University Medical Center of Southern Nevada
Governing Board
November 19, 2014

UMC Emerald Room
901 Rancho Lane, Suite 180
Las Vegas, Clark County, Nevada
Wednesday, November 19, 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, November 19, 2014, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:09 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
Jeff Ellis
Renee Franklin
Harry Hagerty
Laura Lopez-Hobbs
Donald Mackay, M.D.
Eileen Raney
Michael Saltman
John White

Ex-Officio Members:

Present:
Lawrence Barnard, Chief Executive Officer
Dale Carrison, D.O., Chief of Staff
Barbara Atkinson, M.D, Planning Dean, UNLV
Thomas Schwenk, M.D., Dean, University of Nevada School of Medicine

Also Present:
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 October 22, 2014. *(Available at University Medical Center, Administrative Office)* [For possible action]

FINAL ACTION: A motion was made by Laura Lopez-Hobbs that the minutes be approved as recommended. Motion carried by unanimous vote.

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

Lisa Logsdon read a change into the record for Item No. 11. For the Agenda item's fiscal impact, it should read "Estimated cost to cover UMC employees for 2015 is *$7,100,000*", not *$9,035,674*.

Item No. 10 was taken out of order, following Item No. 6.

FINAL ACTION: A motion was made by Michael Saltman that the agenda be approved with the above changes. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 That the Governing Board review and recommend that the Clark County Board of County Commissioners approve the MOU with Board of Regents of the Nevada System of Higher Education (NSHE) and University of Nevada, Las Vegas (UNLV) for the continued collaboration and planning of coordinated facilities for the needs of the community. [For possible action]

DOCUMENTS SUBMITTED:
- Board of Clark County Commissioners and Board of Regents of the Nevada System of Higher Education Memorandum of Understanding

DISCUSSION: Marcia Turner, Vice Chancellor, Health Sciences, Nevada System of Higher Education (NSHE), gave an overview of the Memorandum of Understanding (MOU) between the Board of Clark County Commissioners and the Board of Regents of NSHE. The MOU would reserve the County-owned land at 625 Shadow Lane, for the collaborative planning between Clark County, UMC, NSHE and UNLV for facilities related to academic, clinical and research needs of the parties. Dean Atkinson noted that this central site would be ideal, and they are working with the Las Vegas Medical District Committee for overall long-term planning in this location. They will be considering additional locations as well, i.e., the VA Hospital and Henderson.

At the suggestion of the Chair, Agenda Item No. 5 was heard before voting on this item.

FINAL ACTION: A motion was made by Mike Saltman to recommend approval by the Board of County Commissioners. Motion carried by unanimous vote.

ITEM NO. 5 Receive an update on the University of Nevada School of Medicine and UNLV School of Medicine; and direct staff accordingly. [For possible action]

DOCUMENTS SUBMITTED:
- Community Advisory Board Membership List
- Community Advisory Board Agenda

DISCUSSION: Barbara Atkinson, MD, Planning Dean, UNLV School of Medicine, reported that the UNLV School of Medicine Community Advisory Board has been established. UMC Governing Board Members Harry Hagerty and Renee Franklin, as well as UMC Chief Medical Officer Joan Brookhyser, are representing UMC on the Board. The Board is a very diverse group, representing many different constituencies. The first meeting included introductions, as well as discussion about campus locations, including Las Vegas, North Las Vegas, and Henderson. Dean Atkinson has hired Maureen Schaeffer as her Chief of Staff, and she continues to recruit for a Vice Dean, Senior Associate Dean, and Communications Director. She hopes to have these positions filled by January, and begin the self-study required for accreditation.

Tom Schwenk, MD, Dean, University of Nevada School of Medicine (UNSOM) reported that he, Dean Atkinson and Mr. Barnard continue to discuss the eventual shift in sponsorship of the existing residency programs at UMC, though there are still many "unknowns".

He also reported that after a thorough analysis of the Orthopedic Residency program by Dr. Daubs, the decision was made by the Dean to put the recently accredited program on hold for another year, pending the development of a long term funding plan that would support a more research and academically oriented program. He acknowledged that the decision was made quickly to meet the deadline for the match process. Dean Atkinson voiced support of the Dean's decision, stating that it is a very important program and all efforts should be made to build up the academic staffing over the next 12 months. Chair O'Reilly requested better coordination in the future with UMC and UNLV School of Medicine regarding any future deadlines and decisions that might affect their operations, including the potential loss of programs, to which Dean Schwenk agreed.

FINAL ACTION: No action taken.

ITEM NO. 6 Receive a report from the Audit and Finance Committee; and take any action deemed appropriate. [For possible action]

DISCUSSION: Committee Chair Eileen Raney gave an overview of the November 12, 2014 meeting of the Audit and Finance Committee:

- Innovative Healthcare Solutions has been engaged for the second phase of the McKesson system optimization. Their efforts will be focused on 66 key tasks, and should conclude by the end of January. The Committee will receive monthly updates, which will also be shared with the Board. Chair Raney stated that she plans to hold discussions with the Committee about inclusion of vision statements for future consulting projects.

- Staff continues to look for a consultant to assist with determining the unique type of 1115 Waiver Project that could be implemented at UMC, and how that would coordinate with State's waiver program.

- Phiser Pharmaceuticals has reached a settlement with the State of Nevada for $8 million. The money will be split equally between UMC and UNSOM, and is earmarked for women's healthcare issues. It could take several months for the State Attorney General to work out the details of the settlement, and for UMC to receive the funds.

- The FY 2014 Audited Financials will be presented by BDO Auditors to the Committee at their December meeting.

- The Capital Request and Needs Assessment was discussed by the Committee, and will be addressed by the CFO in Item No. 7.

- An update on Upper Payment Limits (UPL) was discussed by the Committee, and will be addressed by the CFO in Item No. 7.

Chair Raney announced that executive briefings are available for individual Board members who would like to understand the financial forecast for the hospital.

FINAL ACTION: No action taken.

ITEM NO. 7 Receive monthly financial report for September 2014, quarterly trends and capital needs assessment; and direct staff accordingly. [For possible action]

DOCUMENTS SUBMITTED:
- Management Discussion & Analysis; September Financials
- 5 Year Capital Requests
- 5 Year Capital Needs

DISCUSSION: Stephanie Merrill, Chief Financial Officer presented the Management Discussion & Analysis for the September Financials and for the three month period ending September 30th. Resulting explanations and discussions included the following:

September Financials:

- The operating deficit is over budget. One of the factors contributing to both the deficit and the net revenue coming in under budget, is that the $30 million UPL was built into the budget at $4.5 million per month, though we've not yet received payment. The County has submitted their IGT payment and the State has approved the payment, but we are awaiting approval by CMS. All indications are that by the end of the calendar year we'll know for sure.

- The Payor Mix has seen a downward trend in the Self-Pay category, an increase in the Medicaid category, and a leveling off of the Pending Medicaid category. There was discussion about the Self-Pay Category, which is about half of what it was a year ago. Ms. Merrill explained that the biggest impact on the Self-Pay category was the expansion of Medicaid which moved a large number of patients out of the Self-Pay category, as well as a number of previously uninsured individuals purchasing health insurance from the Insurance Exchange. The Board requested an analysis of the Self-Pay category, including the number of "purposely uninsured" vs. true charity care, as well as net revenue vs. gross revenue to see what percentage of charges is being collected.

Year Over Year Comparison:

- For the year over year quarterly comparison, Adjusted Patient Days (APD) are down from last year, net revenue is less than budget, expenses per APD are growing, and the net operating deficit continues to grow. Ms. Merrill emphasized that neither the UPL payment, nor the expense reductions related to service closures in October are reflected in the current quarterly comparison. Staff does not anticipate that this quarter is indicative of the next three quarters.

- All categories of expenses increased on APD basis, except for supplies. Staff has worked very hard over the past couple of years to reduce supply expense. Additional expense reductions will be demonstrated in future months due to recent service reductions.

- The average length of stay is up slightly and the Medicare case mix is up, which has a positive effect on our reimbursement. Ms. Merrill stated that staff is working with physicians to improve documentation, which will positively affect reimbursement. Dr. Carrison noted that the acuity of patients seen in the ED has increased.

- For future financial reports, staff was requested to label the quarterly comparison slides with the specific time frame.

Capital Requests/Needs:

- Ms. Merrill reviewed the Capital Requests and Needs for the next five years. Committee Chair Raney pointed out that the $152 million five-year capital needs does not include any expansion of services or programs, or facility improvements. Until there is a facility master plan and strategic plan, it is difficult to anticipate those needs.

- Staff will be prioritizing the capital requests identified by departments, in preparation for any additional capital funding that becomes available.

- There was discussion about the County's limited capital funding and the need to pursue a dedicated funding source. It was noted that planning capital more than a couple of years out requires a strategic plan. The Chair encouraged Staff to expedite the strategic plan, in an effort to consider all future capital needs for the next five years. He suggested that the timing of the UNLV School of Medicine should be considered in the future capital needs.

FINAL ACTION: None taken.

ITEM NO. 8 Receive an update from the Hospital CEO; and direct staff accordingly. [For possible action]

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

- The Heroes Challenge Blood Drive, a friendly competition between UMC, LMVPD and Clark County Fire, will be at UMC on December 3rd.

- The Crimson Program should go live within the next few weeks, and will provide a better analysis of physician referring and performing patterns going forward.

- Staff is awaiting a response from the Lied Foundation regarding future use of Lied Pinto Lane building.

- The hospital had a successful drill yesterday to test its preparedness for Ebola or any other major infectious disease outbreak.

- The Annual March of Dimes Nurse of Year Event was held earlier this month. Out of 20 possible categories, UMC nurses received 7 awards, and 6 runners-up.

- Andrew Chung was introduced as the new Associate Administrator, with a major focus on Ambulatory Care.

FINAL ACTION: None taken.

ITEM NO. 9 Receive an overview of emergency services at UMC; and direct staff accordingly. [For possible action]

DOCUMENT SUBMITTED:
- UMCSN Emergency Services PowerPoint Presentation
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DISCUSSION: Catherine (Katie) Ryan, RN, Emergency Services Director, provided an overview of emergency services at UMC, including the departments success, challenges and plans for 2015.

There was a discussion about the undocumented patients that are routinely dialyzed for their chronic condition in the Adult Emergency Department. The process of placing these chronic dialysis patients in outpatient dialysis center, with the assistance of State Medicaid emergency funding, has recently been halted due to their inability to get a permanent shunt placed for access. Mr.

Barnard acknowledged that they will be addressing this new requirement with the State.

FINAL ACTION: None taken.

ITEM NO. 10 Approve the settlement in the matter of Alfredo Arriaga, and authorize the Chief Executive Officer to execute the necessary settlement documents. [For possible action]

DOCUMENT SUBMITTED:
- Settlement Agreement and Release of All Claims between Alfredo Arriaga and UMCSN

DISCUSSION: Mr. Barnard presented a $4,500 out-of-court settlement for damages in a liability claim. It was recommended that future settlements within the Board's authority be taken first to the Audit & Finance Committee for their review and recommendation to be placed on the Consent Agenda for the Governing Board's final approval.

FINAL ACTION: A motion was made by Eileen Raney for approval. Motion carried by unanimous vote.

ITEM NO. 11 Review and recommend for approval by the Board of Hospital Trustee the Amendment to Group Enrollment Agreement between University Medical Center of Southern Nevada and Health Plan of Nevada, Inc. to provide health care coverage to UMC employees, retirees and dependents through a Health Maintenance Organization; and authorize the Chief Executive Officer to sign the amendment. [For possible action]

DOCUMENTS SUBMITTED:
- Amendment to Group Enrollment Agreement between Health Plan of Nevada, Inc. and UMCSN
- Clark County Employees Group Evidence of Coverage

DISCUSSION: This amendment would grant a one year extension to the current Agreement that allows UMC employees and their families to have access to HPN as one of the Hospital's health care coverage providers. This Amendment is contingent upon UMC facilities remaining as a contracted provider in the HPN network for the duration of the agreement. Staff explained that if managed care negotiations with HPN were unsuccessful, then another UMC contracted HMO would be considered for employee health care coverage.

FINAL ACTION: A motion was made by Harry Hagerty to recommend approval of the amendment by the Board of Hospital Trustees. Motion carried by unanimous vote.

SECTION 3: CONSENT ITEMS

All matters of this section were considered to be routine and were acted upon in one motion. The action taken on Items 12-18 were the recommendation of the Audit and Finance Committee.

ITEM NO. 12 Approve the Eleventh Amendment to Hospital Participation Agreement between Nevada Preferred Healthcare Providers and University Medical Center of Southern Nevada; and take action as deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED:
- Eleventh Amendment to Hospital Participation Agreement
- Disclosure of Ownership

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

ITEM NO. 13 Approve the Sixth Amendment to PHCS Participating Provider Agreement between MultiPlan, Inc. and University Medical Center of Southern Nevada; and take action as deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED:
- Sixth Amendment of PHCS Participating Provider Agreement
- Disclosure of Ownership

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

ITEM NO. 14 Approve the Clinical Affiliation Agreement with The Board of Regents of the Nevada System of Higher Education on behalf of the College of Southern Nevada and authorize the Chief Executive Officer to sign future amendments; and take action as deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED:
- Clinical Affiliation Agreement

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

ITEM NO. 15 Approve the Microsoft Enterprise Software Enrollment Agreement Renewal and change of Large Account Reseller (LAR) to En Pointe Technologies, an authorized Microsoft Reseller, and authorize the CEO to sign agreements. [For possible action]

DOCUMENTS SUBMITTED:
- Microsoft Enterprise Enrollment
- Microsoft Enterprise Enrollment Unexpired SA Amendment ID M 71
- Previous Enrollment(s)/Agreement(s) Form
- Enterprise Enrollment Product Selection Form
- Program Signature Form

- En Pointe Technologies Quote
- Disclosure of Ownership
- Disclosure of Relationship

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

ITEM NO. 16 Approve the Sales, License and Service Agreement between Intuitive Surgical, Inc. and University Medical Center of Southern Nevada to purchase the da Vinci Xi System; and take action as deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED:
- Sales, License and Service Agreement
- Disclosure of Ownership
- Disclosure of Relationship
- DaVinci Economic Analysis

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

ITEM NO. 17 Approve Amendment One to Contract for Medical Coders between Maxim Healthcare Services, Inc. d/b/a Maxim Health Information Services and University Medical Center of Southern Nevada; and take action as deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED:
- Amendment One to Contract for Medical Coders

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

ITEM NO. 18 Approve the Clinical Affiliation Agreement for Nurse Practitioner and Dietetic Intern Programs with The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Reno and authorize the Chief Executive Officer to sign future amendments; and take action as deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED:
- Clinical Affiliation Agreement

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

SECTION 4: ITEMS TAKEN SEPARATELY FROM CONSENT AGENDA

None

SECTION 5: EMERGING ISSUES

ITEM NO. 19 Identify emerging issues to be addressed by staff or by the Board at future meetings; and direct staff accordingly. [For possible action]

The Chair requested that the Governing Board Committees discuss their accomplishments and discuss their areas for focus in the coming year, and report to the Board next month.

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): None

There being no further business to come before the Board at this time, at the hour of 4:15 p.m., Chairman O'Reilly adjourned the meeting.

APPROVED:

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John F. O'Reilly, Chairman

ATTEST:

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Cindy Dwyer, Board Secretary