University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
October 12, 2016

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, October 12, 2016
3:30 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, October 12, 2016, at the hour of 3:30 p.m. The meeting was called to order at the hour of 3:34 p.m. by Chair, Harry Hagerty and the following members were present, which constituted a quorum of the members thereof.

CALL TO ORDER

Board Members:

Present:
Harry Hagerty – Chair
Eileen Raney
Donald Mackay
Jeff Ellis
Robyn Caspersen

Absent:

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

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair Harry Hagerty 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 Audit and Finance Committee meeting on September 21, 2016. *(For possible action)*

FINAL ACTION: A motion was made by Dr. Mackay that the minutes be approved as recommended. Motion carried by unanimous vote with the exception of Mr. Hagerty who abstained due to his absence at the above meeting.

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

Chair Hagerty made a suggestion to move items number 10 and 11 to the front of the agenda so our presenters in uniform do not have to wait through the discussion of the entire agenda.

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 10 Review and recommend for approval by the Governing Board the Training Affiliation Agreement between 99th Medical Group, Nellis Air Force Base, Nevada and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
-Training Affiliation Agreement

DISCUSSION: CEO Mason VanHouweling introduced Colonel Snook and Major Kilburn who are part of our SMART program.

Vick Gill, Associate Administrator explained that this agreement is between UMC and 99th Medical Group at Nellis Air Force Base and will form collaboration with respiratory care for clinical experience and training.

Major Kilburn explained that training respiratory therapists is very important and UMC is where the Air force is focusing all its energy. They have been working with Alicia Jones, the Director of respiratory therapy and it is a big win for both parties.

Colonel Snook thanked the Board for all their cooperation, the SMART program is where they have embedded their physicians, technicians and nurses and it has been an ongoing collaboration with UMC.

FINAL ACTION TAKEN: A motion was made by Dr. Mackay to approve 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 Training Affiliation Agreement for SOST Members between 352nd Special Operations Wing RAF Mildenhall, England; University Medical Center of Southern Nevada; and The Board of Regents of the Nevada System of Higher Education on Behalf of the University of Nevada School of Medicine; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
-Training Affiliation Agreement

DISCUSSION: Mr. Gill explained that this allows UMC to provide training and expands the SMART program.

Colonel Snook elaborated that this is a six member team that is made up of critical staff to form a specialized team of doctors and therapists who are positioned in Europe. This agreement is for some additional personal that will complement the team that is already here in the US.

Mr. Gill thanked General Counsel, Susan Pitz and our Attorney James Conway for helping get this agreement done.

Mr. VanHouweling commented that UMC is able to help due to our location and our unique relationship with the Air Force.

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

ITEM NO. 4 Review and recommend for approval by the Governing Board Amendment One to Agreement for Medical Coding Support between P2P Staffing Corporation d/b/a MedPartners HIM and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment One to Agreement

DISCUSSION: This agreement is for $300,000.00 and terminates in March of 2017.

Virginia Carr explained that the pricing is high for coders due to ICD 10 implementation.

Chair Hagerty asked if this contract will protect us from an increase in rates and a shortness of coders.

Ms. Carr replied that we do protect ourselves with this agreement.

Mr. VanHouweling commented that we hope to train our own coders in the future.

FINAL ACTION: A motion was made by Member Caspersen 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 Statement of Work to migrate Fluency for Transcription from McKesson Horizon to EPIC between MModal Services, Ltd. and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Statement of Work

DISCUSSION: This statement of work is for $39,000.00 and the agreement ends September 2020. This is an additional scope of work on a contract. It provides the interface between Epic and MModal.

FINAL ACTION: 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. 6 **Review and recommend for approval by the Governing Board the Clinical Trial Agreement between PPD Development, LP (“PPD”), University Medical Center of Southern Nevada (“UMC”), and Board of Regents, Nevada System of Higher Education obo University of Nevada, Reno (“UNR”), and the accompanying Form of Indemnity for Clinical Studies between all three parties, and also the Memorandum of Understanding (“MOU”) between UMC and UNR for the services of the Principal Investigator; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- MOU
- Form of Indemnity for Clinical Studies

DISCUSSION: The revenue from this clinical trial agreement is dependent on the number of subjects we enroll and has a five year term with a 30 day written notice clause.

Jenny Gaca explained that this drug is used only on mothers who have been identified as being in preterm labor. This is a phase three trial so if it passes this trial, it could go on the market.

FINAL ACTION: 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 approval by the Governing Board the Letter of Agreement for Revenue Cycle Vendor Compliance and Management Program with Healthfuse, LLC and authorize the Chief Executive Officer to exercise the extension option; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Renewal Agreement

DISCUSSION: This is not to exceed $383,000.000 and can terminate with 30 days written notice.

Ms. Carr explained that this is a consulting company that assists us in managing our vendors. They meet with the vendors and also help us evaluate our vendors. Healthfuse also looks at the agreements and holds the vendor accountable for their scope of work specifics.

Ms. Carr meets with them once a week to get a report on what they are doing. We have been very satisfied with their work and they have yielded over $13 million for UMC.

Chair Hagerty would like a status report on this company six months from now to see how they are doing.

FINAL ACTION: A motion was made by Dr. Mackay 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 Emerald Preferred D-EVO No Fault Service Agreement between FujiFilm Medical System USA, Inc. and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
-Service Agreement

DISCUSSION: This agreement is for $1,088,842.00 for a five year term.

Chris Jones, Director of Radiology brought an example of plates that we currently use at UMC. He explained that when we need to replace the plates, it costs us $60,000 to replace it without a contract. With this contract it would only cost $5,000 to replace.

This contract covers about 35 pieces of equipment throughout our Quick Cares and hospital. We use all the plates about 500 to 600 times a day, a very high usage.

Chair Hagerty asked if this contract commits us to Fuji as a vendor for radiology equipment and Mr. Jones said that it does not.

FINAL ACTION TAKEN: A motion was made by Member Caspersen 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 Agreement between FMLASource, Inc. and University Medical Center of Southern Nevada for Family Medical Leave Act (FMLA) Management Services; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Agreement

DISCUSSION: This agreement is for a total of $65,000.00 annually.

John Espinoza, Chief Human Resources Officer explained that 25% of our employees are utilizing FMLA. A vendor was brought in to assess our situation and the vendor, Trion, recommended selecting a third party vendor to monitor and manage our FMLA process.

FINAL 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. 12 Receive an update on the Electronic Health Record (EHR) Product including process for consideration of certain contracts at the October Governing Board Meeting; and direct staff accordingly. ***(For possible action)***

DOCUMENTS SUBMITTED:
- None submitted

DISCUSSION: Brian Rosenberg, consultant gave an update on the implementation of the EHR project.

An internal project name was developed and “One UMC” was chosen. The project is on time.

Chair Hagerty asked Mr. Rosenberg to add dates to the slide with regards to the projects; he is hoping to see a Gant chart.

The software selections have been made and the team is six weeks into the build.

Ms. Pitz asked the committee what their thoughts are with regards to Epic budgeted contracts going straight to the Governing Board so we can get them approved and processed in a more expedited fashion.

Chair Hagerty replied that he is fine putting those contracts on the Governing Board agenda under Consent.

ITEM NO. 13 Receive the monthly financial reports for August 2016; and direct staff accordingly. ***(For possible action)***

DOCUMENTS SUBMITTED:
- August FY 2017 Financials

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

-ED Volumes declined for third straight month
-Average daily census 372
-Salaries & Benefits exceeded budget due to incentive programs and overtime.
-Admissions are down
-Total surgical cases are up over prior month

A discussion ensued about how surgeries are categorized and the reflecting data.

Kaufman Hall was mentioned as this is the new proposed accounting system that will be able to capture more accurate financial data in our near future.

ITEM NO. 14 Receive an update from the Chief Financial Officer; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- None submitted

DISCUSSION: None

SECTION 3: EMERGING ISSUES

ITEM NO. 15 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)*

Chair Hagerty mentioned a few things:
- A presentation on surgery at a future meeting.
- Compliance: He stated we are greatly undermanned in this area; he inquired as to hiring consultants to help us identify issues and report on them.
- Showing a variance on operating expenses and adding a capital list to the financial slides.
- Presentation from Mason on how this committee can help with the CFO search and what the interim plan is.

COMMENTS BY THE GENERAL PUBLIC:

At this time, Chair Hagerty 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 5:46 p.m., Chair Hagerty adjourned the meeting.

MINUTES APPROVED: November 9, 2016
Minutes Prepared by: Terra Lovelin