
Other nonoperating revenues (expenses)	3,563	(45,732)
Total nonoperating revenues, net	3,620,424	6,952,749
Income before transfers	(23,387,306)	5,586,252
Transfers in	10,000,000	31,000,000
Change in net position	(13,387,306)	36,586,252
Net position, beginning of year	(187,786,687)	(224,384,708)
GASB No. 96 adjustment	-	11,769
Net position, end of year	\$ (201,173,993)	\$ (187,786,687)

See accompanying notes.

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

Statements of Cash Flows

	Years Ended June 30	
	2024	2023
Cash flows from operating activities		
Cash received from patients and third-party payers	\$ 1,088,392,162	\$ 660,304,284
Cash payments to suppliers for goods and services	(384,385,733)	(345,984,548)
Cash payments to employees for services and benefits	(561,547,634)	(494,993,985)
Other operating receipts	45,431,295	40,329,222
Net cash provided by (used in) operating activities	187,890,090	(140,345,027)
Cash flows from noncapital financing activities		
Contributions and transfers in from Clark County	10,000,000	31,000,000
Net cash provided by noncapital financing activities	10,000,000	31,000,000
Cash flows from capital and related financing activities		
Purchase of property and equipment, net	(67,139,224)	(35,875,602)
Principal paid on long-term debt	(6,556,361)	(7,410,650)
Interest paid on long-term debt	(104,971)	(452,441)
Other	3,564	(45,732)
Net cash used in capital and related financing activities	(73,796,992)	(43,784,425)
Cash flows from investing activities		
Gain on change of the investments	4,807,097	8,477,579
Increase (decrease) in cash and cash equivalents	128,900,195	(144,651,873)
Cash and cash equivalents, beginning of year	117,782,622	262,434,495
Cash and cash equivalents, end of year	\$ 246,682,817	\$ 117,782,622
Unrestricted cash and cash equivalents	\$ 159,715,101	\$ 46,619,972
Contributor or grantor restricted cash and cash equivalents	3,710,239	3,728,053
Internally designated cash and cash equivalents	83,257,477	67,434,597
Total cash and cash equivalents	\$ 246,682,817	\$ 117,782,622

(Continued)

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

Statements of Cash Flows (continued)

	Years Ended June 30	
	2024	2023
Reconciliation of loss from operations to net cash provided by (used in) operating activities		
Loss from operations	\$ (26,519,195)	\$ (1,366,497)
Adjustments to reconcile loss from operations to net cash used in operating activities:		
Depreciation and amortization	48,105,549	44,107,976
Provision for uncollectible accounts	38,682,343	46,425,633
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Patient receivables	134,604,073	(187,322,658)
Inventories	(1,683,225)	3,137,744
Prepaid expenses and other	253,341	1,851,002
Deferred outflows of resources	(33,494,950)	(68,228,516)
Increase (decrease) in:		
Deposits	50,000	(100,000)
Accounts payable and accrued expenses	(35,150,371)	(73,279,541)
Self-insurance liability	5,491,253	(1,965,711)
Due to related party	(11,042,946)	11,858,836
Deferred inflows of resources	68,594,218	84,536,705
Net cash provided by (used in) operating activities	<u>\$ 187,890,090</u>	<u>\$ (140,345,027)</u>

See accompanying notes.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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 nine 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.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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

Summary of Significant Accounting Policies

The financial statements of the Hospital are prepared under accounting principles generally accepted in the United States of America 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*. Revenue is recognized in the period in which it is earned and expenses are recognized in the period in which incurred.

Use of Estimates

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

Cash, Cash Equivalents, and Investments

Cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less at date of purchase, excluding amounts held under trust agreements. The Hospital's restricted and unrestricted cash is deposited with the County Treasurer (the Treasurer) in a fund similar to an external investment pool that is reported at fair value. Because the amounts deposited with the Treasurer are sufficiently liquid to permit withdrawals in the form of cash at any time without prior notice or penalty, they are deemed to be cash equivalents. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the County to adjust the carrying amount of its investment portfolio to reflect the change in fair 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 Statements 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, 2024, and June 30, 2023.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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

Inventories

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

Restricted Assets

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

Capital Assets

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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

Management reviews the recoverability of its capital assets in accordance with the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*. GASB Statement No. 42 requires recognition of impairment of long-lived assets in the event the asset's service utility has declined significantly and unexpectedly. Accordingly, management evaluates assets' utility annually or when an event occurs that may impair recoverability of the asset. No impairments were identified as of June 30, 2024.

Leases

Lessee:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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

Lessor:

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

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

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

Bond and Debt Issue Costs

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

Cost of Borrowing

Interest costs incurred on debt during the construction or acquisition of assets are expensed and not capitalized as a component of the cost of acquiring those assets as incurred in accordance with GASB Statement No.89.

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 deferred

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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

outflows 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 inflows 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. In the hospital financial statements prepared using the current financial resources measurement focus, a lessor should recognize a lease receivable and a deferred inflow of resources to account for a lease. A lessor should measure the deferred inflow of resources at the initial value of the lease receivable plus the amount of any payments received at or before the commencement of the lease term that relate to future periods. A lessor subsequently should recognize the deferred inflow of resources as inflows of resources in a systematic and rational manner over the term of the lease.

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 2024 and 2023.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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

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.

Net Position

GASB Statement No. 34 requires the classification of net position 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 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 results from restrictions placed on net position 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 consists of all net position that does not meet the definition of restricted or net investment in capital assets.

Statements of Revenues, Expenses, and Changes in Net Position

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*. 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 payors, and others for services provided including the provision for bad debts and includes estimated

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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

retroactive adjustments under reimbursement agreements with third-party payors. Revenue under certain third-party payor 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.

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 \$20,996,592 and \$23,231,138 for the years ending June 30, 2024 and 2023, 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 payors that provide for payment at amounts different from established charge rates. A summary of the basis of payment by major third-party payors 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

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

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.

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* in the year of settlement. Medicare cost reports have been finalized through fiscal year 2019. 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 of \$6,085,687 in fiscal 2024, and a favorable adjustment of \$2,922,603 in fiscal 2023, 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

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

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) were \$117,964,230 and \$106,233,635 in fiscal 2024 and 2023, respectively. As of June 30, 2024 and 2023, \$3,929,839 and \$41,929,571, 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 \$0 in fiscal 2024 and \$5,155,677 in fiscal 2023, respectively, which are included in net patient revenue. As of June 30, 2024 and 2023, the Hospital has reserved approximately \$16,680,554 and \$16,931,672, respectively, for possible future adjustments, which is reflected in intergovernmental liabilities on the accompanying statements of net position. 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 resulted in an increase of \$251,118 and a decrease of \$484,368, respectively, in net patient revenues during the years ended June 30, 2024 and 2023. Funding for the disproportionate share program is generated through intergovernmental transfers and matching funds from the federal government.

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(continued)**

- **Directed Payments:** In 2016, CMS updated the regulations for Medicaid managed care and created a new option for states, allowing them to direct managed care organizations (MCOs) to pay providers according to specific rates or methods. Typically, these Medicaid State Directed Payment (MSDP) arrangements are used to establish minimum payment rates for certain types of providers or to require participation in value-based payment arrangements. However, a few states use the directed payment option to require MCOs to make additional payments to providers similar to supplemental payments in fee for service Medicaid. Effective for calendar year 2020, the Hospital worked with the State of Nevada to establish MSDP arrangements for both Hospital and Professional Services. The MSDP arrangements, which must be recertified by the State and approved by CMS annually, generally require quarterly payments and an annual reconciliation using actual utilization as a basis. Accordingly, the Hospital receives additional payments from these arrangements totaling an increase of \$231,458,637 in fiscal 2024 and an increase of \$151,271,128 in fiscal 2023, respectively, which are included in net patient revenue. As of June 30, 2024 and 2023, the Hospital has reserved approximately \$993,874 and \$12,303,778, respectively, for possible future adjustments, which is reflected in intergovernmental liabilities on the accompanying statements of net position. Normal estimation differences between final settlements and amounts accrued in previous periods are reflected in net patient revenues in the period of settlement. Funding for MSDP arrangements 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 payors:** 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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(continued)**

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

	2024	2023
Medicare	32 %	32 %
Medicaid, and self-pay	41	41
Commercial, HMO, PPO	22	22
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 payor 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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(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:

	2024	2023
Reserve-Beginning Balance	\$ (137,231,409)	\$ (142,568,563)
Provision	(146,191,773)	(165,254,985)
Write-Offs	127,505,227	175,007,110
Bad Debt Recovery	(6,000,075)	(4,414,971)
Reserve-Ending Balance	<u>\$ (161,918,030)</u>	<u>\$ (137,231,409)</u>

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements. Significant concentrations of patient accounts receivable at June 30, 2024 and 2023 include:

	2024	2023
Medicare	24 %	22 %
Medicaid, and self-pay	39	41
Commercial, HMO, PPO	32	31
Other	5	6
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.

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

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 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 payors. Patient accounts receivable consist of amounts due from government programs, commercial insurance companies, private pay patients, and other group insurance programs. One payor source, self-pay, comprises approximately 15% and 14% of gross patient accounts receivable at June 30, 2024 and 2023, respectively. The Hospital maintains an allowance for losses based on the expected collectability of patient accounts receivable.

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

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 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 contract was ratified, effective on November 3, 2020 and expired on June 30, 2024, however the Hospital and the SEIU are currently in negotiations to update the contract. The IUOE contract was updated and ratified on August 7, 2023, and was retroactively effective on July 1, 2020.

Subsequent Events

The Hospital evaluates the impact of subsequent events, which are events that occur after the statement of net position 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, 2024, the Hospital evaluated subsequent events through November 1, 2024, 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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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.

GASB Statement No. 99, Omnibus 2022

- This Statement addresses practice issues identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees.
- Effective for Fiscal Years Beginning After June 15, 2023:
 - A government extending an exchange or exchange-like financial guarantee should recognize a liability and expense/expenditure related to the guarantee when qualitative factors and historical data indicate that it is more likely than not a government will be required to make a payment related to the guarantee. Statement No. 99 excludes guarantees related to special assessment debt, financial guarantee contracts within the scope of Statement No. 53, or guarantees related to conduit debt obligations.
 - Requirements related to the classification and reporting of derivative instruments within the scope of Statement No. 53 that do not meet the definition of an investment or hedging derivative instrument
- Management has reviewed the impact of implementing this GASB statement and determined that there is no impact on the financial statements.

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

- This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.
- Effective for Fiscal Years Beginning After June 15, 2023:

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2. Recent Accounting Pronouncements (continued)

- As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability.
- This Statement also addresses corrections of errors in previously issued financial statements.
- This Statement requires that:
 - changes in accounting principles and error corrections be reported retroactively by restating prior periods,
 - changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and
 - changes in accounting estimates be reported prospectively by recognizing the change in the current period.
- The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement.
- Statement No. 100 requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.
- This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

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2. Recent Accounting Pronouncements (continued)

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

GASB Statement No. 101, *Compensated Absences*

- This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means.
- Effective for Fiscal Years Beginning After December 15, 2023:
- Requires recognition of a liability for leave that has not been used if:
 - the leave is attributable to services already rendered,
 - the leave accumulates, and
 - the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.
- Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.
- Statement No. 101 requires that a liability for certain types of compensated absences, including parental leave, military leave, and jury duty leave, not be recognized until the leave commences.
- In addition, this Statement requires that for specific types of compensated absences, a liability not be recognized until the leave is used.

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2. Recent Accounting Pronouncements (continued)

- This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.
- With respect to financial statements prepared using the current financial resources measurement focus, Statement No. 101 requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.
- Statement No. 101 amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 102, Certain Risk Disclosures

- This Statement provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.
- Effective for Fiscal Years Beginning After June 15, 2024.
- Statement No. 102 defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources.
- A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority.
- Concentrations and constraints may limit a government's ability to acquire resources or control spending.
- Statement No. 102 requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact.

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2. Recent Accounting Pronouncements (continued)

- This Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.
- If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact.
- The disclosure should include descriptions of the following:
 - The concentration or constraint
 - Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
 - Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.
- Management is currently evaluating the implementation of this GASB statement to determine the impact, if any, on the financial statements.

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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, 2024 and 2023, these amounts were as follows:

	2024	2023
Clark County investment pool	\$ 246,662,317	\$ 117,762,522
Cash on hand	20,500	20,100
Total cash and investments	<u>\$ 246,682,817</u>	<u>\$ 117,782,622</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, 2024 and 2023, \$246,662,317 and \$117,762,522, respectively, of Hospital investments in the investment pool were as follows:

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

Investment Type	2024		2023	
	Allocation	Duration in Years	Allocation	Duration in Years
U.S. Treasury Obligations	35.16%	1.68	33.32%	1.73
U.S. Agencies	34.03%	2.75	39.96%	3.37
Corporate Notes	13.38%	1.96	12.37%	2.04
Asset-Backed Securities	6.75%	3.25	5.59%	3.93
Commercial Paper Discounts	3.89%	0.44	0.22%	0.19
Money Market Funds	2.88%	-	5.99%	-
NV Local Gov Investment Pool	2.61%	-	-	-
Negotiable Certificates of Deposit	1.30%	0.29	2.55%	0.27
	<u>100.00%</u>		<u>100.00%</u>	
Average Portfolio Duration		1.75		2.10

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, 2024 and 2023, 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>2024</u>	<u>2023</u>
U.S. Treasury Obligations	A-1+,AA+/Aaa,P-1	A-1+,AA+/Aaa,P-1
Bonds of U.S. Agencies	AA+/Aaa, Unrated (1)	AA+,AAA/Aaa, Unrated (1)
Corporate Obligations or Corporate Notes	A-, A, A+, AA-, AA, AA+/Aaa, Aa, A	A-, A, A+, AA-, AA, AA+/Aaa, Aa, A
Commercial Paper Discounts	A-1/P-1	A-1/P-1
Negotiable Certificates of Deposit	A-1, A-1+/P-1	A-1, A-1+/P-1
Money Market Mutual Funds	AAA/Aa, Aaa	A+, AAA/Aa, Aaa
Asset-Backed Securities	AAA/Aaa, Unrated (2)	AAA/Aaa, Unrated (2)
NV Local Gov Inv Pool	(3)	(3)
Callable Commercial Paper	A-1/P-1	n/a
Federal Agency Discounts	A-1+/P-1	A-1+/P-1

(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) Nevada Local Government Investment Pool (NV LGIP) is an unrated external pool.

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, 2024 and 2023, the following investments exceeded 5% of the investment pool:

	<u>2024</u>		<u>2023</u>	
U.S. Treasury obligations	36.58	%	32.84	%
Federal Home Loan Bank (FHLB)	16.71		16.46	
Federal Farm Credit Bank (FFCB)			7.35	
Federal Agricultural Mortgage Corp (FAMCA)			7.06	
Morgan Stanley Govt MMF			6.85	

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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, 2024 and 2023, the County invested in floating rate, callable, asset-backed, and mortgage-backed securities that have a higher sensitivity to interest rates, which represented 28% and 30%, respectively, of total investment securities.

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4. Other Receivables, Net

The Hospital has agreements with third-party payors that provide for payment of amounts different from established rates. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined. See Note 1, *Net Patient Revenue, Accounts Receivable, and Allowance for Uncollectible Accounts* for additional information. As of June 30, 2024 and 2023, third-party settlements recorded were, \$3,200,991 and \$2,887,000 respectfully.

Other receivables also include accounts receivable that are not directly related to patient receivables, as a result of invoicing clients for various services rendered and implementing GASB Statement No. 87 as a lessor to record leases receivable. See Note 1, *Leases* for additional information.

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

	2024	2023
Third-party settlements	\$ 3,200,991	\$ 2,887,000
Leases receivable	183,700	728,983
Other	5,085,250	4,706,666
	<u>\$ 8,469,941</u>	<u>\$ 8,322,649</u>

5. Internally Designated Assets

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

	2024	2023
Self-insurance funds	\$ -	\$ 16,255,402
Debt service funds	2	6,336,574
Capital acquisition funds	83,257,475	44,842,621
	<u>\$ 83,257,477</u>	<u>\$ 67,434,597</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, 2024 and 2023, were as follows:

<u>2024</u>	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Nondepreciable capital assets:				
Land	\$ 10,204,997	\$ -	\$ -	\$ 10,204,997
Construction in progress	17,298,356	53,165,288	(17,350,941)	53,112,703
Total nondepreciable capital assets	27,503,353	53,165,288	(17,350,941)	63,317,700
Depreciable capital assets:				
Land improvements	4,846,132	-	-	4,846,132
Buildings and building improvements	249,737,784	35,448,385	-	285,186,169
Equipment	320,444,416	14,585,287	(121,577)	334,908,126
Furniture and fixtures	8,828,707	1,418,832	-	10,247,539
Infrastructure	1,538,209	-	-	1,538,209
LVA-IT hardware	143,391	-	-	143,391
Leased land and buildings	31,471,360	-	272,217	31,743,577
Leased equipment and other	10,330,874	4,261,168	(20,356)	14,571,686
Right of use equipment	31,123,320	13,698,582	(615,666)	44,206,236
Total depreciable capital assets	658,464,193	69,412,254	(485,382)	727,391,065
Less accumulated depreciation and amortization:				
Land improvements	(3,712,743)	(151,136)	-	(3,863,879)
Buildings and building improvements	(136,713,495)	(7,338,697)	-	(144,052,192)
Equipment	(253,765,298)	(21,123,484)	121,577	(274,767,205)
Furniture and fixtures	(4,878,668)	(946,673)	-	(5,825,341)
Infrastructure	(522,927)	(64,371)	-	(587,298)
LVA-IT hardware	(143,391)	-	-	(143,391)
Leased land and buildings	(11,431,174)	(4,404,426)	-	(15,835,600)
Leased equipment and other	(5,737,435)	(3,089,202)	-	(8,826,637)
Right of use equipment	(13,674,544)	(10,635,810)	(297,563)	(24,607,917)
	(430,579,675)	(47,753,799)	(175,986)	(478,509,460)
Total depreciable capital assets, net	227,884,518	21,658,455	(661,368)	248,881,605
Total capital assets, net	\$ 255,387,871	\$ 74,823,743	\$ (18,012,309)	\$ 312,199,305

Estimated costs to complete the construction in progress are approximately \$34.2 million as of June 30, 2024.

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6. Capital Assets (continued)

<u>2023</u>	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Nondepreciable capital assets:				
Land	\$ 10,204,997	\$ -	\$ -	\$ 10,204,997
Construction in progress	9,798,053	15,156,725	(7,656,422)	17,298,356
Total nondepreciable capital assets	20,003,050	15,156,725	(7,656,422)	27,503,353
Depreciable capital assets:				
Land improvements	4,790,912	55,220	-	4,846,132
Buildings and building improvements	235,899,107	13,853,907	(15,230)	249,737,784
Equipment	297,922,474	22,581,926	(59,984)	320,444,416
Furniture and fixtures	7,419,170	1,409,537	-	8,828,707
Infrastructure	1,484,346	53,863	-	1,538,209
LVA-IT hardware	143,391	-	-	143,391
Leased land and buildings	24,187,948	7,283,412	-	31,471,360
Leased equipment and other	8,866,402	1,464,472	-	10,330,874
Right of use equipment	16,787,948	14,335,372	-	31,123,320
Total depreciable capital assets	597,501,698	61,037,709	(75,214)	658,464,193
Less accumulated depreciation and amortization:				
Land improvements	(3,561,972)	(150,771)	-	(3,712,743)
Buildings and building improvements	(130,312,039)	(6,401,456)	-	(136,713,495)
Equipment	(231,663,255)	(22,131,035)	28,992	(253,765,298)
Furniture and fixtures	(4,275,937)	(602,731)	-	(4,878,668)
Infrastructure	(444,026)	(78,901)	-	(522,927)
LVA-IT hardware	(143,391)	-	-	(143,391)
Leased land and buildings	(7,490,791)	(3,940,383)	-	(11,431,174)
Leased equipment and other	(3,012,827)	(2,724,608)	-	(5,737,435)
Right of use equipment	(5,630,441)	(8,044,103)	-	(13,674,544)
	(386,534,679)	(44,073,988)	28,992	(430,579,675)
Total depreciable capital assets, net	210,967,019	16,963,721	(46,222)	227,884,518
Total capital assets, net	\$ 230,970,069	\$ 32,120,446	\$ (7,702,644)	\$ 255,387,871

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

7. Long-term Debt

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

		2024				
		Beginning Balance	Additions	Payments/ Reductions	Ending Balance	Due Within One Year
Clark County, Nevada General						
	Obligation Hospital Refunding Bonds, Series 2013	\$ 6,565,000	\$ -	\$ (6,565,000)	\$ -	\$ -
Long-term debt		<u>\$ 6,565,000</u>	<u>\$ -</u>	<u>\$ (6,565,000)</u>	<u>\$ -</u>	<u>\$ -</u>

		2023				
		Beginning Balance	Additions	Payments/ Reductions	Ending Balance	Due Within One Year
Clark County, Nevada General						
	Obligation Hospital Refunding Bonds, Series 2013	\$ 12,935,000	\$ -	\$ (6,370,000)	\$ 6,565,000	\$ 6,565,000
Long-term debt		<u>\$ 12,935,000</u>	<u>\$ -</u>	<u>\$ (6,370,000)</u>	<u>\$ 6,565,000</u>	<u>\$ 6,565,000</u>

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 pledged gross revenues. The proceeds of the bonds were used to: (i) refund \$8,585,000 aggregate principal amount of the County's General Obligation Hospital Improvement and Refunding Bonds, Series 2003; (ii) refund \$17,920,000 aggregate principal 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. 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 matured and were paid off in fiscal 2024.

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NOTES TO FINANCIAL STATEMENTS
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7. Long-term Debt (continued)

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

The Tax Reform Act of 1986 imposes an arbitrage rebate requirement with respect to bonds issued by the County. Under this act, an amount may be required to be rebated to the United States Treasury, so that all interest on the bonds qualifies for exclusion from gross income for federal income tax purposes. The Hospital is current on all required arbitrage payments. As of June 30, 2024 and 2023, there is no estimated potential arbitrage liability.

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NOTES TO FINANCIAL STATEMENTS
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8. Other long-term Liabilities

Operating Leases

The Hospital has operating leases with lease terms shorter than one year or leases not subject to GASB Statement No.87 presentation. Operating leases primarily consist of medical and office equipment used in Hospital operations, as well as other occupancy costs such as common area maintenance and utilities related to real property leases for off-campus outpatient clinic and business office facilities.

Total rent expense under all operating leases was \$1,862,030 and \$2,167,458 in fiscal 2024 and 2023, respectively. Future commitments under operating leases extending beyond June 30, 2024, were as follows:

FY 2025	\$	531,116
FY 2026		342,268
FY 2027		309,713
FY 2028		252,081
FY 2029		27,591
FY 2030 and after		-
Grand total	\$	<u>1,462,769</u>

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NOTES TO FINANCIAL STATEMENTS
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8. Other long-term Liabilities (continued)

The Hospital as Lessee

As of June 30, 2024 University Medical Center of Southern Nevada has 13 lessee financing leases for buildings and 22 lessee financing leases for equipment.

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

The 13 lessee building leases have terms ranging from three years to twenty years. All building leases have monthly payments with three of the building leases having fixed payments throughout the lease term while the remaining ten have annual increases ranging from 1.7% to 5.0%. The value of the right-to-use assets and lease payable for buildings as of June 30, 2024 was \$31,743,577 and \$16,812,849, respectively, with accumulated amortization for buildings of \$15,835,600.

The 22 lessee equipment leases have terms ranging from one year to four years. All equipment leases have fixed monthly payments except for one that has quarterly payments. The value of the right-to-use assets and lease payable for equipment as of June 30, 2024 was \$14,571,686 and \$5,915,036, respectively, with accumulated amortization of \$8,826,638.

The future principal and interest lease payments for buildings as of June 30, 2024, were as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 4,101,010	\$ 428,918	\$ 4,529,928
2026	2,015,888	336,748	2,352,636
2027	1,677,467	291,395	1,968,862
2028	1,309,145	244,045	1,553,190
2029	841,391	212,924	1,054,315
2030-2034	2,789,399	828,525	3,617,924
2035-2039	2,951,258	368,384	3,319,642
2040-2044	1,127,291	62,678	1,189,969
Total	\$ 16,812,849	\$ 2,773,617	\$ 19,586,466

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8. Other long-term Liabilities (continued)

The future principal and interest lease payments for equipment as of June 30, 2024, were as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 3,077,812	\$ 133,268	\$ 3,211,080
2026	2,236,828	69,568	2,306,396
2027	572,348	6,716	579,064
2028	28,048	238	28,286
Total	\$ 5,915,036	\$ 209,790	\$ 6,124,826

The Hospital as Lessor

As of June 30, 2024, the Hospital has one lessor financing lease for buildings. Building space is leased out for academic medical education and research purposes. The lease is with the University of Nevada, Las Vegas, School of Medicine. The current lease term is five years with monthly payments and annual increases of approximately 3%. Total amount of revenue (lease and interest) recognized in FY 2024 is \$532,101 and the lease receivable at June 30, 2024 associated with these building leases is \$183,700.

The Hospital recognized a deferred inflow of resources associated with the lease of \$177,370 at June 30, 2024 that will be recognized as revenue over the remainder of the lease terms.

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NOTES TO FINANCIAL STATEMENTS
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8. Other long-term Liabilities (continued)

The future principal receipts and interest revenue for buildings as of June 30, 2024, were as follows:

Fiscal Year Ending June 30	Principal Receipt	Interest Revenue	Total
2025	\$ 183,700	\$ 5,511	\$ 189,211
After	-	-	-
Totals	\$ 183,700	\$ 5,511	\$ 189,211

Subscription-Based Information Technology Arrangements

As of June 30, 2024, the Hospital has 99 subscription based information technology arrangements. The terms range from one to five years and implicit interest rates range from 1.68% to 8.0%.

The future principal payments and interest payments for subscription based information technology arrangements as of June 30, 2024, were as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 7,493,060	\$ 269,558	\$ 7,762,618
2026	5,417,012	139,371	5,556,383
2027	2,019,327	45,323	2,064,650
2028	940,926	14,287	955,213
After	-	-	-
Total	\$ 15,870,325	\$ 468,539	\$ 16,338,864

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

8. Other long-term Liabilities (continued)

Liability Insurance

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

On January 20, 1987, the Board approved self-insured professional and general liability and workers' compensation insurance programs. In lieu of maintaining insurance coverage, the Board created the professional and general liability fund and the workers' compensation fund. The Hospital has accrued an undiscounted liability for estimated future settlements and claims losses for professional liability, general liability, and workers' compensation using its best estimate of these losses in accordance with actuarially determined amounts. At June 30, 2024 and 2023, the Hospital has accrued professional and general liability of \$17,022,632 and \$12,354,846, 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.

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NOTES TO FINANCIAL STATEMENTS
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8. Other long-term Liabilities (continued)

A summary of changes in the self-insurance liability during fiscal 2024 and 2023 were as follows:

2024

	Beginning Balance	Claims Incurred/ Changes in Estimates	Claims Paid	Ending Balance	Due Within One Year
Professional liability	\$ 12,354,846	\$ 4,774,771	\$ (106,985)	\$ 17,022,632	\$ 3,767,465
Workers' compensation	4,837,090	3,276,928	(2,453,461)	5,660,557	4,248,557
	<u>\$ 17,191,936</u>	<u>\$ 8,051,699</u>	<u>\$ (2,560,446)</u>	<u>\$ 22,683,189</u>	<u>\$ 8,016,022</u>

2023

	Beginning Balance	Claims Incurred/ Changes in Estimates	Claims Paid	Ending Balance	Due Within One Year
Professional liability	\$ 13,874,305	\$ (1,124,619)	\$ (394,840)	\$ 12,354,846	\$ 2,965,076
Workers' compensation	5,283,342	1,800,691	(2,246,943)	4,837,090	3,425,090
	<u>\$ 19,157,647</u>	<u>\$ 676,072</u>	<u>\$ (2,641,783)</u>	<u>\$ 17,191,936</u>	<u>\$ 6,390,166</u>

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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, 2024 and 2023, the Hospital received \$1,375,034 and \$1,851,856, 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 \$962,752 and \$851,817 for these services during fiscal 2024 and 2023, respectively. At June 30, 2023 and 2022, 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 2024 and 2023 follows:

<u>2024</u>	Beginning Balance	Additions	Reductions	Ending Balance
Current liabilities				
Clark County Worker's Compensation	\$ 1,248,964	\$ 3,406,621	\$ (3,000,000)	\$ 1,655,585
Clark County Automotive	-	158,008	(135,250)	22,758
Clark County Enterprise/Physical	19,747	128,124	(136,699)	11,172
Clark County Treasurer	-	76,740	(76,740)	-
Clark County Self -Funded	17,048,700	49,999,256	(61,463,006)	5,584,950
	<u>\$ 18,317,411</u>	<u>\$ 53,768,749</u>	<u>\$ (64,811,695)</u>	<u>\$ 7,274,465</u>

<u>2023</u>	Beginning Balance	Additions	Reductions	Ending Balance
Current liabilities				
Clark County Worker's Compensation	\$ 879,024	\$ 3,369,940	\$ (3,000,000)	\$ 1,248,964
Clark County Automotive	2,400	125,437	(127,837)	-
Clark County Enterprise/Physical	(4,460)	(88,309)	112,516	19,747
Clark County Treasurer	(139)	65,207	(65,068)	-
Clark County Self -Funded	5,581,750	58,249,653	(46,782,703)	17,048,700
	<u>\$ 6,458,575</u>	<u>\$ 61,721,928</u>	<u>\$ (49,863,092)</u>	<u>\$ 18,317,411</u>

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NOTES TO FINANCIAL STATEMENTS
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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 33.50%, 29.75%, and 29.75% for each of three years ended June 30, 2024, 2023, and 2022, respectively.

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NOTES TO FINANCIAL STATEMENTS
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10. Employee Benefits Plans (continued)

The Hospital's contributions to the Plan for the years ended June 30, 2024, 2023, and 2022 were \$107,785,956, \$91,032,509, and \$76,822,819, respectively, and were equal to the required contributions for each fiscal year. At June 30, 2024, 2023, and 2022, accrued compensation and benefits include \$11,448,383, \$12,110,387, and \$10,438,135, 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, 2024, the Hospital reported a liability of \$716,838,932 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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 30, 2023, the Hospital's proportion was 3.93 percent.

At June 30, 2023, the Hospital reported a liability of \$630,420,958 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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 30, 2022, the Hospital's proportion was 3.49 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, 2024, the Hospital recognized pension expense increase of \$99,078,399. At June 30, 2024, 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	\$ 67,181,451	\$ -
Changes in proportion	53,723,118	23,258,811
Differences between expected and actual experience	93,435,578	-
Net difference between projected and actual investment earnings on pension plan investments	-	6,709,629
Hospital contributions subsequent to the measurement date	53,892,978	-
Total	<u>\$ 268,233,125</u>	<u>\$ 29,968,440</u>

\$53,892,978, 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, 2025.

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

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

10. Employee Benefits Plans (continued)

Year ended June 30	Amount
2025	\$ 29,945,125
2026	25,003,281
2027	99,127,537
2028	20,473,333
2029 and after	9,822,431
	<u>\$ 184,371,707</u>

Actuarial Assumptions

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

Inflation rate	2.50%
Investment rate of return	7.25%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service, Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2023 funding actuarial valuation

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of the experience study covering the period from July 1, 2016, to June 30, 2020.

The discount rate used to measure the total pension liability was 7.25%, 7.25%, and 7.25% as of June 30, 2023, 2022, and June 30, 2021, 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 pension plans' fiduciary net position at June 30, 2023, was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term 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, 2023, June 30, 2022, and June 30, 2021.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

10. Employee Benefits Plans (continued)

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, 2023, PERS' long-term inflation assumption was 2.50%

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the Hospital as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the Hospital's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	1% Lower (6.25%)	Discount Rate (7.25%)	1% Higher (8.25%)
Hospital's proportionate share of the net pension liability	\$ 1,115,506,627	\$ 716,838,932	\$ 387,821,035

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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 Annual Comprehensive 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.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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, 2024, the following employees were covered by the benefit terms:

	PEBP	RHPP	Total all Plans
Inactive employees or beneficiaries			
currently receiving benefit payments	221	702	923
Active employees	-	3,078	3,078
Covered spouses	-	188	188
Total	221	3,780	4,001

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

Total OPEB Liability

The Hospital total OPEB liability of \$206,347,989 as of June 30, 2024 was measured at June 30, 2023, and was determined by an actuarial valuation as of that date.

Changes in the Total OPEB Liability

	PEBP	RHPP	Total OPEB Liability
Balance recognized at June 30, 2023	\$ 12,711,626	\$ 187,449,433	\$ 200,161,059
Changes Recognized for the Fiscal Year			
Service Cost	-	7,624,942	7,624,942
Interest cost	438,674	6,838,826	7,277,500
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	(200,203)	(4,101,522)	(4,301,725)
Benefit payments	(639,383)	(3,774,404)	(4,413,787)
Net Changes	(400,912)	6,587,842	6,186,930
Balance recognized at June 30, 2024	\$ 12,310,714	\$ 194,037,275	\$ 206,347,989

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

10. Employee Benefits Plans (continued)

Actuarial assumptions and other inputs: The total OPEB liability for all plans as of June 30, 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases rate	3.0% per annum
Discount rate	3.65%
Health care cost trend rate:	
Pre-Medicare Medical and Rx Benefits	Select: 6.5% , ultimate: 4.0%
Medicare Benefits	Select: 5.5% , ultimate: 4.0%
Administrative Fees/Dental	Select: 4.0% , ultimate: 4.0%
Per Capita Health Claim Cost:	
PPO	\$10,736 at age 60; \$7,117 at age 70; \$14,054 at age 70 with no Medicare
EPO	\$10,868 at age 60; \$7,205 at age 70; \$14,227 at age 70 with no Medicare

Post-Retirement Mortality Rates:

Pub-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

Key Assumption Changes from the Prior Valuation

- The discount rate was updated from 3.54% to 3.65%

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 (2.65 percent) or 1 percentage point higher (4.65 percent) than the current discount rate:

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
PEBP	\$ 13,822,000	\$ 12,311,000	\$ 11,053,000
RHPP	233,504,000	194,037,000	163,198,000
Total OPEB Liability	\$ 247,326,000	\$ 206,348,000	\$ 174,251,000

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

10. Employee Benefits Plans (continued)

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	\$ 11,105,000	\$ 12,311,000	\$ 13,517,000
RHPP	166,069,000	194,037,000	237,134,000
Total OPEB Liability	<u>\$ 177,174,000</u>	<u>\$ 206,348,000</u>	<u>\$ 250,651,000</u>

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

For the year ended June 30, 2024, the Hospital recognized OPEB expense of \$1,078,887. The breakdown by plan is as follows:

	PEBP	RHPP	Total OPEB Total All plans
OPEB Expense	\$ 238,471	\$ 840,416	\$ 1,078,887

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

10. Employee Benefits Plans (continued)

At June 30, 2024, 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 2024 after July 1, 2023 measurement date	\$ 675,000	\$ -
Total PEBP		<u>\$ 675,000</u>	<u>\$ -</u>
RHPP			
	Differences between expected and actual experience	\$ 31,007,765	\$ 70,170,071
	Changes of assumptions or other inputs	27,617,366	70,013,877
	Contributions made in fiscal year ending 2024 after July 1, 2023 measurement date	4,206,000	-
Total RHPP		<u>\$ 62,831,131</u>	<u>\$ 140,183,948</u>
Total All Plans			
	Differences between expected and actual experience	\$ 31,007,765	\$ 70,170,071
	Changes of assumptions or other inputs	27,617,366	70,013,877
	Contributions made in fiscal year ending 2024 after July 1, 2023 measurement date	4,881,000	-
Total All Plans		<u><u>\$ 63,506,131</u></u>	<u><u>\$ 140,183,948</u></u>

The amount of \$4,881,000 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, 2025. 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
2025	\$ (13,623,352)
2026	(10,941,400)
2027	(9,391,612)
2028	(9,391,612)
2029	(9,391,612)
Thereafter	<u>(28,819,229)</u>
	<u><u>\$ (81,558,817)</u></u>

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

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 or 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
(A COMPONENT UNIT OF CLARK COUNTY, NEVADA)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

11. Commitments and Contingencies (continued)

As of June 30, 2021, a \$5.0 million liability was accrued for potential future expense related to this incident. As of the date of this report, a total of \$1,551,236 in expense related to the Cyber Security Incident has been incurred since June 30, 2021, in addition to a \$3,488,764 million reduction on accrued liability, leaving no liability as of June 30, 2024.

Subsequent to June 30, 2021, there were two class action lawsuits filed against the Hospital as a result of the cyber incident. The Hospital removed both cases to federal court and filed a motion to dismiss in both cases. One Judge essentially denied the motion in one of the lawsuits, and both cases were remanded back to state court before the second motion to dismiss was ruled upon. UMC will soon re-file both motions in each case or in a single case if both cases are consolidated, as is expected. The liability related to these class action lawsuits 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
A Component Unit of Clark County, Nevada
Statements of Revenues and Expenses, Budget to Actual Comparisons
For the fiscal year ended June 30, 2024
(With comparative actual for the fiscal year ended June 30, 2023)

	2024				2023
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Operating revenues:					
Intergovernmental revenues:					
Grants	\$ 3,524,580	\$ 3,524,580	\$ 3,023,119	\$ (501,461)	\$ 3,023,119
Charges for services:					
Total patient revenue	937,871,879	937,755,888	926,666,768	(11,089,120)	818,955,276
Other operating revenues	38,287,423	38,287,423	42,291,556	4,004,133	37,152,612
Total operating revenues	979,683,882	979,567,891	971,981,443	(7,586,448)	859,131,007
Operating expenses:					
Salaries and wages	425,223,989	413,661,985	393,486,122	20,175,863	343,378,678
Employee benefits	187,563,313	183,165,870	166,386,537	16,779,333	140,633,301
Services and supplies	168,755,421	168,830,063	174,432,200	(5,602,137)	155,182,410
Professional fees	36,567,291	36,567,291	35,277,630	1,289,661	38,818,972
Purchased services	82,824,878	85,851,338	107,974,791	(22,123,453)	111,120,477
Other	25,587,820	26,504,291	24,764,004	1,740,287	17,875,177
Rent	3,166,251	3,166,251	1,862,030	1,304,221	2,167,458
Depreciation/amortization	35,509,674	35,509,674	48,105,549	(12,595,875)	44,107,976
	965,198,637	953,256,763	952,288,863	967,900	853,284,449
Nonoperating revenues (expenses):					
Interest earnings	3,306,072	3,341,880	4,807,097	1,465,217	8,477,579
Interest expense	(101,758)	(101,758)	(1,143,264)	(1,041,506)	(1,479,098)
Provision for OPEB and net pension liabilities	(1,578,114)	(1,578,114)	(46,700,309)	(45,122,195)	(7,213,055)
Other nonoperating revenue (expenses)	(51,832)	(51,832)	(43,410)	8,422	(45,732)
Total nonoperating revenues (expenses), net	1,574,368	1,610,176	(43,079,886)	(44,690,062)	(260,306)
Income (Loss) before transfers	16,059,613	27,921,304	(23,387,306)	(51,308,610)	5,586,252
Transfers In	5,000,000	5,000,000	10,000,000	5,000,000	31,000,000
Change in Net Position	\$ 21,059,613	\$ 32,921,304	\$ (13,387,306)	\$ (46,308,610)	\$ 36,586,252

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, 2024
(With comparative actual for the fiscal year ended June 30, 2023)

	2024				2023
	<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	\$ 937,871,879	\$ 937,755,888	\$ 1,088,392,162	\$ 150,636,274	\$ 660,304,284
Cash payments to employees for services and benefits	(614,365,416)	(598,405,970)	(561,547,634)	36,858,336	(494,993,985)
Cash payments to suppliers for goods and services	(316,901,661)	(320,919,234)	(384,385,733)	(63,466,499)	(345,984,548)
Other operating receipts	41,812,003	41,812,003	45,431,295	3,619,292	40,329,222
Net cash provided by (used in) operating activities	48,416,805	60,242,687	187,890,090	127,647,403	(140,345,027)
Cash flows from noncapital financing activities:					
Contributions and transfers in from Clark County	5,000,000	5,000,000	10,000,000	5,000,000	31,000,000
Net cash provided by noncapital financing activities	5,000,000	5,000,000	10,000,000	5,000,000	31,000,000
Cash flows from capital and related financing activities:					
Purchase of property and equipment, net	(5,000,000)	(36,608,949)	(67,139,224)	(30,530,275)	(35,875,602)
Principal paid on long-term debt	(6,565,000)	(6,565,000)	(6,556,361)	8,639	(7,410,650)
Interest paid on long-term debt	(101,758)	(101,758)	(104,971)	(3,213)	(452,441)
Other	-	-	3,564	3,564	(45,732)
Net cash used in capital and related financing activities	(11,666,758)	(43,275,707)	(73,796,992)	(30,521,285)	(43,784,425)
Cash flows from investing activities					
Gain on change of the investments	3,306,072	3,341,880	4,807,097	1,465,217	8,477,579
Net (decrease) increase in cash and cash equivalents	45,056,119	25,308,860	128,900,195	103,591,335	(144,651,873)
Cash and cash equivalents:					
Beginning of year	366,775,656	366,775,656	117,782,622	(248,993,034)	262,434,495
End of year	\$ 411,831,775	\$ 392,084,516	\$ 246,682,817	\$ (145,401,699)	\$ 117,782,622

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

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)*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Hospital's proportion of net pension liability (%)	3.93%	3.49%	3.44%	3.66%	3.82%	3.76%	3.58%	3.49%	3.47%	3.60%
Hospital's proportionate share of net pension liability	\$ 716,838,932	\$ 630,420,958	\$ 313,924,210	\$ 510,283,540	\$ 521,536,183	\$ 512,951,016	\$ 476,011,834	\$ 469,010,768	\$ 397,580,372	\$ 375,191,289
Hospital's covered-employee payroll	\$ 325,847,737	\$ 307,612,768	\$ 258,994,712	\$ 247,058,515	\$ 263,088,842	\$ 264,122,683	\$ 250,244,531	\$ 230,360,225	\$ 213,368,871	\$ 208,421,960
Hospital's proportionate share of net pension liability as a percentage of its covered-employee payroll	219.99%	204.94%	121.21%	206.54%	198.24%	194.21%	190.22%	203.60%	186.33%	180.02%
Plan fiduciary net position as a percentage of total pension liability	76.16%	75.12%	86.51%	77.04%	76.46%	75.24%	74.40%	72.20%	75.10%	76.30%

This schedule is presented to illustrate the requirement to show information for 10 years.

* 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 53,892,978	\$ 45,516,255	\$ 38,411,410	\$ 36,017,847	\$ 38,205,556	\$ 36,785,296	\$ 35,026,725	\$ 31,952,786	\$ 59,262,299	\$ 53,667,927
Contributions in relations to statutorily required contributions	\$ 53,892,978	\$ 45,516,255	\$ 38,411,410	\$ 36,017,847	\$ 38,205,556	\$ 36,785,296	\$ 35,026,725	\$ 31,952,786	\$ 59,262,299	\$ 53,667,927
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hospital's covered-employee payroll	\$ 325,847,737	\$ 307,612,768	\$ 258,994,712	\$ 247,058,515	\$ 263,088,842	\$ 264,122,683	\$ 250,244,531	\$ 230,360,225	\$ 213,368,871	\$ 208,421,960
Contributions as a percentage of covered-employee payroll	16.54%	14.80%	14.83%	14.58%	14.52%	13.93%	14.00%	13.87%	27.77%	25.75%

This schedule is presented to illustrate the requirement to show information for 10 years.

Changes of benefit terms: There were no changes of benefit terms in 2024.

Changes of assumptions: There were no changes of benefit assumptions in 2024.

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

Other Postemployment Benefits
Required Supplementary Information

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

PEBP Plan								
	2024	2023	2022	2021	2020	2019	2018	
Total OPEB Liability								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Interest	438,674	423,836	437,416	712,888	754,777	837,289	752,369	
Changes of benefit terms	-	-	-	-	-	-	-	
Difference between actual and expected experience	-	(4,823,125)	-	(3,738,844)	-	(6,654)	50,232	
Changes of assumptions or other inputs	(200,203)	(2,163,355)	94,725	3,217,101	941,195	(4,153,809)	(2,555,531)	
Benefit payments	(639,383)	(695,509)	(709,878)	(823,720)	(838,318)	(910,344)	(943,003)	
Net Change in Total OPEB Liability	(400,912)	(7,258,153)	(177,737)	(632,575)	857,654	(4,233,518)	(2,695,933)	
Total OPEB Liability - Beginning	12,711,626	19,969,779	20,147,516	20,780,091	19,922,437	24,155,955	26,851,888	
Total OPEB Liability - Ending	\$ 12,310,714	\$ 12,711,626	\$ 19,969,779	\$ 20,147,516	\$ 20,780,091	\$ 19,922,437	\$ 24,155,955	
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Total OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
RHPP								
	2024	2023	2022	2021	2020	2019	2018	
Total OPEB Liability								
Service cost	\$ 7,624,942	\$ 8,833,263	\$ 8,937,345	\$ 8,093,442	\$ 6,766,369	\$ 17,486,880	\$ 18,335,102	
Interest	6,838,826	4,382,094	4,227,380	5,552,088	5,423,405	9,615,301	8,032,804	
Changes of benefit terms	-	-	-	-	-	-	-	
Difference between actual and expected experience	-	36,194,916	-	(6,056,494)	-	(116,492,033)	5,259	
Changes of assumptions or other inputs	(4,101,522)	(54,635,189)	1,687,151	28,178,688	9,761,359	(24,138,375)	(35,408,967)	
Benefit payments	(3,774,404)	(2,734,210)	(3,580,284)	(4,336,810)	(5,236,733)	(3,154,125)	(3,220,455)	
Net Change in Total OPEB Liability	6,587,842	(7,959,126)	11,271,592	31,430,914	16,714,400	(116,682,352)	(12,256,257)	
Total OPEB Liability - Beginning	187,449,433	195,408,559	184,136,967	152,706,053	135,991,653	252,674,005	264,930,262	
Total OPEB Liability - Ending	\$ 194,037,275	\$ 187,449,433	\$ 195,408,559	\$ 184,136,967	\$ 152,706,053	\$ 135,991,653	\$ 252,674,005	
Covered Payroll	\$ 307,612,768	\$ 258,994,712	\$ 247,058,515	\$ 263,088,842	\$ 231,341,937	\$ 231,341,937	\$ 231,533,548	
Total OPEB Liability as a Percentage of Covered Payroll	63%	72%	79%	70%	66%	59%	109%	

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

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, 2024, key assumption changes since the prior valuation were as follows:

- The discount rate was updated from 3.54% to 3.65%.



**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, which comprise UMC's statement of financial position as of June 30, 2024, and the related statements of revenues, expenses, and changes in Net Position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 1, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UMC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the UMC's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 the UMC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

Las Vegas, Nevada
November 1, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the University Medical Center of Southern Nevada's ("UMC"), a component unit of Clark County, Nevada, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of UMC's major federal programs for the year ended June 30, 2024. UMC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, UMC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

BDO USA, P.C.

Las Vegas, Nevada
November 1, 2024

University Medical Center of Southern Nevada
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Provided to Subrecipients</i>	<i>Total Federal Expenditures</i>
Federal Emergency Management Agency (FEMA)				
State of Nevada Division of Emergency Management Building Resilient Infrastructure and Communities 03/24/2022 - 03/23/2025	97.047	EMF-2020-BR-090-0007	-	3,591
Total Federal Emergency Management Agency (FEMA)			-	3,591
U.S. Department of Transportation				
<i>Pass-through programs from Office of Traffic Safety</i>				
UMC Child Passenger Safety Program 10/01/2022 - 09/30/2023	20.616(b)	69A3752230000405BNVH 69A3752230SUP405BNVH	-	8,453
UMC Child Passenger Safety Program 10/01/2023 - 09/30/2024	20.616(b)	69A3752230000405bNVH 69A3752230SUP405BNVH	-	14,868
Subtotal			-	23,321
Total U.S Department of Transportation			-	23,321
U.S. Department of Health and Human Services				
<i>Department of Health and Human Services Direct Programs:</i>				
Strengthening Emergency Care Delivery in the United States Healthcare system through Health Information and Promotion 9/30/2022 - 09/28/2023	93.078	1HITEP220075-01-00	-	32,339
Strengthening Emergency Care Delivery in the United States Healthcare system through Health Information and Promotion 9/30/2023 - 09/28/2024	93.078	1HITEP220075-01-00	-	138,433
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease 04/01/2023 - 03/31/2024	93.918	H76HA00166-29-00	-	518,322
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease 04/01/2024 - 03/31/2025	93.918	H76HA00166-30-00	-	161,989
Subtotal			-	851,083
<i>Pass-through programs from Clark County, Nevada</i>				
HIV Emergency Relief Project Grants 03/01/2023 - 02/29/2024	93.914	2H89HA06900	-	696,488
HIV Emergency Relief Project Grants 03/01/2024 - 02/28/2025	93.914	2H89HA06900	-	403,265
Subtotal			-	1,099,753
Integrated HIV Programs for Health Departments to Support Ending the HIV Epidemic in the United States 03/01/2023 - 02/29/2024	93.686	UT8HA33925	-	109,444
Integrated HIV Programs for Health Departments to Support Ending the HIV Epidemic in the United States 03/01/2024 - 02/28/2025	93.686	UT8HA33925	-	48,223
Subtotal			-	157,667
<i>Pass-through programs from Southern Nevada Health District:</i>				
Integrated HIV Programs for Health Departments to Support Ending the HIV Epidemic in the United States 08/01/2022 - 07/31/2023	93.940	NU62PS924642	-	128,268
Integrated HIV Programs for Health Departments to Support Ending the HIV Epidemic in the United States 08/01/2023 - 07/31/2024	93.940	NU62PS924642	-	863,296
Subtotal			-	991,564
Total U.S Department of Health and Human Services			-	3,100,067
Total Expenditures of Federal Awards			\$ -	\$ 3,126,979

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024

1. Reporting Entity

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

2. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of UMC under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in the financial statements. Because the Schedule presents only a selected portion of the operations of UMC, it is not intended to and does not present the financial position, changes in net position or cash flows of UMC.

3. Summary of Significant Accounting Policies

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

4. Indirect Cost Rule

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

5. Subsequent Event

The Hospital evaluates the impact of subsequent events, which are events that occur after the statement of net position (deficit) date but before the financial statements are issued, for potential recognition in the financial statements as of the statement of net position date. For the year ended June 30, 2024, the Hospital evaluated subsequent events through November 1, 2024, representing the date the accompanying audited financial statements were issued. During these periods the Hospital determined there were no subsequent events that needed to be disclosed.

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

No

Significant deficiencies identified?

None reported

Noncompliance material to financial statements noted?

No

Federal Awards

Internal control over major federal program:

Material weakness(es) identified?

No

Significant deficiencies identified?

None reported

Type of auditor’s report issued on compliance for major federal program

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

No

Identification of major federal program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
93.940	1) Integrated HIV Programs for Health Departments to Support Ending the HIV Epidemic in the United States
93.914	2) HIV Emergency Relief Project Grants and Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B
93.918	3) Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee?

No

Section II – Financial Statement Findings

No matters were identified that were required to be reported.

Section III – Federal Award Findings and Questioned Costs

No matters were identified that were required to be reported.

**UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
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
November 6, 2024

Agenda Item #

5

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
6	NRS 332.115(1)(f)	No	Alignment Health Plan Nevada	Amendment	Yes	4/1/2022 - 12/31/2026	90 w/out cause	Revenue based on volume	Mangaged Care	Second Amendment will extend Term until December 31, 2026. Will add Hospital based Physicians and Urgent Care Center services with compensation.

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/Condi ons the Same?	This Contract Term	Out Clause	Contract Value	Capital / Maintenance and Support	Savings/Cost Increase	Requesting Department	Description/Comments
7	NRS 332.115(1)(b)	No	Encompass Studio LLC	Amendment	No	1/25/2023 - 1/25/2027	30 days w/o cause	Base Agreement NTE \$505,000 Amendment 1 \$505,000 Cumulative Total NTE \$1,010,000	None	N/A	Plant Operations	This First Amendment extends the term length by two years and to increase the not-to-exceed amount by \$505,000 to, in aggregate, \$1,010,000. Encompass provides drawings and documentations for hourly space plans for staff relocations, tenant improvements in existing facilities, and standalone buildings.
8	NRS 332.115(1)(b)	No	DNV Healthcare USA Inc.	New Contract	N/A	5 Years	60 days w/o cause	Base Agreement \$336,140.10	None	None	Ctr-Quality/Pt Sfty	This request is to enter into a new Agreement with DNV Healthcare USA Inc. for Management System Certification/Accreditation. DNV will provide an effective hospital accreditation program that helps UMC meet regulatory requirements and improve patient safety and quality of care. UMC will compensate DNV \$330,315.00, with a potential increase to \$336,140.10 due to a 3% price escalation for a period of five (5) years from the Effective date.
9	NRS 450.525 NRS 450.530	No	Insight Direct USA	New Contract	N/A	3 years of warranty; 5 years of support	60 days w/o cause	Base Agreement \$1,103,550.05	Yes	None	IS-UMC	ThisAgreement facilitates the purchase of approx. 1,000 new computers for UMC. The existing computers are outdated and will not be able to support Windows 11 by October 2025. Failing to replace these computers will pose a significant operational risk. The purchase and implementation of new computers will ensure that all computers at UMC are running the latest supported operating system. UMC will compensate Insight Direct USA for a total cost of \$1,103,550.05 which includes 3 years of warranty and 5 years of technical support.
10	NRS 332.115(1)(b)	No	Pokroy Medical Group of Nevada, Ltd. d/b/a Pediatrix Medical Group of Nevada	New Contract	N/A	1 Year, with annual renewal options	90 days w/o cause	\$300,000 annually	None	None	PEDS	This request is for approval of a new Telemedicine Professional Services Agreement with Pokroy Medical Group of Nevada, Ltd. d/b/a Pediatrix Medical Group of Nevadato provide remote 24/7 consultations and interpretation services as requested by the treating physician to pediatric patients in UMC’s Neonatal Intensive Care Unit.
11	NRS 450.525 NRS 450.530	Yes	Stryker	New Equipment Schedule	N/A	2 Years	Budget Act and Fiscal Fund Out	Base Agreement \$813,984.40	N/A	None	OR	This Agreement is for the lease of neuro power and bone mill equipment for use in surgical cases. Neuro Power allows for the use of power equipment in head/skull perforation cases. The bone mill is used to promote bone regeneration and provide structural support post-surgery. The bone comes from the patient so there is no risk of rejection or disease transmission.
12	NRS 332.115(1)(b)	No	Terminix International Company Limited Partnership D/B/A Terminix Commercial	Amendment	No	1 Year	30 days w/o cause	Base Agreement NTE \$100,000 Amendment 6 NTE \$1,588,306.50 Cumulative Total NTE \$3,492,586.50	None	Increase \$1,588,306.5	EVS	Amendment 6 to Agreement adds funding to cover services for new and existing locations, and equipment purchases. The funding will cover services through the term of the agreement, July 26, 2025.
13	N/A	No	UNLV School of Dental Medicine	New Contract	N/A	Academic Year 2025-2026	6 months w/o cause	Base Agreement NTE \$375,000	None	N/A	Academic Affairs (Residents)	This new Residency Affiliation Agreement is for dental anesthesia resident training with UNLV SDM. Both parties will work together to set the framework for the creation of a premier academic health center that integrates the expertise of UNLV SDM with the resources of UMC to enhance teaching, promote health care innovation and improve access to health care for southern Nevadans. During the 36 month residency, each resident will rotate 24 months at UMC for cases, consults, operating room treatment and emergency treatment. This Agreement sets forth the resident salary reimbursement (i.e., Academic Mission Support and Resident Stipend) for Academic Year 2025-2026.

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

Issue:	Amendment Two to the Hospital Agreement with Alignment Health Plan of Nevada, Inc.	Back-up:
Petitioner:	Jennifer Wakem, Chief Financial Officer	Clerk Ref. #
Recommendation: That the Governing Board Audit and Finance Committee review and recommend for ratification by the Governing Board the Amendment Two to the Hospital Agreement with Alignment Health Plan of Nevada, Inc. for Managed Care Services; or take action as deemed appropriate. (<i>For possible action</i>)		

FISCAL IMPACT:

Fund Number: 5420.000
Fund Center: 3000850000
Description: Managed Care Services
Bid/RFP/CBE: NRS332.115(1)(f) - Insurance
Term: Amendment 2 – extend through December 31, 2026
Amount: Revenue based on volume
Out Clause: 90 days w/o cause

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

BACKGROUND:

On March 30, 2020, the Governing Board approved the Hospital Agreement (“Agreement”) with Alignment Health Plan of Nevada, Inc., (“Alignment”) to provide its Medicare Advantage health plan network members healthcare access to hospital services. The Agreement term is for two (2) years effective April 1, 2022 through March 31, 2024 unless terminated for convenience with a 90-day written notice. The First Amendment, effective April 1, 2024 extended the Term through March 31, 2026.

This request is for ratification of the Amendment Two to the Hospital Agreement further extends the Term to December 31, 2026. In addition, this Amendment shall add Hospital Based Physicians and Urgent Care Center services with compensation to the Exhibit(s). This Amendment was entered into to be effective as of December 1, 2024.

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.

Cleared for Agenda
November 6, 2024

Agenda Item #

6

AMENDMENT II TO THE
HOSPITAL AGREEMENT
BETWEEN
ALIGNMENT HEALTH PLAN OF NEVADA, INC
AND

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

This Amendment II to the Hospital Agreement (“Amendment”) is made and entered into by and between Alignment Health Plan Nevada, Inc. (“AHP”), a Nevada corporation organized under the laws of the State of Nevada and University Medical Center of Southern Nevada (“Hospital”) to amend the Hospital Agreement effective April 1, 2022, as amended. (“Agreement”).

Whereas, AHP and Hospital desire to amend the Agreement to modify terms of the Agreement and add compensation terms for urgent care center services and services rendered by physicians employed by Hospital.

Now, therefore, in consideration of the mutual promises and covenants contained in this Amendment, the Parties hereby agree as follows:


1. Section 5.1, Term is deleted in its entirety and replaced as follows:
 - 5.1 Term. The initial term of this Agreement shall commence on the Effective Date, and shall remain in effect until December 31, 2026 ("Initial Term"). Thereafter, the term of this Agreement shall renew for successive one (1) year periods (each a "Renewal Term" and together with the Initial Term, the “Term”) beginning on January 1st ("Renewal Date) upon mutual written consent.
2. Exhibit 1-A, Compensation for Hospital Based Physicians and Urgent Care Center Services, attached hereto is hereby added to the Agreement.
3. Exhibit 3-A Hospital Based Physician and Urgent Care Centers attached hereto, is added to the Agreement and incorporated herein by reference.
4. This Amendment shall be effective as of the date written on the signature page (“Amendment Effective Date”).
5. To the extent that the provisions in the Agreement, including any prior amendments, conflict with the terms of this Amendment, the terms in this Amendment shall supersede and control. All other terms and conditions of the Agreement shall remain in full force and effect.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE TO FOLLOW**

IN WITNESS WHEREOF, the undersigned Parties hereto agree to this Amendment as of the Amendment Effective Date listed below.

ALIGNMENT HEALTH PLAN OF NEVADA, INC.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

By:  DocuSigned by:
 8AE1C0E220B7A490...

Print Name: Tammy Marovich

Title: Chief of Contracting and Market Management

Date: 10/17/2024 | 12:48:55 PM PDT

Notices to:
Alignment Health Plan of Nevada, Inc.
1100 W. Town & Country Road
Suite 1600
Orange, CA 92868
Attn: President
cc: VP, Network Management

By: 

Print Name: Mason Van Houweling

Title: CEO

Date: 10/17/2024

Tax ID #: _____

NPI #: _____

Notices to:
University Medical Center of Southern Nevada

Address: 1800 W Charleston Blvd.

Las Vegas, NV 89102

Attn: _____

Email: _____

Phone #: _____

TO BE COMPLETED BY AHP ONLY:

AMENDMENT EFFECTIVE DATE: DECEMBER 1, 2024

**EXHIBIT 1-A
COMPENSATION
HOSPITAL BASED PHYSICIANS AND
URGENT CARE CENTER SERVICES**

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

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)						
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Trust	<input type="checkbox"/> Non-Profit Organization	<input type="checkbox"/> Other
Business Designation Group (Please select all that apply)						
<input type="checkbox"/> MBE	<input type="checkbox"/> WBE	<input type="checkbox"/> SBE	<input type="checkbox"/> PBE	<input type="checkbox"/> VET	<input type="checkbox"/> DVET	<input type="checkbox"/> 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: 3						
Corporate/Business Entity Name: Alignment Health Plan of Nevada, Inc.						
(Include d.b.a., if applicable)						
Street Address:		1600 Town and County Road, Ste 1600		Website:		
City, State and Zip Code:		Orange, CA 92868		POC Name:		
Telephone No:		844-310-2247		Email:		
Telephone No:		844-310-2247		Fax No:		
Nevada Local Street Address: (If different from above)		8395 West Sunset Road, Suite 110		Website: alignmenthealthplan.com		
City, State and Zip Code:		Las Vegas, Nevada 89119		Local Fax No:		
Local Telephone No:				Local POC Name: Raynette Howard		
				Email: rhward@ahcusa.com		

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

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

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

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
See Attachment 1		

This section is not required for publicly-traded corporations. Are you a publicly-traded corporation? ☒ Yes ☐ No See Attachment 1

1.

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

☐ Yes

☒ No

(If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)
2.


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

☐ Yes

☒ No

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

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

DocuSigned by:  Signature	Tammy Marovich Print Name
National SVP, Network Strategy & Market Development Title	2/27/2024 5:03:55 PM PST Date

DISCLOSURE OF RELATIONSHIP

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

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL	UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT

* 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

ATTACHMENT 1

100% of the ownership of Alignment Health Plan of Nevada, Inc. is held indirectly by a publicly traded company: Alignment Healthcare, Inc.

The following are the officers and directors of Alignment Health Plan of Nevada, Inc.:

Directors:

John Kao
Thomas Freeman
Christopher Joyce
Dawn Maroney
Vina Fuentebella

Officers:

John Kao (CEO)
Christopher Joyce (Secretary)
Thomas Freeman (CFO)

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

Issue:	First Amendment to Master Service Agreement for Architectural Design and Documentation Services with Encompass Studio 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 Master Service Agreement for Architectural Design and Documentation Services with Encompass Studio LLC; or take action as deemed appropriate. (<i>For possible action</i>)		

FISCAL IMPACT:

Fund Number: 5420.000	Fund Name: UMC Operating Fund
Fund Center: 3000848000	Funded Pgm/Grant: N/A
Description: Architectural design and documentation services	
Bid/RFP/CBE: NRS 332.115(1)(b) – Professional Services.	
Term: Four years from the Effective Date (post-Amendment)	
Amount: \$505,000 Additional Cost	
+ \$505,000 Base Agreement (previously approved)	
\$1,010,000 Aggregate Total	
Out Clause: 30 days for convenience; Budget Act/Fiscal Fund Out	

BACKGROUND:

In January of 2023, the Governing Board approved the Master Service Agreement for Architectural Design and Documentation Services (“Agreement”) with Encompass Studio LLC (“Encompass”). This Agreement allowed, and continues to allow for, a significant reduction in turnaround times for procurement of such services, as needed, for various UMC projects that are performed by Encompass pursuant to task orders. Projects include, but are not limited to, drawings and documentations for hourly space plans for staff relocations, tenant improvements in existing facilities, and standalone buildings.

This request is for UMC to enter into an amendment to the Agreement that will increase the not-to-exceed amount by \$505,000 to, in aggregate, \$1,010,000 and extend the term length by two (2) years. The Agreement may be terminated by UMC at any time, for convenience, upon thirty (30) days’ notice.

Encompass currently holds a Clark County business license.

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

Cleared for Agenda
November 6, 2024

Agenda Item #

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**FIRST AMENDMENT TO THE MASTER SERVICE AGREEMENT
FOR ARCHITECTURAL DESIGN AND DOCUMENTATION SERVICES**

This First Amendment to the Master Services Agreement for Architectural Design and Documentation Services ("First Amendment") is effective as of the date of the last signature by the Parties below ("First Amendment Effective Date"), and is by and between University Medical Center of Southern Nevada, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes, having its principal place of business at 1800 W Charleston Blvd, Las Vegas, NV 89102, ("HOSPITAL"), and Encompass Studio LLC, having its principal place of business at 241 W Charleston, Suite 155, Las Vegas, NV 89102, ("COMPANY").

WHEREAS, HOSPITAL and COMPANY entered into the Master Service Agreement for Architectural Design and Documentation Services on January 4, 2023 (the "Agreement"); and

WHEREAS, HOSPITAL and COMPANY wish to amend the Agreement in certain respects as provided in this First Amendment.

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, HOSPITAL and COMPANY hereby agree as follows:

1. The paragraph on the page numbered "1" beneath "W I T N E S S E T H:" which reads, "WHEREAS, the COMPANY has the personnel and resources necessary to accomplish the PROJECT within the required schedule and with a budget allowance not-to-exceed \$505,000.00 including all travel, lodging, meals and miscellaneous expenses, as further described herein; and" is hereby deleted in its entirety and replaced with the following:

WHEREAS, the COMPANY has the personnel and resources necessary to accomplish the PROJECT within the required schedule and with a budget allowance not-to-exceed \$1,010,000.00 including all travel, lodging, meals and miscellaneous expenses, as further described herein; and

2. "**SECTION I: TERM OF AGREEMENT**" of the Agreement is hereby deleted in its entirety and replaced with the following:

SECTION I: TERM OF AGREEMENT

HOSPITAL agrees to retain COMPANY for four (4) consecutive years from the Effective Date ("Term" or "Initial Term"). During the Term, COMPANY agrees to provide services as required by HOSPITAL within the scope of this Agreement.

3. The hourly rate table on **Exhibit A Scope of Work** of the Agreement is hereby deleted in its entirety and replaced with the following:

Designer	\$125.00
Project Managers/Coordinators	\$175.00
Project Architect/Lead Designers	\$175.00
Design Director	\$175.00
Principals/Partners	\$200.00

4. Except as expressly amended in this First Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment on the dates set forth below.

ENCOMPASS STUDIO LLC

Signature:  Deborah Hopson

Printed Name: DEBORAH A HOPSON

Title: Managing Partner

Date: _____

**UNIVERSITY MEDICAL CENTER OF
SOUTHERN NEVADA**

Signature: _____

Printed Name: Mason Van Houweling

Title: Chief Executive Officer

Date: _____

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type (Please select one)						
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Corporation	<input type="checkbox"/> Trust	<input type="checkbox"/> Non-Profit Organization	<input type="checkbox"/> Other
Business Designation Group (Please select all that apply)						
<input type="checkbox"/> MBE	<input type="checkbox"/> WBE	<input checked="" type="checkbox"/> SBE	<input type="checkbox"/> PBE	<input type="checkbox"/> VET	<input type="checkbox"/> DVET	<input type="checkbox"/> 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: 9						
Corporate/Business Entity Name: ENCOMPASS STUDIO LLC						
(Include d.b.a., if applicable) ENCOMPASS STUDIO						
Street Address: 241 W CHARLESTON STE 155				Website: WWW.KESTUDIOVEGAS.COM		
City, State and Zip Code: LAS VEGAS NV 89102				POC Name: DEB HOPSON		
				Email: deb@estudiovegas.com		
Telephone No: 702 733 7757				Fax No: N/A		
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)
DEBORAH HOPSON	MANAGING PARTNER	50
BARRETT POWLEY	MANAGING PARTNER	50

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: DEB HOPSON
 Title: PRINCIPAL

Print Name: DEB HOPSON
 Date: 1.27.21

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:	Management System Certification / Accreditation Agreement and Business Associate Agreement with DNV Healthcare USA 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 Board of Hospital Trustees for University Medical Center of Southern Nevada, the Agreements with DNV Healthcare USA Inc. for Management System Certification/Accreditation; authorize the Chief Executive Officer to execute any future amendments or addendums; or take action as deemed appropriate. <i>(For possible action)</i>		

FISCAL IMPACT:

Fund Number: 5420.000
 Fund Center: 3000876000
 Description: Management System Certification/Accreditation
 Bid/RFP/CBE: NRS 332.115(1)(b) – Professional Services
 Term: 5 years from the Effective date
 Amount: \$330,315; potential aggregate is \$336,140.10
 Out Clause: 60 days w/o cause

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

BACKGROUND:

This request is to enter into a new Agreement with DNV Healthcare USA Inc. ("DNV") for Management System Certification/Accreditation. DNV will provide an effective hospital accreditation program that helps UMC meet regulatory requirements and improve patient safety and quality of care. The program covers key aspects such as quality management, risk management, medication management, patient rights, and the physical environment. Accreditation offers numerous benefits, including significantly improved patient safety, enhanced reputation, and increased staff satisfaction. DNV will also provide experienced surveyor teams to offer a supportive and objective assessment of UMC's systems, processes, and facilities.

UMC will compensate DNV \$330,315.00, with a potential increase to \$336,140.10 due to a 3% price escalation for a period of five (5) years from the Effective date. Either party may terminate this Agreement with a 60-day written notice to the other. Staff also requests authorization for the Hospital CEO to execute future amendments or addendums at his discretion if deemed beneficial to UMC.

UMC's Quality, Patient Safety, & Regulatory Officer has reviewed and recommends approval of these Agreements. These Agreements have been approved as to form by UMC's Office of General Counsel.

Cleared for Agenda
November 6, 2024

Agenda Item #

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MANAGEMENT SYSTEM CERTIFICATION / ACCREDITATION

Agreement ("Agreement")

Section I - Cover letter

"Customer"

Legal entity:	University Medical Center of Southern Nevada	Doing business as:	University Medical Center of Southern Nevada
Legal entity VAT no:	N/A	Customer no.(id):	10702379
Contact person:	Patty Scott	Phone/mail:	702-207-8257; Patricia.Scott@umcsn.com
Business address:	1800 West Charleston Blvd., Las Vegas, NV 89102	Invoicing address:	1800 West Charleston Blvd., Las Vegas, NV 89102
Is purchase order no. required to process invoice:		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes; P.O. no: N/A	
Customer Type:	<div><input checked="" type="checkbox"/> Hospital <input type="checkbox"/> Critical Access Hospital <input type="checkbox"/> Psychiatric Hospital <input type="checkbox"/> Certification in Infection Prevention (CIP) <input type="checkbox"/> Heart Failure Program Certification (HFPC) <input type="checkbox"/> Hip & Knee Replacement Certification (HKRC) <input type="checkbox"/> Palliative Care Program Certification (PCPC) <input type="checkbox"/> Shoulder Surgery Program Certification (SSPC) <input type="checkbox"/> Spine Surgery Program Certification (SSPC) <input type="checkbox"/> Sterile Processing Program Certification (SPPC) Stroke Program: <input type="checkbox"/> ASR <input type="checkbox"/> CSC <input type="checkbox"/> PSC <input type="checkbox"/> PSC+ <input type="checkbox"/> Ventricular Assist Devices Credentialing (VADC) <input type="checkbox"/> Other (see Deliverables)</div>		

"DNV"

Legal entity:	DNV Healthcare USA Inc.	
Legal entity VAT no:	N/A	Work Order/Quote ID: 84351447
Contact person:	Kelly Proctor	Phone/mail: 470-553-0670
Business address:	1400 Ravello Drive, Katy TX 77449	

Work/project

Project name:	NIAHO®/ISO 9001
Commencement date:	Unannounced
Project number (if applicable):	TBD

Work Execution

DNV shall execute the Work as described in the Scope of Work and Remuneration section (Section III, below), in accordance with the provisions of this Agreement, and in application of the relevant technical requirements and criteria.

Deliverables

NIAHO®/ISO 9001

Special conditions





This Agreement shall consist of: Section I - Cover letter, Section II - General Terms and Conditions, Section III – Scope of Work and Remuneration, the applicable attachments, as well as the Privacy Statement which can be downloaded from www.dnv.com, which together constitute the integrated entire Agreement between the parties, superseding and replacing all prior agreements, understandings or representations relating to the subject matter hereof. The above listed documents in the Agreement shall be interpreted as one agreement and in case of any ambiguities or contradictions between the various documents, the documents shall take precedence in the order listed here: Agreed Special Conditions, General Terms and Conditions, Scope of Work and Remuneration, the Cover Letter, and any attachments. No amendment and/or variation to the Agreement shall be considered binding or valid unless set out in writing and duly signed by the authorised representatives of both parties. Any terms and conditions included in any of Customer's purchase orders shall be disregarded unless explicitly agreed to and duly signed by the authorised representatives of both parties as amending specific terms of this Agreement. Should any provision of this Agreement be held to be invalid or unenforceable, such shall not affect the validity or enforceability of any other part or provision of this Agreement. Such provision shall be amended to the extent necessary to make the provision valid and enforceable, while keeping as strictly and closely as possible to the original wording and purpose of the provision. This Agreement is made in duplicate, one original for each party hereto. This Agreement shall be duly signed by the Customer's authorised representative prior to any commencement of the Work, failing which, the Customer acknowledges that DNV is entitled to postpone or cancel the performance of the Work.

Place:

Date :

for Customer

Mason Van Houweling
Chief Executive Officer

Place: Katy, TX

Date : 10/26/2024

for DNV

(name)

(title)

Vice President of Operations

Section II – General Terms and Conditions

1 Definitions

- 1.1 **"Accreditation"** means the process of reviewing, verifying, documenting, and monitoring a healthcare organization's compliance with DNV requirements that correspond with the Medicare Conditions of Participation or Conditions for Coverage during the relevant time period. DNV's NIAHO® Accreditation Programs are approved by the US Department of Health and Human Services, Centers for Medicare and Medicaid Services ("CMS"), thus DNV-accredited organizations may be "deemed" as meeting CMS requirements for participating providers in federal benefit programs. DNV NIAHO® Accreditation Programs incorporate the Quality Management System Requirements of ISO 9001. As used in these terms and conditions, Accreditation includes "Credentialing", as defined below
- 1.2 **"Certification"** means the process of reviewing, verifying, documenting, and monitoring a healthcare organization's compliance with advanced requirements in quality management, clinical specialties, services, or service lines during the relevant time period. DNV Certification may address (i) an individual clinical specialty, (ii) a range of services within a specialty, (iii) an advanced center of excellence, and/or (iv) an organization's overall quality management system. DNV Certification represents compliance to the applicable scheme or standard, and may be recognized by local, state, national, or global authorities as meeting or exceeding comparable programs.
- 1.3 **"Certificate"** means the DNV final Deliverable for the relevant accreditation/certification scheme or standard.
- 1.4 **"Credentialing"** means the process of reviewing, verifying, documenting, and monitoring a healthcare organization's compliance with DNV requirements that correspond with certain facility standards under Medicare National Coverage Determinations during the relevant time period. DNV is approved by CMS as a Credentialing Organization for facilities providing placement of Ventricular Assist Devices as Destination Therapy ("VAD"), thus DNV VAD-Credentialed organizations may provide covered VAD services under NCD 20.9.1.
- 1.5 **"DNV Accreditation Process"** means the DNV Healthcare NIAHO® Accreditation Process, as reviewed and approved by CMS, which sets forth the procedures for pre-survey, survey, post-survey, accreditation issuance, and continual monitoring activities to ensure organization compliance with accreditation requirements.
- 1.6 **"DNV Group"** means DNV, together with its parent, affiliate and subsidiary companies, and its and their respective directors, officers, managers, agents, employees and subcontractors, as well as any other person or entity acting on its/their behalf.
- 1.7 **"Work"** means DNV's performance of an ISO 9001 compliance or certification and accreditation survey and/or program-specific certification(s), as further described in the Scope of Work.

2 General obligations

- 2.1 The Work shall be executed as described in the Scope of Work in accordance with the provisions of this Agreement; any agreed applicable accreditation and designation rules and standards; all applicable legislation; and any regulations that may be passed pursuant to a regulatory body that governs the relevant Work, including but not limited to DNV's NIAHO® Accreditation Requirements, the DNV Accreditation Process or applicable program certification requirements.
- 2.2 DNV shall at its sole discretion appoint qualified DNV personnel for the performance of the Work. Unless otherwise agreed, at any time, and without extra cost and risk for Customer, substitute personnel may be assigned to the Work, provided that any substituting personnel are suitably qualified.
- 2.3 The performance of the Work under this Agreement may be subcontracted to any DNV affiliate or any duly qualified independent contractor. Such subcontracting shall not relieve DNV from its obligations under this Agreement.
- 2.4 DNV may, on its own account and at no additional cost to Customer, extend the assessment team with an observer(s) for purposes such as training, peer evaluations and supervision by CMS or other accreditation/certification scheme owner. In each instance, if permitted and feasible, Customer shall be notified in advance in writing.
- 2.5 Customer warrants that it has the necessary rights to provide all relevant, accurate, and complete data, documentation and information required for the Work including if relevant, evidence via third parties. Unless it is explicitly agreed as part of the Work that DNV shall identify discrepancies, errors, inconsistencies, or omissions in the information provided by Customer, the Customer is responsible for all aspects of the information it provides, and DNV is entitled to rely on the accuracy and completeness of such information in the performance of the Work. Customer understands that the duty to provide and update information is a continuing one and lasts for the duration of the validity of

Deliverables issued under the Agreement. If DNV receives a complaint or inquiry that, in the opinion of DNV, requires investigation, Customer will provide all information as DNV reasonably requests to investigate the matter. All technical documentation, information, data, reports, and information provided for the purpose of the Work shall be in English, unless otherwise agreed in advance with DNV. All Customer personnel that shall be interviewed or required to provide information in relation to the Work, shall speak English or such other local language as agreed in advance with DNV.

- 2.6 Customer shall in a timely manner provide DNV with all requested access to Customer's sites and facilities and, if necessary, procure the consent to access third party sites as agreed in advance or in accordance with a timetable dictated by the relevant scheme or standard. If there is a delay in access to a site not attributable to DNV, then DNV shall not be held liable for any subsequent delay in delivery of the Work.
- 2.7 DNV reserves the right to make unannounced visits to Customer sites and facilities if reasonably required to ensure Customer compliance with the relevant scheme or standard. If DNV is not permitted access to a necessary site or facility, DNV reserves the right to suspend or withdraw the Certificate in accordance with Article 5 (Issuance and Maintenance of Certificate) below.
- 2.8 Any documented error or defect in the Work will be rectified by DNV within a reasonable period of time, at DNV's sole cost, provided said error or defect is caused by DNV, and that Customer notifies DNV of said error or defect within sixty (60) days after completion of the Work. This warranty is EXCLUSIVE AND, EXCEPT AS STATED HEREIN, DNV MAKES NO EXPRESS OR IMPLIED WARRANTIES AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE. CUSTOMER'S SOLE REMEDY AND DNV'S SOLE OBLIGATION ARISING OUT OF OR IN CONNECTION WITH DEFECTS IN THE WORK WHICH ARE BASED IN WARRANTY, CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, SHALL BE THOSE STATED IN THIS SECTION. The Customer acknowledges that Customer is not relying on DNV's skill or judgment in selecting or furnishing a system for any particular purpose, and there are no warranties which extend beyond the description on the face hereof.

3 Taxes and Remuneration

- 3.1 Each party is solely responsible for paying any and all taxes to any public authority wherever such taxes are levied on the activities of such party. For the purpose of this Agreement, any and all prices, fees, rates or remuneration are agreed as stated exclusive of any form of sales taxes, value added tax, and/or any other similar taxes which may be applicable.
- 3.2 Customer shall affect payment as agreed in the Cover Letter to DNV for the Work, including any Variations, to DNV's bank account stated on the invoice within thirty (30) days of the date of the invoice.
- 3.3 Intentionally Omitted.
- 3.4 All payments shall be made in cleared funds, without any deduction or set-off, and free and clear of, and without deduction for or on account of, any taxes, levies, imports, duties, charges, fees and withholdings of any nature now or hereafter imposed by any governmental, fiscal or other authority save as required by law.
- 3.5 If and to the extent Customer has to withhold taxes or other payments according to applicable laws, Customer shall deduct and withhold such amounts from payments to DNV and pay the amount to the competent tax authority or any other relevant governmental body. Customer shall inform DNV about such withholding prior to making the payment and shall use reasonable efforts to cooperate with DNV in seeking double tax treaty relief and/or other exemptions and reliefs available, hereunder seeking exemptions from any general withholding obligations Customer may have. Customer shall provide DNV with a withholding certificate or tax receipt issued in the name of DNV in accordance with applicable laws.

4 Variations

- 4.1 Customer may in writing request DNV to perform additional reasonably similar work under this Agreement (a "Variation").
- 4.2 Should the Customer request a Variation, or if DNV deems any instruction by the Customer to constitute a Variation, DNV shall set out an overview of the Variation, including the impact on the time schedule and remuneration for such in the form set out in Section II Work Order. Unless the Customer objects in writing to the Section II Work Order within five (5) business days, the Variation shall be deemed as accepted by Customer as an integral part of this Agreement. Should the Customer object to the Variation, the parties shall discuss the

impact of the Variation on the time schedule and remuneration and agree an amended Work Order.

- 4.3 No Variation shall be implemented before a Work Order setting out the extent and the remuneration hereto as well as the revised time schedule has been accepted.

5 Issuance and maintenance of Certificate

- 5.1 Upon completion of the accreditation/certification process, DNV will at its own discretion issue a Certificate to the Customer, provided DNV finds that there is conformity with the applicable accreditation/certification scheme or standard and payment by the Customer is made in accordance with this Agreement. DNV may publish in the public domain or if required under relevant rules, provide relevant accreditation bodies with a copy of all Certificates issued by it along with the Customer's name and certification history.
- 5.2 Subject to payment being made by Customer in accordance with this Agreement, Customer shall have the right to use the valid Certificate and certification marks in standard size and design as provided by DNV for the purposes for which such certificates are generally intended and used, including on letters, documents and other promotional material, in accordance with the requirements of the relevant scheme or standard and this Agreement.
- 5.3 The Certificate shall be made available to third parties in a well-readable manner. Customer shall not adjust or alter the Certificate in any manner whatsoever, including, but not limited to, translating the Certificate. Customer may request a change in detail on the Certificate and provided that, in the reasonable opinion of DNV, it does not change the validity of the Certificate, DNV will issue an amended Certificate on the same terms for the same period of validity as a replacement for an administrative fee to be determined by DNV from time to time.
- 5.4 In case of (i) incorrect reference to accreditation/certification status or (ii) misleading use of accreditation/certification documents or marks, or (iii) other breach of the applicable requirements for the maintenance and use of the Certificates and the accreditation/certification mark, DNV may at its own discretion decide to take corrective actions, including suspension or withdrawal of Certificate and notification of the transgression. Customer shall immediately implement such corrective actions.
- 5.5 Customer must undergo all audits/surveys and visits, whether scheduled or unannounced. Customer must report all changes in its operations and management systems (hereunder changes in organization, ownership, new products and services, location, number of employees, major incidents or stakeholder disputes etc.), which may reasonably affect the Certificate, to DNV without undue delay and preferably before execution of such change. Based on this, and provided that the Customer wants to maintain the Certificate, DNV may request to carry out unscheduled audits.
- 5.6 Customer shall take necessary action in accordance with any non-conformities, observations, improvement opportunities and noteworthy efforts reported by DNV in accordance with the DNV Accreditation Process document. If the agreed timeframe to take necessary action is exceeded, DNV shall be entitled to withdraw or suspend the Certificate.
- 5.7 Unless explicitly agreed in the Scope of Work, and regardless of anything to the contrary in the requirements of the relevant accreditation/certification schemes or standards, this Agreement does not imply any obligation or duty of care for DNV to inform the Customer of developments in the applicable accreditation/certification requirements or industry practices taking place after the issuance of the Certificate.
- 5.8 DNV may at its own discretion suspend or withdraw any Certificate issued with immediate effect, if in its sole discretion the requirements stipulated in this Article 5 (Issuance and maintenance of Certificate) are no longer satisfied, or if payment by the Customer is not made in accordance with this Agreement. In particular, if the Customer does not report changes in accordance with the requirements set out in clause 5.6, DNV may suspend the Certificate with immediate effect.
- 5.9 If this Agreement is terminated by either party according to Article 7 (Termination), DNV shall withdraw the Certificate with effect from the effective date of termination if required by the relevant scheme or standard.
- 5.10 If the Certificate is suspended or withdrawn, the Customer shall not use or refer to the Certificate. In case of withdrawal, the original Certificate shall be returned to DNV within fourteen (14) days from the date of withdrawal. The Customer may appeal DNV's decision to not issue, or to suspend or withdraw, the Certificate in accordance with the requirements set out in the applicable certification or accreditation scheme.

6 Intellectual Property

- 6.1 For the purpose of this Agreement, each party shall remain the sole owner of any and all of its intellectual property and rights thereto existing prior to the date of this Agreement, including, but not limited to, protocols and templates for certificates, reports and checklists. DNV shall be entitled to use, for the purpose of its own accreditation / certification activities, the know-how acquired during the performance of the Work. In addition, DNV shall be entitled to use information received or generated under this Agreement in an aggregated form, for the purpose of its accreditation/certification activities.

- 6.2 DNV shall hold all intellectual property rights to the reports and certificates issued to Customer under this Agreement (the Deliverables), including the copyright. Customer shall hold a restricted, non-transferrable, global and royalty free license to use the valid Certificate in accordance with the applicable requirements, and a global, royalty free license to use the reports for its own internal purposes.

- 6.3 Customer warrants that it holds all necessary rights to submit documentation and information to DNV for the purpose of the accreditation/certification.

- 6.4 The Customer shall only make available the Deliverables or parts thereof to third parties without altering the content, context or original language of the Deliverables.

7 Confidentiality and Privacy

- 7.1 Each party agrees to keep confidential any information it receives from the other party in the course of the Agreement which by denotation or reasonable circumstances is considered confidential to the disclosing party. The recipient party shall treat such received information with reasonable care and diligence, not disseminating or disclosing it to third parties without the disclosing party's prior written consent, provided however that DNV can share such information with its officers, employees, subsidiaries, affiliates or subcontractors who are subject to confidentiality obligations reflecting the principles herein. For the avoidance of doubt, Customer's accreditation, program certification and ISO 9001 certification status (which do not contain PHI) may be disclosed to the public in any manner deemed appropriate by DNV in its sole discretion.

- 7.2 The obligations hereinabove shall not apply to the extent the information is required to be disclosed to any relevant accreditation body (including but not limited to CMS or certification scheme owner, any competent court, governmental agency, or other relevant public authority in accordance with applicable law, court order or other public regulation. In addition, each party shall be free to disclose, any information to the extent it: (i) was known to the recipient prior to the information being disclosed by the other party, (ii) becomes known to the recipient through a third party without any confidentiality obligation to the disclosing party; or (iii) is or becomes generally available to the public through no act or failure to act on the part of the recipient.

- 7.3 Notwithstanding the above, DNV shall have the right to (i) use for statistical and analytical purposes any information generated in the course of the Work, provided that such is kept internal or published only in aggregated anonymous forms; (ii) make reference to the Customer in DNV's marketing; (iii) extend the audit team with third parties insofar as is required under the applicable scheme or otherwise as set out in this Agreement.

- 7.4 The obligations in this section shall survive the completion of the Work or termination of this Agreement and remain in effect for as long as the relevant information is confidential.

- 7.5 HIPAA / PHI / BAA. Subject to the foregoing, DNV will not disclose any information obtained from Customer related to Protected Health Information ("PHI"), as defined by the Health Insurance Portability and Accountability Act of 1996, P.L. 104-109 ("HIPAA") unless allowed or required by statute or regulation. It is Customer's obligation to provide DNV with a Business Associate Agreement ("BAA"), as defined in HIPAA, for any PHI. Unless superseded by that BAA, DNV will, among other required obligations: (i) only use PHI for the purposes and uses Customer directs, including in the Agreement; (ii) will not use or further disclose the PHI other than as permitted or required by Customer or as required by law; (iii) will implement appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent unauthorized use or disclosure of the PHI other than as the Customer directs; (iv) report to the Customer any use or disclosure of PHI not directed by the Customer of which it becomes aware, and to report any security incident (other than mere pings to a firewall) and any breach of which it becomes aware to Customer and, as applicable, to the Secretary of Health and Human Services within 60 days; (v) if applicable, and ; in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of DNV agree to the same restrictions, conditions, and requirements that apply to DNV with respect to such information; and

(vi) provide reasonable assistance to the Customer in fulfilling its applicable obligations under the HIPAA Privacy Rule.

- 7.6 Notwithstanding anything to the contrary in this Agreement, DNV acknowledges that Customer is a public county-owned hospital which is subject to the provisions of the Nevada Public Records Act, Nevada Revised Statutes Chapter 239, as may be amended from time to time, and as such its records are public documents available to copying and inspection by the public. If Customer receives a demand for the disclosure of any information related to this Agreement which DNV has claimed to be confidential and proprietary, Customer will immediately notify DNV of such demand and DNV shall immediately notify Customer of its intention to seek injunctive relief in a Nevada court for protective order. DNV 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 DNV documents in Customer's custody and control in which DNV claims to be confidential and proprietary.

8 Term and Termination

- 8.1 This Agreement shall become effective when duly signed by both parties and remain in full force and effect until terminated by either party in accordance with section 8.2; however in no event will the term of this Agreement exceed beyond five (5) years.

- 8.2 Each party may terminate this Agreement by written notice to the other party under the following circumstances:

- 8.2.1 with immediate effect if the other party commits a material breach of this Agreement and fails to rectify such within ten (10) working days after receipt of the other party's written notice;
- 8.2.2 with immediate effect if the other party becomes insolvent, unable to pay its debts as they fall due, or subject to bankruptcy proceedings, receivership, dissolution, liquidation, wind-up or otherwise discontinue business;
- 8.2.3 for convenience after serving the other party a written notice sixty (60) days prior to termination. The parties may by mutual agreement make the termination notice effective immediately following receipt of termination notice;
- 8.2.4 with immediate effect by DNV if the management system(s) which is the subject of an accreditation/certification review does not meet the essential requirements or the relevant standard or scheme; or
- 8.2.5 with immediate effect by DNV if the Customer repeatedly does not provide documentation requested by DNV within the agreed time limits.

- 8.3 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.

- 8.4 In the event of termination, DNV shall be entitled to full remuneration for the Work carried out prior to the termination and for all documented incurred unrecoverable costs. Customer shall be entitled to the return of funds for Work paid for in advance but not performed at the date of termination of the Agreement, less DNV's documented incurred and unrecoverable costs.

- 8.5 On termination of this Agreement for any reason, DNV may at its sole discretion either withdraw or suspend any certificates.

9 Complaints and Appeals

- 9.1 Customer shall familiarize itself with any Deliverable issued by DNV within a reasonable time after delivery or notification of completion of the Work. Any documented error or defect in the Work shall be rectified by DNV within a reasonable period of time, at DNV's sole cost, provided said error or defect is not attributable to the Customer, Customer's affiliates or Customer's subcontractors and further provided that Customer shall notify DNV of any error or defect the earlier of (a) sixty (60) days after Customer became or should have become aware of such errors or defects or (b) within twelve (12) months from issuance of the relevant Deliverable.

- 9.2 If Customer has a complaint or wishes to appeal a decision made by DNV, it must submit such complaint in writing in accordance with the DNV Accreditation Process document. Once a complaint is received

DNV will inform the Customer in a timely manner of the pending procedure in accordance with the applicable scheme requirements. Until such time as a final decision is made the original decision of DNV will remain in force.

10 Health, Safety and Environment (HSE)

- 10.1 Both parties shall employ reasonable standards for promoting health, safety and environmental sound working environments for their respective personnel and work sites.

- 10.2 The Customer shall promptly inform DNV of: (i) any actual or potential HSE risk which Customer is aware of, and which is reasonably relevant to the performance of the Work, and (ii) any of Customer's implemented or planned measures against such risks that Customer requires DNV's personnel to adhere.

- 10.3 Whenever DNV's performance of the Works involves visits or work on Customer's controlled facility or site, the Customer is responsible for the adequacy, stability, safety and legal compliance of the working environment, including reasonable measures to mitigate or control relevant risks. Whenever DNV's personnel are present on Customer's facilities or sites, they will adhere to Customer's HSE instructions provided to DNV according to this clause 9.3. DNV's personnel, also including its subcontractors, may refuse to carry out any activity, or visit any area or site, if they in their sole discretion consider that relevant risks are unacceptable or not adequately addressed, contained, or otherwise mitigated. Any such decision shall suspend both parties' obligations, excluding Customer's obligation to pay for performed Work, without any liability or penalty until the parties have agreed on how to proceed.

- 10.4 DNV will perform continuous risk assessments on the health and safety situation of relevant locations where DNV resources will perform Work and DNV reserves the right to decline site visits totally at any time if it is determined by DNV that a site visit would imply breach of law, norm, government recommendation, code or similar, or if DNV considers that its staff will be subject to an unacceptable risk or danger. In such circumstances, DNV may at its discretion (i) provide a remote service option; (ii) postpone the service until the trip is considered safe; or (iii) adjust the scope and the cost of the accepted proposal to exclude the site visit. DNV will not be subject to any type of penalty, consequence, or effect regarding any non-performance of any service or part thereof resulting from DNV's exercise of its rights under this section.

- 10.5 The parties shall conduct their respective business activities in a fair, ethical, and lawful manner in accordance with generally accepted codes of conduct (including but not limited to the DNV code of conduct), avoiding any unacceptable activities, including but not limited to acceptance of or acquiescence in extortion, bribery, use of child labor, breach of human rights, or the imposition of unreasonable work conditions.

11 Limitation of Liability; Indemnity

- 11.1 DNV shall not in any way or for any reason be held liable for any of the Customer's or its affiliates' consequential or indirect loss arising from or in connection with this Agreement, including but not limited to interruption or loss of use, business, contract or revenue, loss of goodwill, loss of profit or anticipated profit, loss of production, wasted overhead, cost of substitute equipment, recall costs, downtime costs, product liabilities, or other special, punitive or other forms of indirect losses, howsoever such may arise, whether under contract, tort (including negligence) strict liability or otherwise. For the avoidance of doubt, the parties agree that notice and mitigation costs related to a data breach are direct losses.

- 11.2 Except in case of fraud, fraudulent misrepresentation, or other similar circumstance for which a party may not lawfully limit its liability under this Agreement's applicable law, the maximum cumulative liability of DNV Group arising from or in connection with this Agreement, whether in contract, tort (including negligence), strict liability or otherwise, shall be limited to the lesser of (i) a sum equal to five times the annual remuneration paid under this Agreement, or (ii) three hundred thousand US dollars (USD \$300,000).

- 11.3 To the extent expressly authorized by Nevada law, Customer shall indemnify and hold harmless DNV Group from any costs and expenses which DNV Group may incur due to Customer's failure to comply with its obligations under Article 2 (General obligations) and Article 5 (Issuance and maintenance of Certificate) herein. DNV Group shall indemnify and hold harmless Customer from any and all liabilities, damages, losses, claims, and expenses in connection with a claim asserted by a third party arising from: (i) any breach of this Agreement by DNV Group; (ii) the infringement or misappropriation by DNV Group of a patent, copyright, trademark, trade secret, or other intellectual

property right; or (iii) DNV Group's willful misconduct, fraudulent actions or negligence.

- 11.4 Customer shall promptly notify DNV in writing of any and all claims against DNV Group arising from, or in connection with this Agreement. Any claim based on breach of this Agreement shall be set forth at the latest within six (6) months from the date when Customer became, or should have become, aware of such claim.

12 Force majeure and restrictions on trade

- 12.1 Neither party shall be in breach of this Agreement, nor liable for any failure or delay in performance hereunder if the cause of such failure or delay is attributable to events beyond the reasonable control of the affected party, including but not limited to armed conflict, terrorist attack, Virus or other cyber-attack, civil war, riots, toxic hazards, pandemics, epidemics, natural disasters, extreme weather, fire, explosion, failure of utility service, labor disputes, breakdown of infrastructure, transport delays, or any public restrictions following any of the incidents above, or any other force majeure occurrence ("**Force Majeure**").

- 12.2 In the event of a Force Majeure occurrence, the affected party shall notify the other party without undue delay of the particulars of the situation. Either party shall be entitled to terminate the Agreement with immediate effect should the Force Majeure endure for more than thirty (30) days.

- 12.3 DNV may terminate this Agreement, subject to thirty (30) days written notice to Customer, without any liabilities or penalties, if DNV, its ultimate parent company or its ultimate parent company's subsidiaries or affiliates are subject to sanctions or penalties by the US government, another relevant government, United Nations, European Union or similar organizations related to the Work which is provided hereunder or would be considered to be illegal or in conflict with applicable law for DNV, its subcontractor and/or its subcontractor's parent companies.

13 Law and jurisdiction

- 13.1 This Agreement shall be governed and construed in accordance with the laws of **the State of Nevada** without regard to principles of conflicts of law.

- 13.2 Any dispute arising in relation to or as a consequence of this Agreement, which cannot be settled amicably through negotiations between the parties, shall be brought exclusively in the courts located in **Clark County, Nevada**.

14 Remote Audit Terms (if applicable)

- 14.1 Where Work will be performed remotely ("Remote Services"), DNV personnel will contact the nominated Customer representatives per the contact details agreed between the parties and provide instructions to the operator of the relevant site, equipment, documents or facilities of the Customer. This will include, but not be limited to, instructions of what should be shown to the DNV auditor on the pictures and/or video - as may be the case from time-to-time Customer shall provide as many photographic images and/or videos as deemed necessary by DNV for the performance of the Remote Services. Further, Customer warrants that where required by an accreditation body, it shall ensure that all sites and/or documentation that are within the scope of the audit can be viewed via a live stream with sufficient visibility and clarity to satisfy the remote auditor.

- 14.2 Customer will provide the photographic images and/or videos to DNV via an agreed method of delivery. Customer warrants that it shall have all necessary measures in place to prevent introduction of any Virus or Vulnerability affecting the DNV computer systems or infrastructure. As used herein, "Virus" means a thing or device (including any software, code, file or program) which may: prevent, impair or otherwise adversely affect the operation of any computer software, hardware or network, any telecommunications service, equipment or network or any other service or device; prevent, impair or otherwise adversely affect access to or the operation of any program or data, including the reliability of any program or data (whether by rearranging, altering or erasing the program or data in whole or part or otherwise);

or adversely affect the user experience, including worms, Trojan horses, viruses and other similar things or devices. "Vulnerability" means a weakness in the computational logic (for example, code) found in software and hardware components that, when exploited, results in a negative impact to confidentiality, integrity, or availability.

- 14.3 Each party shall ensure all systems necessary for the provision of the Remote Services are set up with encrypted communication warranting it has the capabilities to perform the Remote Services. The parties do not warrant that the operation of the Remote Services will be uninterrupted or without problems; however where visual access or documentation is prevented due to a failure in technology, DNV may, at its sole discretion and subject to a mutually agreed revised time schedule and remuneration as a Variation to this Agreement, either (i) arrange another time to repeat the Work, or (ii) send DNV personnel to attend the site, equipment, or facilities in person. **Customer acknowledges that the aforementioned shall be its sole remedy in case of a delay.**

- 14.4 Customer shall provide suitably qualified personnel, with the necessary skills identified by DNV and capable of participating in and assisting with DNV's performance of the Remote Services, to be present during any Remote Services.

- 14.5 DNV shall not be liable where it cannot perform the Remote Services as a result of the Customer failing to provide such access or assistance as required in this Clause 14. DNV shall have the right to abort Remote Services in situations where it is deemed impossible to perform the Remote Services due to lack of competency or full co-operation of the Customer's on-site resource, due to the quality of the photographic images and/or videos provided by the Customer or failure to provide a live stream where it is an accreditation requirement. **Customer shall, to the extent expressly authorized by Nevada law, indemnify and hold harmless DNV Group from and against all claims, damages, losses, and expenses resulting from or in connection with Customer's breach of this section.** DNV will have the right to invoice costs both related to the aborted Remote Services and any new services that may be required. The Customer will carry its own costs in relation to any such aborted Remote Services.

- 14.6 Customer shall be solely responsible for daily back-up and other protection of its data and software against loss, damage, or corruption during the performance of the Remote Services.

15 Miscellaneous

- 15.1 All notices under this Agreement shall be in writing. Notices shall be given personally or sent by certified or registered U.S. mail or private express courier and shall be deemed given upon delivery, if given personally, or when deposited with the private courier or U.S. Postal Service with the proper postage affixed, if sent by mail. Notices shall be addressed to each party identified on the first page of this Agreement. Notices to Customer shall also be sent to Attn: Legal Department, 1800 W. Charleston Blvd., Las Vegas, NV 89102. Notices to DNV shall also be sent to Attn: Group Legal at Legal.NA@dnv.com.

- 15.2 **Non-Excluded Healthcare Provider.** DNV 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 (by employment or otherwise) with any employee, contractor or agent that such party or its affiliates know or should know are excluded from participation in any federal health care program, to provide goods or services hereunder. DNV 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 such DNV or its affiliates or to their knowledge against any employee, contractor or agent engaged to provide goods or services under the Agreement. (collectively "Exclusions / Adverse Actions").

Section III – Scope of Work and Remuneration

SCOPE OF WORK

General Information - Commitment:

List of sites to be certified:

Site:	Scope	Standard	Full Time Equivalent Employees	Hospital ADC or distance from main campus
University Medical Center of Southern Nevada	Main Campus	NIAHO®/ISO 9001	FTE: 4200	ADC: 485
Primary Care at the Medical District, 1524 Pinto Lane, 2nd Floor, Las Vegas, NV 89106	Primary Care Services	NIAHO®/ISO 9001	FTE: 4	Distance: 1
UMC - Aliante Quick Care and Primary Care 5860 Losee Road North Las Vegas, NV 89081	Primary Care Services	NIAHO®/ISO 9001	FTE: 25	Distance: 6
Center for Transplantation 901 Rancho Lane, Suite 250 Las Vegas, NV 89106	Primary Care Services, Specialist Offices Services	NIAHO®/ISO 9001	FTE: 12	Distance: .5
UMC Orthopedic & Spine Center 2231 West Charleston Blvd Las Vegas, NV 89102	Specialist Offices Services	NIAHO®/ISO 9001	FTE: 10	Distance: .5
UMC Blue Diamond Quick Care 4760 Blue Diamond Road, Suite 110 Las Vegas, NV 89139	Quick Care	NIAHO®/ISO 9001	FTE: 25	Distance: 15
UMC - Centennial Hills Quick Care and Primary Care 5785 Centennial Center, #190 Las Vegas, NV 89149	Primary Care Services	NIAHO®/ISO 9001	FTE: 30	Distance: 15
UMC - Enterprise Quick Care 1700 Wheeler Peak Street Las Vegas, NV 89106	Quick Care	NIAHO®/ISO 9001	FTE: 30	Distance: 5
UMC - Nellis Quick Care and Primary Care 61 North Nellis Blvd. Las Vegas, NV 89110	Primary Care Services	NIAHO®/ISO 9001	FTE: 30	Distance: 12
UMC - Peccole Quick Care and Primary Care 9320 West Sahara Las Vegas, NV 89117	Primary Care Services	NIAHO®/ISO 9001	FTE: 30	Distance: 8

UMC Orthopedic & Spine Institute 4231 North Rancho Road Las Vegas, NV 89117	Specialist Offices Services	NIAHO®/ISO 9001	FTE: 30	Distance: 5
UMC - Southern Highlands Primary Care 11860 Southern Highlands Parkway, Suite 102 Las Vegas, NV 89141	Primary Care Services	NIAHO®/ISO 9001	FTE: 12	Distance: 15
UMC - Spring Valley Quick Care and Primary Care 4180 South Rainbow Blvd; Suite 810 Las Vegas, NV 89103	Primary Care Services	NIAHO®/ISO 9001	FTE: 30	Distance: 8
UMC - Summerlin Quick Care and Primary Care 2031 North Buffalo Las Vegas, NV 89128	Primary Care Services	NIAHO®/ISO 9001	FTE: 30	Distance: 10
UMC - Sunset Quick Care and Primary Care 525 Marks Street Henderson, NV 89014	Primary Care Services	NIAHO®/ISO 9001	FTE: 30	Distance: 10
UMC - Wellness Center 701 Shadow Lane, Suite 200 Las Vegas, NV 89106	Primary Care Services, Specialist Offices Services	NIAHO®/ISO 9001	FTE: 12	Distance: .3
UMC Express Care at LAS 5757 Wayne Newton Blvd. Las Vegas, NV 89119	Quick Care	NIAHO®/ISO 9001	FTE: 15	Distance: 9

Total number of full-time equivalent employees: 4529

NIAHO® Accreditation requires compliance with ISO 9001 requirements within three years of initial NIAHO® Accreditation.

REMUNERATION

Survey Description	Maximum Surveyor Days	Timeframe
NIAHO® Accreditation (General, informal ISO education will take place at this survey)	24	Year 1 Unannounced
NIAHO® Accreditation & ISO 9001 Pre-Assessment	16	Year 2 One year after Year 1
NIAHO® & ISO 9001 Stage One	16	Year 3 One year after Year 2

Schedule	Survey Fees	Date Due
Survey Year 1	\$136,145	Invoice will be sent and payment is due prior to survey being conducted Expenses are included in Survey Fees
Survey Year 2	\$97,085	Invoice will be sent after completion of survey
Survey Year 3	\$97,085	Invoice will be sent after completion of survey
<ul style="list-style-type: none"> Minimum off-sites visited each year 4 Note: The ISO Compliance/Certification Survey (Stage 2) will occur in year four. 		

Additional Terms

- Fee payments are spread over the three-year Accreditation/Certification period and do not include additional surveys or visits mandated by the applicable Accreditation/Certification requirements. These excluded services will require a separate Addendum to outline the Scope of Work and Remuneration and shall be executed by both parties prior to performance of work. DNV shall not be liable for any impact to Customer, or its issued Certificate(s), should execution of such Addendum be delayed or declined.
- An additional surcharge will apply to any location outside the continental United States.
- The amounts quoted above are valid for a period of sixty (60) days from the date of issuance of this Agreement. The Agreement is subject to repricing if returned by the Customer after this date.
- The ISO 9001 Compliance/Certification Survey will occur in year four. Any follow-up or Special Survey (as defined in DNV policy), early ISO 9001 Certification or Compliance survey or other services requested by the Customer will be charged at the prevailing rate for survey fees and expenses at the time the Survey Agreement for ISO 9001 & DNV activities was signed plus a surcharge to cover extraordinary expenses as determined in the reasonable discretion of DNV.
- PRICE ESCALATION:** Prices may be revised once annually effective on the Agreement anniversary date and calculated using the U.S. Consumer Price Index-All Urban Consumers, All Items, Based Period: 1982-84=100, Series I.D. CUUR0000SA0 if this index increases more than five (5) percent annually; however, in no event shall the price escalation exceed three percent (3%) of the prior year's survey fee.

Business Associate Agreement

This Agreement is made and entered into as of date of last signature set forth below ("Effective Date"), 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 **DNV Healthcare USA 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, 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") upon 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 immediately upon discovery of the Breach, and
- (ii) Within 15 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, and
- (iii) To fully 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 all costs associated with the notification of affected individuals and costs associated with mitigating potential harmful effects to affected individuals.

V. RIGHT TO AUDIT

(a) Business Associate agrees:

- (i) 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 this Agreement and the Underlying Agreement immediately if Covered Entity determines that Business Associate has violated any material term of this Agreement. If Covered Entity reasonably believes that Business Associate will violate a material term of this Agreement and, where practicable, Covered Entity gives written notice to Business Associate of such belief within a reasonable time after forming such belief, and Business Associate fails to provide adequate written assurances to Covered Entity that it will not breach the cited term of this Agreement within a reasonable period of time given the specific circumstances, but in any event, before the threatened breach is to occur, then Covered Entity shall have the right to terminate this Agreement and the Underlying Agreement immediately.

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 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, provide a written certification to Covered Entity that such information has been returned or destroyed, and 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 Effective Date.

COVERED ENTITY:

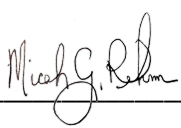
By: _____

Name: Mason Van Houweling

Title: Chief Executive Officer

Date: _____

BUSINESS ASSOCIATE:

By:  _____

Name: Micah G Rehm

Title: Vice President of Operations

Date: 10/29/2024

**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)						
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company	<input checked="" type="checkbox"/> x Corporation	<input type="checkbox"/> Trust	<input type="checkbox"/> Non-Profit Organization	<input type="checkbox"/> Other
Business Designation Group (Please select all that apply)						
<input type="checkbox"/> MBE	<input type="checkbox"/> WBE	<input type="checkbox"/> SBE	<input type="checkbox"/> PBE	<input type="checkbox"/> VET	<input type="checkbox"/> DVET	<input type="checkbox"/> 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:		DNV Healthcare USA Inc.				
(Include d.b.a., if applicable)						
Street Address:		1400 Ravello Drive		Website: www.dnv.com		
City, State and Zip Code:		Katy, Texas 77449		POC Name: Heather Peterson		
				Email: Heather.Peterson@dnv.com		
Telephone No:		281-396-1000		Fax No:		
Nevada Local Street Address: (If different from above)		n/a		Website:		
City, State and Zip Code:				Local Fax No:		
Local Telephone No:				Local POC Name:		
				Email:		

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

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

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

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)

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.

<div style="text-align: center;"> Signature Western Territory Manager Title </div>	<div style="text-align: center;"> Heather Peterson Print Name 10/26/2024 Date </div>
--	---

DISCLOSURE OF RELATIONSHIP

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

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL	UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT
N/A			

* UMC employee means an employee of University Medical Center of Southern Nevada

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

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

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

For UMC Use Only:

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

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

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

Notes/Comments:

Signature

Print Name
Authorized Department Representative

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

Issue:	Purchase Agreement with Insight Direct USA Inc.	Back-up:
Petitioner:	Jennifer Wakem, Chief Financial Officer	Clerk Ref. #
Recommendation: That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Agreement with Insight Direct USA Inc. for the purchase of computers; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. <i>(For possible action)</i>		

FISCAL IMPACT:

Fund Number: 5420.000
Fund Center: 3000854000
Description: Computer Refresh Project
Bid/RFP/CBE: NRS 450.525 & 450.530 - GPO
Term: 3 years warranty & 5 years support
Amount: \$1,103,550.05
Out Clause: 60 days w/o cause

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

BACKGROUND:

This request is to enter into a new Agreement with Insight Direct USA to purchase 1,000 new computers. The existing computers are outdated and will not be able to support Windows 11 by October 2025. Failing to replace these computers will pose a significant operational risk. The purchase and implementation of new computers will ensure that all computers at UMC are running the latest supported operating system. UMC will compensate Insight Direct USA for a total cost of \$1,103,550.05 which includes 3 years of warranty and 5 years of technical support.

This Agreement is being entered into pursuant to HPG contract #7581. HealthTrust Purchasing Group (“HPG”) is a Group Purchasing Organization of which UMC is a member. This request is in compliance with NRS 450.525 and NRS 450.530; attached is the bid summary sheet and a sworn statement from an HPG executive verifying that the pricing was obtained through a competitive bid process.

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.

Cleared for Agenda
November 6, 2024

Agenda Item #

9

SOLD-TO PARTY 10269608

UNIVERSITY MEDICAL CENTER OF S NV
1800 W CHARLESTON BLVD
LAS VEGAS NV 89102-2329

SHIP-TO

UNIVERSITY MEDICAL CENTER OF S NV
1800 W CHARLESTON BLVD
LAS VEGAS NV 89102-2329

Quotation

Quotation Number : [0227722673](#)
Document Date : 29-AUG-2024
PO Number :
PO Release :
Sales Rep : Chris Carter
Email : CHRIS.CARTER@INSIGHT.COM
Phone : +14804096531

We deliver according to the following terms:

Payment Terms : Net 60 days
Ship Via : Expeditors International/LTL
Terms of Delivery : FOB ORIGIN
Currency : USD

This quotation contains freight and tax estimates that are subject to change by Insight.

Material	Material Description	Quantity	Unit Price	Extended Price
PARTNERCTO-HP	PARTNERCTO FOR HP	1,000		
<i>Solution includes the following:</i>				
602L8AV	HP Z2 MINI G9 RCTO BU	1,000		
4Z6F8AV	Windows 11 Pro - license - 1 license	1,000		
7BD14AV	CORPORATE-READY IMAGE	1,000		
4YQ39AV	HP - system country kit	1,000		
9F2J9AV	INTEL CORE I7-14700 VPRO 5.40G 20C65WCPU	1,000		
7A1K1AV	16GB (1X16GB) DDR5 5600 SODIMM NECC MEM	1,000		
289C9AV	NO ADAPTERS NEEDED	1,000		
4Z5V1AV	OPERATING SYSTEM LOAD TO M.2	1,000		
4Z5W0AV	HP - SSD - Value - 256 GB - PCIe 4.0 x4 (NVMe) - CTO	1,000		
2ZR34AV	CTO NO INCLUDED KYBD	1,000		
9FX31AV	NO INCLUDED MOUSE	1,000		
4Z6C2AV	HP Smart - power adapter - standard 7.4 mm - 280 Watt	1,000		
4Z5V3AV	HPZ2MINIG9DUALTYPE-ASUPERSPEEDUSB10GBPSP	1,000		
4Z5Y4AV	HP - system country kit	1,000		
62C62AV	HP Conventional - power cable - power IEC 60320 C13 - 6 ft	1,000		
4Z6H9AV	HP - 3-year warranty - 3 years - on-site	1,000		
4Z6E9AV	SINGLE UNIT (MINI) PACKAGING	1,000		
4Z5T8AV	DISPLAYPORT PORT V2	1,000		
9T1K6AV	INTEL CORE I7 VPROENT RAPTOR LAKE LABEL	1,000		
AY307AV	HP IMAGING SERVICE	1,000		
ZG228AV	Coverage Dates: 29-AUG-2024 - 29-SEP-2024 HP BPC/WS SFTY REG S&C LIC AGR WTY ENG DOC	1,000		
AY153AV	HP OS VERSION CONTROL SERVICE	1,000		
AZ180AV	HP PLACEHOLDER IMAGING SERVICE	1,000		

Material	Material Description	Quantity	Unit Price	Extended Price
13H87AV	PLACEHOLDER OS VERSION CONTROL SERVICE	1,000		
U1G39E	Electronic HP Care Pack Next Business Day Hardware Support - extended service agreement - 5 years - on-site	1,000		
			Product Subtotal	
			Services Subtotal	
			Freight	
			TAX	
			Total	1,103,550.05

Lease & Financing options available from Insight Global Finance for your equipment & software acquisitions. Contact your Insight account executive for a quote.

Thank you for choosing Insight. Please contact us with any questions or for additional information about Insight's complete IT solution offering.

Sincerely,

Chris Carter
+14804096531
CHRIS.CARTER@INSIGHT.COM

This Quotation is issued pursuant to and will be accepted subject to the Terms of Contract # HPG-7581 (HealthTrust); Expiration Date: 3/31/2025. In the event of conflict between Contract # HPG-7581 (HealthTrust) and the Nevada Revised Statutes, Nevada law will prevail.

Insight Global Finance has a wide variety of flexible financing options and technology refresh solutions. Contact your Insight representative for an innovative approach to maximizing your technology and developing a strategy to manage your financial options.

This purchase is subject to Insight's online Terms of Sale unless you have a separate purchase agreement signed by both your company and Insight, in which case, that separate agreement will govern. Insight's online Terms of Sale can be found at the "terms-and-policies" link below.

SOFTWARE AND CLOUD SERVICES PURCHASES: If your purchase contains any software or cloud computing offerings ("Software and Cloud Offerings"), each offering will be subject to the applicable supplier's end user license and use terms ("Supplier Terms") made available by the supplier or which can be found at the "terms-and-policies" link below. By ordering, paying for, receiving or using Software and Cloud Offerings, you agree to be bound by and accept the Supplier Terms unless you and the applicable supplier have a separate agreement which governs.

<https://www.insight.com/terms-and-policies>



October 28th, 2024

Adrianna Cumplido
Contracts Specialist
University Medical Center of Southern Nevada
1800 W. Charleston Blvd.
Las Vegas, NV 89102

Re: Request for competitive bidding information regarding Distribution, IT Products & Services.

This letter is provided in response to the University Medical Center of Southern Nevada's ("UMC") request for information about HealthTrust Purchasing Group, L.P.'s ("HealthTrust") competitive bidding process for Distribution, IT Products & Services. We are pleased to provide this information to UMC in your capacity as a Participant of HealthTrust, as defined in and subject to the Participation Agreement between HealthTrust and UMC, effective August 3, 2016.

HealthTrust's bid and award process is described in its Contracting Process Policy [HT.008] available on its public website (<http://healthtrustpg.com/about-healthtrust/healthcare-code-of-ethics/>). As described in the policy, HealthTrust operates a member-driven contracting process. Advisory Boards are engaged to determine the clinical, technical, operational, conversion, business and other criteria important for each specific bid category. The boards are comprised of representatives from HealthTrust's membership who have appropriate experience, credentials/licensures, and decision-making authority within their respective health systems for the board on which they serve.

HealthTrust's requirements for specific products and services are published on its Contract Schedule on its public website. HealthTrust's requirements for vendors are outlined in its Supplier Criteria Policy [HT.010]. A listing of the minimum Supplier Criteria is also published on HealthTrust's public website, as well as an on-line form for prospective vendor submission.

The Contracting Process Policy includes criteria for the selection of contract products and services and documents and the procedures followed by HealthTrust's contracting team to select vendors for consideration. HealthTrust's Advisory Boards may provide additional requirements or other criteria that would be incorporated into the RFP (request for proposals) process, where appropriate. Vendor proposals submitted in response to RFPs are analyzed using an extensive clinical/technical review as described above, as well as a financial/operational review.



The above-described process was followed with respect to the Distribution, IT Products & Services category. HealthTrust issued RFPs and received proposals from identified suppliers in the Distribution, IT Products & Services category. A contract was executed with CDW, SHI Intl, Compunet, World Wide Technology and Insight Direct USA in November of 2021. I hope this satisfies your request. Please contact me with any additional questions.

Sincerely,

Craig Dabbs

Account Director, Member Services

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.

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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)						
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Trust	<input type="checkbox"/> Non-Profit Organization	<input type="checkbox"/> Other
Business Designation Group (Please select all that apply)						
<input type="checkbox"/> MBE	<input type="checkbox"/> WBE	<input type="checkbox"/> SBE	<input type="checkbox"/> PBE	<input type="checkbox"/> VET	<input type="checkbox"/> DVET	<input type="checkbox"/> 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:		Insight Direct USA, Inc.				
(Include d.b.a., if applicable)						
Street Address:		2701 E Insight Way		Website: www.insight.com		
City, State and Zip Code:		Chandler Arizona 85286-1930		POC Name: Chris Carter		
				Email: Chris.Carter@insight.com		
Telephone No:		480.409.6531		Fax No:		
Nevada Local Street Address: (If different from above)		Website:				
City, State and Zip Code:		Local Fax No:				
Local Telephone No:		Local POC Name:				
		Email:				

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

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

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

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
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.

<div style="text-align: center; margin-bottom: 10px;"> </div> <div> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div>Signature</div> </div>	<div style="text-align: center; margin-bottom: 10px;"> Lianne Steinheiser </div> <div> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div>Print Name</div> </div>
<div> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div>Global Compliance Officer and Assistant Secretary</div> </div> <div> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div>Title</div> </div>	<div> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div>10/25/2024</div> </div> <div> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div>Date</div> </div>

DISCLOSURE OF RELATIONSHIP

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

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL	UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT
N/A			

* UMC employee means an employee of University Medical Center of Southern Nevada

“Consanguinity” is a relationship by blood. “Affinity” is a relationship by marriage.

“To the second degree of consanguinity” applies to the candidate’s first and second degree of blood relatives as follows:

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

For UMC Use Only:

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

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

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

Notes/Comments:

Signature

Print Name
Authorized Department Representative

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

Issue:	Telemedicine Professional Services Agreement (Pediatric Neurology) with Pokroy Medical Group of Nevada, Ltd. d/b/a Pediatrix Medical Group of Nevada	Back-up:
Petitioner:	Jennifer Wakem, Chief Financial Officer	Clerk Ref. #
Recommendation: That the Governing Board Audit and Finance Committee review and recommend for ratification by the Governing Board the Telemedicine Professional Services Agreement (Pediatric Neurology) with Pokroy Medical Group of Nevada, Ltd. d/b/a Pediatrix Medical Group of 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: 3000612000
 Description: Pediatric Tele-Neurology
 Bid/RFP/CBE: NRS 332.115.1(b) – Professional Services
 Term: 11/1/2024 – 10/31/2025
 Amount: NTE \$300,000 annually
 Out Clause: 90 days w/o cause

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

BACKGROUND:

This request is for approval of a new Telemedicine Professional Services Agreement (“Agreement”) with Pokroy Medical Group of Nevada, Ltd. d/b/a Pediatrix Medical Group of Nevada (“Pediatrix”) to provide remote 24/7 consultations and interpretation services as requested by the treating physician to pediatric patients in UMC’s Neonatal Intensive Care Unit.

All patient fees collected for the services will be the sole property of UMC as Pediatrix will assign to UMC its right to bill patients under this Agreement. UMC will compensate Pediatrix a monthly fee of \$5,000.00 plus fees for each interpretation and consultation performed. The total estimated amount paid will not exceed \$300,000 per year. Ratification is requested as the Agreement needed to be entered into prior to the effective date of November 1, 2024.

The Agreement term is for one (1) year, from November 1, 2024 through October 31, 2025, and allows for annual renewals upon mutually agreement. 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.

Cleared for Agenda
November 6, 2024

Agenda Item #

10

Either party may terminate this Agreement for convenience with a 90-day written notice to the other.

UMC's Chief Operating Officer has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

TELEMEDICINE PROFESSIONAL SERVICES AGREEMENT
[Pediatric Neurology]

THIS TELEMEDICINE PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into as of the date signed by the parties below, with the intent it be effective as of November 1, 2024 (the “Effective Date”) by and between UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes (HOSPITAL (“Hospital”), and POKROY MEDICAL GROUP OF NEVADA, LTD d/b/a Pediatrix Medical Group of Nevada, a professional corporation (“Provider”). Hospital and Provider are hereinafter referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, Provider employs or contracts with licensed physicians and advanced practice providers who have the training, qualifications, and experience necessary to provide professional medical services remotely via telecommunication technologies; and

WHEREAS, Hospital is the operator of a licensed hospital facility and desires to contract with Provider to offer certain professional medical services for the benefit of Hospital patients under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Duties and Representations of Provider

1.1 Telemedicine Services. Hospital hereby engages Provider for the provision of professional medical services to Hospital and any Hospital-owned facilities to be performed from a remote site via telecommunication technologies in the manner and specialties as set forth in the attached **Schedule A** (“Telemedicine Services”).

- i. The Telemedicine Services shall be performed by one or more licensed and qualified medical professionals, as listed on **Schedule A** and which shall be subject to change from time to time, which may include, but not be limited to, physicians, nurse practitioners, physician assistants and certified nurse assistants employed by or under contract with Provider (collectively “Practitioners”).
- ii. Provider, for itself and its Practitioners, represents and warrants that it:
 - i. has never been excluded or suspended from participation in, or sanctioned by, a Federal or state health care program;
 - ii. 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;
 - iii. at all times will comply with all applicable laws and regulations in the performance of the Telemedicine Services;

- iv. is not restricted under any third-party agreement from performing the obligations under this Agreement;
 - v. will comply with the standards of performance, attached hereto as **Schedule B** and incorporated by reference; and
 - vi. will meet the requirements regarding board certification, professional qualifications and standards, if any, set forth in Hospital's Medical Staff Bylaws, Rules and Regulations (collectively, "Medical Staff Bylaws"), in order to obtain and maintain medical staff membership and clinical privileges at Hospital (by proxy or directly, consistent with the Medical Staff Bylaws), as necessary to provide the Telemedicine Services.
- iii. Provider shall not permit any Practitioner to provide any Telemedicine Services under this Agreement if such Practitioner's:
- i. license to engage in the practice of medicine or other professional health care practice, as applicable, in the state in which Hospital is located is suspended or revoked; or
 - ii. medical staff membership or clinical privileges, as applicable, at Hospital are suspended or revoked in accordance with the Medical Staff Bylaws after Provider receives written notice thereof.
- 1.2 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 of any event that occurs that constitutes a breach of the representations and warranties contained in Section 3, or elsewhere in this Agreement. Hospital shall, in its discretion, have the right to terminate this Agreement if Provider fails to notify the Hospital of such a breach and/or fails to remove any Member Physician that fails to meet any of the requirements in this Agreement after a period of three (3) calendar days.
- 1.3 Coverage, Scheduling. Provider shall coordinate sufficient coverage of Practitioners to deliver the Telemedicine Services under this Agreement.
- 1.4 Maintenance of Records.
- i. All medical records, histories, charts and other information regarding patients treated or matters handled by Provider hereunder, or any data or data bases 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.
 - ii. Provider shall complete all patient charts in a timely manner in accordance with the standards and recommendations of Hospital's accrediting body and regulations of Hospital's Medical Staff, as may then be in effect.
- 1.5 Policies and Procedures. Provider will collaborate with Hospital on the development and implementation of best practices and policies of the Telemedicine Services, as well as consult on software, hardware and electronic medical record workflows to support the provision of the Telemedicine Services.

2. **Duties and Representations of Hospital.**

- 2.1 **Hospital Policies.** Hospital will make available all Hospital policies and procedures applicable to the Telemedicine Services to be provided under this Agreement, including the Medical Staff Bylaws, prior to commencement of services. Hospital agrees that Provider and Practitioners are not subject to policies, rules, or procedures where market practice or reasonableness standards would not apply similar policies, rules or procedures to the provision of the Telemedicine Services where a clinical provider is not physically present at Hospital. For the avoidance of doubt, Hospital acknowledges and agrees that Practitioners will deliver the Telemedicine Services from a remote location offsite from the Hospital and thus are not required to (i) attend Hospital staff meetings; (ii) submit blood work or participate in PPD or other communicable disease tests of Hospital; (iii) participate in Hospital-specific CME or other educational programs; (iv) attend or participate in any other on-site meeting or program of Hospital; or (v) be required to handle emergency department on-call coverage or serve as the specialty consultant of last resort for Hospital.
- 2.2 **Medical Staff Membership; Clinical Privileges.** Hospital shall use its best efforts to assist Practitioners in obtaining medical staff memberships and clinical privileges at Hospital as necessary to provide the Telemedicine Services under this Agreement. Provider shall submit all information requested by Hospital's Credentialing Department. The provision of Telemedicine Services depends, in part, on Practitioners receiving privileges to cover the volume and hours requested. Hospital shall inform Provider as soon as reasonably practical if Hospital restricts, suspends or revokes any Practitioner's medical staff membership or clinical privileges in accordance with the Medical Staff Bylaws or initiates any peer review investigation concerning any Practitioner. 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 an appointment to the Medical Staff is granted solely for purposes of this Agreement, such appointment shall automatically terminate upon termination of this Agreement.
- 2.3 **Facilities; Equipment.** To facilitate the Telemedicine Services, Hospital shall provide and maintain, at its sole expense, the equipment and supplies specified in **Schedule A** ("Telemedicine Equipment"), and qualified technicians to operate the Telemedicine Equipment, as needed to render the Telemedicine Services under this Agreement. Hospital shall use commercially reasonable efforts to maintain and keep in good order and repair all Telemedicine Equipment and obtain, as required, any technical assistance relating to the use or maintenance of the Telemedicine Equipment. Upon the deterioration, obsolescence or depletion of the Telemedicine Equipment, Hospital shall procure replacements thereof of similar character and utility or better. Hospital acknowledges and agrees that Provider has no duty to perform the Telemedicine Services set forth herein unless the Telemedicine Equipment is properly calibrated, maintained and used by qualified, appropriately trained Hospital personnel in accordance with the manufacturer and licensor's instructions and applicable industry standards, if any.

2.4 Personnel.

- i. Hospital shall provide sufficient personnel to confirm the functioning of the Telemedicine Equipment and assist such personnel with training and use thereof for purposes of facilitating the Telemedicine Services.
- ii. Hospital shall have sufficient qualified technicians with the appropriate skill, experience and training to operate the Telemedicine Equipment, capture and transmit patient data to Practitioners in the manner specified in Schedule A for the proper delivery of the Telemedicine Services. Each technician shall have the training and credentials specified in Schedule A.
- iii. All Hospital personnel shall be employed and paid by Hospital and Hospital shall exercise full authority, control, supervision, direction over and responsibility for all services rendered by or at the direction of Hospital.

2.5 Informed Consent. Prior to the provision of the Telemedicine Services by Practitioners, Hospital shall obtain and maintain the informed consent and authorizations from each Hospital patient (or their legal representative or guardian) in the method (written/verbal) and with the statements and disclosures as may be required under applicable laws and shall ensure that such consent is documented as part of the patient's medical record.

2.6 Compliance. Hospital is in no way obviated by this Agreement of any regulatory or contractual mandates, duties or responsibilities, and any duties not specifically delegated to Provider under this Agreement shall remain with Hospital, and Hospital will retain all authority placed in it by applicable laws and Medical Staff Bylaws as may be amended.

2.7 Notification. Hospital shall provide immediate notification in writing to Provider and its designated risk management team of any unexpected Hospital patient outcomes with alleged misdiagnosis or delay in care or treatment related to the Telemedicine Services.

3. Technology; Privacy and Security.

3.1 Hospital and Provider shall mutually agree upon the applicable infrastructure, technology and equipment to be utilized in establishing the encrypted telecommunications connection between Hospital and Provider to deliver the Telemedicine Services hereunder which may include all property, documents, materials, resources and other components in connection with the operation, delivery and performance of the Telemedicine Services, including, but not limited to, the equipment, accessories, hardware, software, web-based applications, clinical protocols, workflow, marketing, guidelines, licenses, copyrights, patents, trademarks, trade secrets, intellectual property and other proprietary rights, titles and interests to be held or licensed by Hospital or Provider.

3.2 Hospital shall provide all other equipment and technology as needed at each Hospital location to enable Provider to deliver the Telemedicine Services.

3.3 With respect to any patient information transferred to and from the Parties in relation to the Telemedicine Services rendered hereunder (the "Patient Information"), the Parties shall implement and maintain an information security program that includes appropriate administrative, technical and physical safeguards reasonably designed to: (i) ensure the security and confidentiality of Patient Information; (ii) protect against any anticipated

threats or hazards to the security or integrity of such Patient Information; (iii) protect against unauthorized access to or use of such Patient Information that could result in substantial harm or inconvenience to Hospital; and (iv) dispose of such Patient Information in a secure manner.

- 3.4 The Parties agree that all Patient Information stored on any computing device or portable storage medium will be encrypted. Encryption solutions will be consistent and compliant with National Institute of Standards and Technology's (NIST) Federal Information Processing Standards (FIPS) 140-2 (Security Requirements for Cryptographic Modules) and FIPS-197.
- 3.5 Either Party shall notify the other Party in writing as soon as possible and without unreasonable delay after the notifying Party has either actual or constructive knowledge that there has been unauthorized access to, disclosure (whether intentional or accidental), or use of, or any security breach which affects, Patient Information in their possession (an "Incident"). The notifying Party shall have actual or constructive knowledge of an Incident if the Party knows there has been an Incident or if the Party has reasonable basis in facts or circumstances.

4. Medical Records: Access to Records

Hospital shall provide Provider and Practitioners with all timely access to medical history, demographic information, data and metadata concerning the patient who is the subject of the Telemedicine Services, and all other information reasonably requested by Provider or Practitioners. Provider shall provide or cause to be provided to Hospital written or electronic records and reports of all examinations, treatments and procedures performed during provision of the Telemedicine Services. During the term of this Agreement and at all times thereafter, regardless of expiration or termination, Hospital shall provide Provider with unrestricted access to view, copy and download (i) the patient medical records resulting from all Telemedicine Services which are stored in Hospital's electronic health records systems and (ii) Hospital's telehealth platforms, if applicable, for any lawful and reasonable purpose. Further, Hospital acknowledges and agrees that Provider may retain copies of any record prepared during or resulting from the Telemedicine Services provided under this Agreement when required by applicable law or as otherwise needed.

5. Billing and Coding; Provider Compensation.

- 5.1 Any compensation paid by Hospital to Provider and Practitioners for the Telemedicine Services rendered under this Agreement shall be set forth in Schedule A. The Parties acknowledge and agree that the compensation represents the fair market value for Provider and Practitioners being available to perform the Telemedicine Services, has been negotiated at arms-length, is commercially reasonable to accomplish the business purposes of the Parties, has not been determined in a manner that takes into account any volume or value of any referrals of other business, if any, that may otherwise be generated between the Parties, and does not require or contemplate that Provider or Practitioners will generate any particular volume or value of referrals or other business to Hospital.
- 5.2 Hospital hereby represents, warrants and covenants to Provider that it will comply with all federal, state and local laws, rules and regulations in the performance of the billing and collection activities assumed by Hospital pursuant to the terms of this Agreement (collectively, "Billing Activities"). Hospital shall, to the extent expressly authorized by Nevada law, indemnify and hold Provider and its affiliates and Practitioners harmless from

and against any claim, liability, loss, damage, cost or expense of any kind including, but not limited to, reasonable attorneys' fees, arising out of or related to any act or omission, false statements or misrepresentations of Hospital or its agents related to or arising from the Billing Activities performed by Hospital pursuant to this Agreement.

- 5.3 Hospital shall be entitled to charge separately for the facility fees, if applicable, associated with the Telemedicine Services and for all technical and non-professional services rendered by Hospital and to receive direct payment therefor without any charges made against the same by Provider. Hospital shall perform appropriate billing and collection functions for all such technical and non-professional services. Provider shall take all steps reasonably requested by Hospital to provide information to assist in the billing and collection of fees for those services.

6. Term and Termination.

- 6.1 This Agreement shall have an initial term of one (1) year, commencing on the date specified on **Schedule A** (the "Commencement Date") and unless otherwise terminated in accordance with this Section, this Agreement may renew for successive one (1) year terms upon mutual written agreement of the parties.

- 6.2 Termination Without Cause. Either Party may terminate this Agreement in its entirety, without cause, by giving the other party at least ninety (90) days prior written notice.

- 6.3 Material Breach. Either Party shall have the right to terminate this Agreement upon thirty (30) days prior written notice if the Party to whom such notice is given materially breaches any provision of this Agreement. The non-breaching Party claiming the right to terminate shall set forth in a written notice delivered to the breaching Party the facts underlying its claim of the material breach of this Agreement ("Material Breach Notice"). The breaching Party shall have thirty (30) days from receipt of the Material Breach Notice to cure the material breach described therein, or, if the material breach is not curable within such period, the Party shall have taken significant steps to cure the material breach within such period to the satisfaction of the non-breaching Party. If the breaching Party fails to cure the material breach or fails to take significant steps to cure the material breach, as applicable, within such period, the non-breaching Party shall have the right to terminate this Agreement upon written notice to the breaching Party.

- 6.4 Immediate Termination. Either Party may terminate this Agreement immediately by written notice to the other Party for the following reasons:

- i. Upon either Party's loss of certification as a Medicare or Medicaid provider;
- ii. Upon the closure of Hospital or the Telemedicine Service lines;
- iii. Upon the suspension, revocation, limitation or voluntary relinquishment of Provider's license(s) and/or privilege(s) required to perform the Telemedicine Services contemplated by this Agreement; or
- iv. Upon either Party's general assignment for the benefit of creditors, either Party's petition for relief in bankruptcy or under similar laws for the

protection of debtors, or upon the initiation of such proceedings against either Party if not dismissed within forty-five (45) days of service.

- 6.5 Obligations upon Termination. Neither Party shall have any further obligation under this Agreement except for (i) obligations accruing prior to the date of termination and (ii) obligations, promises, and covenants that are expressly made to extend beyond the term of this Agreement, including, without limitation, indemnification and insurance obligations.

7. Provider Insurance.

- 7.1 Professional Liability. Provider or Practitioners shall, at their sole expense, maintain professional liability insurance coverage, through the purchase of commercial insurance or through a self-funded program, for the Telemedicine Services rendered by Practitioners pursuant to this Agreement, at Provider's option, either (i) in the amount of at least \$1,000,000 per claim and \$3,000,000 per year, subject to applicable aggregates, or (ii) by enrolling Practitioners in a state mandated patient compensation or similar fund that satisfies Practitioners' legal obligations for malpractice liability in the state in which Hospital is located. Said insurance shall provide coverage only for those duties and services performed by Practitioners pursuant to this Agreement.
- 7.2 Post Termination. Upon the termination or expiration of this Agreement for any reason, Provider shall either continue professional liability insurance or obtain a policy of tail insurance for professional liability claims made after the termination of this Agreement for the Telemedicine Services rendered by Practitioners pursuant to this Agreement during the term of this Agreement. Upon termination of the contractual relationship between a Practitioner and Provider, Provider shall either continue insurance or obtain a policy of tail insurance that covers Provider and Practitioner for professional liability claims made after termination of such contract for the Telemedicine Services rendered by such Practitioner pursuant to this Agreement during the term of this Agreement. All such insurance shall have policy limits identical to those described in the prior Section.
- 7.3 Certificates of Insurance. Upon execution of this Agreement and as reasonably requested, but no greater than annually, Provider shall provide Hospital with certificates of all insurance coverage in this Section and shall endeavor to notify Hospital of any cancellation or non-renewal of said coverage.

8. Hospital Insurance.

- 8.1 Professional and General Liability. Hospital is owned and operated by Clark County pursuant to the provisions of Chapter 450 of the Nevada Revised Statutes. Clark County is a political subdivision of the State of Nevada. As such, Clark County and Hospital are protected by the limited waiver of sovereign immunity contained in Chapter 41 of the Nevada Revised Statutes. Hospital is self-insured as allowed by Chapter 41 of the Nevada Revised Statutes. Upon Agreement execution, Hospital will provide Provider with a Certificate of Coverage prepared by its Risk Management Department certifying such self-coverage.

- 8.2 Cyber and Privacy Liability. Hospital, at its sole expense, shall maintain cyber and privacy liability insurance in the sufficient amount to cover claims and liability arising in connection with this Agreement.
- 8.3 Certificates of Insurance. At the request of Provider, Hospital shall provide Provider with certificates of all insurance coverage in this Section and shall endeavor to notify Provider of any cancellation or non-renewal of said coverage.

9. **Indemnification.**

- 9.1 Each Party specifically reserves any common law right of indemnity and/or contribution which either Party may have against the other. The provisions of this Section shall survive the expiration, non-renewal or termination of this Agreement for any reason.
- 9.2 To the extent permitted by applicable law, unless otherwise set forth herein, each Party shall indemnify and hold the other Party and its officers, directors, shareholders, members, affiliates, employees, agents, attorneys, representatives and independent contractors ("Indemnitees") harmless from and against any and all claims, demands, actions, suits and proceedings, whether civil, criminal or administrative, and all losses, liabilities, damages, costs, fines, penalties, interest and expenses, whether direct or indirect, (including without limitation, settlement costs and any legal, accounting and other expenses for investigating or defending any actions or threatened actions) (collectively, "Losses"), to the extent arising out of any acts of negligence, gross negligence, willful misconduct or fraud, or any breach by performance or nonperformance of any material term of this Agreement by a Party and its officers, directors, shareholders, members, affiliates, employees, agents, attorneys, representatives and independent contractors, including, without limitation, all subcontractors. Hospital explicitly retains all defenses to indemnification that may exist under Nevada law and will assert the defense of sovereign immunity as appropriate in all cases, including malpractice and indemnity actions. Hospital's indemnity obligation for actions sounding in tort is limited in accordance with the provisions of NRS 41.035.
- 9.3 In the event any investigation or litigation is commenced or threatened against an indemnified Party for which the indemnified Party is entitled to indemnification hereunder, the indemnified Party shall be entitled to engage legal counsel of its own. The indemnified Party shall be entitled to participate in the response to any investigation and defense of any litigation, remain apprised of the status of any investigation or litigation, and maintain the right to approve or disapprove of any settlement thereof.

10. **Disclaimer of Warranty.** TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, PROVIDER HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, EITHER EXPRESS OR IMPLIED, STATUTORY OR OTHER (INCLUDING ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE), AS TO ANY MATTER WHATSOEVER RELATING TO ANY EQUIPMENT, TECHNOLOGY, SOFTWARE AND OTHER PRODUCTS, INFORMATION AND MATERIALS, IF ANY, PROVIDED OR USED BY PROVIDER AND PRACTITIONERS IN CONNECTION WITH THE TELEMEDICINE SERVICES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT. HOSPITAL ACKNOWLEDGES THAT PROVIDER DOES NOT CONTROL THE TRANSFER OF DATA OVER COMMUNICATIONS FACILITIES, INCLUDING THE INTERNET, AND THAT THE COMMUNICATIONS FACILITIES MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS

INHERENT IN THE USE OF SUCH COMMUNICATIONS FACILITIES TO PROVIDE THE TELEMEDICINE SERVICES. PROVIDER IS NOT RESPONSIBLE OR LIABLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGES RESULTING FROM SUCH PROBLEMS. HOSPITAL ACKNOWLEDGES AND AGREES THAT PROVIDER WILL NOT BE ORIGINATING ANY THIRD-PARTY CONTENT UNDER THIS AGREEMENT AND WITH RESPECT TO ANY SUCH THIRD-PARTY CONTENT REQUIRED FOR PROVIDER TO DELIVER THE TELEMEDICINE SERVICES, AND PROVIDER SHALL HAVE NO LIABILITY TO HOSPITAL OR ANY THIRD PARTY BASED ON ANY CONTENT TRANSMITTED BY OR THROUGH THE TELEMEDICINE EQUIPMENT OR THIRD-PARTY CONTENT UNDER THIS AGREEMENT. THE PROVISION OF THE TELEMEDICINE SERVICES BY PROVIDER AND PRACTITIONERS IN NO WAY GUARANTEES COVERAGE AND REIMBURSEMENT BY ANY PUBLIC OR PRIVATE THIRD-PARTY PAYOR FOR SUCH SERVICES.

11. **Limitation on Liability.** TO THE EXTENT AUTHORIZED BY LAW, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS, REVENUE, BUSINESS OPPORTUNITY, BUSINESS INFORMATION OR DATA USE ARISING OUT OF OR IN CONNECTION WITH THE TELEMEDICINE SERVICES OR TELEMEDICINE EQUIPMENT PROVIDED UNDER THIS AGREEMENT, EVEN IF A PARTY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE PARTIES AGREE THAT PROVIDER AND PRACTITIONERS SHALL HAVE NO RESPONSIBILITY OR LIABILITY, AND DO NOT ASSUME ANY RESPONSIBILITY OR LIABILITY FOR, ANY DAMAGES ARISING FROM THE USE OF THE TELEMEDICINE EQUIPMENT OR ANY PRODUCT, SERVICE, INSTRUCTION OR INFORMATION PROVIDED BY PROVIDER OR PRACTITIONERS DURING THIS AGREEMENT. NOTWITHSTANDING THE DISCLAIMERS AND WAIVERS SET FORTH HEREIN, THE PARTIES AGREE THAT IN NO EVENT SHALL PROVIDER'S OR PRACTITIONERS' LIABILITY TO HOSPITAL HEREUNDER EXCEED AN AMOUNT EQUAL TO THE AMOUNT RECEIVED BY PROVIDER FOR THE SERVICES RENDERED DURING A TWO (2) MONTH PERIOD IMMEDIATELY PRECEDING THE ACT OR OMISSION RESULTING IN LIABILITY. IN NO EVENT SHALL THE FOREGOING LIMITATIONS APPLY TO A PARTY'S BREACH OF THE HIPAA PROVISIONS OF THIS AGREEMENT OR LOSSES OCCASIONED BY THE FRAUD, WILLFUL MISCONDUCT, OR NEGLIGENCE OF A PARTY.

12. **Confidentiality.** All provisions in this Agreement, including all exhibits and schedules hereto, are strictly confidential. For purposes of this Agreement, "Confidential Information" means any confidential or proprietary information of a Party that is disclosed in any manner to the other Party in connection with or related to this Agreement, and which at the time of disclosure either (i) is marked as being "Confidential" or "Proprietary," (ii) is otherwise reasonably identifiable as the confidential or proprietary information of the disclosing Party, or (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information of the disclosing Party. Confidential Information includes, but is not limited to, the terms and conditions of this Agreement, and all types of proprietary technical or business information, including data, know-how, formulas, algorithms, processes, designs, drawings, schematics, plans, strategies, specifications, requirements, standards and documentation, reports, pricing, market, sales, marketing or demographic information, software, trade secrets, research, analyses, inventions, ideas and other types of nonpublic information. Confidential Information does not include information (i) that is already and separately available in the public domain (without breach of this Agreement by the applicable Party); (ii) approved for disclosure in advance in writing by the non-

disclosing Party; (iii) known to the non-disclosing Party prior to disclosure by the disclosing Party (as evidenced by written records thereof); (iv) independently developed by the non-disclosing Party without reference to or use of the disclosing Party's Confidential Information; or (v) acquired by the non-disclosing Party from a third party that was not prohibited by agreement or otherwise from disclosing the Confidential Information.

- 12.1 Treatment and Protection. Each Party agrees to (i) hold in strict confidence all Confidential Information which it receives from the other Party prior to, or in the course of, this Agreement, (ii) use the Confidential Information solely to perform or to exercise its duties and rights under this Agreement, and (iii) not to transfer, display, or otherwise disclose all or any part of such Confidential Information to any third party without the disclosing Party's written consent. Each Party shall take all measures necessary to protect the Confidential Information as it takes to protect its own confidential information (but in no case less than reasonable measures).
- 12.2 Disclosures Required by Law. The receiving Party may disclose the Confidential Information of the disclosing Party in response to a valid court order, law, rule, regulation or other governmental action, including, without limitation, the provisions of the Nevada Public Records Law, Nevada Revised Statutes 239, provided that the disclosing Party is notified in writing prior to disclosure of the information. In the event that no such protective order or other remedy is obtained, or that the disclosing Party waives compliance with the terms of this Agreement, the requested information will be released.
- 12.3 Remedies. Each Party agrees that the disclosing Party shall have no adequate remedy at law if there is a breach or threatened breach of this Section, and that the disclosing Party shall be entitled to bypass any dispute resolution obligations and seek immediate injunctive or other equitable relief to prevent or remedy such breach, in addition to any legal or equitable remedies available to the disclosing Party.
- 12.4 Return or Destruction. Upon the termination or expiration of this Agreement or upon the earlier request of the disclosing Party, the receiving Party shall (i) at its own expense, promptly return to the disclosing Party all tangible Confidential Information (and all copies thereof) of the disclosing Party, or upon written request from the disclosing Party, destroy such Confidential Information and provide the disclosing Party with written certification of such destruction, and (ii) immediately cease all further use of the other Party's Confidential Information, whether in tangible or intangible form.
- 12.5 Survival. Notwithstanding anything to the contrary in this Agreement, except for Confidential Information not constituting "trade secrets" under applicable law (for which there shall be no time limit for keeping such information confidential), these confidentiality obligations shall survive termination of this Agreement.

13. Compliance with Laws

- 13.1 Compliance with Health Care Laws. The Parties represent and warrant that this Agreement is intended to comply with all applicable federal and state laws and regulations, as well as all compliance guidance published by federal or state agencies, state licensing regulations, and rules and regulations of applicable healthcare accreditation organizations, including, without limitation, the Federal Anti-kickback Statute (42 U.S.C. § 1320a-7b), the federal Physician Self-Referral Statute (42 U.S.C. 1395nn) and the amendments, regulations and administrative rulings thereto ("Stark Law"); the Federal False Claims Act (31 U.S.C. 3729

et seq.) and amendments; the federal Civil Monetary Penalties Law (42 U.S.C. 1320a-7a); the federal Exclusion Authority Statute (42 U.S.C. 1320a-7); the federal Physician Sunshine Act (42 U.S.C. 1320a-7h) and its implementing regulations; the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (42 U.S.C., Section 201 et seq.) and any other laws governing the privacy, security and confidentiality of health care information, (collectively, "Health Care Laws"). The Parties acknowledge that Provider's use of independent contractors to fulfill the duties under this Agreement will be in compliance with Health Care Laws.

13.2 HIPAA Compliance. Provider and Hospital, each as Covered Entities, hereby agree to comply with the applicable provisions of the U.S. Department of Health and Human Services regulations on "Standards for Privacy of Individually Identifiable Health Information" comprising 45 C.F.R. Parts 160 and 164, Subparts A and E (the "Privacy Standards"), "Security Standards for the Protection of Electronic Protected Health Information" comprising 45 C.F.R. Parts 160 and 164, Subpart C (the "Security Standards"), "Standards for Notification in the Case of Breach of Unsecured Protected Health Information" comprising 45 C.F.R. Parts 160 and 164, Subpart D (the "Breach Notification Standards"), and "Rules for Compliance and Investigations, Impositions of Civil Monetary Penalties, and Procedures for Hearings" comprising 45 C.F.R. Part 160, Subparts C, D, and E (the "Enforcement Rule") promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), and the Genetic Information and Nondiscrimination Act of 2008 ("GINA") (the Privacy Standards, the Security Standards, the Breach Notification Standards, and the Enforcement Rule are collectively referred to herein as the "HIPAA Standards"). Provider and Hospital each agree not to use or further disclose any protected health information, as defined in 45 C.F.R. § 160.103 ("PHI"), concerning a patient other than as permitted or required by this Agreement or otherwise authorized under the HIPAA Standards. As permitted under HIPAA, the Parties hereby agree, that by virtue of this Agreement, they are an "organized health care arrangement" for purposes of meeting the Privacy Standards and the authorized use and disclosure of PHI thereunder. Provider agrees to follow the privacy practices adopted by Hospital as detailed in its notice of privacy practices.

13.3 No Exclusion. Each Party represents and warrants to the other that neither it nor any person that has a direct or indirect ownership interest (as defined in 42 C.F.R. Section 1001.1001(a)(2)) in the Party or who has an ownership or controlling interest (as defined in Section 1124(a)(3) of the Social Security Act or any regulations promulgated thereunder) in the Party, or who is an officer, director, manager, agent or managing employee (as defined in 42 C.F.R. Section 1001.1001(a)(i)) of the Party: (i) has been excluded, debarred, or otherwise ineligible to participate in the Federal health care programs as defined in 42 USC § 1320a-7b(f) ("FHCP"); (ii) has been 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 any FHCP; or (iii) is under investigation or otherwise aware of any circumstances which may result in either Party or their representatives being excluded from participation in any FHCP. This shall be an ongoing representation and warranty during the term of this Agreement and either Party shall notify the other Party within five (5) business days of any change in the status of the representation and warranty set forth in this Section. Any breach of this Section shall give either Party the right to terminate this Agreement immediately for cause.

- 13.4 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, has a Compliance Officer, and operates an anonymous 24-hour, seven-day-a-week compliance Hotline. A Notice Regarding False Claims and Statements is attached to this Agreement as Schedule C. Provider is expected to immediately notify Hospital via a hospital Administrator, department Director, department Manager, and Rani Gill, Compliance Officer, at (702) 383-6211 or at Rani.Gill@umcsn.com, or through the Hotline (888) 691-0772, or the website at <http://www.goldenegg.ethicspoint.com>, or in writing, any actions by a medical staff member, Hospital vendor, or Hospital employee 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 bond-fide basis. Hospital is prohibited by law from retaliating in any way against any individual who, in good faith, reports a perceived problem.
14. **Status of Parties.** It is expressly acknowledged by the Parties that Provider and its agents are independent contractors, and nothing in this Agreement is intended nor shall be construed to create a partnership or joint venture relationship between the Parties, or to allow Hospital to exercise control or direction over the manner or method by which Provider and its agents perform the Telemedicine Services that are the subject matter of this Agreement. Each Party shall bear sole responsibility for payment of all applicable payroll taxes, payroll deductions and other similar items, including but not limited to federal and state withholding taxes, worker's compensation, and unemployment insurance related to its agents and employees. Each Party shall direct and control all administrative matters relating to its agents and employees, and shall have the absolute authority to hire, fire, supervise and discipline its employees and agents as required by applicable law or collective bargaining agreements; provided, however, Hospital has the power and discretion to direct Provider to remove Practitioners assigned by Provider to render the Telemedicine Services hereunder. Neither Party is granted an express or implied right of authority by the other Party to assume or create an obligation or responsibility on behalf of or in the name of the other Party or to bind the other Party in any manner or thing whatsoever. Neither Party will assume any liability by virtue of this Agreement for any debts or obligations of either a financial or a legal nature incurred by the other Party, except for the obligations agreed to herein. In the event the United States Internal Revenue Service (the "IRS") should question or challenge the independent contractor status of Provider or any Practitioner, the Parties mutually agree that both Provider and Hospital shall have the right to participate in any discussion or negotiation occurring with the IRS, irrespective of who initiates such discussion or negotiations.
15. **No Employment or Solicitation.** Hospital covenants that during the term of this Agreement (including any renewals thereof) and for such additional period thereafter that Provider may be providing the Telemedicine Services to Hospital (collectively, the "Service Period") and for a period of two (2) years following conclusion of the Service Period for any reason, neither Hospital nor any of its subsidiaries, parents or other affiliates will directly or indirectly (i) employ, hire or otherwise engage any of the Practitioners (collectively, a "Protected Person"); (ii) solicit, pursue or divert (or attempt to solicit, pursue or divert) any Protected Person, or otherwise induce, counsel, advise or encourage any Protected Person to leave the employment or contractual relationship with Provider; or (iii) form a corporation, partnership or joint venture or other entity with any such Protected Person. For the avoidance of any doubt, those individuals who have not provided services to Hospital through this Agreement are excluded from the definition of "Protected Person". Hospital acknowledges and agrees that the restrictive covenants set forth in this Section are reasonable and necessary for the protection of the practice and operations of Provider and violation of any of the covenants set forth in this Section would cause irreparable injury to Provider, and that

the remedy at law for any violation or threatened violation thereof would be inadequate, and that Provider shall be entitled to temporary and permanent injunctive relief or other equitable relief without the necessity of proving actual damages and without the necessity of posting bond. The foregoing remedies of Provider may be exercised without prejudice to (and are cumulative with) Provider's other available rights and remedies at law, in equity or under this Agreement, including Provider's right to monetary damages arising from any breach of this Agreement by Hospital.

16. Miscellaneous

16.1 Exclusivity. Hospital agrees not to enter into any contract with any third party for the provision of services that are the same or similar to the Telemedicine Services provided by Provider hereunder or otherwise permit a third party to provide such services to or for the benefit of Hospital patients or physicians and practitioners who provide services at Hospital. Hospital acknowledges that Provider and Practitioners are currently, and will continue to be, involved in performing the same or similar services and other professional medical services provided pursuant to this Agreement for hospitals, facilities, practices and health care organizations other than Hospital. Neither Provider nor Practitioners shall be prohibited from engaging in such activities outside of this Agreement, so long as Provider continues to arrange for the provision of the Telemedicine Services to Hospital consistent with the terms of this Agreement.

16.2 Notices. Any notice required or permitted to be given hereunder to either party shall be deemed effective upon receipt if sent by hand delivery, three (3) business days after being sent by registered or certified mail, return receipt requested, or one (1) business day after being sent by overnight mail delivery for which evidence of delivery is obtained by the sender, to such party at:

Provider: Pokroy Medical Group of Nevada, LTD
d/b/a Pediatrix Medical Group of Nevada
1301 Concord Terrace
Sunrise, Florida 33323
Attention: Mary Ann E. Moore, EVP, General Counsel
Maryann.moore@pediatrix.com

With an electronic copy to: LegalNotice@pediatrix.com

Hospital: University Medical Center of Southern Nevada
1800 West Charleston Boulevard
Las Vegas, Nevada 89102
Attn: Chief Executive Officer

With a copy to: ContractSpecialist@umcsn.com

16.3 Limitation of Assignment. This Agreement shall not be assigned by either Party without the prior express written consent of the other Party. Notwithstanding the foregoing, this Agreement may be assigned to any corporation or other entity of any kind succeeding to the business of Hospital or Provider in connection with the merger, consolidation, sale or transfer of the stock or all or substantially all of the assets and business of Hospital or Provider to such successor or with a corporate reorganization involving Hospital or Provider. This Agreement may also be assigned to any subsidiary, parent corporation or

other affiliate of Hospital or Provider. The provisions of, and obligations arising under, this Agreement shall extend to, be binding upon and inure to the benefit of the successors and permitted assigns of each Party.

- 16.4 Cooperation in Claims. Neither Party nor its employed or otherwise engaged personnel shall act adverse to the interests of the other Party, or any of the other Party's affiliated entities, shareholders, officers, employees, contractors or agents (hereinafter collectively referred to as the "Other Party"), where such Other Party has been, or is expected to be, named as a defendant in a claim or lawsuit asserting negligence, malpractice or professional liability on the part of the Other Party, including situations in which the Party has been, or is expected to be, named as a defendant in the same claim or lawsuit as the Other Party except if the Parties' interests are adverse to each other.
- 16.5 Access to Books, Documents and Records. If required by the applicable provisions of the Social Security Act related to reasonable cost provisions of hospitals, until the expiration of four (4) years after the termination of this Agreement, Provider shall make available, upon written request from the Secretary of the U.S. Department of Health and Human Services, the Comptroller General of the United States, or their duly authorized representatives, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the cost of the Telemedicine Services provided by Provider under this Agreement. Provider further agrees that if it carries out any of its duties under this Agreement through a subcontract with a related organization with a value or cost of \$10,000.00 or more over a twelve (12) month period, then such contract shall contain a clause similar in scope to this Section.
- 16.6 Severability; Changes in Law. If any part of this Agreement is determined to be invalid, illegal, inoperative, or contrary to law or professional ethics, such part shall be reformed, if possible, to conform to law and ethics; the remaining parts of this Agreement shall be fully effective and operative to the extent reasonably possible. If any restriction contained in this Agreement is held by any court of competent jurisdiction to be unenforceable or unreasonable for any reason, then such restriction shall be modified to the extent required to render it enforceable and the remaining restrictions shall be enforced independently of each other.
- 16.7 Arbitration. Except as provided below, in the event of any controversy or dispute related to or arising out of this Agreement, the Parties agree to meet and confer in good faith to attempt to resolve the controversy or dispute without an adversary proceeding. If the controversy or dispute is not resolved to the mutual satisfaction of the Parties within five (5) business days of notice of the controversy or dispute, with the exception of injunctive relief sought by any Party, any Party shall have the option of submitting the controversy or dispute to binding arbitration, which shall be conducted in the county and the state in which the Hospital is located. If the controversy or dispute is submitted to binding arbitration, the Parties shall select the arbitrator within ten (10) calendar days after notification that the controversy or dispute will be submitted to arbitration. If the Parties are unable to agree on an arbitrator, either Party may petition the American Arbitration Association (the "Arbitration Company") for the appointment of an arbitrator according to the procedures for such appointment provided under the Arbitration Company's rules for commercial arbitration. The costs of such arbitration (excluding the attorneys' fees and costs of each of the Parties) shall be shared equally by the Parties. The arbitration shall commence within a reasonable time after the claim, dispute, or the matter in question has arisen, and in no event shall it commence after the date when institution of legal or equitable proceedings

based on such claim, dispute, or other matters in question would be barred by the applicable statute of limitations. The arbitration shall be conducted in a summary manner upon written briefs of the Parties if the arbitrator believes that such summary procedure will be adequate to resolve all contested issues fairly. The Parties shall submit their briefs to the arbitrator within fifteen (15) calendar days following selection of the arbitrator. The arbitrator shall not be required to observe or carry out formalities or usual procedures such as pleadings or discovery or the strict rules of evidence. The arbitrator shall decide all matters submitted to him or her within twenty-one (21) calendar days following the arbitrator's receipt of briefs or conclusion of any necessary hearings. No disclosure of the award shall be made by the Parties except as required by the law or as necessary or appropriate to effectuate the terms thereof. Judgment on the award rendered by the arbitrator may be entered into in any court having jurisdiction thereof. With the exception of injunctive relief sought by a Party, to the extent permitted by law, the Parties hereby jointly and severally waive any and all right to trial by jury in any action or proceeding arising out of or relating to this Agreement, or the obligations hereunder. The Parties each represent to the other that this waiver is knowingly, willingly and voluntarily given. Controversies or disputes related to Hospital's Medical Executive Committee actions are excluded from the provisions of this section.

16.8 Governing Law. This Agreement has been executed and delivered and shall be construed and enforced in accordance with the laws of the state in which Hospital is located. Any action by any Party, whether at law or in equity, shall be exclusively commenced and maintained and venue shall properly be in the state or federal courts located in the state in which Hospital is located.

16.9 Waiver of Breach. No provision of this Agreement shall be deemed waived unless evidenced by a written document signed by an authorized officer or agent of the waiving Party. The waiver by either Party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision of this Agreement.

16.10 Force Majeure. Neither Party shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's control, including acts of God, war (declared or undeclared), action of any governmental authority, riots, revolutions, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, or strikes (or similar nonperformance or defective performance or late performance of employees, suppliers or subcontractors) ("Force Majeure Event"). In the event that a Party ceases to perform its obligations under this Agreement due to the occurrence of a Force Majeure Event, such Party shall: (a) immediately notify the other Party in writing of such Force Majeure Event and its expected duration; and (b) take all reasonable steps to recommence performance of its obligations under this Agreement as soon as possible.

16.11 Authority. Each signatory to this Agreement represents and warrants that he or she possesses all necessary capacity and authority to act for, sign and bind the respective entity on whose behalf he or she is signing.

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16.12 Counterparts. This Agreement and any amendments to this Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Facsimile and PDF signatures shall be treated as if they are original signatures.

- 16.13 Entirety; Amendments. This Agreement represents the entire and final agreement of the Parties with respect to the subject matter hereof and supersedes all prior negotiations, discussions or agreements with respect to the subject matter hereof. This Agreement may not be amended or modified except by written instrument signed by the Parties hereto.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

POKROY MEDICAL GROUP OF NEVADA,
LTD D/B/A PEDIATRIX MEDICAL GROUP OF
NEVADA

UNIVERSITY MEDICAL CENTER OF
SOUTHERN NEVADA

By: Nanette Sanders
Nanette Sanders (Oct 30, 2024 19:16 CDT)
Name: Nanette Sanders
Title: Authorized Signatory
Date: Oct 30, 2024

By: Mason Van Houweling
Name: Mason Van Houweling
Title: CEO
Date: 10/31/24

SCHEDULE A

TELEMEDICINE SERVICES

Commencement Date: November 1, 2024, or as otherwise mutually agreed by the Parties.

Originating Site Locations

Provider will make the Telemedicine Services available to Hospital at the locations identified below according to the selected service lines and Commencement Dates. This Schedule may be updated by Hospital to reflect the addition or removal of locations or services with notice and approval by Provider at least sixty (60) calendar days in advance.

Facility Location	Service(s)	Commencement Date
University Medical Center of Southern Nevada	Telemed Neurology	November 1, 2024

Telemedicine Services

Remote Consultation: The term “Remote Consultation” means real-time, consultation with Practitioners located in a remote site via telecommunications technology when the treating physician at Hospital who is responsible for the patient, or a nurse working directly with the treating physician, determines a professional consultation is necessary. Consultations may also occur with the Remote Practitioner and patient or family if requested. The recommendations of Practitioners given during the Remote Consultation will be based solely on the information provided to Practitioners, including but not limited to, relevant vital sign, history and physical, diagnostic, and symptomatic information of the patient. Upon completion of the Remote Consultation, Practitioners will discuss the plan for the patient’s care one-on-one with the treating physician to provide recommendations only. Hospital shall maintain full responsibility for the treatment and care of the patient. Practitioners shall not be responsible for any follow-up care, including procedures, recommended by a Practitioner during the Remote Consultation, which shall be the responsibility of Hospital.

Remote Interpretation: The term “Remote Interpretation” means a diagnostic imaging interpretation or other interpretation of a diagnostic test by Practitioners located in a remote site via telecommunications technology when the treating physician orders the diagnostic procedure for a patient. Upon the completion of the Remote Interpretation, Practitioners will return a professional interpretation report. Practitioners will discuss the plan for the patient’s care one-on-one with the treating physician to provide recommendations only. Hospital shall maintain full responsibility for the treatment and care of the patient. Practitioners shall not be responsible for any follow-up care, including procedures, recommended by a Practitioner during the Remote Interpretation, which shall be the sole responsibility of Hospital.

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1. Telehealth – Pediatric Neurology

a. Coverage and Duties.

- i. Coverage to be provided twenty-four (24) hours per day, seven (7) days per week.
- ii. Practitioners will provide Remote Consultations and Remote Interpretation services as requested by the treating physician to pediatric patients in the Neonatal Intensive Care Unit, which will include:
 1. remote EEG reading, including cerebral function monitoring (CFM or aEEG), routine EEG and continuous video-EEG;
 2. review of clinical data including laboratory and imaging findings;
 3. discussions with parents and other family members to explain the diagnosis, clinical course, neurologic treatments and prognosis;
 4. consultative services, including a neurological exam aided by appropriate video technology and bedside clinical staff;
 5. education for clinical teams throughout the program; and
 6. hand-off of patients to primary local pediatric neurologist when appropriate.
- iii. Practitioners will respond to requests for non-emergent Remote Consultations within 24 hours.
- iv. Practitioners will provide documentation for the electronic patient record within standards set by Medical Staff Bylaws and Medical Staff Rules & Regulations and Hospital policies.
- v. Practitioners will provide accurate diagnostic and procedural coding and documentation within the timeframe agreed upon by Provider and Hospital.

b. Telehealth Equipment.

- i. Hospital shall provide and maintain, at its cost and expense, appropriate specialty imaging EEG equipment, related attachments and supplies, and qualified technicians to operate the imaging EEG equipment.
- ii. The parties agree that Practitioners shall access images and EEG data directly from the Hospital's electronic health records system software via devices with secure access and any applicable licenses installed, all as provided to Practitioners by Hospital for this purpose.
- iii. Hospital will provide and maintain, at its cost and expense, required hardware and equipment for telehealth platform to enable a remote physician workstation. Such hardware may include, but is not limited to, laptops, aircards, webcams, speakers and microphones.

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c. Requests for Remote Consultations.

- i. To request a Remote Consultation, the following procedures shall be followed:

1. When a treating physician determines a neurology consult is necessary for a pediatric patient, the treating physician shall order the test and enter such order in the patient's medical record.
2. After the order is given and entered into the medical record, a qualified staff employed or contracted by Hospital will call by phone the Practitioner's central answering service to provide brief but necessary information requested by the Practitioner.
3. The Practitioner will call the treating physician for a physician-to-physician discussion on the nature of the consultation and the patient's current status.

d. Requests for Remote Interpretation.

i. To request a Remote Interpretation, the following procedures shall be followed:

1. When a treating physician determines an EEG is necessary for a pediatric patient, the treating physician shall order the test and enter such order in the patient's medical record.
2. After the order is given and entered into the medical record, a qualified neurodiagnostic technologist employed or contracted by Hospital, who has received the necessary training in the use of the EEG equipment, shall conduct the appropriate test(s) and set it up for optimal remote, real-time review of the EEG with or without synchronized video.
3. Each Hospital technician shall be a qualified neurodiagnostic technologist for the use of the EEG with or without synchronized video.
4. The EEG results will be communicated by the Practitioner by written report within a prearranged timeframe and by verbal report as determined by the patient's acuity and urgency. If the EEG is ongoing, the interim EEG findings will be verbally reported to the treating physicians as determined by the patient's condition and acuity, as determined by prior arrangements and understanding by the clinicians.
5. If aEEG is used, aEEG mostly likely cannot be viewed remotely by the Practitioner since remote reading technology is not typically available for aEEG at the current date. If remote reading is not possible, the Practitioner will assist the treating physician by consulting with "spot checks" on segments of the aEEG that will be transmitted to the Practitioner as screenshot images or video clips. Without remote reading technology, it is practically not possible for the Practitioner to review the entire study, and thus, cannot provide a written report pertaining to the entire study. The treating physician, thus, will be responsible for providing the written report for aEEG. The treating physician will charge the payor for the aEEG procedure, and the Practitioner will charge the Hospital for the "spot checks" per previously determined compensation.
6. If the results are not in the form or quality sufficient to provide the Remote Interpretation, Practitioners will communicate that fact to Hospital and alternative arrangements will be made. The Hospital will still be charged for the Remote Interpretation even if uninterpretable.

e. Cost.

- i. Hospital will be entitled to bill and collect for the professional fees associated with Provider's provision of the Pediatric Neurology Telehealth Services. Provider shall assign to Hospital its right to bill the patients or their responsible third-party payors for any Pediatric Neurology Telehealth Services rendered by Practitioners to patients under this Agreement. All patient fees collected for such Pediatric Neurology Telehealth Services will be the sole property of Hospital.
- ii. During the term of this Agreement, the Hospital shall pay the Provider **Sixty Thousand and 00/100 Dollars (\$60,000.00)** per year payable in monthly installments of **Five Thousand and No/100 Dollars (\$5,000.00)**, invoiced monthly ("Annual Stipend") and for each interpretation and consultation the fee ("Utilization Fee") as set forth on the schedule below:

Utilization fee per service paid by Hospital to Provider:

- Short-term EEGs (<2 hours) \$250
- Long-term EEGs (2-12 hours) \$425
- Long-term EEGs (>12 hours) \$575
- Consultation with MD/family (per hour) \$250
- "Stat" fee* \$750

**A Stat fee will be added to the service fee for calls requiring a "stat" response within one hour.*

Hospital shall make payment on or before the fifth (5th) day of each month following the month in which Services were rendered. The parties acknowledge and agree that the compensation set forth in this section represents the fair market value for the Telehealth Services rendered by Provider, has been negotiated at arms-length, is commercially reasonable to accomplish the business purposes of the parties, has not been determined in a manner that takes into account any volume or value of any referrals of other business, if any, that may otherwise be generated between the parties, and does not require or contemplate that Provider or its Practitioners will generate any particular volume or value of referrals or other business.

f. Member Physician(s)

Andrew Kim 1699856237
Shanti Thirumalai 1528155132

SCHEDULE B
STANDARDS OF PERFORMANCE

Provider shall ensure that all Member Physicians comply with the following Standards of Performance:

- a. Provider promises to adhere to Hospital's established standards and policies for providing exceptional patient care. In addition, Provider shall operate and conduct him/herself 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 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, Provider shall be free to perform private practice at other offices and hospitals. If Provider is employed 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 assist Hospital with improvement of patient satisfaction and performance ratings.
- e. Provider shall perform appropriate clinical documentation.
- f. Provider 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 laws, including but not limited to the Emergency Medical Treatment and Active Labor Act ("EMTALA").
- g. Provider 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 shall comply with all policies and directives related to Just Culture, Ethical Standards, Corporate Compliance/Confidentiality, and any and all applicable policies and/or procedures.
- h. Provider shall comply with Hospital's Affirmative Action/Equal Employment Opportunity Agreement.
- i. 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, and in no event is Provider required to make a referral under any of the following circumstances: (i) the referral relates to services that are not provided by Provider within the scope of this Agreement; (ii) the patient expresses a preference for a different provider, practitioner, or supplier; (iii) the patient's insurer or other third party payor determines the provider, practitioner, or supplier of the applicable service; or (iv) the referral is not in the patient's best medical interests in Provider's judgment. The parties agree that this provision concerning referrals by Provider 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").

- j. Provider agrees to participate in the Physician Quality Reporting Initiative ("PQRI") 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.
- k. Provider shall work in the development and maintenance of key clinical protocols to standardize patient care.

SCHEDULE C 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 of five (5) years; a maximum fine of \$25,000; or both.

Nevada State False Claims Act

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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.

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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)						
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Corporation	<input type="checkbox"/> Trust	<input type="checkbox"/> Non-Profit Organization	<input type="checkbox"/> Other
Business Designation Group (Please select all that apply) N/A						
<input type="checkbox"/> MBE	<input type="checkbox"/> WBE	<input type="checkbox"/> SBE	<input type="checkbox"/> PBE	<input type="checkbox"/> VET	<input type="checkbox"/> DVET	<input type="checkbox"/> 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:			Pokroy Medical Group of Nevada LTD			
(Include d.b.a., if applicable)			Pediatrrix Medical Group of Nevada			
Street Address:			1301 Concord Terrace		Website:	
City, State and Zip Code:			Sunrise, FL 33323		POC Name: Linda Chen	
Telephone No:			954-384-0175		Email: Linda.Chen@Pediatrrix.com	
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)
Oscar Ingaramo, MD	President	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.

<u>Kara Munro</u> Signature <u>VP Business Develop</u> Title	<u>Kara Munro</u> Print Name <u>10.18.24</u> Date
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DISCLOSURE OF RELATIONSHIP

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

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL	UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT
N/A			

* UMC employee means an employee of University Medical Center of Southern Nevada

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

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

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

For UMC Use Only:

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

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

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

Notes/Comments:

Signature

Print Name
Authorized Department Representative

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

Issue:	Equipment Schedule No. 018 to Master Agreement 21237667 (Equipment Lease Schedule) with Flex Financial, a division of Stryker Sales, 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 Equipment Schedule No. 018 to Master Agreement 21237667 with Flex Financial, a division of Stryker Sales, LLC; or take action as deemed appropriate. <i>(For possible action)</i>		

FISCAL IMPACT:

Fund Number: 5420.000
 Fund Center: 3000702100
 Description: Neuro Power and Bone Mill Equipment
 Bid/RFP/CBE: NRS 450.525 & NRS 450.530 - GPO
 Term: 24 Months from Effective date
 Amount: \$813,984.40
 Out Clause: Budget Act and Fiscal Fund Out

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

BACKGROUND:

In August, 2008 UMC entered Master Lease Agreement No. 21237667 with Stryker Finance, a division of Stryker Sales Corporation (“Stryker”), for laparoscope equipment and endoscopic services. In subsequent years, equipment schedules have been added to the Agreement for various hospital departments.

This request is to approve the Equipment Schedule No. 018 to Master Agreement 21237667 (“Agreement”) with Stryker to lease Neuro Power and Bone Mill Equipment. Neuro Power allows for the use of power equipment in head/skull perforation cases. The Bone Mill is used to promote bone regeneration and provide structural support post-surgery. The bone comes from the patient so there is no risk of rejection or disease transmission. UMC will compensate Stryker for a total cost of \$777,881.04, which includes maintenance and support services for four (2) years from the Effective date.

This Schedule is being entered into pursuant to UMC’s agreement with HealthTrust Purchasing Group (“HPG”). HPG is a Group Purchasing Organization of which UMC is a member. This request is in compliance with NRS 450.525 and NRS 450.530; attached is a sworn statement from an HPG executive verifying that the pricing was obtained through a competitive bid process.

Cleared for Agenda
November 6, 2024

Agenda Item #

11

UMC's Director of the OR has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Stryker currently holds a Clark County business license.

Date: October 25, 2024

RE: Reference no:21237667

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
1800 W Charleston BlvdAttn: Receiving
Las Vegas, Nevada 89102-2386

Thank you for choosing Stryker for your equipment needs. Enclosed please find the documents necessary to enter into the arrangement. Once all of the documents are completed, properly executed and returned to us, we will issue an order for the equipment.

PLEASE COMPLETE ALL ENCLOSED DOCUMENTS TO EXPEDITE THE SHIPMENT OF YOUR ORDER.

Lease Schedule to Master Agreement

Exhibit A - Detail of Equipment

Addendum

****Conditions of Approval: Customer PO, Federal ID**

PLEASE PROVIDE THE FOLLOWING WITH THE COMPLETED DOCUMENTS:

Federal tax ID number:	<u>88-6000436</u>	Accounts Payable address:	<u>1800 W. Charleston Blvd. Las Vegas, NV 89102</u>
Purchase order number:	<u></u>		
Upfront Payment Check No: (if applicable)	<u></u>	Contact name:	<u>Accounts Payable</u>
Phone number:	<u></u>	Email address:	<u>Accounts.payable@umcsn.com</u>

ADMINISTRATIVE CONTACT

Administrative contact name:	<u></u>	Administrative contact name:	<u></u>
Email address:	<u></u>	Email address:	<u></u>
Phone number:	<u></u>	Phone number:	<u></u>

Please fax completed documents to (877) 204-1332.

If you have any questions regarding these documents, please email: StrykerFinancialSolutions@stryker.com.

The proposal evidenced by these documents is valid through the last business day of October, 2024.

Sincerely,
Flex Financial, a division of Stryker Sales, LLC

Notice: To help the government fight the funding of terrorism and money laundering activities, U.S. Federal law requires financial institutions to obtain, verify and record information that identifies each person (individuals or businesses) who opens an account. What this means for you: When you open an account or add any additional service, we will ask you for your name, address, federal employer identification number and other information that will allow us to identify you. We may also ask to see other identifying documents. For your records, the federal employer identification number for Flex Financial, a Division of Stryker Sales, LLC is 38-2902424.

EQUIPMENT SCHEDULE NO. 018 TO MASTER AGREEMENT NO.21237667 (Equipment Lease Schedule)

Owner: Flex Financial, a division of Stryker Sales, LLC 1901 Romance Road Parkway Portage, MI 49002	Customer: UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA 1800 W Charleston Blvd Attn: Receiving Las Vegas, Nevada 89102-2386
Supplier: Stryker Sales, LLC, 4100 E. Milham Avenue, Kalamazoo, MI 49001	
Equipment description: see part I on attached Exhibit A (and/or as described in invoice(s) or equipment list attached hereto and made a part hereof collectively, the "Equipment")	
Equipment Location: 1800 W CHARLESTON BLVD, LAS VEGAS, Nevada 89102-2386	
Schedule of periodic rent payments:	
24 Monthly payments of \$32,411.71 (Plus Applicable Sales/Use Tax)	
Term in months: 24	Minimum monthly uses: n/a
Fee per use: n/a	
Purchase term (If blank, the Fair Market Value Option will be deemed chosen): Fair Market Value Option	

TERMS AND CONDITIONS

1. Lease agreement/term/acceptance/payments. The undersigned Customer ("Customer") unconditionally and irrevocably agrees to lease from the Owner whose name is listed above ("Owner") the Equipment described above, on the terms specified in this Schedule, including all attachments to this Schedule and in the Master Agreement referred to above (as amended from time to time, the "Agreement"). Except as modified herein, the terms of the Agreement are hereby ratified and incorporated into this Schedule as if set forth herein in full, and shall remain fully enforceable throughout the Term of this Schedule (as defined below). Capitalized terms used and not otherwise defined in this Schedule have the respective meanings given to those terms in the Agreement. The term of this Schedule ("Term") shall start on the day the Equipment is delivered to Customer and shall continue for the number of months set forth above beginning with the Rent Commencement Date (as defined below). Customer shall be deemed to have accepted the Equipment for lease under this Schedule on the date that is ten (10) days after the date it is shipped to Customer by the Supplier ("Acceptance Date") and, at Owner's request, Customer shall confirm for Owner such acceptance in writing. **No acceptance of any item of Equipment may be revoked by Customer.** The Periodic Rent Payments described above ("Periodic Rent") shall be paid commencing on (i) the first day of the month following the month in which the Acceptance Date occurs, if the Acceptance Date is on or before the 15th day of the month, or (ii) the first day of the second month following the month in which the Acceptance Date occurs, if the Acceptance Date is after the 15th day of the month ("Rent Commencement Date"). Unless otherwise instructed by Owner in writing, all Periodic Rent and other amounts due hereunder shall be made to Owner's address above. Any payment by or on behalf of Customer that purports to be payment in full for any obligation under this Schedule may only be made after Owner's prior written agreement to accept such payment amount. Periodic Rent is due monthly beginning on the Rent Commencement Date and continuing on the same day of each consecutive month thereafter during the Term regardless of whether or not Customer receives an invoice for it. The Minimum Monthly Uses and Fee Per Use described above shall not affect the amount of any monthly payment.

2. Purchase terms/return of equipment. If either the Fair Market Value Option or the Fixed Purchase Option applies to this Schedule, upon expiration of the Term and provided that this Schedule has not been terminated early and Customer is in compliance with this Schedule in all respects, Customer may upon at least 90 but not more than 180 days prior written notice to Owner exercise the applicable purchase option and upon the giving of such notice Customer shall be irrevocably and unconditionally obligated to purchase all (but not less than all) of the Equipment for the purchase amount shown above (plus all applicable Taxes), which amount shall be due and payable upon the expiration of the Term of this Schedule. If the \$1.00 Buyout applies to this Schedule, upon expiration of the Term, Customer shall pay all amounts owed by Customer hereunder but unpaid as of such date and \$1.00 (plus all applicable Taxes). Any purchase of the Equipment by Customer pursuant to a purchase option or \$1.00 Buyout shall be "AS IS, WHERE IS", without representation or warranty of any kind from Owner. "Fair Market Value" shall be the amount determined by Owner as the fair market value of the Equipment on the basis of an arms-length sale between an informed and willing buyer who is currently in possession of the Equipment and a willing Seller under no compulsion to sell. Upon (x) any early termination of this Schedule or (y) the expiration of the Term of this Schedule and Customer has not exercised any option to purchase available to it under the terms of this Schedule, if any, the \$1.00 Buyout does not apply and Customer has given Owner at least 90 days but not more than 180 days written notice by certified mail prior to the end of the Term (the "Return Notice") that Customer will return the Equipment to Owner, Customer shall at its expense, pack and insure the related Equipment and send it freight prepaid to a location designated by Owner in the contiguous 48 states of the United States. If Customer fails to give the Return Notice or the Return Notice is not sent timely, the Term will be automatically extended (upon the same terms and payments) until the first Periodic Rent Payment date which is more than 90 days after Customer has given Owner written notice by certified mail that Customer will return the Equipment to Owner and at the end of such extended Term, Customer shall return the Equipment as described above. All Equipment upon its return to Owner shall be in the same condition and appearance as when delivered to Customer, excepting only reasonable wear and tear from proper use and all such Equipment shall be eligible for manufacturer's maintenance. If Customer fails to return the Equipment as and when required, Customer shall continue to remit Periodic Rent ("Remedial Payments") to Owner on the dates such payments would be payable under this Schedule as if this Schedule had not expired or terminated.

3. Miscellaneous. If Customer fails to pay (within thirty days of invoice date) any freight, sales tax or other amounts related to the Equipment which are not financed hereunder and are billed directly by Owner to Customer, such amounts shall be added to the Periodic Rent Payments set forth above (plus interest or additional charges thereon) and Customer authorizes Owner to adjust such Periodic Rent Payments accordingly. If the Fair Market Value Option or Fixed Purchase Option applies to this Schedule, Customer agrees that this Schedule is intended to be a "finance lease" as defined in §2A-103(1)(g) of the Uniform Commercial Code. This Schedule will not be valid until signed by Owner. Customer acknowledges that Customer has not received any tax or accounting advice from Owner. If Customer is required to report the components of its payment obligations hereunder to certain state and/or federal agencies or public health coverage programs such as Medicare, Medicaid, SCHIP or others, and such amounts are not adequately disclosed in any attachment hereto, then Stryker Sales, LLC will, upon Customer's written request, provide Customer with a detailed outline of the components of its payments which may include equipment, software, service and other related components. This Schedule may be executed in counterparts and any facsimile, photographic or other electronic transmission and/or electronic signing or manual signing of this Schedule by Customer and when manually countersigned by Owner or attached to Owner's original signature counterpart shall constitute the sole original chattel paper as defined in the UCC for all purposes and will be admissible as legal evidence thereof; provided, however, that if this Schedule constitutes "electronic chattel paper" or "an electronic record evidencing chattel paper" under the UCC and both Owner and Customer have signed electronically, the version identified by Owner as the "single authoritative copy" is the chattel paper for purposes of perfection by control.

CUSTOMER HAS READ (AND UNDERSTANDS THE TERMS OF) THIS SCHEDULE BEFORE SIGNING IT:

Customer signature	
Signature:	Date:
Print name:	
Mason Van Houweling	
Title:	
CEO	

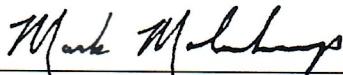
Accepted by Flex Financial, a division of Stryker Sales, LLC	
Signature:	Date:
	10/31/24
Print name:	
Mark Molenkamp	
Director, Sales Operations	
Title:	

Exhibit A to Lease Schedule018 to Master Agreement No.21237667

Description of equipment

Customer name: UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA

Delivery Location: 1800 W CHARLESTON BLVD, LAS VEGAS,Nevada , 89102-2386

Part I - Equipment/Service Coverage (if applicable)

Model number	Equipment description	Quantity
5400-704-000	The Mill Cable	4
5420-100-000	BONE MILL+ BASE	4
5420-101-000	Bone Mill Plus Tray	4
5420-100-052	Bone Mill+ Software	8
5407-NF2-8CM	NON FOOTED ATTACHMENT 8CM	22
5407-521-008	5:1 Reducer Attachment	22
5407-120-300A	Angled Hub	22
5500-050-410	Pulse Control License	3
5500-255-000	Sonopet iQ Universal Angled Handpiece	6

Total equipment: \$516,275.54


Service coverage:

Model number	Service coverage description	Quantity	Years
5500-050-000W	Sonopet IQ Console ProCare	3	2.00
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	6	2.00
5500-050-410W	Sonopet IQ Software Pulse Cntrl ProCare	3	1.00
62-50200W	VARISPEED PROCARE	3	2.00

Total service coverage: \$297,708.86

Total Amount: \$813,984.40

Customer signature	
Signature:	Date:
Print name: Mason Van Houweling	
Title: CEO	

Accepted by Flex Financial, a division of Stryker Sales, LLC	
Signature:	Date:
	10/31/24
Print name: Mark Molenkamp Director, Sales Operations	
Title:	



ADDENDUM TO EQUIPMENT SCHEDULE NO. 018 TO MASTER AGREEMENT NO. 21237667
BETWEEN FLEX FINANCIAL, A DIVISION OF STRYKER SALES, LLC AND UNIVERSITY
MEDICAL CENTER OF SOUTHERN NEVADA

This Addendum is hereby made a part of the agreement described above (the "Agreement"). In the event of a conflict between the provisions of this Addendum and the provisions of the Agreement, the provisions of this Addendum shall control.

The parties hereby agree as follows:

1. The fifth sentence of Section 1 of the Schedule is hereby replaced in its entirety with the following provision:

"Within fifteen (15) days after the date the Equipment is delivered to Customer under this Schedule, Customer shall either: (i) accept the Equipment by executing and delivering to Owner a Certificate of Acceptance in a form acceptable to Owner; or (ii) reject the Equipment and promptly return the Equipment to Owner, at no expense to Customer, at which time the Schedule shall terminate. If Customer fails within fifteen (15) days after the Equipment is delivered to Customer under this Schedule to execute and deliver to Owner a Certificate of Acceptance or reject and promptly return the Equipment to Owner the Customer shall be deemed to have accepted the Equipment for all purposes hereunder."

2. The second to last sentence of Section 1 of the Schedule is hereby amended in its entirety read as follows:

"Rent is due monthly beginning on the Rent Commencement Date and continuing on the same day of each consecutive month thereafter during the Term."

3. The sixth sentence of Section 2 of the Schedule is hereby amended in its entirety to read as follows:

"If Customer fails to give the Return Notice or the Return Notice is not sent timely, the Term will be automatically extended (upon the same terms and payments) until the first Periodic Rent Payment date which is more than 60 days after Customer has given Owner written notice by certified mail that Customer will return the Equipment to Owner and at the end of such extended Term, Customer shall return the Equipment as described above."

4. The first sentence of Section 3 of the Schedule is hereby amended in its entirety to read as follows:

"If Customer fails to pay (within forty-five days of invoice date) any freight, sales tax or other amounts related to the Equipment which are not financed hereunder and are billed directly by Owner to Customer, such amounts shall be added to the Periodic Rent Payments set forth above and Customer authorizes Owner to adjust such Periodic Rent Payments accordingly."

5. The following language is hereby added to the end of Section 3 of the Schedule:

"Notwithstanding anything to the contrary herein, Customer shall be entitled to self-insure in accordance with NRS Chapter 41 with respect to its insurance obligations hereunder. Customer shall furnish to Owner at Owner's request, a written description of its self-insurance program together with a certification from Customer's risk manager or insurance agent or consultant to the effect that Customer's self-insurance program provides adequate coverage against the risks listed herein."

6. New Sections 4 and 5 and 6 are hereby added to the Schedule which shall read as follows:

"4. Customer is a public agency as defined by state law, and as such, it is subject to the Nevada Public Records Law (Chapter 239 of the Nevada Revised Statutes. Under that law, all of Customer's records are public records (unless otherwise declared by law to be confidential and are subject to inspection and copying by any person.

5. In accordance with the Nevada Revised Statutes (NRS 354.626, the financial obligations under this Schedule 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. This Schedule shall terminate and Customer's obligations under it shall be extinguished at the end of any of Customer's fiscal years (the "Termination Date") 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 this Schedule (a "Non-Appropriation Event"). Customer agrees that this section shall not be utilized as a subterfuge or in a discriminatory fashion as it relates to this Schedule. In the event this section is invoked, this Schedule will expire on the 30th day of June of the 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.

Customer represents and warrants to Owner that as of the date of, and throughout the Term of, this Schedule: (a) Customer is a political subdivision of the state or commonwealth in which it is located and is organized and existing under the constitution and laws of such state or commonwealth; (b) Customer has complied, and will comply, fully with all applicable laws, rules, ordinances, and regulations governing open meetings, public bidding and appropriations required in connection with this Schedule, the performance of its obligations under this Schedule and the acquisition and use of the Equipment; (c) The person(s) signing this Schedule and any other documents required to be delivered in connection with this Schedule (collectively, the "Documents" have the authority to do so, are acting with the full authorization of Customer's governing body, and hold the offices indicated below their signatures, each of which are genuine; (d) The Documents are and will remain valid, legal and binding agreements, and are and will remain enforceable against Customer in accordance with their terms; and (e) The Equipment is essential to the immediate performance of a governmental or proprietary function by Customer within the scope of its authority and will be used during the Term of this Schedule only by Customer and only to perform such function. Customer further represents and warrants to Owner that, as of the date each item of Equipment becomes subject to this Schedule, it has funds available to pay all Schedule payments payable thereunder until the end of Customer's then current fiscal year.

If Customer terminates this Schedule prior to the expiration of the end of this Schedule's initial (primary) term, or any extension or renewal thereof, as permitted under this Section 5, Customer shall (i) on or before the Termination Date, pack and insure the related Equipment and send it freight prepaid to a location designated by Owner in the contiguous 48 states of the United States and all Equipment upon its return to Owner shall be in the same condition and appearance as when delivered to Customer, excepting only reasonable wear and tear from proper use and all such Equipment shall be eligible for manufacturer's maintenance,

(ii) provide in the Termination Notice a certification of a responsible official that a Non-Appropriation Event has occurred, (iii) deliver to Owner, upon request by Owner, an opinion of Customer's counsel (addressed to Owner) verifying that the Non-Appropriation Event has occurred, and (iv) pay Owner all sums payable to Owner under this Schedule up to and including the Termination Date.

6. Notwithstanding anything herein to the contrary, to the extent that Customer maintains a tax exempt status and such status exempts Owner, any Schedule and/or Equipment described therein from otherwise applicable property, sales and/or use taxes, and Customer provides Owner with proof of the same reasonably satisfactory to Owner, then Owner shall not charge Customer for such property, sales and/or use taxes regarding Owner, such Schedule and/or Equipment. Customer acknowledges and agrees that: (i) even though Customer is exempt from certain taxes, such status may not exempt Owner, any Schedule and/or Equipment from applicable property, sales and/or use taxes and Customer will be liable to pay or reimburse Owner for all such applicable taxes, as billed; and (ii) if Customer disagrees with any determination by Owner that a tax exemption is not available for a certain tax, Customer shall pay or reimburse Owner for such tax, as billed, until such time as Customer obtains a ruling or other written determination from the appropriate state or local agency (in a form reasonably satisfactory to Owner) stating that the tax exemption is available for such tax."

Customer signature	
Signature:	Date:
Print name: Mason Van Houweling	
Title: CEO	

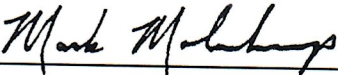
Accepted by Flex Financial, a division of Stryker Sales, LLC	
Signature: 	Date: 10/31/24
Print name: Mark Molenkamp Director, Sales Operations	
Title:	

EXHIBIT B

Pursuant to the terms of the Master Services Agreement (the “**Agreement**”) entered into as of **12/13/2023** by and between **University Medical Center of Southern Nevada** (“Participant”), and **Stryker Sales, LLC** (“**Stryker**”), the undersigned Participant desires to obtain the Services selected below, which, if applicable, will cover the Equipment indicated on Exhibit 1 attached hereto. All capitalized terms not defined herein shall have the meanings set forth in the Agreement. The Parties agree as follows:

SERVICE PLAN EFFECTIVE DATE (if left blank, then the last-signed date below):	01/01/2025		
SERVICE PLAN TERM:	24 Months		
PARTICIPANT NAME:	University Medical Center of Southern Nevada		
BILLING ADDRESS:		CUSTOMER PO #: _____ PO must match Agreement Term	
SHIP TO NAME AND ADDRESS:	1800 W CHARLESTON BLVD LAS VEGAS, Nevada 89102-2329		
SELECTED SERVICE COVERAGE(S): NOTE: See <u>Schedule C</u> for full service descriptions except as otherwise noted.	<u>ProCare Protect</u> <input type="checkbox"/> Craniomaxillofacial <input type="checkbox"/> Communications <input type="checkbox"/> Endoscopy <input type="checkbox"/> Endoscopy (Software on Subscription) <input checked="" type="checkbox"/> Instruments <input type="checkbox"/> Medical <input type="checkbox"/> Navigation	<u>ProCare Prevent</u> <input type="checkbox"/> Communications <input type="checkbox"/> Instruments <input type="checkbox"/> Medical <input type="checkbox"/> Endoscopy (Novadaq Spy Elite and Luna products only) <input type="checkbox"/> Spine (Airo) <input type="checkbox"/> Navigation	<u>OnSite/Clinical Specialist(s)</u> <input type="checkbox"/> Endoscopy * <input type="checkbox"/> Instruments <input type="checkbox"/> Medical <input type="checkbox"/> Navigation <input type="checkbox"/> Handheld Instrument Repair * Endoscopy OnSite/Clinical services are set forth in the “Additional Services” box below and SOW set forth on Exhibit 2.
PAYMENT PLAN:	<input type="checkbox"/> Monthly payment of: \$12,404.54		
ADDITIONAL SERVICES (if applicable):	Stryker may elect to use new or used parts related to the Services in its sole discretion.		
ACCEPTED BY PARTICIPATING STRYKER DIVISION: Stryker Sales, LLC, acting through its Instruments Division BY: <u>Carson Malinowski</u> — DATE: <u>10/31/2024</u>	PARTICIPANT (FULL LEGAL NAME) <u>University Medical Center of Southern Nevada</u> <u>1800 W. Charleston Blvd</u> BILLING ADDRESS <u>Las Vegas</u> <u>NV</u> <u>89102</u> CITY STATE ZIP CODE PHONE: _____ DATED _____ BY: _____ CEO AUTHORIZED SIGNATURE TITLE PRINT NAME <u>Mason Van Houweling</u>		

1941 Stryker Way
Portage, MI 49024
t: 1-800-253-3210
www.stryker.com



Instruments

Quote Number: 10871847
Prepared For: University Medical Center of Southern Nevada
Account Number: 210580
Quote Date: 10/16/2024

CUSTOMER'S COPY
Proposal

Proposal Submitted To		From
Name:	University Medical Center of Southern Nevada	Boomer Grigsby
Address:	1800 W CHARLESTON BLVD LAS VEGAS, Nevada 89102-2329	boomer.grigsby@stryker.com
Phone:	+17023832547	Work # 269-389-2666 Mobile # +1 4807203462
Email:	We are pleased to submit our quotation on the following Stryker Instruments products.	

PROCARE COVERAGE

New Equipment

Product	Description	Yrs.	Qty
5500-050-000W	Sonopet IQ Console ProCare	2.00	3
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2.00	6
5500-050-410W	Sonopet IQ Software Pulse Cntrl ProCare	1.00	3
62-50200W	VARISPEED PROCARE	2.00	3
Procure Coverage Amount		\$297,708.86	
Monthly Payment		\$12,404.54	

SCHEDULE 1 to EXHIBIT 1
EQUIPMENT

Quote Number: 10871847
Prepared For: University Medical Center of Southern Nevada
Account Number: 210580
Quote Date: 10/16/2024

Repair Items Schedule 1 - Section A

Product #	Description	Serial #
5500-050-000W	Sonopet IQ Console ProCare	1933010199
5500-050-000W	Sonopet IQ Console ProCare	2005010259
5500-050-000W	Sonopet IQ Console ProCare	2134810089
5500-050-000W	Sonopet IQ Console ProCare	2134810139
5500-050-000W	Sonopet IQ Console ProCare	2134810259
5500-050-000W	Sonopet IQ Console ProCare	2005010199
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2235616223
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2235616523
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2305900943
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2310113953
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	1932613543
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	1932613703
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2035100483
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2035100503
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2035100533
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2035100563
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2129901573
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2129901583
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2131907113
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	1835301593
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2223115613
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2308026283
5500-255-000W	Sonopet iQ 25KHZ Angled HP ProCare	2327841483
5500-050-410W	Sonopet IQ Software Pulse Cntrl ProCare	N/A

Replacement Items Schedule 1 - Section B

Product #	Description
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**INSTRUCTIONS FOR COMPLETING THE
DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM**

Purpose of the Form

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

General Instructions

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

Detailed Instructions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type (Please select one)						
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Trust	<input type="checkbox"/> Non-Profit Organization	<input type="checkbox"/> Other
Business Designation Group (Please select all that apply)						
<input type="checkbox"/> MBE	<input type="checkbox"/> WBE	<input type="checkbox"/> SBE	<input type="checkbox"/> PBE	<input type="checkbox"/> VET	<input type="checkbox"/> DVET	<input type="checkbox"/> 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:						
(Include d.b.a., if applicable)						
Street Address:				Website:		
City, State and Zip Code:				POC Name:		
				Email:		
Telephone No:				Fax No:		
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 _____
CONTROLLER
 Title _____

Print Name **DEVION /v/**
 Date **12/4/23**

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:	Amendment Six to Agreement with Terminix International Company Limited Partnership d/b/a Terminix Commercial	Back-up:
Petitioner:	Jennifer Wakem, Chief Financial Officer	Clerk Ref. #
Recommendation: That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Amendment Six to Agreement with Terminix International Company Limited Partnership d/b/a Terminix Commercial for Integrated Pest Management Program; or take action as deemed appropriate. <i>(For possible action)</i>		

FISCAL IMPACT:

Fund Number: 5420.000	Fund Name: UMC Operating Fund
Fund Center: 3000846000	Funded Pgm/Grant: N/A
Description: Integrated Pest Management Program	
Bid/RFP/CBE: NRS 332.115.1(b) – Professional Services	
Term: 1 Year	
Amount: Additional \$1,588,306.50; potential aggregate NTE \$3,492,586.50	
Out Clause: 30 days w/o cause; Budget Act and Fiscal Fund Out	

BACKGROUND:

On July 27, 2019, UMC entered into an Agreement for Integrated Pest Management Program (“Agreement”) with Terminix International Company Limited Partnership d/b/a Terminix Commercial (“Terminix”) to provide pest control services. UMC agreed to compensate Terminix a not-to-exceed amount of \$100,000.00 for the period from July 27, 2019 through July 26, 2021. Amendment One effective July 29, 2020, added additional services to the Statement of Work, extended the term through July 26, 2024, and increased the funding by \$339,190.00. Amendment Two, increased the funding by \$400,000.00 with no change to the term. Amendment Three effective May 25, 2022, increased the funding by \$460,000.00 to support pest prevention at new locations. Amendment Four effective May 31, 2023 increased funding by \$250,000.00 for a new not-to-exceed amount of \$1,538,280.00 with no change to the term. Amendment Five effective November 11, 2023 added services and increased the not-to-exceed amount to \$1,904,280.00 with no change to the term.

This Amendment Six requests to extend the term of the agreement through July 26, 2025 and increase the funding by \$1,588,306.50 for a new not-to-exceed amount of \$3,492,586.50 to support pest control, and pigeon eradication at new and existing locations.

UMC’s Environmental Services Director has reviewed and recommends approval of this Amendment. This Amendment has been approved as to form by UMC’s Office of General Counsel.

Cleared for Agenda
November 6, 2024

Agenda Item #

12

Terminix currently holds a Clark County business license.

Sixth Amendment to the Provider Agreement for Integrated Pest Management Program

This Sixth Amendment ("Sixth Amendment") to the Integrated Pest Management Program Agreement between University Medical Center of Southern Nevada a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes, having its principal place of business at 1800 W Charleston Blvd, Las Vegas, NV 89102, ("HOSPITAL") and Terminix International Company Limited Partnership D/B/A Terminix Commercial (hereinafter referred to as "COMPANY") having its principal place of business at 860 Ridge Lake Blvd. Memphis, TN 38120, is effective as of this 27th day of July 2024 ("Sixth Amendment Effective Date").

WHEREAS, the parties entered into an Agreement for integrated pest management program having an effective date of July, 19, 2019, amended by the parties via a First Amendment on July 29, 2020, a Second Amendment on July 7, 2021, a Third Amendment on May 25, 2022, a Fourth Amendment on May 31, 2023, and a Fifth Amendment on November 8, 2023 (collectively, referred to as the "Agreement"); and

WHEREAS, the parties desire to further amend this Agreement with this Sixth Amendment.

NOW THEREFORE, the parties agree as follows:

1. Section I: TERM OF AGREEMENT – Extend the expiration date to July 26, 2025.
2. Section II: (A) – COMPENSATION shall be deleted and replaced with the following:
3. HOSPITAL agrees to increase the not-to-exceed amount to \$3,492,586.50.00 and pay COMPANY up to \$1,588,306.50 for the remainder of Term for the performance of services described in the Scope of Work (Exhibit A). HOSPITAL's obligation to pay COMPANY cannot exceed the not-to-exceed amount. Any expenses/costs incurred by COMPANY in excess of this amount shall be the sole responsibility of COMPANY.

Prod Value	Services Location	City	Service Line	Frequency	Annual Total
\$366.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$4,392.00
\$530.00	1800 W CHARLESTON**PWRWASHEASTCAMPU	LAS VEGAS	BIRD	WKLY	\$27,560.00
\$250.00	1800 W CHARLESTON BLVD	LAS VEGAS	GPC	MTHLY	\$3,000.00
\$337.00	1800 WEST CHARLESTON AVE	LAS VEGAS	BIRD	SEMI-ANNUAL	\$674.00
\$281.00	1800 W CHARLESTON BLVD # 3	LAS VEGAS	BIRD	SEMI-ANNUAL	\$562.00
\$281.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	SEMI-ANNUAL	\$562.00
\$281.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	SEMI-ANNUAL	\$562.00
\$281.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	SEMI-ANNUAL	\$562.00
\$281.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	SEMI-ANNUAL	\$562.00
\$2,528.00	2050 W CHARLESTON BLVD	LAS VEGAS	BIRD	SEMI-ANNUAL	\$5,056.00
\$1,573.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	SEMI-ANNUAL	\$3,146.00

\$158.00	525 MARKS ST	HENDERSON	GPC	BI-MTHLY	\$948.00
\$158.00	525 MARKS ST	HENDERSON	GPC	MTHLY	\$1,092.00
\$158.00	525 MARKS ST	HENDERSON	GPC	BI-MTHLY	\$948.00
\$158.00	61 N NELLIS BLVD	LAS VEGAS	GPC	BI-MTHLY	\$948.00
\$158.00	9320 W SAHARA AVE	LAS VEGAS	GPC	BI-MTHLY	\$948.00
\$103.00	4180 SRAINBOW BLVD	LAS VEGAS	GPC	BI-MTHLY	\$618.00
\$158.00	701 SHADOW LN FL 2	LAS VEGAS	GPC	BI-MTHLY	\$948.00
\$103.00	11860 SOUTHERN HIGHLANDS PKWY	LAS VEGAS	GPC	BI-MTHLY	\$618.00
\$158.00	4760 BLUE DIAMOND RD #110	LAS VEGAS	GPC	BI-MTHLY	\$948.00
\$295.00	4231 N RANCHO DR	LAS VEGAS	GPC	MTHLY	\$3,540.00
\$158.00	5785 CENTENNIAL CENTER BLVD #190	LAS VEGAS	GPC	BI-MTHLY	\$948.00
\$158.00	2031 N BUFFALO DRIVE	LAS VEGAS	GPC	BI-MTHLY	\$948.00
\$158.00	1700 WHEELERPEAK DR	LAS VEGAS	GPC	BI-MTHLY	\$948.00
\$689.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$8,268.00
\$689.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$8,268.00
\$864.00	1800 W CHARLESTON ADULT ICU ROOF	LAS VEGAS	BIRD	MTHLY	\$10,368.00
\$452.00	2040 W CHARLESTON BLVD	LAS VEGAS	GPC	MTHLY	\$5,424.00
\$784.00	1800 W CHARLESTON*#6CVDPKCANOPYBRD	LAS VEGAS	BIRD	MTHLY	\$9,408.00
\$784.00	1800 W CHARLESTON**#6BCVDPKCANBRDCL	LAS VEGAS	BIRD	MTHLY	\$9,408.00
\$769.00	180 W CHARLESTON-BB-MEDSURGERY5	LAS VEGAS	BIRD	MTHLY	\$9,228.00
\$25.00	1800 W CHARLESTON BLVD	LAS VEGAS	GPC	WKLY	\$1,300.00
\$769.00	1800 W CHARLESTON-WESTEMPCLV3 BIRD	LAS VEGAS	BIRD	MTHLY	\$9,228.00
\$731.00	1800 W CHARLESTON**WROOF2040BRDCTL	LAS VEGAS	BIRD	MTHLY	\$8,772.00
\$784.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$9,408.00
\$625.00	1800 W CHARLESTON-SURGERYCTRWRFSPIK	LAS VEGAS	BIRD	MTHLY	\$7,500.00
\$942.00	1800 W CHARLESTON BLVD	LAS VEGAS	GPC	MTHLY	\$11,304.00
\$181.00	1800 W. CHARLESTON BLVD	LAS VEGAS	GPC	WKLY	\$9,412.00
\$299.00	2231 W CHARLESTON BLVD	LAS VEGAS	GPC	MTHLY	\$3,588.00
\$334.00	1800 W. CHARLESTON BLVD	LAS VEGAS	BIRD	SEMI-MTHLY	\$2,004.00
\$237.87	800 HOPE PL	LAS VEGAS	GPC	MTHLY	\$2,854.44
\$669.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$8,028.00
\$795.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$9,540.00
\$795.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$9,540.00
\$86.92	4233 N RANCHO DRIVE	LAS VEGAS	EGPC	QTR	\$347.68
\$918.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$11,016.00
\$822.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$9,864.00

\$837.00	1800 W CHARLESTON 7 STORY TOWER	LAS VEGAS	BIRD	MTHLY	\$10,044.00
\$742.00	1800 W CHARLESTON- ROOFSO2040SPIKES	LAS VEGAS	BIRD	MTHLY	\$8,904.00
\$60.00	2231 W. CHARLESTON BLVD	LAS VEGAS	GPC	MTHLY	\$720.00
\$784.00	1800 W CHARLESTON**STORAGEACCCOMPBR	LAS VEGAS	BIRD	MTHLY	\$9,408.00
\$774.00	1800 WEST CHARLESTON- WESTEMPLPARKL4	LAS VEGAS	BIRD	MTHLY	\$9,288.00
\$769.00	1800 W CHARLESTON- WESTEMPLPKBIRDSBK	LAS VEGAS	BIRD	MTHLY	\$9,228.00
\$795.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$9,540.00
\$819.00	800 HOPE PLACE	LAS VEGAS	GPC	MTHLY	\$11,844.00
\$987.00	1800 W. CHARLESTON BLVD	LAS VEGAS	GPC	MTHLY	\$1,416.00
\$118.00	1800 W CHARLESTON-RODENT10 STATIONS	LAS VEGAS	GPC	MTHLY	\$1,416.00
\$281.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$3,372.00
\$530.00	1800 W CHARLESTON BLVD	LAS VEGAS	BIRD	MTHLY	\$6,360.00
\$2,958.68	710 S TONOPAH DR		GPC	Annual	\$2,958.68
\$136,235.00	1800 WCHARLESTON BLVD		Bird	Annual	\$136,235.00
\$3,524.94	5409 E LAKE MEAD		GPC	Annual	\$3,524.94
\$2,829.92	8820 S RANCHO DR		GPC	Annual	\$2,829.92
\$3,627.14	5755 E CHARLESTON BLVD		GMP	Annual	\$3,627.14
\$90,824.90	1800 W CHARLESTON BLVD		Bird	Annual	\$90,824.90
\$90,824.90	2040 W CHARLESTON BLVD		Bird	Annual	\$90,824.90
Annual Total					\$647,481.60

4. Exhibit A shall be modified to include the following:

- A. COMPANY will follow Exterior Insulation and Finish System (EFIS) specification recommendation to prevent damage at all times, per manufacture's recommendations.
- B. Installed materials which are damaged as a result of services performed by COMPANY will be replace with acceptable material at no additional cost to HOSPITAL.
- C. COMPANY will demonstrate proper cleaning methods.
- D. Company shall not affix an equipment to HOSPITAL'S structure(s).
- E. Task items to provide installation of Bird Buffer Q4 machines System (Installed by COMPANY)
Covered Areas, Quantity, and Frequency:

Location	Product	Service	Frequency
1800 W. Charleston Blvd – Exterior Rooftop	4 Bird Buffer Q4 Machines	1. Install 2. Inspect machine and timer 3. Refill With Solution 4. Replace Filter	2) 2 times per month 3) 2 times per month 4) 1 time per month
2040 W. Charleston Blvd – Exterior	4 Bird Buffer Q4 Machines	1. Install 2. Inspect machine and	2) 2 times per month 3) 2 times per month

Rooftop		timer 3. Refill With Solution 4. Replace Filter	4) 1 time per month
1800 W. Charleston Blvd - 7 th Story Tower Building – Exterior Rooftop	6 Bird Buffer Q4 Machines	1. Install 2. Inspect machine and timer 3. Refill With Solution 4. Replace Filter	2) 2 times per month 3) 2 times per month 4) 1 time per month

B. New General Pest Control & Monthly Rodent Control

- 710 S. Tonopah: COMPANY will complete monthly interior and exterior general pest control service as well as monthly exterior rodent control. Monthly interior general pest will treat common areas, front lobby, hallways, restrooms both floors and break areas. Exterior general pest control will include treating exterior perimeter of building. Treating all entry and exit entry points. Exterior rodent control will include 12 rodent bait stations. They will be inspected, cleaned and bait replaced monthly.
 - Covered Areas:
 - Break / Vending Areas
 - Building Exterior
 - Entrance/Lobby Areas
 - Restrooms
 - Other: Hallways, Common Areas
- 820 South Rancho Dr. Suite 85: COMPANY will complete monthly interior and exterior general pest control service as well as monthly interior and exterior rodent control. Also monthly interior fly service. Interior general pest control service will include treating common areas, lobby, nurse stations, restrooms, offices, break room and hallways. Exterior general pest will include treating exterior perimeter and doorways. Exterior rodent control will include 4; rodent bait stations, they will be placed around location. They will be cleaned, bait replaced and inspected monthly. Interior rodent control will include 4 tin cats, they will be inspected, cleaned and glue boards replaced. Monthly flu service will include 2 fly lights, they will be inspected, cleaned and glue board replaced.
 - Covered Areas:
 - Break/Vending Areas
 - Building Exterior
 - Electrical Rooms
 - Entrance/Lobby Areas
 - Janitor/Housekeeping Rooms
 - Laboratories
 - Laundry Rooms
 - Locker Rooms
 - Restrooms
 - Storage/.Warehouse
- 5755 E Charleston Blvd: COMPANY will complete monthly interior and exterior general pest control service. Treatment of interior will include treating treatment areas, patient rooms, and common areas, all entrances, lobby and nurse stations. Exterior general pest

control service will treat exterior perimeter of location including all entry and exit doors. Interior rodent control will include 6 tin cats, they will be inspected, cleaned and glue boards replaced each month. Exterior rodent control will include 10 rodent bait stations around perimeter of location. They will be inspected, bait replaced and cleaned each service. Interior fly light service will include 3 fly lights placed throughout the clinic area. They will be inspected, cleaned and glue board replaced each service.

- Covered Areas:

- a. Building Exterior
- b. Entrance/Lobby Areas
- c. Janitor/Housekeeping Rooms
- d. Locker Rooms
- e. Processing Areas
- f. Restrooms
- g. Storage/Warehouse
- h. Other: Patient rooms, offices

- 5409 E. Lake Mead Blvd: COMPANY will complete monthly interior and exterior general pest control service. Treatment of interior will include treating lobby area, nurse stations, patient rooms, offices, restrooms and common areas. Exterior general, pest will treat all landscaped areas around location including doorways. Exterior rodent control will consist of 10 rodent bait stations, they will be inspected, cleaned and bait replaced monthly. Interior rodent control will consist of 6 tin cats. They will be inspected, cleaned and glue boards replaced monthly. Interior fly service will include 2 ILTs. They will be inspected, cleaned and glue board replaced monthly.

- Covered Areas:

- a. Break/Vending Areas
- b. Building Exterior
- c. Electrical Rooms
- d. Entrance/Lobby Areas
- e. Janitor/Housekeeping Rooms
- f. Kitchen/Dining Areas
- g. Locker Rooms
- h. Other: Patient rooms, offices

5. Except as expressly amended in this Amendment Six, the Agreement shall remain in full force and effect.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Sixth Amendment effective as of the date of countersignature below.

Terminix International Company Limited Partnership

D/B/A Terminix Commercial

Nevada

Signature: 

Printed Name: GREGORY GREEN

Title: BRANCH MANAGER

Date: 10.18.24

University Medical Center of Southern

Signature: _____

Printed Name: Mason Van Houweling

Title: Chief Executive Officer

Date: _____

Non-Exclusive Recruitment Services Agreement

This Agreement (the "Agreement") is made and entered into as of this 1st day of August, 2024 (the "Effective Date"), by and between UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes having a principal address at 1800 W. Charleston Blvd, Las Vegas, NV 89102 (hereinafter referred to as "UMCSN") and VN & Associates having an address at ~~5552 SW 88th Court~~ 39 Deerwood Street Palm Coast, FL 32137 ~~Gainesville, FL 32608~~ (hereinafter referred to as "Provider"), for Recruitment Services Agreement (the "Agreement")

WITNESSETH:

WHEREAS, Provider is in the business of identifying and assisting in the recruiting of candidates with certain skill sets and abilities; and

WHEREAS, Provider has the personnel and resources necessary to accomplish the work outlined in the Agreement within the required schedule and with a budget allowance not to exceed the amounts and percentages detailed in Section 2 of this Agreement; and

WHEREAS, UMCSN desires to engage the Provider on a non-exclusive basis to conduct searches from time-to-time in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. Services

- 1.1. During the term of the Agreement, UMCSN may provide a written notification to the Provider requesting assistance in the recruitment for the following healthcare management-level professional positions:
 - Director, Care Management
 - Coding Supervisor
 - Data Warehouse Architect
 - Senior HIM Compliance Analyst
 - Epic Analyst
 - Inpatient Coding Auditor
 - Revenue Integrity Analyst
 - IT Leadership
 - Clinical & Non-Clinical leadership
 - Financial Analyst
 - IT Programmer
 - IT Network Admin
- 1.2. Upon receipt of a written request from UMCSN as referenced in Section 1.1, the Provider shall inform UMCSN of any additional information required by the Provider in order to commence its services. The Provider shall thereafter promptly commence and conduct a recruitment search for a qualified candidate(s) for the designated job opening(s).
- 1.3. The Provider at its sole cost and expense shall undertake a screening and selection of candidates based on UMCSN's selection criteria and unless otherwise expressly agreed with UMCSN's designated Human Resources representative will: i) conduct background checks, ii) license verification, iii) confirm that selected candidates have a basic understanding of the position, iv) confirm selected candidate's qualifications for the position, v) conduct a preliminary interview of each candidate to be presented to UMCSN, vi) obtain relevant documentation for each candidate to be presented to UMCSN, and vii) present selected candidates to UMCSN's designated Human Resources representative.
- 1.4. A candidate shall be considered referred to UMCSN under this Agreement upon presentation of the candidate's resume to a member of UMCSN's Human Resources staff by the Provider. UMCSN shall provide written confirmation to Provider if the candidate is already in UMCSN's database.
- 1.5. UMCSN may in its sole discretion offer employment to any candidate presented by the Provider, but is under

no obligation to do so. For greater certainty, UMCSN does not agree to make any minimum number of hires of candidates presented by the Provider.

- 1.6. The Provider will (i) render its services with the degree of skill, care and diligence normally provided for in work of a similar nature, and (ii) will comply with and observe all applicable laws and regulations in the performance of its services.
- 1.7. The Provider shall perform all services hereunder as an independent contractor, and nothing contained herein shall be deemed to create any association, partnership, joint venture or relationship of principal and agent or employer and employee between the parties hereto or any affiliates or subsidiaries thereof, except as explicitly stated herein. The Provider shall not commit, execute, bind, or contractually obligate anything to any person on behalf of UMCSN without the prior written consent of UMCSN.
- 1.8. The Provider agrees that all documentation and other data conceived, originated, prepared or developed by the Provider in the course of performing its services hereunder shall become or remain the sole property of UMCSN.
- 1.9. Provider hereunder shall be in compliance with all federal and state laws prohibiting discrimination on the basis of age, race, color, religion, sex, sexual orientation, national origin, gender identity or expression, disability, national origin, veteran status, or any other protected status.

2. Fees and Expenses

- 2.1. When a candidate is referred to UMCSN by the Provider in accordance with the terms of this Agreement, and UMCSN hires that candidate (individual becomes a UMCSN employee) within one (1) year following the date of the initial referral, then UMCSN will pay the Provider **30%** of the candidate's base annual salary or \$30,000.00, whichever is lower, as a referral fee. The total amount to be paid by UMCSN to Provider under this agreement shall not exceed \$125,000 annually or \$375,000 for the Term.
- 2.2. In the event that a candidate hired by UMCSN pursuant to this Agreement resigns or is terminated within ninety (90) days following commencement of employment, then UMCSN shall select by written notification either a refund of the fee associated with such candidate or a free-of-charge candidate replacement on the following basis:
 - If the date of resignation or termination ("End Date") is between one (1) and sixty (60) days following the candidate's first day of employment ("Start Date"), then the Provider shall refund one hundred percent (100%) of the relevant fee (or if the fee has not yet been paid, the Provider will not be entitled to receive a fee);
 - If the End Date is between day sixty-one (61) and one-hundred and twenty (120) days following the candidate's Start Date, then the Provider shall refund two-thirds (2/3) of the relevant fee; and
 - If the End Date is between day one hundred and twenty one (121) and one hundred and eighty (180) days following the candidate's Start Date, then the Provider shall refund one-third (1/3) of the relevant fee.
 - If UMCSN selects a free-of-charge candidate replacement, Provider shall provide UMCSN with an expected timeframe for the replacement candidate with fourteen (14) days. If UMCSN does not accept the replacement candidate or if Provider cannot deliver a replacement candidate within 60 days, UMCSN shall be entitled to a refund in accordance with the above provisions.

UMCSN is authorized to offset any amount due from the Provider pursuant to this Section 2.2 against any amounts otherwise payable by UMCSN to the Provider. Any requested refund shall be paid within thirty (30) days of written notification.

- 2.3. For greater certainty, where UMCSN advises the Provider pursuant to Section 1.4 above that it is already aware of a candidate referred to it by the Provider, then no fee will be due with respect to such candidate.
- 2.4. UMCSN is not responsible for any expenses incurred by the Provider, unless otherwise agreed in writing.
- 2.5. Travel reimbursements are not authorized within this Agreement.

3. Invoice and Payment

3.1. Invoices shall be submitted to:

University Medical Center of Southern Nevada
Attn: Accounts Payable
1800 W. Charleston Blvd.
Las Vegas, NV 89102

3.2. Payment of any fees due hereunder shall be made to the Provider at the later of thirty (30) days following (i) receipt by UMCSN of an appropriately detailed invoice from the Provider, and (ii) thirty (30) days after the commencement of the relevant candidate's employment with UMCSN.

4. Confidentiality

4.1. Provider acknowledges that UMCSN is 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 contracts are public documents available to copying and inspection by the public. If UMCSN receives a demand for the disclosure of any information related to this Agreement which Provider has claimed to be confidential and proprietary, such as Provider's pricing, programs, services, business practices or procedures, UMCSN will immediately notify Provider of such demand and Provider shall immediately notify UMCSN of its intention to seek injunctive relief in a Nevada court for protective order. Provider shall indemnify, defend and hold harmless UMCSN from any claims or actions, including all associated costs and attorney's fees, demanding the disclosure of Provider document in UMCSN's custody and control in which Provider claims to be confidential and proprietary.

5. Non-Solicitation

5.1. During the term of this Agreement and for a period of one (1) year after termination, UMCSN shall not directly, on its own behalf or on behalf of others, solicit, recruit for employment, or offer contracting opportunities to any employee of Provider or any individual employed by Provider. Employment arising from inquiries via advertisements in newspapers, job fairs, unsolicited resumes or applications for employment with any employee of Provider or any individual employed by Provider shall not be construed to be a violation of this section.

6. Non-Exclusivity

6.1. The Provider acknowledges that this Agreement is non-exclusive and that UMCSN retains the right to use other employment agencies and/or to solicit candidates directly on UMCSN's behalf.

7. ~~Term~~, and Termination, and Suspension

7.1. This Agreement shall remain in effect from the Effective Date through three (3) years. This Agreement may be terminated at any time for any reason by either party by providing two (2) weeks advance written notice of termination. Any candidates referred prior to the written notice of termination shall fall within the terms of this Agreement.

7.2. The terms contained in Sections 2, 4 and 5 of this Agreement shall survive termination of this Agreement. In addition, any obligations with respect to payment of fees to the Provider which were in effect prior to termination shall survive termination.

7.3. Upon termination or expiration of this Agreement, and at UMCSN's discretion, the Provider shall return or destroy all proprietary material of UMCSN and material owned by UMCSN that is in the care, custody or control of the Provider.

7.4. UMCSN may suspend performance by Provider under this Agreement for such period of time as UMCSN at its sole discretion, may prescribe by providing written notice to Provider at least ten (10) working days prior to the date on which UMCSN wishes to suspend. Upon such suspension, UMCSN shall pay Provider its compensation due, based on the percentage of the Agreement completed and earned until the effective date of suspension, less all previous payments. Provider shall not perform further work under the Agreement after the effective date of

suspension unit receipt of written notice from UMCSN to resume performance. Provider may be allowed to make up performance with UMCSN approval; however, UMCSN is under no obligation to do so. UMCSN reserves the right to use substituted placement agency(ies) during the suspension period. In the event UMCSN suspends

8. General

- 8.1. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada without regard to its choice of law provisions. Venue shall be any appropriate State or Federal court in Clark County, Nevada
- 8.2. No waiver of any breach of this Agreement shall constitute a waiver of any other breach of the same or other provisions of this Agreement, and no waiver shall be effective unless made in writing.
- 8.3. This Agreement shall not be amended except by written agreement duly executed by both parties.
- 8.4. This Agreement shall not be assigned by the Provider without the written approval of UMCSN. This Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.
- 8.5. Provider shall indemnify, defend and hold harmless UMCSN, its officers and employees from any and all claims, liabilities, losses, damages, judgments, demands, costs and expenses (including attorney's fees and costs), actions or causes of action, of any kind or nature, arising out of the negligent or intentional acts or omissions of Provider, its employees, agents, 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.
- 8.6. 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.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates set forth below.

University Medical Center of Southern Nevada

Signature

Mason Van Houweling, CEO

Name

Chief Executive Officer

Title

Date

VN & Associates



Signature

Valerie Nolan

Name

President

Title

10/11/2024

Date

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

Issue:	Residency Affiliation Agreement (Dental Anesthesia) with the University of Nevada, Las Vegas School of Dental Medicine	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 Residency Affiliation Agreement for dental anesthesia training with The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Las Vegas School of Dental Medicine; authorize the Chief Executive Officer to execute future amendments within the not-to-exceed amount of this Agreement; or take action as deemed appropriate. <i>(For possible action)</i>		

FISCAL IMPACT:

Fund Number: 5420.000	Fund Name: UMC Operating Fund
Fund Center: 3000824000	Funded Pgm/Grant: N/A
Description: Residency and Academic Mission Support for Academic Year 2025-2026	
Bid/RFP/CBE: N/A	
Term: 11/15/2024 to 6/30/2029	
Amount:	
<u>Academic Year 2025-2026</u>	
Academic Mission Support	NTE \$125,000.00
Resident Salaries	NTE \$250,000.00

NTE Total	NTE \$375,000.00

Out Clause: 6 months w/o cause however, any such termination shall not be effective as to a Resident who at the date of notice is actively participating in a Program until such Resident has completed the Program but in no circumstances may this exceed two (2) years from the date of notice.

BACKGROUND:

This request is to enter into a new Residency Affiliation Agreement for dental anesthesia resident training (“Agreement”) with UNLV School of Dental Medicine (“UNLV SDM”) for both parties to work together on setting the framework for the creation of a premier academic health center that integrates the expertise of UNLV SDM with the resources of UMC to enhance teaching, promote health care innovation and improve access to health care for southern Nevadans. During the 36 month residency, each resident will rotate 24 months at UMC for cases, consults, operating room treatment and emergency treatment. The Agreement term is from November 15, 2024 to June 30, 2029.

Cleared for Agenda
November 6, 2024

Agenda Item #

13

This Agreement sets forth the resident salary reimbursement (i.e., Academic Mission Support and Resident Stipend) for Academic Year 2025-2026. Staff also requests authorization for the Hospital CEO to execute future amendments within the not-to-exceed amount of this Agreement if deemed beneficial to UMC.

The parties are authorized to enter into this Agreement pursuant to Article 11, Section 4 of the Constitution of the State of Nevada; Chapters 396, 450 and 277 of the Nevada Revised Statutes; and certain other inherent, express, and necessarily implied powers and authority.

UMC's Academic & External Affairs Administrator has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

**RESIDENCY AFFILIATION AGREEMENT
(Dental Anesthesia)**

between

University Medical Center of Southern Nevada

and

**The Board of Regents of the Nevada System of Higher Education on behalf of the
University of Nevada, Las Vegas School of Dental Medicine**

This Agreement is entered into 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 The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Las Vegas School of Dental Medicine (hereinafter referred to as “SCHOOL”).

WHEREAS, SCHOOL is engaged in the higher education and training of students in various health related professions and is in need of both clinical and non-clinical experience opportunities for its students; and

WHEREAS, HOSPITAL has a wide range of both clinical and non-clinical experiences available to appropriate students (hereinafter referred to as “Resident” or “Residents”).

NOW THEREFORE, in consideration of the mutual benefits, the parties agree as follows:

I. GENERAL PROVISIONS

- 1.1 The institutions named in this document share common goals in the delivery of quality medical care, medical service to the community and medical education for the Resident. This Agreement is entered into in an effort to attend these goals, particularly with respect to medical education by providing opportunities and experience for patient care training of the Resident and to delineate individual and mutual responsibilities of combined staff and institutions.
- 1.2 Each institution agrees to maintain an environment conducive to postdoctoral training as it pertains to obtaining experience in patient care through a Dental Anesthesia residency program (“Program”) which allows the Resident to share responsibility for patient care with qualified staff physicians, encourages critical dialogue between teaching staff and the Resident through rounds, conferences and patient care procedures and by providing medical library teaching materials and facilities to properly care for patients.
- 1.3 SCHOOL and HOSPITAL will designate and submit in writing to the other the name of the person to be responsible for coordination of the Program on its behalf. Those persons will be called “Program Coordinators/Directors.” SCHOOL and HOSPITAL will notify the other in writing of any change or proposed change of their respective Program Coordinator/Director (**Attachment A**).
- 1.4 The parties agree that clinical experiences are those educational and training opportunities involving direct patient care and/or interaction.
- 1.5 The number of Residents eligible to participate in the Program at any given time will be mutually determined by the parties at least ninety (90) days prior to the

beginning of each Resident's Program and, thereafter, may only be altered by mutual agreement of the parties. Factors to be considered by the parties in determining start dates and number of Residents shall be: (i) the number of staff members available to train Residents; (ii) the workload of staff members; and (iii) maximum Resident saturation by clinical unit/department. In the event the parties are unable to reach a mutually satisfactory agreement, the decision of HOSPITAL shall be final.

- 1.6 SCHOOL will continue to maintain residency training status through the American Dental Association Commission on Dental Accreditation (CODA) or as appropriate. HOSPITAL must, as a matter of policy, be and remain accredited by The Joint Commission.

II. RESPONSIBILITIES OF SCHOOL

- 2.1 On an annual basis, prior to the commencement of a new academic year, SCHOOL shall provide HOSPITAL with an attestation (see attached **Schedule 1**) certifying that each Resident has met the following requirements (which may be amended on an annual basis by HOSPITAL):
- i. Valid State of Nevada Dental license.
 - ii. Background checks, in a form reasonably acceptable to HOSPITAL.
 - iii. Pre-enrollment drug screening prior to commencement of residency, with testing at levels reasonably acceptable to HOSPITAL.
 - iv. Current TB test (either QuantiFERON or Tspot or, a 2-step TB skin test) or evidence of past positive chest x-ray screening for new Residents only.
 - v. Valid health, malpractice and worker's compensation insurance, in limits acceptable to HOSPITAL.
 - vi. Medical Insurance.
 - vii. Completion of physical examination, titers or vaccination required for immunity (Hepatitis B, Varicella, TDAP and MMR), flu vaccine (or declination) and COVID vaccine in accordance with HOSPITAL policy.
 - viii. Active AHA Accredited Basic Life Support (BLS), Advanced Cardiac Life Support (ACLS), and Pediatric Advanced Life Support (PALS) certifications.
 - ix. Other supporting documentation evidencing SCHOOL's attestation to the above requirements must be timely provided to HOSPITAL upon its request.
- 2.2 SCHOOL shall ensure each Resident has completed the Residency Affiliation Agreement Attestation Form (**Attachment B**).
- 2.3 SCHOOL will directly pay the Residents' salary and benefits during his/her rotation and malpractice and worker's compensation insurance to cover his/her activities.
- 2.4 SCHOOL will maintain malpractice insurance to cover the Resident's activities. The limits of the malpractice insurance shall be \$1,000,000 and \$3,000,000 covering the Resident and the SCHOOL.
- 2.5 Subject to HOSPITAL's capacity limitations, SCHOOL will provide HOSPITAL with Residents to rotate through HOSPITAL as agreed to between the parties and as set forth in **Attachment A**.
- 2.6 Within one (1) month prior to each academic year, SCHOOL shall provide a complete

roster with the names and levels of training of all Residents to be assigned, the months of their assignment at HOSPITAL for each ensuing year and any necessary additional information required by HOSPITAL.

- 2.7 SCHOOL shall coordinate supervision of each Residents' clinical and/or non-clinical experience with HOSPITAL departments for required rotations to ensure that Residents are appropriately supervised. HOSPITAL's physicians employed at HOSPITAL will be granted faculty appointments with the SCHOOL for the purpose of supervision of the Residents.
- 2.8 SCHOOL will notify each Resident that he or she is responsible as follows:
 - i. For following the administrative policies, standards, and practices of HOSPITAL in effect when the Resident is at the HOSPITAL.
 - ii. For attending HOSPITAL and/or department orientation(s).
 - iii. For presenting and/or participating in monthly conferences/education at the discretion of the HOSPITAL's department director.
 - iv. For conforming to the standards and practices established by SCHOOL while training at HOSPITAL.
 - v. For keeping in confidence any and all privileged information concerning all patients. SCHOOL in compliance with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and Nevada laws, and HOSPITAL's policies and procedures, shall not divulge any patient's medical history and/or medical status to an unauthorized third party.
 - vi. For providing the necessary and appropriate uniforms and supplies not provided by HOSPITAL.
 - vii. For securing housing and transportation.
 - viii. For completing the requirements set forth in Section 2.1 above.
 - ix. For payment of Licensure Fees made payable to the Nevada State Board of Dental Examiners.
 - x. For the return of all HOSPITAL property including, but not limited to, HOSPITAL badges at the end of the Resident's assigned rotational period.
 - xi. For timely completion and signing of all medical records assigned to the rotating Resident while at the HOSPITAL. [No evaluations shall be completed by HOSPITAL's department director or physician attending if a Resident is in breach of Section 2.8 (viii), (ix) or (x).]
- 2.9 SCHOOL will not schedule a Resident to work more than eighty (80) hours per week. Assignments will be made by the Program Coordinator/Director in coordination with HOSPITAL in the assigned department.
- 2.10 SCHOOL will require that all Residents abide by the Medical and Dental Staff Bylaws

and all policies, rules, and regulations of HOSPITAL as applicable, including but not limited to, requirements of local, state and national regulatory and accrediting bodies, and reasonable policies and procedures around timekeeping to track time spent at HOSPITAL.

- 2.11 SCHOOL shall notify its Residents that they are not employees of HOSPITAL and as such are not eligible for wages, workers' compensation claims, unemployment compensation taxes, or other benefits otherwise available to HOSPITAL employees. HOSPITAL shall not be responsible for any accidents or job-related injury or illness incurred by any Resident of SCHOOL as a result of Resident's participation in a clinical education program at HOSPITAL.
- 2.12 SCHOOL will maintain accurate Resident schedules and the graduated levels of responsibility up-to-date in the New Innovations (or similar) system, and ensure HOSPITAL's authorized users' access to New Innovations and/or other necessary systems for them to perform certain Resident oversight responsibilities.

III. RESPONSIBILITIES OF HOSPITAL

- 3.1 Residents will be supervised at all times by appropriately qualified staff of HOSPITAL in coordination with the residency Program Coordinator/Director. *"Appropriately qualified"* means any physician who is board certified/board-eligible in his or her respective areas of practice. The director of the relevant department will be responsible for submitting a staff and Resident work assignment schedule to the residency Program Coordinator/Director on a quarterly basis.
- 3.2 HOSPITAL's department director, residency Program Coordinator/Director or physician attending of the service line the Resident is rotating on will be responsible for submitting an evaluation of each Resident's performance while on rotation and a verification of procedures performed during the rotation to SCHOOL's residency Program Coordinator/Director on a quarterly basis.
- 3.3 HOSPITAL will require Residents to render only those services within the Resident's educational preparation and qualifications and related to the objectives of the clinical education program.
- 3.4 HOSPITAL may immediately remove from its premises any Resident who poses an immediate threat or danger to personnel or to the quality of medical services.
- 3.5 With prompt written notice, HOSPITAL may require SCHOOL to withdraw from the clinical education program any Resident whose performance is unsatisfactory, whose behavior prevents desirable relationships within HOSPITAL, whose conduct may have a detrimental effect on patients, whose health status is a detriment to the Resident's successful completion of the clinical education program or who does not adhere to existing rules and regulations of HOSPITAL. SCHOOL and HOSPITAL may collaborate on the decision-making process for such Resident however, HOSPITAL will have the final decision.
- 3.6 HOSPITAL shall provide the following to SCHOOL's Program:
 - i. Identification badge.
 - ii. Up-to-date copies of HOSPITAL's "UMC Compliance Handbook" for each

- Resident.
- iii. Medical and Dental Staff Bylaws.

- 3.7 HOSPITAL shall not be responsible for payment of Residents' salaries.
- 3.8 HOSPITAL shall provide FIT Testing as required for HOSPITAL rotations for new Residents upon arrival of Resident.

IV. MUTUAL RESPONSIBILITIES

- 4.1 Upon request of HOSPITAL, SCHOOL agrees to work with HOSPITAL in good faith in transferring the employment of Residents and the designation of SCHOOL's Program to HOSPITAL, to be completed prior to the next CODA site visit in October 2027.
- 4.2 SCHOOL and HOSPITAL mutually agree to work collaboratively towards establishing mutually agreed upon participating sites for PGY3 Residents undertaking external rotations.

V. FINANCIAL RESPONSIBILITIES

- 5.1 The Resident stipend for each annual year shall be set forth on **Schedule 2**, attached hereto and subject to amendment on an annual basis based upon the number of Residents employed by SCHOOL and providing services at HOSPITAL. Such amounts are not-to-exceed amounts and will only be paid based upon the full-time equivalencies (FTEs) and the portion thereof relating to actual time spent at HOSPITAL, or at such other locations as agreed to by HOSPITAL. Amount due and owing pursuant to this Section shall be detailed in reports generated by the New Innovations system (or comparable system) and shall be paid monthly upon receipt of accurate invoices submitted by SCHOOL to HOSPITAL.
- 5.2 To anticipate future unforeseen Program expenses or increase in operational costs (e.g., change in accreditation standards or other Program adjustments), both parties agree to work together to review and establish a mutually acceptable adjusted budget for each academic year's **Schedule 2** if deemed necessary for the continuation of the Program.

VI. TERM/TERMINATION

- 6.1 Term of Agreement. This Agreement shall commence on November 15, 2024 ("Effective Date"), and shall continue in full force and effect through June 30, 2029 ("Initial Term"), unless terminated sooner as set forth in Section 6.2, below. Prior to the end of the Initial Term, both parties may mutually agree to include certain renewal options into this Agreement (each an "Extension Term"). The Initial Term and all Extension Terms shall collectively be referred to herein as the "Term."
- 6.2 Termination. Either party hereto may terminate this Agreement, without cause, upon giving the other party at least six (6) months written notice of such intention to terminate. However, any such termination shall not be effective as to a Resident who at the date of notice is actively participating in a Program until such Resident (i) has completed the Program but in no circumstances may this exceed two (2) years from the date of notice; and (ii) both parties agree to continue to commit the necessary resources

for the affected Residents.

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, SCHOOL 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 the services. If SCHOOL 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. 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.
- 7.4 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.
- 7.5 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.
- 7.6 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 SCHOOL and/or Residents shall be kept in the strictest confidence by SCHOOL and Residents.
- 7.7 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. Accepting 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.

- 7.8 Federal, State, Local Laws. The parties shall comply with all federal, state and local laws and/or regulations relative to HOSPITAL's and SCHOOL's activities in Clark County, Nevada including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- 7.9 Force Majeure. Neither party shall be liable for any delays or failures in performance due to circumstances beyond its control. In the event that a party ceases to perform its obligations under this Agreement due to the occurrence of a Force Majeure event, such party shall: (i) immediately notify the other party in writing of such Force Majeure event and its expected duration; (ii) take all reasonable steps to recommence performance of its obligations under this Agreement as soon as possible; and (iii) if applicable, discuss alternative training options for the Residents to minimize education disruption (e.g., implement online simulations or temporary placements at other institutions).
- 7.10 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. Venue shall be any appropriate state or federal court in Clark County, Nevada.
- 7.11 Indemnification.
- i. To the extent limited in accordance with NRS Chapter 41, SCHOOL shall indemnify and hold harmless, HOSPITAL, its officers and employees from any and all claims, demands, actions or causes of actions, of any kind or nature, arising either directly or indirectly from any act or failure to act by SCHOOL or any of its officers or employees which may occur during or which may arise out of the performance of this Agreement. SCHOOL will assert the defense of sovereign immunity as appropriate in all cases, including malpractice and indemnity actions. SCHOOL's indemnity obligation for actions sounding tort is limited in accordance with the provisions of NRS 41.035.
- ii. To the extent limited in accordance with NRS Chapter 41, HOSPITAL shall indemnify and hold harmless, SCHOOL, its officers and employees from any and all claims, demands, actions or causes of action, of any kind or nature, arising either directly or indirectly from any act or failure to act by HOSPITAL or any of its officers, directors or employees in the course and scope of their public duties, which may occur during or which may arise out of the performance of this Agreement.
- 7.12 Non-Discrimination. Neither party shall discriminate against any person on the basis of age, color, disability, gender, disability (including AIDS or AIDS related conditions), national origin, race, religion, sexual orientation, gender identity or expression or any other class protected by law or regulation.
- 7.13 Notices. All notices required under this Agreement must be submitted in writing and delivered by U.S. mail, postage prepaid, certified mail, 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 SCHOOL: UNLV School of Dental Medicine
Attn: Kenneth L. Reed, DMD
1001 Shadow Lane
Las Vegas, Nevada 89106-4124

With a copy to: UNLV School of Dental Medicine
Attn: Chief Financial Officer
1001 Shadow Lane
Las Vegas, Nevada 89106-4124

- 7.14 Publicity. Neither HOSPITAL nor SCHOOL 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.
- 7.15 Relationship of Parties. None of the provisions in this Agreement is intended to create nor shall it be deemed or construed to create any relationship between the parties hereto other than that of independent contractor contracting on an equal basis with each other hereunder solely for the purpose of effectuating the provisions of this Agreement.
- 7.16 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.
- 7.17 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 SCHOOL, 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.
- 7.18 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.
- 7.19 Dispute Resolution. The parties agree that they will use all reasonable efforts to resolve in an amicable fashion any dispute that may arise under this Agreement. If the parties are unable to resolve such dispute within thirty (30) days after receipt of written notice provided by the other party, which notice describes the dispute in reasonable detail, either party may, by written notice to the other, have such dispute referred to a member of senior management of each party. Such managers shall attempt to resolve the dispute through good faith discussions within thirty (30) days following receipt of such written notice. If the designated managers are not able to resolve such dispute within the thirty (30) day period, then each of the parties may

seek alternative remedies for resolving the dispute, including, but not limited to, litigation in any court having appropriate jurisdiction over the matter. Notwithstanding the foregoing, nothing herein shall limit, restrict, or otherwise supersede either party's right to terminate this Agreement pursuant to applicable termination provisions set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the respective date(s) set forth below their signatures to be effective as of the Effective Date.

University Medical Center of Southern Nevada

By: _____
Mason Van Houweling
Chief Executive Officer

Date: _____

The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Las Vegas School of Dental Medicine

Recommended by:

By: _____
Kenneth L. Reed, DMD
Program Director – Dental Anesthesiology

By: _____
James Mah, DDS
Dean, School of Dental Medicine

By: _____
Keith Whitfield, Ph.D.
President

Approved by:

By: _____
Chris L. Heavey, Ph.D.
Executive Vice President and Provost

Date: _____

ATTACHMENT A
PROGRAM GUIDELINES

A. Program Coordinators/Directors

HOSPITAL/AFFILIATE INSTITUTION: Program Coordinators/Directors are contingent upon Section 1.3

SCHOOL:

UNLV SDM for Dental Anesthesia Residents: Kenneth L. Reed, DMD

UNLV SDM for Dental Anesthesia Residents: James Mah, DDS

B. Teaching Staff

Dental Anesthesia attending staff from SCHOOL.
HOSPITAL's Anesthesiology providers.

C. Program Objectives

- To provide experience in providing general anesthesia to all patients.
- To provide experience in utilizing general anesthesia to complete comprehensive dental care in hospital operating rooms.
- Demonstrate in-depth knowledge of the anatomy and physiology of the human body and its response to the various pharmacologic agents used in anxiety and pain control.
- Demonstrate in-depth knowledge of the pathophysiology and clinical medicine related to disease of the human body and effects of various pharmacological agents used in anxiety and pain control when these conditions are present.
- Evaluate, select, and determine the potential response and risk associated with various forms of anxiety and pain control modalities based on patients' physiological and psychological factors.
- Competent in patient preparation for sedation/anesthesia, including pre-operative and post-operative instructions and informed consent/assent.
- Competent in the use of anesthesia-related equipment for the delivery of anesthesia, patient monitoring, and emergency management.
- Competent in the administration of local anesthesia, sedation and general anesthesia, as well as in psychological management and behavior modification as they relate to anxiety and pain control in dentistry.
- Competent in managing perioperative emergencies and complications related to anxiety and pain control procedures, including the immediate establishment of an airway and maintenance of ventilation and circulation.
- Competent in the diagnosis and non-surgical treatment of acute pain related to the head and neck region.
- Able to demonstrate in-depth knowledge of current literature pertaining to dental anesthesia.
- To become familiar with and understand HOSPITAL's protocol, including protocol for obtaining or providing consultations and providing emergency treatment in the hospital setting.
- To attend HOSPITAL's lectures, seminars and staff meetings, as required.

D. Period of Assignment of Residents

During the thirty-six (36) month residency, each Resident will rotate twenty-four (24) months at HOSPITAL for cases, consults, operating room treatment and emergency treatment.

E. Parties Commitments

HOSPITAL will commit necessary resources and staff, at its own cost and expense, for: (1) Resident supervision, evaluation and training; (2) review of Resident required materials for the Program (background checks, immunization records, drug screen results, health insurance verification, etc.); and (3) Residents' orientation.

SCHOOL will similarly commit necessary resources and staff, at its own cost and expense, for: (1) coordination of Resident supervision, evaluation and training; (2) compiling Resident required materials for the Program (verification of prerequisites, background checks, immunization records, drug screen results, health insurance verifications, etc.); (3) preparation of course materials (objectives, skills, examinations, etc.), preparation of evaluation criteria, grading, etc.; and (4) administrative/legal resources associated with documentation and management of the Program. In addition, SCHOOL will commit such resources as are required by the American Dental Association Commission on Dental Accreditation (CODA) and the regulations, policies and procedures of the Board of Regents of the Nevada System of Higher Education relating to stipends, taxes, insurance, and other benefits for the Residents, as those requirements may be amended from time to time.

ATTACHMENT B
RESIDENCY AFFILIATION AGREEMENT ATTESTATION FORM

WHEREAS, I am a Resident at _____
(hereinafter “SCHOOL”);

WHEREAS, SCHOOL and University Medical Center of Southern Nevada (hereinafter “HOSPITAL”) have entered into a Residency Affiliation Agreement (hereinafter “Agreement”) to provide Residents of SCHOOL with clinical experience and training; and

WHEREAS, I desire to take part in said Residency education program (hereinafter “Program”).

NOW, THEREFORE, I stipulate and agree as follows:

1. I have received and reviewed HOSPITAL’s orientation materials, Medical and Dental Staff Bylaws, and the written regulations which will govern my activities while at HOSPITAL.
2. I agree to follow HOSPITAL’s Medical and Dental Staff Bylaws while I am a Resident at HOSPITAL.
3. I agree to follow HOSPITAL’s administrative policies, standards, and practices in effect while I am a Resident at HOSPITAL.
4. I agree to follow HOSPITAL’s Health Insurance Portability and Accountability Act (“HIPAA”) policies and procedures.
5. I agree to comply with all federal, state and local laws and/or regulations relative to my activities at HOSPITAL.
6. I agree that all patient records and all HOSPITAL statistical, financial, confidential, and/or personnel data received, stored or viewed by me shall be kept in the strictest confidence by me.
7. I understand that before I may be admitted to the Program to be conducted at HOSPITAL, I must:
 - a. Complete HOSPITAL’s Dental Resident Onboarding packet:
 - Provide evidence of appropriate health insurance,
 - Complete a physical examination demonstrating my ability to perform the essential functions of the job (with or without reasonable accommodations),
 - Provide proof of immunization records or adequate titers (2 MMR, 3 Hepatitis B, 2 Varicella, and TDAP),
 - Copy of flu vaccine (or declination) and COVID vaccination per HOSPITAL policy,
 - Take and pass a pre-placement 10-panel drug screen prior to commencement of residency, with testing at levels reasonably acceptable to HOSPITAL,
 - Submit current TB test (either a QuantiFERON or Tspot, or a 2-step

TB skin test) or current Signs & Symptoms Review Form if past positive skin test and current chest X-Ray screening for new Residents only,

- Provide HOSPITAL with access to my background check results,
- Complete HOSPITAL's orientation and any required training, including but not limited to, training as it relates to maintaining confidential patient information and compliance with HIPAA,
- Submit a valid State of Nevada dental license,
- Complete a FIT testing, and
- Submit and maintain Basic Life Support (BLS), Advanced Cardiac Life Support (ACLS), and Pediatric Advanced Life Support (PALS) certifications.

8. I understand that before I may commence training or activities at HOSPITAL, I must attend HOSPITAL's orientation program designed to familiarize Residents with their responsibilities and with their work environment.

9. I understand that my Resident identification badge must be worn at all times and be clearly visible. Badges may not be worn backwards and should be displayed at chest level or higher.

10. I understand that upon completion of my residency rotation, I must return my Resident identification badge to my Program Coordinator/Director.

11. I acknowledge that I am responsible for providing the necessary and appropriate uniforms and supplies required which are not provided by HOSPITAL, and for securing living accommodations and transportation.

12. I acknowledge that I will not be an employee of HOSPITAL while engaging in the Program at HOSPITAL and that I am ineligible to receive any benefits from HOSPITAL including, but not limited to, industrial insurance coverage.

Date: _____

Resident's Signature

Resident's Printed Name

Program of Study

SCHEDULE 1



Letter of Attestation – Dental Residents (GPR, PEDS and Dental Anesthesia)

Resident Name:	
School Name: University of Nevada, Las Vegas School of Dental Medicine	
Program Name:	
Clinical Rotation Start Date:	End Date:

The purpose of this document is to attest that the Dental Resident listed above is in full compliance with University Medical Center of Southern Nevada's (UMC) policies and procedures for processing and initiating onboarding for Dental Residents.

Initial Onboarding Requirements (please check each item that is complete):

- ☐ Current TB test (either 2-Step TB Test or QuantiFERON) or evidence of past positive TB screening with chest x-ray screening; for new Residents
- ☐ 3 Hepatitis B Vaccination series, titer showing immunity
- ☐ 2 MMR Vaccination or titer showing immunity to Measles, Mumps and Rubella
- ☐ 2 Varicella Vaccinations or titer showing immunity (unless they have had Chicken Pox in the past)
- ☐ TDAP Vaccination
- ☐ Influenza Vaccination / Influenza Vaccine (during flu season) Declination Form (if applicable)
- ☐ COVID-19 up-to-date vs not up-to-date
- ☐ Medically cleared by a healthcare provider
- ☐ Background Check (in accordance with UMC's standards)
- ☐ 10 Panel Drug Screen Test Result
- ☐ State of Nevada Dental License
- ☐ Malpractice Insurance
- ☐ Complete a FIT testing
- ☐ Active AHA Accredited Basic Life Support (BLS), Advanced Cardiac Life Support (ACLS), and Pediatric Advanced Life Support (PALS) certifications.
- ☐ Health Insurance

The person signing this Attestation on behalf of the Dental Resident is acknowledging the following:

- The Dental Resident is in full compliance with the above UMC's listed requirements.
- All required documents have been collected, inspected, deemed acceptable, and are securely stored.
- All documents will remain on file with UNLV School of Dental Medicine and will be provided to UMC upon request within 24 hours.
- Any Dental Resident that is deemed non-compliant with the listed requirements shall be removed from their UMC rotation until compliant.
- The Dental Resident may not begin rotation at UMC until this Attestation is completed and signed, and UNLV School of Dental Medicine receives written approval from UMC.

Program Coordinator or Program Director Signature:		Date:	
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SCHEDULE 2

Residency and Academic Mission Support – Academic Year 2025-26

In furtherance of the common mission of the academic health center, HOSPITAL has agreed to provide academic mission support to UNLV School of Dental Medicine (“UNLV SDM”), its primary and preferred medical education affiliate, for the purpose of ongoing joint efforts in the areas of teaching, research and/or community service.

ACADEMIC MISSION SUPPORT: Not-to-exceed \$125,000

For the purpose of joint efforts in the areas of teaching, Academic Mission Support will be calculated as follows:

“Monthly Invoice FTE Resident Count” multiplied by **“Average Monthly Resident Salary Support per FTE”** multiplied by **22.5% (twenty-two and one-half percent)**

EXAMPLE: 9 x \$5,000 x .225 = \$10,125

For purposes for calculating the Academic Mission Support for Resident teaching support the following defined terms apply:

“Monthly Invoiced FTE Resident Count” means the Resident FTE amount as set forth by UNLV SDM on the approved submitted monthly invoice.

“Average Monthly Resident Salary Support per FTE” means the average of all salary, fringe, and malpractice costs divided by the not-to-exceed total on the Program chart below. For Academic Year 2025-26, the Average Monthly Resident Salary Support per FTE is \$5,000.

For the purpose of joint efforts in the areas of research and/or community outreach, the parties may fund projects with any remaining Academic Mission Support in excess of the teaching support, up to the total Academic Mission Support set forth above (i.e., NTE \$125,000). Mutually agreeable joint research or community outreach projects utilizing said Academic Mission Support must be memorialized in a signed writing with terms consistent of this Agreement.

Academic Mission Support will be paid within thirty (30) days of an approved Resident salary invoice.

RESIDENT COMPENSATION FOR THE 2025-26 ACADEMIC YEAR

Resident Stipend (inclusive of benefits): Not-to-exceed \$250,000 *(amounts will be paid monthly upon receipt of an invoice in accordance with Section 5.1 of the Agreement and the table reflecting the applicable amount of Residents during the academic year.) Resident stipend will be paid within thirty (30) days of an approved invoice.*

Program	PGY 1	PGY 2	PGY 3	FTE Totals:
Dental Anesthesia	3.00	-	-	3.00

**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
November 6, 2024

Agenda Item #

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