University Medical Center of Southern Nevada
Governing Board
February 27, 2014

UMC Emerald Room
901 Rancho Lane, Suite 180
Las Vegas, Clark County, Nevada
Thursday, February 27, 2014
3:00 p.m.

The University Medical Center Governing Board met in regular session, at the regular place of meeting in the Emerald Room, 901 Rancho Lane, Suite 180, Las Vegas, Clark County, Nevada, on Thursday, February 27, 2014, at the hour of 3:00 p.m. The meeting was called to order at the hour of 3:05 p.m. by Chairman John O'Reilly and the following members were present, which constituted a quorum of the members thereof:

CALL TO ORDER

Board Members:

Present:
John O'Reilly, Chair
Eileen Raney, Vice Chair
Jeff Ellis
Renee Franklin
Harry Hagerty
Michael Saltman

Absent:
John White (Arrived at 3:17 p.m., during Item #13, which was taken at the top of the agenda, following public comment)
Laura Lopez-Hobbs (Excused)

Also Present:
Dale Carrison, D.O. Chief of Staff
Lawrence Barnard, Chief Operating Officer and Interim Chief Executive Officer
Thomas Schwenk, M.D., Dean, University of Nevada School of Medicine (Arrived by telephone at 4:17 p.m., Item #6)
Mary-Anne Miller, County Counsel
L Lisa Logsdon, Deputy District Attorney
Larry Gage, Consultant

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 **Approval of minutes of the regular meeting of the UMC Governing Board on January 29, 2014, and the special meeting of the UMC Governing Board on February 12, 2014.** ***(Available at University Medical Center, Administrative Office) (For possible action)***

FINAL ACTION: A motion was made by Mike Saltman and seconded by Eileen Raney that the minutes be approved as recommended. Motion carried by unanimous vote. It was noted that Harry Hagerty did not attend the February 12, 2014 meeting, and therefore did not vote to approve those minutes.

ITEM NO. 2 Approval of Agenda *[For possible action]*

DISCUSSION: Chair O'Reilly requested that Item No. 13 be taken at the top of the Business Section of the agenda.

FINAL ACTION: A motion was made by Renee Franklin and seconded by Harry Hagerty that the agenda be approved as recommended. Motion carried by unanimous vote.

ITEM NO. 3 PUBLIC COMMENT

Chair O'Reilly asked if there were any persons present in the audience wishing to be heard on any item on this agenda.

Speaker:

Dr. Leonard Kreisler spoke regarding his past experience at UMC as Chief of Staff and as a past member of the UMC Foundation. He shared his comments about UMC's fundraising efforts, physician relations and retention, and reimbursement for indigent care. He also expressed his support of Lawrence Barnard being appointed the permanent Chief Executive Officer, in lieu of a national search.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive a presentation on the options for hiring a Chief Executive Officer and a possible Chief Executive Officer recruitment process, and take any appropriate action. *(For possible action)*

DOCUMENT SUBMITTED: "Chief Executive Officer Recruitment"

DISCUSSION: The Board was presented with two primary alternative methods for filling the current Chief Executive Officer vacancy - direct appointment of the Interim CEO or an executive recruitment search. John Espinoza, Chief HR Officer, gave an overview of the process of a national recruitment, including the cost and timeframe involved. At the suggestion of the Chair, this item was tabled, pending the outcome of the discussion of Agenda Item No. 5.

FINAL ACTION: No action taken.

ITEM NO. 5 Appoint Lawrence Barnard as Interim Chief Executive Officer or Chief Executive Officer. *(For possible action)*

DISCUSSION: Chair O'Reilly invited staff members to provide the Board with input as the Board considered appointment of Mr. Barnard to either Interim or permanent Chief

Executive Officer. Comments were received from the following individuals, expressing their support and endorsement of Mr. Barnard as the Chief Executive Officer.

Stephanie Merrill, Chief Financial Officer
Ernie McKinley, Chief Information Officer
Joan Brookhyser, M.D., Chief Medical Officer
Gregg Fusto, R.N., Chief Nursing Officer
Patricia Greaux, Chief Steward, UMC Ancillary Services, SEIU
Gwen Stevens, UMC Vice President, SEIU
Danita Cohen, Executive Director, Strategic Development and Marketing
Dale Carrison, D.O., Chief of Staff
John Espinoza, Chief Human Resources Officer

It was the consensus of the Board that given the support of staff, the current vacancies in the Senior Leadership team, and the proven leadership skills of Mr. Barnard, that he should be considered for appointment as Chief Executive Officer. There was also consensus that there should be a formal agreement that includes performance criteria, and that initially his salary should be commensurate with that of the previous CEO.

FINAL ACTION: A motion was made by Mike Saltman that the Board appoint Lawrence Barnard as Chief Executive Officer.

An amendment to the motion was made by Eileen Raney that the Board appoint Lawrence Barnard as Chief Executive Officer, and that a market salary evaluation be undertaken to then re-evaluate the current salary. Amended motion carried by unanimous vote.

ITEM NO. 6 **Appoint Committee members and chairs, and direct staff accordingly. *(For possible action)***

DISCUSSION: Chair O'Reilly presented a list of proposed Committee members and chairs. As provided by the Governing Bylaws, Committee Members are appointed by the Board, and Committee Chairs are appointed by the Board Chair. Members were reminded that Committees must comply with the Public Meeting Law, regardless of whether the Committee constitutes a quorum of the Board. Chair O'Reilly suggested that Committees schedule their initial meetings in the month of March, and then each Committee can discuss ex-officio committee participation/membership.

Audit & Finance Committee
Eileen Raney, Chair
Jeff Ellis
Harry Hagerty
Mike Saltman
Stephanie Merrill (Staff Liaison)

Strategic Planning Committee
John White, Chair
Jeff Ellis
Eileen Raney
Mike Saltman
Lawrence Barnard (Staff Liaison)

Human Resources and Executive Compensation
Laura Lopez-Hobbs, Chair
Renee Franklin
Harry Hagerty
John Espinoza (Staff Liaison)

Clinical Quality and Professional Affairs Committee
Renee Franklin, Chair
Laura Lopez-Hobbs
John White
Joan Brookhyser, MD (Staff Liaison)

FINAL ACTION: A motion was made by Harry Hagerty that the Board appoint Committee membership as presented. Motion carried by unanimous vote.

ITEM NO. 7 Approve the appointment of a Board Secretary, and direct staff accordingly. ***(For possible action)***

DISCUSSION: No Discussion.

FINAL ACTION: A motion was made by Eileen Raney and seconded by Michael Saltman that the Board appoint Cindy Dwyer as the Board Secretary. Motion carried by unanimous vote.

ITEM NO. 8 Determine future meeting dates and times of the Governing Board through Calendar Year 2014 and direct staff accordingly. ***(For possible action)***

DISCUSSION: The following dates and times for 2014 Governing Board meetings were presented for approval.

March 26, 2:00 p.m.
April 23, 2:00 p.m.
May 28, 2:00 p.m.
June 25, 2:00 p.m.
July 30, 2:00 p.m.
August 27, 2:00 p.m.
September 24, 2:00 p.m.
October 22, 2:00 p.m.
November 19, 2:00 p.m.
December 10, 2:00 p.m.

FINAL ACTION: A motion was made by Renee Franklin to approve the 2014 meeting schedule as presented. Motion carried by unanimous vote.

Chairman O'Reilly called for a brief recess at 4:20 p.m.
The regular meeting of the UMC Governing Board was reconvened at 4:30 p.m.

ITEM NO. 9 Receive an overview on meeting procedures, delegation of power, fiduciary duties of Board Members and other orientation issues and take action and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED: PowerPoint presentation "Governing Board Orientation; Duties of Board Members"

DISCUSSION: Larry Gage gave a presentation on the powers and duties of Board members. Areas of responsibility and duties briefly discussed included duties of oversight, obedience, loyalty, good faith, due care, fiduciary, as well as responsibility for Medicare Conditions of Participation, Joint Commission Standards and patient care.

Chair O'Reilly suggested that future agenda drafts be reviewed by Legal Counsel and Mr. Gage to ensure that these items are adequately addressed by the Board.

FINAL ACTION: None taken.

ITEM NO. 10 Receive a report on the FY 2015 Budget, and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED: PowerPoint presentation "UMC Financial Overview"

DISCUSSION: Stephanie Merrill, CFO, gave a presentation on the FY 2015 Budget, as well as an overview of funds provided by the County over the past three years, to include Intergovernmental Transfers (IGT's) and general fund subsidy.

Mike Saltman requested additional information on the flat $1 million per annum from gaming license fees. Ms. Merrill to provide that information at a later date.

There was discussion about future IGT and subsidies. Ms. Merrill pointed out that the projected County subsidy, unfunded operating loss, and previous allocation for Clark County Social Service payments are currently being discussed with the County Finance staff.

There was discussion regarding the supplemental requests listed in the presentation. Ms. Merrill confirmed that those requests were not for capital items, but rather for mostly one-time, non-revenue, operating requests. The Board requested more specifics on these items so that they could confidently support those requests before the County. Mr. Barnard suggested that these details be provided to the Audit & Finance Committee, which could be scheduled before the next Budget submission deadline.

As the discussion continued, Mr. Barnard suggested that, given the time constraints and time and effort already invested by staff in the preparation of the Operating Budget, perhaps it would be a better use of the Committee's time to focus on next year's Operating Budget supplemental requests. Audit & Finance Committee Chair Raney agreed, and added that the impacts of the Affordable Care Act would also be more apparent next year.

Staff requested to notify Chair O'Reilly and Audit & Finance Committee Chair Raney aware of dates they need to make themselves available to address the budget with the County.

FINAL ACTION: No action taken.

ITEM NO. 11 Receive a report on UMC clinical services and patient population, and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMTITED: PowerPoint presentation "UMC Clinical Services and Patient Population"

DISCUSSION: Lawrence Barnard, CEO, gave a presentation on UMC Clinical Services and Patient Population.

The Board inquired how many of the 541 licensed beds were currently in use. Mr. Barnard responded that number to be in the mid 400's, some not being used due to staffing, and some due to lack of need. At Ms. Raney's request staff will provide the actual statistics at a later date.

Ms. Raney questioned the low volume of Medicare patients. Mr. Barnard acknowledged that even though UMC has contracts with the Medicare managed care providers, we need to make a more concerted effort to market our services to Medicare patients. There is also opportunity to address physician referral of elective admissions to UMC.

Chair O'Reilly requested that staff identify the top ten to twenty issues facing the hospital, so that those issues can be appropriately assigned to the Board Committees.

FINAL ACTION: No action taken.

ITEM NO. 12 Receive a status report on the implementation and orientation plan. *(For possible action)*

DOCUMENT SUBMTITED: "UMC Governing Board Education Checklist (Updated February 27, 2014)"

DISCUSSION: Chair O'Reilly suggested that the outstanding items on the Orientation Checklist be placed on the March agenda. At that time, the Board can determine which of the items might be addressed by the newly appointment Committees, and which could come before the Board on an expedited basis.

FINAL ACTION: No action taken.

ITEM NO. 13 Receive a presentation on Nevada Open Meeting Law from the Office of the Attorney General. _(For possible action)_

DOCUMENT SUBMTITED: PowerPoint presentation "Open Meeting Law and Legislative Amendments"

DISCUSSION: George Taylor, Senior Deputy Attorney General, gave a comprehensive presentation on Nevada Open Meeting Law.

Board members were reminded that if the Committees of this Board are more than mere fact-finding, or if they make recommendations, they are participating in the decision-making process, and therefore are subject to the Open Meeting Laws.

In response to a question posed regarding the confidentiality of compensation issues coming before the Board, Mr. Taylor stated that there is an exemption for compensation of employees covered by Collective Bargaining Agreements, but statute specifically addresses the compensation of public officers as being public information, and therefore not exempt. UMC's Chief Executive Officer serves at the pleasure of the Board and is therefore considered a public officer.

Mr. Taylor explained serial briefings, walking quorums, and constructive quorum. He reminded Board members that private e-mails are subject to subpoena, and to be mindful that although an e-mail may be sent to only one member, the possibility exists that the member may in turn forward to another member, eventually resulting in a rolling quorum. Additionally, as public employees' e-mails are discoverable, Board members' e-mails sent by or received by the public employee may also be discoverable.

FINAL ACTION: No action taken.

ITEM NO. 14 Receive a presentation on the procurement and contract process, and direct staff accordingly. _(For possible action)_

DOCUMENT SUBMTITED: PowerPoint presentation "UMC/Clark County Contracting Process Overview"

DISCUSSION: John Liston, Director of Materials Management, gave an overview of the UMC contracting process.

The Chair inquired about the calendaring process used to manage hospital contracts. Mr. Liston explained that the Contracting Staff tracks the expiration of the Professional Services contracts. For the majority of the contracts, it the responsibility of the Department utilizing the services to notify the Contracts staff of impending contract expirations. Mr. Barnard commented that one of the items in the Capital Budget is a software program to manage the contracts. Chair O'Reilly requested that the Board receive a report at the next meeting regarding various calendaring systems throughout the hospital, i.e., contracts, equipment maintenance, physician services, etc. Once reviewed by the Board, this may be delegated to appropriate committee(s).

There was discussion regarding the inclusion of performance standards in contracts. Since Mr. Liston's arrival nine months ago, he has included performance standards in the contracting process, as appropriate. There was a brief discussion about the current contract with McKesson for the electronic health record implementation. The contract, which was negotiation two to three years ago, does not appear to have adequate language to address the timeliness of the many implementation phases. Given the significance of the McKesson contract and the financial impact on UMC as a result of delayed implementation, Chair O'Reilly requested legal counsel to review the contract and give insight as to whether a Board or Committee discussion is warranted.

FINAL ACTION: No action taken.

ITEM NO. 15 Approve, adopt and authorize the Chairman to sign the Resolution authorizing the Chief Executive Officer to accept donations in the amount not to exceed $25,000 in personal property or in monetary donations for the benefit of UMC. ***(For possible action)***

DOCUMENT SUBMTITED: "Resolution Establishing Delegation of Authority for CEO to Accept Certain Donations"

DISCUSSION: Items No. 15 and No. 16 were taken together. Both Resolutions were in place with the previous CEO and Clark County. As provided in the Resolutions, quarterly reports will be presented to the Board.

FINAL ACTION: A motion was made by Eileen Raney to approve both Resolutions as recommended. Motion carried by unanimous vote.

ITEM NO. 16 Approve, adopt and authorize the Chairman to sign a Resolution Establishing a Delegation of Authority to the Chief Executive Officer to Execute Certain Agreements on Behalf of University Medical Center. ***(For possible action)***

DOCUMENT SUBMTITED: "Resolution Establishing Delegation of Authority for CEO to Execute Certain Agreements"

DISCUSSION: No discussion.

FINAL ACTION: A motion was made by Eileen Raney to approve both Resolutions as recommended. Motion carried by unanimous vote.

SECTION 3. CONSENT AGENDA

Each consent item was taken separately for discussion. Item No. 18 was voted on separately, while items No. 17, 19, 20, 21, 22, and 23 were acted upon in one motion, after discussion.

ITEM NO. 17 Approve an extension for the lease of 1120 Shadow Lane between Shadow Lane Property, LLC and University Medical Center of Southern Nevada; and authorize the Interim Chief Executive Officer to sign the amendment and future amendments. ***(For possible action)***

DOCUMENTS SUBMTITED:
- Amendment #4 to Lease by and between Shadow Lane Property, LLC, and UMC
- Disclosure of Ownership/Principals
- Disclosure of Relationships

DISCUSSION: Mr. Liston clarified that this extension is due to the pending move of Transplant Services to the Delta Point building.

In response to a question from the Chair, Mr. Liston explained that there are tracking forms, as well as a software program, that document various staff reviews of contracts that come before this Board.

FINAL ACTION: A motion was made by John White to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 18 Approve the Lease Agreement for multiple UMC business units with AHP of Nevada, Inc.; and authorize the Interim Chief Executive Officer to sign the agreement. ***(For possible action)***

DOCUMENTS SUBMTITED:
- Lease Agreement between AHP of Nevada, Inc. and UMC
- Disclosure of Ownership/Principals
- Disclosure of Relationships

DISCUSSION: Inquiries from the Board included whether the 3% per year cost of living increase was comparable in the current market, if UMC was given "most favored nation clause", and whether the contract includes a lease purchase option.

Mr. Liston explained that while the cost of living increase may be slightly higher, this building is site-specific to the medical district, which makes it unique, and UMC is getting a full-service agreement, including janitorial services and power. The landlord will absorb all increases in these services. The landlord has agreed to many tenant and capital improvements, including the construction of a new elevator to accommodate patient gurneys, paint, flooring, window improvements, new A/C units, and office build-outs, with includes a patient care area. UMC will be the primary leaser in the building and has first right of refusal for any new tenants. Ms. Miller commented that "most favored nation" clauses are not common in County contracts. Mr. Liston stated that during negotiations he did inquire about a purchase option, but the owner does not wish to sell at this time. UMC does, however, have the first right to purchase should they change their mind about selling. Mr. Liston stated that they have worked closely with the Clark County Real Property Division, as well as legal counsel, throughout the negotiations.

Dr. Carrison, who has been a tenant in this building for 20 years, shared a concern about the A/C Units and the need to make certain the infrastructure is completely covered by the owner. Mr. Liston stated that we have included in the contract that temperatures have to be maintained at a certain temperature 24/7.

Mr. Liston stated that he had previously spoken with the owner about UMC staff monitoring the improvements, and they were in agreement. A suggestion was made by Mr. Saltman that UMC engage an outside party to monitor improvements and have control over sub-contractor selection and approval. Ms. Miller cautioned that there are additional requirements and complications when a government entity has involvement with sub-contractors making improvements on a privately-owned property. She further suggested that it is generally more cost-effective and timely to utilize private work, rather than public work.

In light of the above discussions, it was the consensus of the Board to move for approval of the lease agreement as recommended, subject to the inclusion of a purchase option at a specific price, and with the provision to monitor and oversee to the satisfaction of UMC subcontract work being done. Ms. Miller was concerned about the direction for a purchase option. She explained that market value negotiation would probably not be possible in the required time frame. Mr. Liston added that timeliness of approval of this contract would affect other lease extensions for the various hospital departments planning to relocate to the Delta Point building.

FINAL ACTION: A motion was made by Michael Saltman to approve the lease agreement as recommended, subject to the inclusion of a term that tenant improvements are to be to the reasonable satisfaction of the tenant and to the extent possible, the inclusion of a purchase option. Motion carried by unanimous vote.

ITEM NO. 19 Approve the Buckle Up for Life Sub award Agreement between Cincinnati Children's Hospital Medical Center and University Medical Center of Southern Nevada; and authorize the Interim Chief Executive Officer to sign the agreement. *(For possible action)*

DOCUMENTS SUBMTITED:
- Sub-award agreement between Cincinnati's Children's Hospital and UMC
- Disclosure of Ownership/Principals

DISCUSSION: Mr. Barnard assured the Board that in addition to community outreach, this will be included in our hospital marketing plan.

FINAL ACTION: A motion was made by John White to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 20 Approve Amendment One to Agreement for Physician Medical Directorship and Physician Professional Services for Nephrology Services between Bernstein, Pokroy & Lehrner, Ltd. d/b/a Kidney Specialists of Southern Nevada and University Medical Center of Southern Nevada; and authorize the Interim Chief Executive Officer to sign the amendment. *(For possible action)*

DOCUMENTS SUBMTITED:
- Amendment One to Agreement for Physician Medical Directorship and Physician Professional Services for Nephrology Services between Kidney Specialists of Southern Nevada and UMC
- Disclosure of Ownership/Principals
- Disclosure of Relationships

DISCUSSION: No discussion

FINAL ACTION: A motion was made by John White to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 21 Approve the Purchase Order to Hill-Rom, Inc. for Hospital Beds; and authorize the Interim Chief Executive Officer to sign the agreement. *(For possible action)*

DOCUMENTS SUBMTITED:
- Hill-Rom Proposal
- Novations GPO Affidavit

DISCUSSION: No discussion.

FINAL ACTION: A motion was made by John White to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 22 Ratify an Amendment for Clinical Trial Consulting Services between Huron Consulting Services, LLC and University Medical Center of Southern Nevada; and authorize the Interim Chief Executive Officer to sign the amendment. *(For possible action)*

DOCUMENTS SUBMTITED:
- Amendment to contract between Huron Consulting Services, LLC and UMC
- Disclosure of Ownership/Principals
- Disclosure of Relationships

DISCUSSION: Mr. Barnard clarified that this contract provides for temporary staffing while we recruit permanent staff, as well as consulting to ensure compliance with our clinical trials program.

FINAL ACTION: A motion was made by John White to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 23 **Approve the OptiFreight Services Agreement between Cardinal Health 200, LLC and University Medical Center of Southern Nevada; and authorize the Interim Chief Executive Officer to sign the agreement.** ***(For possible action)***

DOCUMENT SUBMTITED:
- Agreement between Cardinal Health 200, LLC and UMC
- Disclosure of Ownership/Principals
- Disclosure of Relationships

DISCUSSION: No discussion.

FINAL ACTION: A motion was made by John White to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 24: **That the Governing Board identify emerging issues to be addressed by staff or by the Board at future meetings; and direct staff accordingly.** ***(For possible action)***

- Harry Hagerty requested an agenda item to update the Board on the dashboard previously established to measure metrics throughout the institution. In the absence of the previous dashboard, he requested that the Board be updated on goals and metrics in progress to ensure compliance and progress.
- Chair O'Reilly requested that the Human Resources & Executive Compensation Committee work with the Deputy District Attorney to consider a title change for the Chief Executive Officer, and keep the Chair informed.

COMMENTS BY THE GENERAL PUBLIC:

At this time, Chair O'Reilly asked if there were any persons present in the audience wishing to be heard on any items not listed on the posted agenda.

SPEAKERS(S): None

There being no further business to come before the Board at this time, at the hour of 6:26 p.m., Chairman O'Reilly adjourned the meeting.

APPROVED:

John F. O'Reilly

John O'Reilly, Chairman

ATTEST:

Cindy Dwyer

Cindy Dwyer, Board Secretary