University Medical Center of Southern Nevada
Governing Board
July 30, 2014

UMC Emerald Room
901 Rancho Lane, Suite 180
Las Vegas, Clark County, Nevada
Wednesday, July 30, 2014
2:00 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 Wednesday, July 30, 2014, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:03 p.m. by Chair 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
Renee Franklin
Harry Hagerty
Laura Lopez-Hobbs
Donald Mackay, M.D.
Eileen Raney, Vice Chair (by teleconference)
Michael Saltman (by teleconference)

Absent:
Jeff Ellis (Excused)
John White (Excused)

Also Present:
Lawrence Barnard, Chief Executive Officer
Dale Carrison, D.O., Chief of Staff
Tom Schwenk, M.D., Dean, University of Nevada School of Medicine
Barbara Atkinson, M.D, Planning Dean, UNLV
Lisa Logsdon, Deputy District Attorney
Cindy Dwyer, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 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(s): None

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board on June 25, 2014. *(Available at University Medical Center, Administrative Office)* [For possible action]

FINAL ACTION: A motion was made by Donald Mackay that the minutes be approved as recommended. Motion carried by unanimous vote.

ITEM NO. 3 Approval of Agenda [For possible action]

FINAL ACTION: A motion was made by Renee Franklin that the agenda be approved as presented. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive a report from the Governing Board Audit and Finance Committee; and take any action deemed appropriate. [For possible action]

DOCUMENT SUBMITTED: Management Discussion & Analysis, May FY 2014 Financials

DISCUSSION: Committee Chair Eileen Raney gave an overview of the July 17, 2014 meeting of the Audit and Finance Committee.

- Innovative Health Strategies (IHS) has been engaged and on-site for assessment of the McKesson implementation. The Audit & Finance Committee members were interviewed individually to share their concerns. The final report will be reviewed at the next Committee meeting, and subsequently to this Board. It is likely that the hospital will require third-party assistance to correct issues and complete the implementation. At the suggestion of the IHS, staff is establishing a steering committee for long-term strategic planning of the hospital's health information system.

- The Committee received a report on what other hospitals are doing nation-wide with the 1115 Medicaid waiver opportunities. There is a lot of differentiation and variation in their approaches. The next step will be a full analysis by management of the waiver program and matching it with opportunities to control our Medicaid population health or increase our coordination with other providers. Management and the Strategic Planning Committee will work together to determine what path should be taken, and take further action as deemed appropriate.

- In follow-up to recent audits, a work group has been formed for implant device tracking, including investigation of automated approaches. Additionally the Revenue Cycle team is working on charge capture. The Committee Chair has advised the Audit Staff of the Committee's interest in re-auditing these two areas. The Audit Department does not want to disclose the audit plan in advance, or to make it public. Additionally, the Committee has concerns about staffing of the Audit Department, and wants to work with management to budget for additional staff.

A lengthy discussion ensued among Board members and staff regarding the adequacy of staffing and the reporting structure of the Internal Audit and Corporate Compliance Department. Ms. Gill reported that she has the latitude to go directly to the Board with any concerns or issues , but she reports to the Clark County Internal Audit Director, who in turn reports directly to the County Manager. Ms. Gill will be sending a questionnaire next week to the Board members to assess all risk areas in order to better tailor and drive the hospital compliance and internal audit programs and plans. She shard concerns that publishing the Audit Plan in advance can affect the independence and results of audits. Committee Chair Raney stated that a consultant report five years ago identified that the Department was understaffed. She suggested that perhaps our current auditor could assist with benchmarks for staffing in similar organizations. Mr. Barnard cautioned that the hospital is experiencing budget challenges, and must prioritize staffing needs house-wide.

- The Committee has recently focused on third party payer agreements. There are two such agreements for approval on today's agenda, with more to come in the near future.

- Stephanie Merrill, CFO, provided the Management Discussion & Analysis, for May FY 2014 Financials.

  Committee Chair Raney commented that next month the Board will receive a year-end report with comparisons to the previous fiscal year. In response to a request for future comparison to other local hospitals in terms of volume, Mr. Barnard stated that the new Crimson program will provide the opportunity to see referral changes and volume in a more timely fashion.

  Board Member Donald Mackay shared information he recently acquired regarding Medicaid enrollment. While every other Nevada county provides fee-for-service Medicaid for new enrollees, Medicaid recipients in Washoe and Clark County are enrolled in Managed Care Medicaid, which do not generally cover costs.

FINAL ACTION: No action taken.

ITEM NO. 5 Receive a report from the Governing Board Human Resources and Executive Compensation Committee; and take any action deemed appropriate. [For possible action]

DISCUSSION: Committee Chair Laura Lopez-Hobbs gave an overview of the July 22, 2014 meeting of the Human Resources and Executive Compensation Committee.

- The compensation market survey is now underway. It is anticipated to take about 9 weeks to gather and analyze all the data, with CEO compensation piece expected within in first two weeks of the survey.

- The Committee has been educated on collective bargaining at UMC. The Committee requested additional information on employee turnover by age band, turnover before vesting in the pension program, and a schedule of salary increase/decrease over the past several years.

- The Committee received a report on the recruitment challenges for key positions in the hospital, and the difficulties experienced in recruitment in general.

- The Committee will continue to receive information on staff pay and benefits, to better understand recruitment and retention issues.

- The six month report on Committee accomplishments and goals was briefly discussed.

FINAL ACTION: No action taken.

ITEM NO. 6 Receive a report from the Governing Board Clinical Quality and Professional Affairs Committee; and take any action deemed appropriate. [For possible action]

DISCUSSION: Committee Chair Renee Franklin gave an overview of the July 24, 2014 meeting of the Clinical Quality and Professional Affairs Committee.

- The Committee received a presentation from Ron Roehmer, Director of Clinical Trials Department. He explained clinical trials and how that can affect hospital reimbursement. The Committee will continue dialogue with Mr. Roehmer to better understand clinical trials from a patient care and quality standpoint, as well as a reimbursement standpoint.

- The Committee also received a presentation from Vidya Ramanan, Director of Social Services, to help the Committee understand how Social Services impacts the care of our patients, and specifically ensuring appropriate discharge to avoid readmissions, which affects our reimbursement.

- Dr. Carrison gave a presentation on the professional aspect of the Committee's responsibilities. He led a discussion about how quality and professional affairs mesh together, and reminded the Committee about the fair hearing process, as well as the culture that we're trying to develop and how we can engage physicians to want to bring their patients to UMC and to provide the best care possible. There will be future Committee discussions on physician and patient satisfaction.

- The Committee discussed the quality metrics dashboard, and gave direction to staff on what they would like the next reiteration to look like. This will be an ongoing discussion.

FINAL ACTION: No action taken.

ITEM NO. 7 Receive an update from the Hospital CEO; and direct staff accordingly. [For possible action]

DISCUSSION: Lawrence Barnard, Chief Executive Officer, provided the following updates.

- The Joint Commission is currently on site for the hospital's Triennial survey. There are five surveyors here for the week, with the entire hospital staff involved and engaged.

- There are been several successful recruitments in management, including Associate Chief Nursing Officer, Director of Cardiology, and Director for Medical/Surgical Nursing.

- The hospital continues to experience problems with emergency specialty call in the community, which results in transfers to UMC's Emergency Department. Several hospitals in the community don't have specialty emergency coverage in the evenings and on the weekends, although they have those specialists on staff. The County requested the Legislature to address this problem at the last session, and will do so again the next session. In the past, the State has agreed to "monitor" the situation, but it continues to be a problem for UMC. Urology is the biggest problem, and Mr. Barnard is now requiring a CEO to CEO call to transfer urology patients to UMC. Staff will be gathering data to prepare for the upcoming legislative session.

ITEM NO. 8 Receive a presentation on Corporate Compliance for Healthcare Leaders; and direct staff accordingly. [For possible action]

DOCUMENT SUBMITTED:
- Department of Justice Press Release, 2002
- OIG Video (https://www.youtube.com/watch?v=fndbDclELds)

DISCUSSION: Rani Gill, Corporate Compliance Officer, provided information on the Board's role in corporate compliance. Compliance is an umbrella of risk mitigation that allows the hospital to continue to function and participate in government programs. Non-compliance can result in fines, criminal charges or complete exclusion from the Medicare program. She reminded Board members that in 2002 UMC was fined over $1 million and placed on a three year corporate integrity agreement for a coding issue.

The Committee viewed a video from the Office of the Inspector General, regarding the role of healthcare boards, including compliance oversight, structuring compliance program, and evaluating effectiveness of compliance standards and processes. Ms. Gill will be sending the Board members quarterly updates and metrics, identifying any major compliance or privacy or compliance issues. She is available to discuss specific issues with Board members on an individual basis. With her first update she will include an overview of the UMC compliance program, the federal requirements and how we meet those requirements.

There was discussion about contracts, as they relate to compliance. Ms. Rani stated that the Compliance staff is involved in the contract process to ensure compliance with all federal mandates. At the request of the Chair, the existing contract tracking form will incorporate review/confirmation for compliance. The Chair also requested the District Attorney's Office review standard wording in contracts in reference to compliance on behalf of the vendor.

In response to an inquiry from the Chair, Ms. Gill indicated that as the Corporate Compliance Officer, she has the latitude to go directly to the Governing Board with compliance issues. She works directly with the Hospital CFO, but reports administratively to the County Internal Audit Director. At a future meeting meeting, the Chair would like to further discuss the reporting structure of the Corporate Compliance Officer and the frequency of compliance reports at the Board meetings.

Board Member Michael Saltman left meeting via teleconference at 3:05 p.m.

FINAL ACTION: No action taken.

ITEM NO. 9 Receive a presentation on the Board's role in Risk Management; and direct staff accordingly. [For possible action]

DOCUMENT SUBMITTED: UMCSN Risk Management (PowerPoint)

DISCUSSION: Shaunda Phillips, Director of Risk Management, gave a presentation of the Hospital's Risk Management program. She shared the purpose of the program, described UMC's enterprise-wise approach to protect the hospital's financial assets and reputation, how risks are identified, proactive and retrospective mitigation initiatives, responsibility for reporting events, and malpractice claims. She summarized that it is important to recognize that sometimes people make mistakes, and that healthcare is a challenging business, but how the hospital and Board manage those events and respond to them are integral to our success.

Mr. Barnard commented that the Risk Management Department works very closely with the Quality/Safety Department and Corporate Compliance Department. When untoward events happen that have the potential to lead to litigation, physicians and staff meet with families to discuss the incident, as well as steps taken to mitigate risk and ensure it doesn't happen again.

Dean Schwenk shared his experience in Michigan with the "I'm Sorry Law". Ms. Phillips recently came from Michigan and is also familiar with that law.

FINAL ACTION: No action taken.

ITEM NO. 10 Receive a status report on the implementation and orientation plan; and direct staff accordingly. [For possible action]

DOCUMENT SUBMTITED:
UMC Governing Board Education Checklist (Updated 7/30/14)

DISCUSSION: Lisa Logsdon, Deputy District Attorney has reviewed the Orientation Checklist, and determined that the Board has complied with the orientation requirements. She noted that there are a couple of "ongoing" items, including the Board's self-assessment. Clinical Quality Committee Chair Renee Franklin noted that her Committee will be addressing this issue and ensure that there's a process in place by the end of the year. There were also suggestions that the Board have ongoing education on their monthly agenda, to include education about specific Board responsibilities, as well as monthly presentations from various Department Directors about their departmental activities.

FINAL ACTION: No action taken.

ITEM NO. 11 Adopt changes to the Governing Board Bylaws to have the UMC Chief Executive Officer and the UMC Chief of Staff serve as non-voting ex officio members of the Governing Board and authorize the Chairman to appoint other non-voting ex officio members or take any other action as deemed appropriate. [For possible action]

DOCUMENT SUBMITTED: Bylaws of UMCSN Governing Board

DISCUSSION: The existing ex-officio Board members were appointed by the previous Chief Executive Officer, without an official process in the Governing Board Bylaws. The proposed changes to the Bylaws would include the appointment of the Chief Executive Officer and Chief of Staff as ex-officio members, and would authorize the Board Chair to appoint any additional ex-officio members he deems appropriate.

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

The Chair announced his intent to invite the Dean of the University of Nevada School of Medicine, and the Planning Dean of the University of Nevada Las Vegas School of Medicine as Ex-Officio members of the Board, and will follow-up with letters of appointment.

ITEM NO. 12 Discuss appointing members of the public as voting or non-voting members to the various Standing Committees of the UMC Governing Board and appoint such members of the public to such committees or take other action as deemed appropriate. [For possible action]

DISCUSSION: In accordance with the Governing Board Bylaws, which allow for appointment of both voting and non-voting public members to serve in an advisory capacity to the standing committees, Chair O'Reilly solicited input from the Board members for non-voting members to be appointed to the existing committees. Board Member Harry Hagerty inquired if these public members would be required to complete the same education/orientation requirements completed by other Board members, given that these non-voting members would still be effectively influencing the work of this Board. Ms. Logsdon and staff received direction to gather information regarding practices in other hospitals,

and address any legal orientation issues before appointment. Board members were asked to submit names for consideration to the Board Chair, with a copy to the Board Secretary.

FINAL ACTION: No action taken.

Chair O'Reilly called for a brief recess at 3:34 p.m.
The regular meeting of the UMC Governing Board was reconvened at 3:51 p.m.

ITEM NO. 13 Review the contract awarded by the Hospital Board of Trustees for OB Anesthesia Services, RFP No. 2014-04 to Fielden, Hanson, Isaacs, Miyada, Robison, Yet Ltd., d/b/a Anesthesiology Consultants, Inc.; or take any action as deemed appropriate. [For possible action]

DOCUMENT SUBMITTED:
- Agreement for Physician Services between UMCSN and Anesthesiology Consultants, Inc.
- Disclosure of Ownership
- Disclosure of Relationship

DISCUSSION:
The contract for OB Anesthesia Services was approved by the Hospital Board of Trustees on July 17, 2014. Due to timing, the contract was not reviewed by the Governing Board prior to the Board of Trustees. The Trustees requested that the Governing Board review the contract retrospectively. At this time, Chair O'Reilly asked if there were any persons present in the audience wishing to be heard on this item.

Speaker(s):

Bernardo Tisminezky, MD, commented on his group's experience, qualifications and readiness, and stated that his group submitted the lowest bid, but was not selected.

Rao Yeremsetti, M.D., commented on his group's 24 years of practice at UMC, their references, and their competency. He expressed concern for the selection process, and the lack of UMC experience within the selected group.

Sean Dempsey, Executive Committee Member, ACI, gave a brief introduction of his company, their competency and experience, and offered to answer any questions the Board might have.

Mr. Barnard clarified for the Board members that the RFP process included the Contract Review Committee. Nine physicians participated in the process, which included presentations from all responding groups, deliberation and then a recommendation to contract with ACI.

FINAL ACTION: None taken.

ITEM NO. 14 Recommend to the Clark County Board of Commissioners acting in its capacity as the University Medical Center of Southern Nevada Board of Hospital Trustees to amend Section 3.74.030(10) to increase the delegation of authority from $1 million for physician contracts to $5 million or take other action as deemed appropriate. [For possible action]

DOCUMENT SUBMTITED: Clark County Ordinance No. 4145

DISCUSSION: This agenda item was the result of the Board of Trustees review of Item No. 13 above. Most of the current physician contracts are over $1 million, and must go to the Board of Trustees for approval. This would be a recommended ordinance change to the Board of Trustees.

Doctor Carrison reiterated that the process for physician contracts involves the Contract Review Committee's thorough vetting of RFP responses and eventual recommendation of approval. He welcomed the attendance of Board members to observe the Contract Review Committee meetings for future RFP's.

Chair O'Reilly tabled this item until next month, pending further discussion with the County Manager.

FINAL ACTION: None taken.

ITEM NO. 15 Receive a report from Barbara Atkinson, UNLV Medical School Planning Dean; and direct staff accordingly. [For possible action]

DISCUSSION: Dean Atkinson provided a report on the planning for a School of Medicine at UNLV. UNLV wants to build an Academic Health Center and wants to use UMC as the major hospital in that effort. She reported that she has been meeting with potential partners, and looks forward to working with existing programs in the community. She reviewed the very aggressive timeframes and necessary support of the legislature and the community (in terms of philanthropy) to have 60 students begin in 2017.

The School will be looking for philanthropy to pay for the buildings. The estimated cost per student is about $100,000 per student, which is less than the national average. The State will be asked to support a request to the Legislature for $26 million for the first two years - $7 million the first year, and $19 million the second year. The Brookings Institute estimates the economic impact that the Medical School would have on the the community would be approximately $1.2 billion per year.

Specific to UMC, Dean Atkinson has discussed with Mr. Barnard the programs that would help build quality, excellence and the reputation of the hospital. There was conversation among the Board members about the declining financial support for UMC, and the need for an independent revenue stream for UMC to continue to support the graduate medical education in the community. Without a funding base, the size and number of programs and diverse specialties could suffer.

Dean Schwenk spoke of the impact that a UNLV School of Medicine would have on UNSOM, and their desire to work collaboratively with UNLV and to continue to conduct some of their training at UMC. The two Deans and Mr. Barnard have meetings scheduled to discuss the future of UMC as the graduate medical education training site.

Chair O'Reilly requested an agenda item at the August meeting to discuss a dedicated revenue source and possible legislative request.

FINAL ACTION: None taken.

SECTION 3. CONSENT AGENDA

All matters of this section were considered to be routine and were acted upon in one motion. For all consent items, the action taken was the recommendation of staff and the Audit and Finance Committee as indicated on the items.

ITEM NO 16 Approve Amendment Four to Participating Provider Agreement between AMERIGROUP Nevada, Inc. d/b/a AMERIGROUP Community Care and University Medical Center of Southern Nevada for managed care services; and authorize the Chief Executive Officer to sign the agreement. [For possible action]

DOCUMENTS SUBMITTED:
- Fourth Amendment to Participating Provider Agreement between UMCSN and Amerigroup Nevada, Inc.
- Disclosure of Ownership
- Disclosure of Relationship

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

ITEM NO 17 Approve the new Facility Agreement between Anthem Blue Cross & Blue Shield and University Medical Center of Southern Nevada for managed care services; and authorize the Chief Executive Officer to sign the agreement. [For possible action]

DOCUMENTS SUBMITTED:
- Facility Agreement between UMCSN and Anthem Blue Cross and Blue Shield
- Disclosure of Ownership
- Disclosure of Relationship

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

ITEM NO 18 Approve Amendment Three to Hospital Services Agreement between Teachers Health Trust and University Medical Center of Southern Nevada for

managed care services; and authorize the Chief Executive Officer to sign the agreement. [For possible action]

DOCUMENTS SUBMITTED:
- Third Amendment to the Participating Hospital Agreement between UMCSN and Teachers Health Trust
- Disclosure of Ownership
- Disclosure of Relationship

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

ITEM NO 19 Approve Amendment One to Hearing Screen Agreement between Pokroy Medical Group of Nevada, Ltd, d/b/a Pediatrix Medical Group of Nevada and University Medical Center of Southern Nevada and authorize the Chief Executive Officer to exercise any renewal options; and take action as deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED:
- Amendment One to Hearing Screen Agreement between UMCSN and Pediatrix Medical Group of Nevada
- Disclosure of Ownership
- Disclosure of Relationship

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

ITEM NO 20 Ratify the Agreement between CenturyLink, Inc. and University Medical Center of Southern Nevada for low voltage equipment and cable installation; and authorize the Chief Executive Officer to sign the agreement. [For possible action]

DOCUMENTS SUBMITTED:
- Agreement between UMCSN and CenturyLink
- Disclosure of Ownership

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

ITEM NO 21 Ratify the Letter of Agreement for the Crimson Market Advantage Program between The Advisory Board Company and University Medical Center of Southern Nevada signed by the Chief Executive Officer. [For possible action]

DOCUMENTS SUBMITTED:
- Letter of Agreement between UMCSN and the Advisory Board Company
- Disclosure of Ownership

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

ITEM NO 22 Approve the Patient Specimen Collection Services Agreement for Trauma Services and Emergency Department between Laboratory Corporation of America and University Medical Center of Southern Nevada; and authorize the Chief Executive Officer to sign the agreement. [For possible action]

DOCUMENTS SUBMITTED:
- Patient Specimen Collection Services Agreement between UMCSN and Laboratory Corporation of America
- Disclosure of Ownership

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

ITEM NO 23 Approve Amendment Two to Cooperative Agreement for Clinical Library Services between the Board of Regents of the Nevada System of Higher Education on Behalf of the University of Nevada School of Medicine (UNSOM) and University Medical Center of Southern Nevada and authorize the Chief Executive Officer to exercise any renewal options; and take action as deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED:
- Amendment Two to Cooperative Agreement between UMC and the Board of Regents

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

ITEM NO 24 Ratify the Agreement between the Board of Regents of the Nevada System of Higher Education (NSHE) on behalf of the College of Southern Nevada (CSN) and University Medical Center of Southern Nevada for dental care services; and authorize the Chief Executive Officer to sign the agreement. [For possible action]

DOCUMENTS SUBMITTED:
- Provider Agreement between UMCSN and the Board of Regents
- Disclosure of Ownership
- Disclosure of Relationship

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

ITEM 25: Approve the Settlement Agreement between Sprint PCS Assets, LCC and University Medical Center of Southern Nevada for reimbursement of utilities costs; and authorize the Chief Executive Officer to sign the agreement . [For possible action]

DOCUMENTS SUBMITTED:
- Settlement Agreement and Mutual Release & Utility Agreement between UMCSN and Sprint PCS Assets
- Disclosure of Ownership
- Disclosure of Relationship

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

SECTION 4. EMERGING ISSUES:

ITEM NO. 26 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]

None.

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.

Speaker(s):

Shawn Tsuda, M.D., Bariatric Surgeon and member of UNSOM Faculty, commented on the need for UMC to add robotic surgery technology to attract and maintain quality surgeons and to share cutting-edge technology with residents.

There being no further business to come before the Board at this time, at the hour of 4:53 p.m., Chairman O'Reilly adjourned the meeting.

APPROVED:

John F. O'Reilly, Chairman

ATTEST:

Cindy Dwyer, Board Secretary