University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
April 18, 2016

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Monday, April 18, 2016
1:00 p.m.

The University Medical Center Governing Board Audit and Finance Committee met in the Providence Suite, UMC Trauma Building, 5th Floor, Las Vegas, Clark County, Nevada, on Monday, April 18, 2016, at the hour of 1:00 p.m. The meeting was called to order at the hour of 1:00 p.m. by Chair Eileen Raney and the following members were present, which constituted a quorum of the members thereof.

CALL TO ORDER

Board Members:

Present:
Eileen Raney, Chair
Donald Mackay
Jeff Ellis
Robyn Caspersen (non-voting member)
Harry Hagerty

Others Present:
Mason VanHouweling, Chief Executive Officer
Kurt Houser, Chief Operating Officer
Stephanie Merrill, Chief Financial Officer
Susan Pitz, General Counsel Hospital Administration
Terra Lovelin, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair Raney 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 Agenda *(For possible action)*

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 3 Receive an update on the replacement of the Electronic Health Record (EHR) product; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED: EHR Replacement Project Update

DISCUSSION: Brian Rosenberg, EHR Consultant provided the committee with an update with the project.

The contract itself is ready to be shared and he thanked General Counsel Pitz for the incredible amount of work she has done to accomplish this.

Training will start three weeks from today with the Project Management team and the rest of the team will follow on May 23. From a staff planning standpoint, there is a total of 70 confirmed people on the project, 53 full time, 12 part time, 5 Physician Champions and one more team member to be added. Staffing represents a cross section of the hospital.

There will be over 190 trips to Madison for training and a travel workbook has been completed to ensure a smooth process for all those involved. The average project role will take three trips of three days each. A few of the more streamlined roles will take only one trip.

During the month of May there will be three team overview sessions on Friday afternoon to get the team acclimated. Each session will be a half day and they will learn about the implementation process, project methodology and the training and certification process.

There are 25 positions that have been identified in order to backfill for the staff that are engaged in the project. Four of these are already filled, five are in interviews, 14 are posted and open. Some of the jobs that are open are RN jobs, pharmacy, radiology, admitting, clinic positions, etc.

Member Hagerty asked about the 11 Revenue Cycle positions that will be vacated due to those employees being on this current project. Mr. Rosenberg explained that he is working with the Revenue Cycle Director, Virginia Carr and she has factored these positions in to her plan. Member Hagerty asked about the space in the 2040 building that the project team will be using.

Mr. Rosenberg explained that the space is being used for what it was designed. They are currently waiting for furniture to arrive and some electric work to be done before they move in to the building.

Town Halls will occur monthly starting in June to keep employees apprised of the project. There will also be a UMC Pulse column starting in May and project updates posted on an intranet site that is still in progress.

Mr. Rosenberg wanted to note that the new ortho modules could change the scope of the implementation plan and price. Each module would cost approximately $100k to $200k in services. We own the software but it would impact the service fee.

The charter will be presented to this committee next month.

Member Mackay asked about the security and safety of the Epic system and Ernie McKinley explained that Epic will be hosting the system at the Epic campus.

ITEM NO. 4 **Review and recommend to the Governing Board the contract approval for the License and Support Agreement between University Medical Center of Southern Nevada and Epic Systems Software (and related third party software agreements) for the Electronic Health Record Software Replacement, subject to final approval by the Board of County Commissioners also sitting as the Board of Hospital Trustees; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED: None submitted

DISCUSSION: This is for licensing support with Epic and the fee is paid over a period of time. At the end of 60 months UMC will have a perpetual license to the software. We were able to put a limitation on appropriations and unanticipated amount language into the contract.

Maintenance is guaranteed for a ten year period and if Epic were to sunset the product, they would replace it with a like product however, Epic has never sunsetted a product in their history.

There are specifics in the contract that will help prevent what happened to us with McKesson from happening to us with Epic. Also, Epic only has one system, not two like McKesson.

FINAL ACTION: A motion was made by Member Hagerty to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

ITEM NO. 5 **Review and recommend for approval by the Governing Board the Hosting Services Agreement between University Medical Center of Southern Nevada and Epic d/b/a Epic Hosting, LLC for Services to Host the Electronic Health Record Software Replacement; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED: None submitted

DISCUSSION: The second piece of the EHR system is a hosting agreement with Epic. The approximate total cost is $11,045,400 over six years. There is not a termination for convenience as the pricing will be consistent over that time. Hardware upgrades come with the price of the agreement.

Member Hagerty asked about renegotiating the rate after year six.

Chair Raney asked what the cost was each year, over the five years and the source of our funds. She would like to include that information when it is presented to the Board.

Stephanie Merrill, Chief Financial Officer explained that we have set aside the money for the entire project and CEO VanHouweling explained further.

Member Caspersen asked if we would be able to have access to Epic's hosting site and look at things if we had any concerns.

Mr. McKinley said we can ask by law, to look at their security set up if we want.

Chair Raney asked about a successor agreement.

General Counsel Pitz replied that should Epic be acquired, the agreements will go with the new buyers.

<u>FINAL ACTION</u>: A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

Chair Raney thanked Ms. Pitz, Mr. Rosenberg and staff on all their hard work to get us here.

On April 20 the Epic agenda item will go before the UMC Governing Board and on May 3rd, be presented to the Commissioners.

COMMENTS BY THE GENERAL PUBLIC:

At this time, Chair Raney 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

Mr. Rosenberg thanked the committee for all their support.

There being no further business to come before the Committee at this time, at the hour of 2:17 p.m., Chair Raney adjourned the open session meeting.

MINUTES APPROVED: May 18, 2016

Minutes Prepared by: Terra Lovelin