



UMC Governing Board Audit and Finance Committee Special Meeting

Wednesday, April 15, 2026 - 2:00 p.m.

Delta Point Building - Emerald Conference Room - 1st Floor

Las Vegas, NV

AGENDA

University Medical Center of Southern Nevada
GOVERNING BOARD
AUDIT & FINANCE COMMITTEE
Special Meeting
April 15, 2026 2:00 p.m.
901 Rancho Lane, Las Vegas, Nevada
Delta Point Building, Emerald Suite (1st 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 901 Rancho Lane, 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 Agenda. *(For possible action)*

SECTION 2: BUSINESS ITEMS

3. Review and receive feedback on the tentative FY 2027 Preliminary Operating Budget to be considered by Clark County and discuss any changes; and direct staff accordingly. *(For possible action)*

SECTION 3: EMERGING ISSUES

4. 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
AGENDA ITEM**

Issue: Tentative Budget for FY 2027	Back-up:
Petitioner: Jennifer Wakem, Chief Financial Officer	
Recommendation: That the Audit and Finance Committee review and receive feedback on the tentative FY 2027 Preliminary Operating Budget to be considered by Clark County and discuss any changes; and direct staff accordingly. <i>(For possible action)</i>	

FISCAL IMPACT:

None

BACKGROUND:

The Chief Financial Officer will present revisions to the tentative FY 2027 Preliminary Operating Budget.

Cleared for Agenda
April 15, 2026

Agenda Item #

3



FY 2027

Round 2 Budget

AFC Special Meeting

FY 2026 PROJECTED KEY STATS



	FY26 Projection	FY26 Budget	Variance	%
APDs	224,139	221,888	2,251	1.00%
Total Admissions	24,228	24,501	(273)	(1.13%)
Observation Days	9,493	7,791	1,702	17.93%
AADC	614	608	6	0.99%
ALOS	5.66	5.54	0.13	2.22%
Hospital CMI	1.83	1.92	(0.08)	(4.55%)
Medicare CMI	2.00	2.08	(0.08)	(4.17%)
IP Surgery Cases	9,832	9,981	(149)	(1.52%)
OP Surgery Cases	8,322	8,147	175	2.10%
Total ER Visits	115,016	111,545	3,471	3.02%
Quick Care	191,902	231,236	(39,334)	(20.50%)
Primary Care	97,304	91,270	6,034	6.20%
OP Ortho Visits	42,814	31,769	11,045	25.80%
Deliveries	1,426	1,280	146	10.24%

FY 2026 PROJECTED INCOME STATEMENT SUMMARY



REVENUE	FY26 Projection	FY26 Budget	Variance	% Variance	
Total Gross Patient Revenue	\$6,002,058,994	\$5,723,720,970	\$278,338,024	4.86%	●
Adjusted Net Patient Revenue	\$658,572,616	\$684,797,235	(\$26,224,619)	(3.83%)	●
Supplemental Payments	\$361,098,723	\$360,141,227	\$957,496	0.27%	●
Net Patient Revenue	\$1,019,671,339	\$1,044,938,462	(\$25,267,123)	(2.42%)	●
Other Revenue	\$43,846,387	\$52,183,216	(\$8,336,829)	(15.98%)	●
Total Operating Revenue	\$1,063,517,726	\$1,097,121,678	(\$33,603,952)	(3.06%)	●
Net Patient Revenue as a % of Gross	16.99%	18.26%	(1.27%)		
EXPENSE	FY26 Projection	FY26 Budget	Variance	% Variance	
SWB	\$690,456,724	\$700,498,919	(\$10,042,195)	(1.43%)	●
Supplies	\$194,360,896	\$215,450,539	(\$21,089,643)	(9.79%)	●
All other Expenses	\$201,735,883	\$217,465,599	(\$15,729,717)	(7.23%)	●
Total Operating Expense	\$1,086,553,502	\$1,133,415,057	(\$46,861,555)	(4.13%)	●
INCOME FROM OPS	FY26 Projection	FY26 Budget	Variance	% Variance	
Total Inc from Ops	(\$23,035,777)	(\$36,293,379)	\$13,257,602	36.53%	●
Add back: Depr & Amort.	\$56,052,857	\$59,170,368	(\$3,117,511)	(5.27%)	
Tot Inc from Ops plus Depr & Amort. (EBITDA)	\$33,017,080	\$22,876,989	\$10,140,091	44.32%	●
Operating Margin (w/Depr & Amort.)	3.10%	2.09%	1.02%		

Operating Revenue Variances

- **Adjusted Net Patient Revenue**
 - (\$26.2M) - Volume & Acuity (decrease in Admissions, decrease in CMI, decrease in IP surgeries, partially offset by increase in OP surgeries)
- **Supplemental Payments**
 - \$6.9M - Practitioner UPL increase
 - \$5.1M - UPL Increase
 - \$3.4M - Cost Report Settlement Increase
 - (\$8.2M) - Directed Payment Decrease
 - (\$6.3M) - MCO IME Program
- **Other Operating Revenue**
 - (\$15.1M) - Decrease in 340B revenue
 - \$7.2M - Increase in Cost Recovery (CSC County Subsidy)

Operating Expense Variances

- **SWB**
 - \$2.5M - Increase in Benefits
 - (\$2.8M) - Reduction in Overtime
 - (\$9.8M) - Labor Management
- **Supplies**
 - (\$16.8M) - Decrease in 340B drug expense
 - (\$3.8M) - Decrease in Implants

FY 2027 KEY ASSUMPTIONS



Gross Charges	<ul style="list-style-type: none">• FY 26 YTD Dec actual Gross Charges, annualized for 12 months and adjusted for volume• Strategic Service Line initiatives included in budget• 5% CDM increase effective July 1, 2026• Payor mix determined by insurance plan and patient type (IP Hosp, OP Hosp, QC, PC, and various employed physician models) utilizing Epic data Jul 25 – Dec 25
Net Revenue	<ul style="list-style-type: none">• Net Revenue calculated per IP admission, per IP day, or per OP Visit and per anesthesia unit or wRVU (for employed physician models)<ul style="list-style-type: none">• NR based on Payor reimbursement, utilizing closed accounts Jul 25 – Dec 25• OP Hosp, QC & PC separately• Physician PB billing included by specialty• Federal Supplemental Payments built separately into budget
Expenses	<ul style="list-style-type: none">• SWB: COLA, Merits, overtime, Contract Labor• Built in HealthTrust inflationary projections for Supplies by major category• Strategic Service Line initiatives included

Strategy	Action Items
Patient Throughput and Care Experience	<ul style="list-style-type: none">• Launched patient throughput SWAT Team to address discharge delays and capacity constraints<ul style="list-style-type: none">• Executive oversight by CNO, CFO, COO, and Physician Advisor to drive accountability and rapid decision-making• LOS optimization, utilization management, and denial reduction efforts• Payer meetings to share outcomes and value of UMC/UNLV Hospitalists performance• Implemented Auto Review to improve accuracy and reduce avoidable denials• Enhanced One Call Transfer Center to streamline intake, improve access, and support growth• Deployed standardized patient pathways and dialysis patient navigation to transition care safely to outpatient settings and free inpatient capacity• OR throughput and surgical scheduling efficiency• Weekly block utilization reviews and streamlined same-day scheduling to improve efficiency• First Case On Time Start for Operating Room and IR• COO and CNO partnering with Anesthesia Med Director to expand available operating room

Strategy	Action Items
MIT (Margin Improvement Team) Expense Reduction Plan Goal of at least \$5M	<ul style="list-style-type: none"> • Workforce alignment to volume (SWB) • Manage SWB consistent with volume utilizing UMC Productivity Tools • MD screeners redeployed to work on inpatient floor • OR/IR efficiency improvements (FCOT, block utilization) • AI-enabled productivity (Epic, Commure)
Supply Chain & Purchased Services Optimization	<ul style="list-style-type: none"> • Dedicated IT support for inventory management transition • Orthopedic Surgeon working with COO and CFO on vendor contracting for implants • Maximization of HPG contracts, and enhanced supply utilization controls • Reprocessing of EP supplies with expected savings of up to \$1M per year
Revenue Protection	<ul style="list-style-type: none"> • Vendor revenue cycle review – BDO Vendor • Denials SWAT • Medicaid IME - Supplemental payment pursuit and Managed care rate increases • Experian Patient Access Curator • Physician documentation education utilizing specialized software • Medicare Wage Index Optimization / Urban-Rural Reclassification

Strategy	Action Items
Launch 24-Hour Nurse UMC One Call Program	<ul style="list-style-type: none"> • 24-Hour Nurse Call through Provide continuous nurse-led triage and post-discharge support • Ensure patients are directed to the right care setting • Schedule primary care appointments follow-up appointment at UMC Primary Care
24 Hour-Quick Care	<ul style="list-style-type: none"> • 24-hour Quick Care, estimated opening fall 2026 • Completely new model staffing • QC, Telehealth, Adolescences, Workman’s Comp, and follow-up care
Orthopedics Services	<ul style="list-style-type: none"> • Maximize Orthopedic Practice throughput • Launch Sports Medicine Marketing Campaign • Explore launching OP Physical Therapy • Explore additional orthopedic office space if warranted

Strategy	Action Items
Strategic Growth Initiatives for Cardiology	<ul style="list-style-type: none"> • Monthly Leadership Meetings with the Cardiologist and the President of the group <ul style="list-style-type: none"> • Enhance the latest technology in Cardiovascular Arena • Relaunch ECMO service line to support critical care and advanced cardiac interventions • Expand vascular services within the Cath Lab to drive higher-acuity case volumes • Achieve a Comprehensive Cardiac Center of Excellence designation
Liver Care Program	<ul style="list-style-type: none"> • Soft opening October 2025, 50 Patients to date • 1 NP seeing patients, Offer out for Per Diem Hepatologist

Strategy	Action Items
Laboratory Expansion March 2027	<ul style="list-style-type: none">• Confirmatory Drug Testing• Histocompatibility Laboratory: Transplant Testing• Blood Donor Center & Blood Processing Center by Vitalant
GME July 2026	<ul style="list-style-type: none">• Sponsoring institution and Radiology Residency Program• Pursue Potential Grant Funding for the Program
Outpatient Pharmacy January 2027	<ul style="list-style-type: none">• Protects 340B Program• Meds to Beds Improve Patient Experience• Available for Employees and Patients

FY 2027 BUDGET INITIATIVES



FY2027 Budget Initiatives	Visits	Scripts	Resident FTEs	Gross Rev	Net Rev	Other Revenue	Expenses	Income from Ops
Lab Expansion						\$250,000	\$623,011	(\$373,011)
OP Pharmacy		13,207				\$2,147,899	\$1,661,546	\$486,353
24- Hour QuickCare	60,335			\$42,234,152	\$9,713,855		\$7,961,720	\$1,752,135
Liver Care Clinc	2,738			\$3,330,811	\$607,680		\$422,066	\$185,613
Residency (Radiology)			4.0				\$847,968	(\$847,968)
Total Impact	63,073	13,207	4.0	\$45,564,963	\$10,321,535	\$2,397,899	\$11,516,311	\$1,203,123

FY 2027 ROUND 2 BUDGET VS PRELIM BUDGET



REVENUE	FY27 Budget	FY27 Prelim Budget	Variance	% Variance	
Total Gross Patient Revenue	\$6,286,615,070	\$6,196,753,787	\$89,861,283	1.45%	●
Adjusted Net Patient Revenue	\$699,888,983	\$687,910,879	\$11,978,105	1.74%	●
Supplemental Payments	\$364,171,712	\$364,171,712	\$0	0.00%	●
Net Patient Revenue	\$1,064,060,695	\$1,052,082,591	\$11,978,105	1.14%	●
Other Revenue	\$44,529,063	\$44,529,063	\$0	0.00%	●
Total Operating Revenue	\$1,108,589,758	\$1,096,611,654	\$11,978,105	1.09%	●
Net Patient Revenue as a % of Gross	16.93%	16.98%	(0.05%)		
EXPENSE	FY27 Budget	FY26 Prelim Budget	Variance	% Variance	
Total Operating Expense	\$1,146,755,552	\$1,148,356,648	(\$1,601,096)	(0.14%)	●
INCOME FROM OPS	FY27 Budget	FY26 Prelim Budget	Variance	% Variance	
Total Inc from Ops	(\$38,165,794)	(\$51,744,994)	\$13,579,201	26.24%	●
Add back: Depr & Amort.	\$61,339,256	\$59,764,701	\$1,574,555	2.63%	
Tot Inc from Ops plus Depr & Amort. (EBITDA)	\$23,173,462	\$8,019,707	\$15,153,756	188.96%	●
Operating Margin (w/Depr & Amort.)	2.09%	0.73%	1.36%		

- Surgery Cases up from Prelim (3% over Projection) to Round 2 (7% over Projection)
- SWB increased for added surgery cases, offset by matching labor to current volume
- Supplies held flat with increase in surgical cases
- Cancelled 2 Pro Fees contracts

FY 2027 ROUND 2 BUDGET VS FY 2026 PROJECTION KEY STATS



	FY27 Budget	FY26 Projection	Variance	%
APDs	224,921	224,139	781	0.35%
Total Admissions	24,804	24,228	576	2.38%
Observation Days	9,493	9,493	-	0.00%
AADC	616	614	2.21	0.36%
ALOS (Adm)	5.49	5.66	(0.17)	(3.06%)
Hospital CMI	1.87	1.83	0.04	2.19%
Medicare CMI	2.04	2.00	0.04	1.97%
IP Surgery Cases	10,527	9,832	695	7.07%
OP Surgery Cases	8,910	8,322	588	7.07%
Total ER Visits	115,016	115,016	-	0.00%
Quick Care	252,314	191,902	60,412	31.48%
Primary Care	93,961	97,304	(3,343)	(3.44%)
OP Ortho Visits	42,814	42,814	-	0.00%
Deliveries	1,441	1,426	15	1.05%

FY 2027 ROUND 2 BUDGET VS FY 2026 PROJECTION



REVENUE	FY27 Budget	FY26 Projection	Variance	% Variance	
Total Gross Patient Revenue	\$6,286,615,070	\$6,002,058,994	\$284,556,076	4.74%	●
Adjusted Net Patient Revenue	\$699,888,983	\$658,572,616	\$41,316,367	6.27%	●
Supplemental Payments	\$364,171,712	\$361,098,723	\$3,072,989	0.85%	●
Net Patient Revenue	\$1,064,060,695	\$1,019,671,339	\$44,389,356	4.35%	●
Other Revenue	\$44,529,063	\$43,846,387	\$682,676	1.56%	●
Total Operating Revenue	\$1,108,589,758	\$1,063,517,726	\$45,072,032	4.24%	●
Net Patient Revenue as a % of Gross	16.93%	16.99%	(0.06%)		

EXPENSE	FY27 Budget	FY26 Projection	Variance	% Variance	
Total Operating Expense	\$1,146,755,552	\$1,086,553,502	\$60,202,050	5.54%	●

INCOME FROM OPS	FY27 Budget	FY26 Projection	Variance	% Variance	
Total Inc from Ops	(\$38,165,794)	(\$23,035,777)	(\$15,130,017)	(65.68%)	●
Add back: Depr & Amort.	\$61,339,256	\$56,052,857	\$5,286,399	9.43%	
Tot Inc from Ops plus Depr & Amort. (EBITDA)	\$23,173,462	\$33,017,080	(\$9,843,618)	(29.81%)	●
Operating Margin (w/Depr & Amort.)	2.09%	3.10%	(1.01%)		

Operating Revenue Variances

- **Adjusted Net Patient Revenue \$41.3M**
 - \$13.7M - Rate Improvements
 - \$12.0M - Increase in Surgeries
 - \$10.3M - Strategic Service Line Initiatives
 - \$5.3M - Medicare Wage Index Optimization
- **Federal Supplemental Payments \$3.1M**
 - \$8.1M - MCO IME increases (FY26 includes only one quarter)
 - \$7.3M - Directed Payment increases (volume and ACR adjustments)
 - (\$964K) - IAF decrease due to overall program reduction
 - (\$2.2M) - Practitioner UPL decreases (out of period payments not to repeat)
 - (\$2.8M) - Cost Report Settlement (offset by increased bi-weekly pass-thru payments)
 - (\$6.3M) - Other program decreases (HR 1 reduced Medicaid Enrollment)

FY 2027 ROUND 2 BUD VS FY 2026 PROJ SWB



	FY27 Budget	FY26 Projection	Variance	% Variance	
Salaries	\$478,245,845	\$456,398,601	\$21,847,244	4.79%	●
Benefits	\$226,083,726	\$208,993,743	\$17,089,983	8.18%	●
Overtime	\$8,749,865	\$8,352,702	\$397,163	4.75%	●
Contract Labor	\$11,379,318	\$16,711,677	(\$5,332,359)	(31.91%)	●
TOTAL	\$724,458,754	\$690,456,724	\$34,002,030	4.92%	●
OT as % of Salaries	1.83%	1.83%	(0.00%)		●
Total Paid FTEs	3,906	3,937	(31)	(0.78%)	●
SWB per FTE	\$185,453	\$175,373	\$10,080	5.75%	●
SWB/APD	\$3,221	\$3,110	\$111	3.58%	●
SWB % of Net	68.08%	65.63%	2.46%		●
AEPOB	6.34	6.41	(0.07)	(1.13%)	●

SWB Influences

- Estimated Wage Adjustments
- Updated Physician FMV
- Strategic Service Line Business/Expansion
- Reduced reliance on Contract labor
- Labor Management



FY 2027 ROUND 2 BUDGET SWB VS FY 2026 PROJECTED SWB



SWB/APD Itemized	
FY26 Projected SWB/APD	\$3,080
COLA (2.7%) Impact Effective 7/1/2026	\$59
Physician FMV / Salary Adjustments	\$59
Merit (2.9%) Impact Merit based on anniversary date	\$32
QuickCare Plus New Department	\$34
Resident Radiology New Program, including 5 FTEs to support program	\$22
NBHC Lab New Department	\$1
OP Pharmacy New Department	\$1
Contract labor Reduction / Labor Management	(\$67)
FY27 SWB/APD Round 2 Budget	\$3,221
Unexplained Variance Per APD	\$0



FINANCIAL IMPACT OF MAINTAINING SWB EQUAL TO FY 2026



Budgeted FTEs Over FY 2026 Projected SWB/APD		
FY 2027 Budgeted SWB/APD	\$3,221	
FY 2026 Projected SWB/APD	\$3,080	
Variance per APD	\$140	= <i>[Bud SWB/APD] - [Proj SWB/APD]</i>
FY 2027 Budgeted APDs	224,921	
Budgeted Variance to FY 2026	\$31,594,781	= <i>[Variance Per APD] * [Bud APDs]</i>
FY 2027 Budgeted SWB per Paid FTE	\$185,453	
FTEs Over Projected SWB/APD	170.4	= <i>[Bud Var to Proj] / [Bud SWB per Paid FTE]</i>

FY 2027 ROUND 2 BUD VS FY 2026 PROJ



Operating Expense Variances

	FY27 Budget	FY26 Projection	Variance	% Variance	
Professional Fees	\$35,079,714	\$32,263,884	\$2,815,830	8.73%	●
Supplies	\$204,366,562	\$194,360,896	\$10,005,666	5.15%	●
Purchased Services	\$83,142,160	\$79,677,297	\$3,464,863	4.35%	●
Repairs & Maintenance	\$12,068,331	\$11,453,003	\$615,328	5.37%	●
Utilities	\$7,400,633	\$6,919,044	\$481,589	6.96%	●
Other Expenses	\$16,956,642	\$14,017,882	\$2,938,761	20.96%	●
Rental/Leases	\$1,943,500	\$1,351,916	\$591,584	43.76%	●
Total	\$360,957,542	\$340,043,922	\$20,913,620	6.15%	●

- **Professional Fees**
 - \$3.5M - Radiology (replacing Contract Labor)
 - (\$409K) - CSC contract change
 - (\$234K) - Women's MFM services
- **Supplies**
 - \$8.7M - Supplies increase due to inflation and volume
 - \$1.4M - Strategic Service Line Initiatives
- **Purchased Services**
 - \$878K - Increases in Janitorial, landscaping and pest control services due to new properties
 - \$257K - EPIC Support (FY26 included a credit not to repeat in FY27)
 - \$234K - Legal services
 - \$193K - Pre-collection services
 - \$171K - Provider dictation services
- **Utilities**
 - \$454K - Rate increases and new properties
- **Other**
 - \$3.2M - MCO IME IGT
- **Rental/Leases**
 - \$360K - 24-Hour QuickCare
 - \$262K - Lab Expansion

**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
April 15, 2026

Agenda Item #

4