University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
August 16, 2017

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, August 15, 2017
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, August 15, 2017, at the hour of 3:00 p.m. The meeting was called to order at the hour of 3:03 p.m. by Chair Hagerty and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:
Dr. Donald Mackay
Laura Lopez-Hobbs
Robyn Caspersen
Harry Hagerty
Mary Lynn Palenik (Non-Voting)

Absent
Eileen Raney (Excused)
Jeff Ellis

Others Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Marcia Turner, Chief Administrative Officer
Jennifer Wakem, Chief Financial Officer
Susan Pitz, General Counsel
Terra Lovelin, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair 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 July 12, 2017. *(For possible action)*

FINAL ACTION: A motion was made by Dr. Mackay that the minutes be approved. Motion carried by unanimous vote with Member Hagerty abstaining due to his absence at the July meeting.

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

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. 4 Receive & review a presentation from BDO, Inc. regarding the planned scope and timing of the FY2017 audit. *(For possible action)*

DOCUMENTS SUBMITTED:
- BDO Presentation
- BDO Newsletter

DISCUSSION: John Barry and Kristy Vandermolen with BDO are present today to provide an update on the audit process.

The BDO team is making sure we are following all the required guidelines.

They will review our internal controls but will not be issuing an opinion on the controls.

BDO will look at prior year audit results and compare them to financial statements from the current fiscal year. Various areas they focus on are fraud risk, internal controls on financial reporting, cost reporting, debt and inventory evaluation, among others. The overall timeline will be in September and BDO is independent of the organization.

Member Caspersen asked if there was anything new in the risk assessment that popped up.

Mr. Barry replied that there was nothing new that they found.

A discussion ensued about having the engagement letter as part of the record and having it come to the committee prior to signature.

FINAL ACTION TAKEN: None

ITEM NO. 5 Receive an update on the Electronic Health Record (EHR) System; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- EHR Update

DISCUSSION: Brian Rosenberg, EHR consultant provided an update on the Epic implementation.

The clinics are now live on Epic and they are running fine without regular support. The Revenue Cycle is functioning well and statements are going out and payments coming in.

Physician acceptance is going better than anticipated.

A handful of applications are up and running and they include, UMConnect, HAIKU, CANTO (ipad app) and Care Everywhere.

Wave 1 upcoming activities include, InBasket advanced training, Televox appointment reminder service, UMConnect initiative, and scheduling ramp up

December 1st is the go live date for the hospital and all orders will be entered during the day of November 30 so by the first of December, everything should be up and running.

The risk points that they are tracking now focus on clinical content issues, equipment deployment and testing, training, interfaces, lab testing and user acceptance.

Mr. Rosenberg provided an update on when the project team will be released and when the UNLV implementation will be commencing.

Mr. VanHouweling added that Mr. Rosenberg will provide an update to the full Governing Board next week.

FINAL ACTION TAKEN: None

ITEM NO. 6 Receive the monthly financial report for FY June 2017; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:
- Management Discussion & Analysis FY June 2017

DISCUSSION: Jennifer Wakem presented the monthly financial update for June 2017.

Admissions are down 4.7%
Surgeries are down 5.3%
ER visits increased 1.0%

Length of Stay decreased

Salaries, wages, benefits and supplies were all over budget.

Hospital admissions by payor were shown with Medicaid being number one and Medicare being number 2.

The Patient Accounting department hit their cash goal for June; Ms. Wakem was very pleased with the entire team.

Member Caspersen asked about any adjustments that were not shown in these financials

Ms. Wakem replied that financial period thirteen will be kept open for another couple of weeks but retirement is the largest adjustment that needs to be reflected.

Member Caspersen and Member Hagerty suggested including these numbers in the report for the full Board.

FINAL ACTION TAKEN: None

ITEM NO. 7 **Receive an update report from the Chief Financial Officer; and direct staff accordingly. *(For possible action)***

DOCUMENTS SUBMITTED:
- None submitted

DISCUSSION: Ms. Wakem wanted to make the board aware that Anthem terminated their agreement to provide coverage in Clark, Washoe and Nye Counties. Centene has stepped up to partner with Nevada's own Hometown Health to provide coverage for the County.

Ms. Wakem introduced two new team members, Tanya Greene, Director of Materials Management and Jacqueline Saites, Director of Contracts.

FINAL ACTION TAKEN: None

ITEM NO. 8 **Receive an overview on the 340B program from the Director of Pharmacy, Jamie King *(For possible action)***

DOCUMENTS SUBMITTED:
- 340B Overview

DISCUSSION: Jamie King, Pharmacy Director provided an overview of the 340B program.

340B is a Federal program that requires manufactures to provide drug discounts on outpatient drugs. The intent is to allow covered entities (UMC) to stretch federal resources as far as possible to reach more patients

Requirements of a Covered Entity (UMC)
-Dispense only to eligible patients (A UMC patient with a UMC physician)
-Prevent duplicate discounts
-Policies and procedures established for the program
-Auditable records

Chair Hagerty asked about the savings and what the monies are being used for.

Ms. King replied that she and her team are working on tracking the savings and making sure the savings are being applied directly.

FINAL ACTION TAKEN: None

ITEM NO. 9 **Review the results of the internal audit of the Attending Sign Off on Physician Orders dated August 7, 2017; and direct staff accordingly *(For possible action)***

DOCUMENTS SUBMITTED:
- Audit Report

DISCUSSION: Nathan Strohl, Internal Auditor explained that the objective of this audit was to, "Confirm that orders were signed off by the attending physician within the required time frame according to CMS guidelines and UMC Bylaws."

Staff also wanted to ensure that patient accounts were billed appropriately. The majority of patient accounts were billed according to the last valid order but 3 of the 75 patient accounts had orders that were not validated by the attending physician.

Ms. Tello explained that Medical staff met with Case Management and they are both watching to ensure the physicians entering orders are making sure the orders are validated. There are 1,200 physicians on medical staff so this presents a challenge but with a team effort they are already seeing improvement.

Mr. Strohl wanted to recognize the efforts of Tony Marinello and Jennifer Gaca in helping with the coordination of all parties for a response for this audit.

FINAL ACTION TAKEN: None

ITEM NO. 10 **Review and recommend for approval by the Governing Board the Agreement for Epic Training Services ("Agreement") between ALKU**

Technologies, LLC (“ALKU”) and University Medical Center of Southern Nevada (“UMC”); and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Agreement
- Business Associate Agreement (BAA)

DISCUSSION: This agreement is to provide trainers for Epic in the amount of $220,000.

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 approval by the Governing Board the Master Agreement for DataArk Software and Services with MediQuant, Inc. and authorize the Chief Executive Officer to execute future Change Orders within his delegation of authority; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Agreement

DISCUSSION: This agreement is for an archiving solution to allow for the Epic team to shut down some of the older systems. The amount of this contract is $1,535,200 for five years.

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. 12 Review and recommend for approval by the Governing Board Amendment Three to the Project Consultant Agreement (the “Agreement”) between The Rosenberg Group LLC (“TRG”) and University Medical Center of Southern Nevada (“UMC”); and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment 3

DISCUSSION: This is to extend Brian Rosenberg’s contract passed through to UNLV in the amount of $228,000 to help with the Epic implementation at UNLV.

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

ITEM NO. 13 Review and recommend ratification for the Amendment Two to the Agreement for Staff Augmentation Services between Optimum Healthcare IT, LLC and University Medical Center of Southern Nevada; and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment Two to Agreement for Staff Augmentation Services

DISCUSSION: Total amount of original Epic contract is $1,016,180.00 and this additional amount is for an additional 8 Epic trainers at $105/hr. This amount is within the original budget.

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. 14 Review and recommend for approval by the Governing Board Amendment Two to Agreement for Physician Services for Obstetric Anesthesia services between USAP of Nevada (Isaacs), PLLC d/b/a U.S. Anesthesia Partners of Nevada, PLLC and University Medical Center of Southern Nevada; and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment Two Agreement for Physician Services

DISCUSSION: The amount of this amendment is $1,260,000/year through July 31, 2018 and this amendment changes the business name from Anesthesiology Consultants, Inc. to USAP of Nevada, PLLC d/b/a U.S Anesthesia Partners of Nevada, PLLC.

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. 15 Review and recommend for approval by the Governing Board the 3rd Amendment to MOU between DaVita Medical IPA Nevada, LLC, formerly known as JSA P5 Nevada, LLC d/b/a HealthCare Partners of Nevada and University Medical Center of Southern Nevada (UMC); and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment Three to Memorandum of Understanding

DISCUSSION: This amendment corrects a name change and the fee schedule in our contract.

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. 16 Review and recommend for approval by the Governing Board the First Amendment to the Hospital Agreement between OneHealth, Hometown Health Plan, Inc., Hometown Health Providers Insurance Company, Inc. ("OneHealth") and University Medical Center of Southern Nevada ("UMC"); and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- One Health First Amendment

DISCUSSION: OneHealth was purchased by Hometown Health so this is to extend the contract term period for two years and do a rate increase.

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

ITEM NO. 17 Review and recommend for approval by the Governing Board the Care Management Services Agreement between National Consulting & Analysis, LLC ("NCA") and University Medical Center of Southern Nevada ("UMC") and authorize the CEO to execute any renewal periods; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Agreement
- BAA
- DOO

DISCUSSION: The anticipated revenue is higher than the expense of this contract.

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. 18 Review and recommend for approval by the Governing Board the Provider Agreement between Aruni Tawney, MD and University Medical Center of Southern Nevada for psychiatry services for Ryan White program participants; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Provider Agreement

DISCUSSION: This agreement is a two year renewal for psychiatry services in the amount of $150,000.

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. 19 Review and recommend for approval by the Governing Board Amendment One to the Patient Specimen Collection Services Agreement for Trauma Services and Emergency Department between Laboratory Corporation of America ("LabCorp") and University Medical Center of Southern Nevada ("UMC"); and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- DOO

DISCUSSION: This agreement is for one year in the amount of $252,000.

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

ITEM NO. 20 Review and recommend for approval by the Governing Board Amendment Two to the Philips Healthcare Telemetry System Upgrade (which includes Sales Quote and its Value-Added Services SOW); and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Agreement in vendors Legal for final approval and will be forwarded to Governing Board once confirmed to be final.

DISCUSSION: This is for a one year amendment to support the new telemetry system for an additional amount of $335,340. The original contract was for $1.6 million.

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

ITEM NO. 21 Review and recommend for approval by the Governing Board the addition of Equipment Schedule 006 to Master Lease Agreement No. 21237667 and Service Agreement between Stryker Flex Financial ("Stryker"), a division of Stryker Sales Corporation and University Medical Center of Southern Nevada ("UMC"); and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:

- Service Agreement
- Letter to UMC dated Aug. 8, 2017

DISCUSSION: This is for additional equipment to upgrade the system that our doctors are using. Stryker provides the equipment and at the end of the lease, UMC has the opportunity to purchase the equipment for fair market value.

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

ITEM NO. 22 Review and recommend for approval by the Governing Board the Agreement for Consulting Services between United Audit Systems, Inc. D/B/A UASI and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Agreement for Consulting Services

DISCUSSION: This agreement is for consulting services to be utilized in the Health Information Management Department.

Ms. Wakem requested this agreement to provide interim help for this department.

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. 23 Review and recommend for approval by the Board of County Commissioners also sitting as the Board of Hospital Trustees the Interlocal Medical Office Lease for 1524 Pinto Lane between the Board of Regents of the Nevada System of Higher Education (NSHE) on behalf of University of Nevada Las Vegas School of Medicine (UNLVSOM) and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Interlocal Medical Office Lease

DISCUSSION: (This lease has a start date of November 1, the original agenda item has a typo with December 1st.) The dollar amount of this lease is $3.6 million.

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.

SECTION 3: EMERGING ISSUES

ITEM NO. 24 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 would like an update on where we are at with the Master Plan and the ED remodel at the next Audit and Finance meeting.

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 5:06 p.m., Chair Hagerty adjourned the meeting.

MINUTES APPROVED: September 20, 2017
Minutes Prepared by: Terra Lovelin