University Medical Center of Southern Nevada
Governing Board
September 24, 2014

UMC Emerald Room
901 Rancho Lane, Suite 180
Las Vegas, Clark County, Nevada
Wednesday, September 24, 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, September 24, 2014, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:05 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, Vice Chair
Michael Saltman

Absent:
John White (Excused)

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:
Mary-Anne Miller, County Counsel
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 August 27, 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]

FINAL ACTION: A motion was made by Michael Saltman 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 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 September 23, 2014 meeting of the Human Resources and Executive Compensation Committee. The Committee met to review two items, which are on today's meeting agenda, as Items No. 13 and 14. The Committee reviewed and discussed the collective bargaining agreement between UMC and SEIU Local 1107, and recommended that the Governing Board approve and recommend ratification of the agreement by the Board of Hospital Trustees. The Committee also recommended that the Governing Board approve the same salary increases granted to the SEIU employees, to non-management employees not covered by other collective bargaining agreements.

FINAL ACTION: No action taken.

ITEM NO. 5 Receive a report from the Governing Audit and Finance Committee; and take any action deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED:
- Management Discussion & Analysis (Preliminary); June FY 2014 Financials (PowerPoint presentation)
- Clark County Capital Requests – Summary Form

DISCUSSION: Committee Chair Eileen Raney gave an overview of the September 11, 2014 meeting of the Audit and Finance Committee.

- The Committee reviewed the results of an internal audit of the Two Midnight Rule, a new rule instituted by Medicare that requires attending physicians to attest to the fact that patients are in for two midnights, in order to be

considered an inpatient stay. Because of the relatively new implementation of this rule, as well as the complexities of attending vs. hospitalist physicians, the error rate was high. Staff has put new procedures into affect to address documentation by attending physicians whose signatures are required within a tight timeframe. The Committee was satisfied that there was sufficient change of process to address the issue, but there will be a re-audit in six months to assess effectiveness of the process changes. There is a general protess to this rule nation-wide, and it is possible that it could be rescinded or modified, but in the interim we must comply.

- The Committee received an update on managed care contracts. Almost all of the top third-party payers will be subject to renegotiations within the next 6-12 months. One contract has been finalized and many others are currently being negotiated. The newly created analytics team is looking at the profitability of contracts to assist in negotiating appropriate reimbursement.

- The Committee received a report on the hospital's liability insurance coverage. The Committee will be receiving additional information, pending coordination with County to understand any overlaps of coverage.

- The Committee received an overview of the findings of Innovative Healthcare Solutions' report on the McKesson implementation.

  Mason Van Houweling, Chief Operating Officer, provided the same report today for the Governing Board. Mr. VanHouweling stated that the IHS final report included 222 observations, findings and recommendations. The overall report did not focus on the application itself, but rather on education and training of staff, and having a full understanding of the capability and functionality of the McKesson system. Staff has had success in addressing some of the quick fixes already, including the establishment of an IT strategic committee tasked with setting priorities and focus. Where appropriate, we will ask IHS to develop a scope of work and associated costs, which would come before this board.

- The Committee received a report on the June 2014 financials, as well as year-over-year comparisons for fiscal year end.

  Stephanie Merrill, CFO, provided that same report today for the Governing Board. Ms. Merrill presented the Management Discussion & Analysis for the June FY 2014 financials and fiscal year comparison. Of particular note, Net Revenue is below budget by $16.9 million; YTD net deficit of $77.1 million ($39.7 million over budget). The $86.8 million difference over the prior year is attributable to several factors, including $23.1 reduction in UPL, $19.1 million reduction due to volume decrease, $11.4 million related to price decreases because of Medicare bundling changes and lower level of acuity, $7.5 million due to changeover from Clark County Social Services to Medicaid, and $2.7 million decrease in DSH payments. With the exception of patient volume, most of these decreases were out of our control.

In conclusion, the impact of the Affordable Care Act was unpredictable and significant, impacting reimbursement and volume. Although expenses were reduced in line with the reduction in the County subsidy, expenses were not reduced in line with the shift in volume and patient days. Going forward, in addition to the monthly and year-to-date Management Discussion & Analysis, a quarterly "snapshot" analysis will be provided to identify potential trends that need to be addressed.

FINAL ACTION: No action taken.

ITEM NO. 6 Appoint Donald Mackay as a voting member of the Audit and Finance Committee; and take other action as deemed appropriate. [For possible action]

DISCUSSION: Board Member Donald Mackay has expressed interest in serving as a member of the Audit and Finance Committee, bringing his clinical expertise to the Committee.

FINAL ACTION: A motion was made by Michael Saltman that Donald Mackay be appointed as a voting member of the Audit and Finance Committee. Motion carried as follows:

Voting Aye:	Jeff Ellis, Renee Franklin, Harry Hagerty, Laura Lopez-Hobbs, John O'Reilly, Eileen Raney, Michael Saltman
Voting Nay:	None
Abstained:	Donald Mackay
Absent:	John White

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

DISCUSSION: Mr. Barnard provided the following operational updates:
- The grant-funded Labor & Delivery remodel will begin September 29th
- The contracted management team for Food Services (Morrison) recently provided capital to remodel the cafeteria.
- The Information Technology Department has moved into the Delta Point facility. Build-out construction was paid for by the owner of the building.
- Clark County has allocated $3.2 million in critical capital for UMC.
- Some critical management positions were recently filled, including Radiology Manager, Neonatal ICU Clinical Manager, and Surgery Business Manager.

FINAL ACTION: No action taken.

ITEM NO. 8 Review and discuss potential Board meeting dates for remainder of calendar year 2014 and 2015; and direct staff accordingly. [For possible action]

DISCUSSION: Potential Board meeting dates for 2015 were distributed. Board members were encouraged to review the dates and advise the Board Secretary of any potential conflicts so the meeting dates can be confirmed.

FINAL ACTION: No action taken.

ITEM NO. 9 Receive a report summarizing the findings of Innovative Health Systems related to the implementation of enterprise-wide IT systems; and direct staff accordingly. [For possible action]

DISCUSSION: Report given under Agenda Item No. 5, Audit & Finance Committee.

FINAL ACTION: No action taken.

ITEM NO. 10 Discuss a bill draft request to the Legislature regarding dedicated funding opportunities for UMC; and direct staff accordingly. [For possible action]

DISCUSSION: Chair O'Reilly reported that the Legislative Counsel Bureau has requested the language for the placeholder BDR within the next few days. This new timeframe, coupled with the fact that there are no funding sources at the County or State level, nor is there an appetite for raising taxes, led to a recent meeting with the Chair, the CEO and the County Manager about other options to be explored. They are suggesting to this Board and to the Board of Hospital Trustees that two items be pursued in the short term to support UMC, and that these items be addressed in the placeholder BDR to start the political discussion. The first option is to work with the State to utilize UPL matching funds to the fullest extent possible. The second option would be an increase in Medicaid rates for target services, which would allow the hospital to discharge patients more timely to long-term care and mental health facilities. Nevada's Medicaid reimbursement rates are 49th in the nation. Many facilities are unwilling to accept Medicaid patients in their facilities. Both of these options are State-driven discussions that could affect our bottom-line in the short term.

Mr. Barnard mentioned that staff is currently working on a white paper and campaign to educate lawmakers and the community about the potential impact on the healthcare system, should UMC fail to exist, and what it will cost to keep UMC in the community.

FINAL ACTION: A motion was made by Michael Saltman that while staff continues to explore options for a dedicated revenue stream , that they also proceed with language for a bill draft request (BDR) that would increase UPL and Medicaid reimbursement. Motion carried by unanimous vote.

ITEM NO. 11 Receive an overview of trauma services at UMC; and direct staff accordingly. [For possible action]

DOCUMENT SUBMITTED:
The Making of UMC Trauma Center (PowerPoint presentation)

DISCUSSION: Melody Talbott, Assistant Chief Nursing Officer, provided an overview of UMC's Trauma Center. She provided a brief history, defined trauma

care, explained the State's trauma system, discussed defining characteristics of our Trauma Center, and the impact of the Trauma Center.

FINAL ACTION: No action taken.

ITEM NO. 12 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]

DISCUSSION: Mr. Barnard explained that most of the current physician contracts are in excess of $1 million, requiring final approval by the Board of Hospital Trustees. This proposed change to the ordinance arose out of the recent need to have emergency approval by the Board of Trustees for a physician contract. This resulted in feedback from Trustees, inquiring if the Governing Board had requested a change in the delegation of authority for such contracts. If approved by the Board of Hospital Trustees, this would increase the Governing Board's authority to approve professional contracts from $1 million to $5 million.

FINAL ACTION: A motion was made by Eileen Raney to approve and recommend the Board of Hospital Trustees amend the ordinance as recommended by staff. Motion carried by unanimous vote.

ITEM NO. 13 Approve and recommend ratification by the Board of Hospital Trustees the collective bargaining agreement between UMC and SEIU Local 1107. [For possible action]

DOCUMENTS SUBMITTED:
- Attachment I – Amended Articles
- Attachment II – New and Deleted Language
- Collective Bargaining Agreement with proposed changes highlighted

Deputy District Attorney Lisa Logsdon clarified for the record that the Collective Bargaining Agreement submitted as back-up documentation lists the effective date as September 1, 2014. The effective date will actually be October 7, 2014, the date the Agreement will go before the Hospital Board of Trustees for ratification.

John Espinoza, Chief HR Officer, gave a brief background on the collective bargaining agreement, leading up to today's agenda item. He noted that negotiations between the Hospital and SEIU began in June 2013, Union membership ratified the agreement in January 2014, and the agreement was rejected by the Hospital Board of Trustees in February 2014, specific to the provisions related to Salary and Longevity. Those two Articles were committed to an Arbitrator for binding fact-finding. In September 2014, the Arbitrator decided in favor of the Union. Per ordinance, the agreement comes before the Governing Board for their approval and then to the Board of Hospital Trustees for final approval.

As noted in Agenda Item No. 4, the Governing Board Human Resources and Executive Compensation Committee has reviewed, discussed and recommended approval of the collective bargaining agreement.

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve and recommend ratification by the Board of Hospital Trustees. Motion carried by unanimous vote.

ITEM NO. 14 Approve the same salary range increases provided to the members of the UMC/SEIU Local 1107 collective bargaining, to employees not covered by other collective bargaining agreements, by adjusting the salary ranges by the same percentage increase to all UMC classifications not covered by other collective bargaining agreements and extend the same salary and benefit changes to non-management employees (excluding Specialty Physicians), not covered by other collective bargaining agreements (any employee in non-bargaining unit status who received the 2% salary increase in August 2013 will not be eligible for the January 2014 salary increase) effective September 1, 2014. [For possible action]

DISCUSSION: John Espinoza, Chief Human Resources Officer, stated that while salary increases for non-management non-Union staff is discretionary, historically UMC has extended to those employees salary increases consistent with the SEIU collective bargaining agreement (CBA). Approval of this recommendation would extend the salary ranges by the same percentage as Union employees, in order to ensure ranges are consistent for all classification within the organization. This group of employees already received the first 2% COLA in August 2013. If approved, these employees would receive an additional 2% COLA effective July 2014, and an additional 1.5% COLA in July, as well as any other benefit changes in the CBA.

As noted in Agenda Item No. 4, the Governing Board Human Resources and Executive Compensation Committee has reviewed, discussed and recommended approval of staff's recommendation.

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

SECTION 3. CONSENT AGENDA

All matters of this section were considered to be routine and were acted upon in one motion. For Item No. 15, the action taken was the recommendation of staff and for Items No. 16-19, the action taken was the recommendation of staff and the Audit and Finance Committee, as indicated on the items.

ITEM NO. 15 Approve the amended Medical and Dental Staff Bylaws of University Medical Center of Southern Nevada; as accepted and voted on by the Medical Executive Committee and General Medical Staff. [For possible action]

DOCUMENT SUBMITTED:
- Memorandum dated 8/27/14 summarizing proposed Bylaws Revisions

- Medical Staff Bylaws Article XIII with proposed revisions

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

ITEM NO. 16 Approve the exercise the option for a one-year extension of services on the Agreement for Physician Professional Services between Ronald L. Casey, M.D., P.C., d/b/a Hospitalist Medicine Physicians of Nevada and University Medical Center of Southern Nevada for hospitalist medical services; and take action as deemed appropriate. [For possible action]

DOCUMENT SUBMITTED:
- Letter of Extension from UMCSN to HMP

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

ITEM NO. 17 That the Governing Board approve the Agreement for Physician Professional Services for Neonatal Ophthalmology Services on Retinopathy of Prematurity between ROP Consortium, LLC and University Medical Center of Southern Nevada; and authorize the Chief Executive Officer to sign the agreement. [For possible action]

DOCUMENTS SUBMITTED:
- Agreement for Physician Professional Services between UMCSN and ROP Consortium
- Disclosure of Ownership
- Disclosure of Relationship

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

ITEM NO. 18 Approve the Agreement between Cerner Corporation and University Medical Center of Southern Nevada for Laboratory software maintenance and support; and take action as deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED:
- Cerner Invoice
- System Schedule between UMCSN and Cerner
- Business Associate Agreement
- Disclosure of Ownership
- Disclosure of Relationship

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

ITEM NO. 19 That the Governing Board Approve the Purchase Agreement between Extreme Networks, Inc and University Medical Center of Southern Nevada for network infrastructure; and take action as deemed appropriate.. [For possible action]

DOCUMENT SUBMITTED:
- Extreme Networks Quotation
- Clark County Commissioners Agenda item, 9/2/14
- Clark County Commissioners Agenda item, 5/18/10

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

SECTION 4: CLOSED SESSION

ITEM NO. 20 Go into closed session, pursuant to NRS 241.015(2)(b)(2), to receive information from the District Attorney regarding potential or existing litigation involving matters over which the Board has supervision, control, jurisdiction or advisory power, and to deliberate toward a decision on the matter. [For possible action]

DISCUSSION:

Chair O'Reilly requested that EMERGING ISSUES and COMMENT BY THE GENERAL PUBLIC be taken out of order, before the Board went into closed session.

It was moved by Renee Franklin that the recommendation be approved to go into closed session pursuant to NRS 241.015(2)(b)(2). Motion carried by unanimous vote.

At the hour of 3:35 p.m., the Board recessed to go into closed session.

The meeting was reconvened in closed session at 3:53 p.m.

At the hour of 5:00 the closed session was adjourned.

FINAL ACTION: No action was taken by the Board.

SECTION 5: EMERGING ISSUES

ITEM NO. 21 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]

Dean Schwenk announced that the University of Nevada School of Medicine recently received notification that their Pulmonary Critical Care Fellowship has been accredited. The application process is underway, and the fellowship should be launched next summer.

Chair O'Reilly announced that Dr. Richard Waneirdi will be releasing a final report in October, which will include the recommendation to establish the Nevada Medical Center project as a 501(c)(3) to provide a forum to work in an academic health science center.

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):

The following members of the general public expressed their concerns about the scheduled closure of the UMC Cystic Fibrosis Clinic and its potential impact on patients in the community:

Carol Rose
Tara Brascia Young
Kathleen Fannin
Lori Reynolds
Karey Rau Retke
Trudy Farrell
John Farrell
Michael Collins

Michael Collins, RN, SEIU Steward, also commented on the UPL funds

There being no further business to come before the Board, at the hour of 5:00 p.m., Chairman O'Reilly adjourned the meeting.

APPROVED:

John F. O'Reilly, Chairman

ATTEST:

Cindy Dwyer, Board Secretary