University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
January 13, 2016

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Rose Street
Las Vegas, Clark County, Nevada
Wednesday, January 13, 2016
3:00 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 Wednesday, January 13, 2016, at the hour of 3:00 p.m. The meeting was called to order at the hour of 3:05 p.m. by Acting Committee Chair Donald Mackay and the following members were present, which constituted a quorum of the members thereof:

CALL TO ORDER

Board Members:

Present:
Eileen Raney, Chair (via-phone)
Robyn Caspersen (non-voting member)
Donald Mackay, Acting Chair
Michael Saltman
Harry Hagerty
Jeff Ellis – (Arrived at 3:15pm)

Absent:
None

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

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Audit and Finance Committee meeting on December 9, 2015. *(For possible action)*

ACTION TAKEN: A motion was made by member Hagerty that the minutes be approved as recommended. Motion carried by unanimous vote.

ITEM NO. 3 Approval of Agenda *(For possible action)*

DISCUSSION: Item number 11 will be deleted from the agenda.

ACTION TAKEN: A motion was made by member Hagerty that the agenda be approved as recommended. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Review and recommend for approval by the Governing Board the Provider Agreement between Alireza Farabi, M.D., PC and University Medical Center of Southern Nevada for primary care and infectious disease medical services to Ryan White participants; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
-Provider Agreement

DISCUSSION: John Liston, Director of Materials Management explained that this is to approve the Ryan White agreement with Dr. Farabi.

Member Hagerty asked why we are only getting 50% reimbursement.

Brent Hilton, Fiscal Services Manager replied that Dr. Farabi takes care of both the Wellness Center patients and Ryan White patients so only half of his time is spent taking care of Ryan White patients.

ACTION TAKEN: 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 Board of County Commissioners also sitting as the Board of Hospital Trustees for University Medical Center of Southern Nevada (UMCSN) the Participation Agreement between HealthTrust Purchasing Group, L.P. and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
-Participation Agreement

DISCUSSION: This agreement is for five years with the option to extend for five years upon written mutual consent. The estimated savings is approximately $2.3 million.

Member Hagerty asked if there were any minimum purchase requirements.

Mr. Liston replied that 80% of our purchases would need to be made from this group.

Mr. Liston said this was a line item comparison and CEO VanHouweling commented that he has had a good experience with this group and supports it.

Member Mackay asked if we had a separate contract with food services.

Carissa Rey, Associate Administrator, explained that Morrison has their own GPO and per our contract, we are mandated to purchase through their GPO.

Susan Pitz, General Counsel, noted that there was discussion around the exclusivity requirement. Her understanding is the reason for the exclusivity and why they insist on it, is to leverage the pricing lower than everyone else.

ACTION TAKEN: A motion was made by Chair Raney to approve and make a recommendation to the Governing Board to approve the Agreement. Motion carried by unanimous vote.

ITEM NO. 6 **Review and recommend for approval by the Board of County Commissioners also sitting as Board of Hospital Trustees the Lease Agreement for 2040 West Charleston Blvd. between University Medical Center of Southern Nevada (UMCSN) and Daniel L. Orr, D.D.S. M.S. LTD.; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
-None submitted

DISCUSSION: (Jeff Ellis arrived at this time)
This lease agreement is for three years and UMC will receive $36,393 for the first year. Dr. Orr has been in the 2040 building for 18 years, is a very loyal tenant and is one of the top educators for the UNLV Dental School.

ACTION TAKEN: A motion was made by member Ellis to approve and make a recommendation to the Governing Board to approve the Agreement. Motion carried by unanimous vote.

ITEM NO. 7 **Review and recommend for award by the Governing Board RFP No. 2015-04 Prosthetic, Orthotic and Halo Services to Hanger Prosthetics & Orthotics, Inc. d/b/a Hanger Clinic; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
-Agreement for Professional Services
-Disclosure of Relationship

DISCUSSION: This is for the RPF we put out to for prosthetics, orthotics and halo services from Hanger Clinic. We will have an estimated savings of $60,000 per year. There were only two respondents and the committee chose Hanger.

ACTION TAKEN: 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. 8 **Review and recommend for approval by the Governing Board the Agreement for Intraoperative Neuromonitoring Services with SpecialtyCare; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
-Agreement for Intraoperative Neuromonitoring Services
-Disclosure of Relationship

DISCUSSION: This is to approve the Intraoperative Neuromonitoring Service and the term of this agreement is for five years. Either party may terminate with 30 days written notice.

ACTION TAKEN: A motion was made by member Ellis to approve and make a recommendation to the Governing Board to approve the Agreement. Motion carried by unanimous vote.

ITEM NO. 9 **Review and recommend for approval by the Governing Board the Clinical Trial Agreement between ZS Pharma, Dr. David Slattery and University Medical Center of Southern Nevada (UMC) (which includes an MOU between Dr. Slattery and UMC in connection with the services of the Principal Investigator); and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
-Clinical Trial Agreement
-MOU

DISCUSSION: Ron Roemer, Director of Clinical Research explained that this agreement is a clinical study, they are just collecting data in the ED and it is an observational study, no intervention.

Member Mackay asked if this study had a time period.

Ms. Pitz replied that it can take no longer than five years.

ACTION TAKEN: 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. 10 Review and recommend for approval by the Governing Board the Facility Agreement between Medpace, Inc. and University Medical Center of Southern Nevada (UMC) (which includes a Letter of Indemnification (LOI) between Innocoll and UMC; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:
-Indemnity Letter Agreement
-Facility Use Agreement

DISCUSSION: Mr. Roemer explained that this agreement is for UMC to provide facility use for a clinical trial that is being conducted by UNSOM, Department of Surgery. All the research will be conducted by Dr. St. Hill and they will be using our OR for hernia operations and drug storage.

General Counsel Pitz stated that we are not considered to be in research for this study.

ACTION TAKEN: A motion was made by member Ellis to approve the Agreement and make a recommendation to the Governing Board to approve the Agreement. Motion carried by unanimous vote.

ITEM NO. 11 Review and recommend for approval by the Governing Board the Clinical Trial Agreement between Janssen Scientific Affairs, LLC, Dr. David Slattery and University Medical Center of Southern Nevada (UMC) (which includes a Memorandum of Understanding between Dr. Slattery and UMC in connection with the services of the Principal Investigator); and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
-Clinical Trial Agreement
-MOU

DISCUSSION: This item was removed from the agenda.

ITEM NO. 12 Review and recommend for approval by the Governing Board the Agreement between McKesson Technologies, Inc. and University Medical Center of Southern Nevada for Staff Augmentation Services for support of all HL7 Interfaces; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Draft Agreement

DISCUSSION: Ernie McKinley, Chief Information Officer explained to the committee the reasoning for needing HL7 support staff. The IT department supports over 300 interfaces currently in the hospital and they have been looking for replacement employees for a while. This has been a very difficult task as there are not that many individuals who are specialized in HL7 support.

Member Mackay asked if this was a city wide problem, finding qualified people for this position.

Mr. McKinley replied that this is a nationwide problem.

Mr. VanHouweling asked if we could grow these individual skills internally.

Mr. McKinley replied that the last two employees that we grew internally for this reason left as they found that they could make three times what we paid them.

ACTION TAKEN: A motion was made by member Hagerty to approve the Agreement and make a recommendation to the Governing Board to approve the Agreement. Motion carried by unanimous vote.

ITEM NO. 13 Review and recommend for approval by the Board of County Commissioners also sitting as the Board of Hospital Trustees for University Medical Center of Southern Nevada (UMCSN) 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 UMCSN employees, retirees and dependents through a Health Maintenance Organization; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:
-Fourth Amendment to Group Enrollment Agreement

DISCUSSION: On November 1, 2011, the Board allowed UMCSN to join the County's Group Enrollment Agreement with HPN for the same contract term for HMO services allowing UMCSN employees and their families, and UMCSN retirees to have access to HPN as the Hospital's health care coverage provider. The contract term is from January 1, 2012 through December 31, 2012 with the option to renew for five (5) one-year periods.

It was explained to the Committee that employers have two options, HPN and Clark County Self Funded.

ACTION TAKEN: A motion was made by member Ellis to approve the Agreement and make a recommendation to the Governing Board to approve the Agreement. Motion carried by unanimous vote.

ITEM NO. 14 Review and recommend for approval by the Governing Board the Amendment One between The Rosenberg Group and University Medical Center of Southern Nevada for Project Consultant Services; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:
-Amendment

DISCUSSION: UMC has increased the scope of the statement of work to the Rosenberg Group since they started this contract. UMC started with a scope of replacing our McKesson Clinicals product and we have since increased that scope to include Revenue Cycle, Ambulatory and surgery departments; which doubled the amount of work that the Rosenberg group is doing. TRG is requesting additional funding in the amount of $598,500 to be added to the original three year term agreement to allow for an additional consultant and to update the travel and expenses cap by $165,000 over the term.

Mr. Rosenberg will be bringing people on to help with this project.

ACTION TAKEN: A motion was made by member Hagerty to approve the Agreement and make a recommendation to the Governing Board to approve the Agreement. Motion carried by unanimous vote.

ITEM NO. 15 Review and recommend to the Governing Board the award of the contract for the EHR system pending negotiation of an acceptable definitive agreement(s); and direct staff accordingly. (*For possible action)*

DOCUMENTS SUBMITTED:
-Summary Recommendation

DISCUSSION: Brian Rosenberg gave a summary presentation on the recommendation of the EHR product. Epic received the most votes as the product to move forward.

Mr. Rosenberg is asking to award the RFI to Epic contingent upon coming to terms on a contract. He is anticipating having a final contract to put in front of this committee at the March meeting. Gartner is going to review the EPIC contract and provide suggestions as well as share some of the considerations that EPIC has provided other customers.

Member Mackay mentioned he did some investigation into Epic and mentioned a few items including that Epic it is a privately run company, and the CEO is a women who has an advanced degree in computer science. They also claim that they do not outsource anything and they have a presence in four countries. They seem like a very strong, client oriented company.

Vice Chair Raney added that collectively Brian has run an excellent process and we could not ask for a better outcome. This is a great start to a successful implementation.

Ms. Pitz explained that the Governing Board will be the final step for the awarding; pending an acceptable agreement and it would then go to the BCC for final approval of the contract.

ACTION TAKEN: A motion was made by member Hagerty to approve the recommendation and make a recommendation to the Governing Board to approve the recommendation for the award of the contract, pending an acceptable agreement. Motion carried by unanimous vote.

ITEM NO. 16 Receive an update on the 2017 Budget process; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
-None

DISCUSSION: CFO Stephanie Merrill explained the timeframe for the 2017 budget process.
-March 4th: Tentative Operating Budget due to the County
-May 16th: County Budget Hearing
-Feb 17 and 24: Tentative budget numbers to the A&F and Governing Board Meeting
-April: Present final numbers

Chair Raney asked about where we are with this year's subsidy and Mr. VanHouweling said that things are looking good. The goal is to request the subsidy amount into a capital category for the organization.

ACTION TAKEN: None taken

ITEM NO. 17 Receive monthly financial report for November 2015; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
-November FY2016 Financials

DISCUSSION: Chief Financial Officer, Stephanie Merrill gave a review of the financials for November FY 2016.

We have another month with a positive net operating income. The hospital is remaining full and the net patient revenue is ahead of budget.

The 12% self pay is a record and it was noted that the projections show that the best it may get in the state is 9%.

A discussion ensued about recruiting nurses to help with staffing issues. This is an industry wide issue and we have had to lean on travelers to help out.

ACTION TAKEN: None Taken

ITEM NO. 18 Receive an update from the Chief Financial Officer; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
-None

DISCUSSION: Nothing to report at this time.

SECTION 3: EMERGING ISSUES

ITEM NO. 19 Identify emerging issues to be addressed by staff or by the Audit and Finance Committee at future meetings; and direct staff accordingly. (*For possible action)*

No issues.

COMMENTS BY THE GENERAL PUBLIC:

At this time, Acting Chair Mackay 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 Committee at this time, at the hour of 4:39 p.m., Acting Chair Mackay adjourned the meeting.

MINUTES TAKEN BY: Terra Lovelin

MINUTES APPROVED: February 23, 2016