University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
February 15, 2017

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, February 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, February 15, 2017, at the hour of 3:00 p.m. The meeting was called to order at the hour of 3:02 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
Robyn Caspersen
Jeff Ellis

Absent
None

Others Present:
Mason VanHouweling, Chief Executive Officer
Hillary McElroy, Controller
Brent Hilton, Assistant Controller
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 January 25, 2017. *(For possible action)*

FINAL ACTION: A motion was made by Dr. Mackay 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 Member Caspersen 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 A Great Smile Dental and University Medical Center of Southern Nevada for dental care services to Ryan White participants; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Provider Agreement

DISCUSSION: This is a Ryan White agreement for, A Great Smile Dental in the amount of $70,000. This agreement is for two years with a 30-day termination notice.

Nancy with the Wellness Center explained that this is a new agreement with a new vendor.

FINAL ACTION TAKEN: A motion was made by Member Raney 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 Rapid Start Network Master Agreement, PTN Addendum, and Task Orders 33 and 35 between Duke University and University Medical Center of Southern Nevada for the Furosemide study described below; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Rapid Start Contracts Template
- Rapid Start Network Template
- Furosemide Trial Opportunity
- Furosemide II Trial Opportunity

DISCUSSION: This is a clinical trial with Duke University involving infants. Approximately, up to five infants will be enrolled in this trial at UMC and we will receive up to $9,000 per infant. The startup fee is about $7,000.

Dr. Mackay asked how many other centers are involved. Ron Roemer, Director of Clinical Research replied that there are 30 sites nationally with about 120 patients enrolled. This study is mainly for premature infants that have lung problems.

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. 6 Review and recommend for approval by the Governing Board the Clinical Affiliation Agreement between Purdue University and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Clinical Affiliation Agreement

DISCUSSION: This is a clinical agreement for nursing students to receive clinical instruction and training at UMC. The number of students that are eligible to participate will be mutually agreed upon, one month before the start of the program. This had a 90-day written notice termination clause.

Chair Hagerty asked what we get out of this and Ms. Pitz replied that some of these nurses do their rotations here on site for experience. This is an employee satisfier.

Mr. VanHouweling said the goal is to retain the nurses after they do their rotations at UMC.

FINAL ACTION TAKEN: A motion was made by Member Raney 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 Clinical Affiliation Agreement between the University of South Alabama and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTSUBMITTED:
- Clinical Affiliation Agreement

DISCUSSION: This Clinical Affiliation Agreement is with University of South Alabama for their students to receive training here at UMC.

FINAL ACTION TAKEN: A motion was made by Member Raney 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 Amendment One to Professional Services Agreement between Healthcare Payment Specialists, LLC and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment 1 to Professional Services Agreement

DISCUSSION: This is amendment one with Health Care Payment Specialists to identify additional Medicare reimbursements with an estimated recovery of about $2.5 million, which would cost us about $255,000. The term is through June 2019.

Peter Tibone, Director of Reimbursement and Cost Reporting, explained that this is specialized work that requires additional services.

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. 9 Review and recommend for approval by the Governing Board the extension of Bid No. 2013-20, UMC Landscaping Services; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Bid Letter

DISCUSSION: This extension is for landscaping services with Sedillo for two years in length with a 30-day written notice. The amount is for $283,000.

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. 10 Review and recommend for approval by the Governing Board the Grant Agreement between the State of Nevada Governor's Office of Science, Innovation, and Technology and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Grant Agreement

DISCUSSION: This Grant agreement is for UMC to receive $148,000 for a nurse residency pilot program which will end in June 2017. The funds have to be spent by June 30th and a plan is in place to do this. Our outside partner is CSN and we also have Nevada State as a partner.

Marcia Turner, Chief Administrative Officer thanked a few key people; Beth Hock, Abbey Purney, Sherry Graham, Deb Fox and Gail Yedinak for their work in obtaining this grant, it was a great team effort.

FINAL ACTION: A motion was made by Member Raney 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 of the Order Agreement and Product Schedule between Ricoh USA, Inc. and University Medical Center of Southern Nevada to add multi-function devices throughout the main campus and ancillary locations; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Ricoh USA Order Agreement
- Ricoh USA Product Schedule

DISCUSSION: This is an order agreement for additional copy machines for replacing of non-Ricoh devices that reached the end of their useful life. This agreement also adds new machines where they are needed. The total cost is $330,000 for five years.

The old machines will be used for parts to keep the older copiers running.

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. 12 Review and recommend ratification of the Additional Equipment/Product Addendum and Product Schedule between Ricoh USA, Inc. and University Medical Center of Southern Nevada to replace the existing lease to be governed under the correct Ricoh Master Agreement Terms; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Ricoh Lease Agreement
- Ricoh Replacement Lease

DISCUSSION: It was recently discovered that a second Ricoh Lease Agreement was executed on May 29, 2015 which was not properly processed or approved on the correct Product Schedule governing UMCSN's existing Master Lease Agreement with Ricoh. As such, this request is to approve the transaction resulting from the 2015 Lease, replace the 2015 Lease with the correct Additional Equipment/Product Addendum and Product Schedule and request the Governing Board's approval of the funds.
This agreement would terminate in 2020.

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. 13 Review and recommend that the Governing Board authorize payment for the Change Orders between Innerwireless, Inc. d/b/a BlackBox Network Services and University Medical Center of Southern Nevada for work performed during the upgrade to the Distributed Antenna System (DAS) for the Telemetry Monitoring System; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Change Order 1
- Change Order 2

DISCUSSION: The total amount of this change order is $84,195.

Lonnie Richardson, Interim Director of Information Services, explained that the original scope of work that was approved by the Board was to expand UMC's distributor antenna system to enable an upgrade to the telemetry system. When the vendor and our Director of Engineering went into the ceiling they saw an additional scope of work that needed to be done to prevent further regulatory infractions; this is the work that was done by the vendor. This request is to pay the vendor for work that was already done.

Mr. VanHouweling said that the team did the right thing. This work had to be done to be in compliance but nothing was signed, we are now asking for them to sign the change order for work that was done.

FINAL ACTION: A motion was made by Member Raney to approve and make a recommendation to the Board of County Commissioners to approve the agreement. Motion carried by unanimous vote.

ITEM NO. 14 Review and recommend for approval by the Governing Board the Termination Agreements between McKesson Technologies, Inc. and University Medical Center of Southern Nevada for the following: (i) Horizon Ambulatory Care Software Suite, Practice Plus Software and all related services; (ii) Horizon Patient Kiosk Software and Software Maintenance Services; and (iii) Oracle Licenses; and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- McKesson Term Agreement 1
- McKesson Term Agreement 2
- McKesson Term Agreement 3

DISCUSSION: The total amount of credits is $1,654,666.29.

Chair Hagerty asked if we expect to have this amount of business going forward with McKesson.

Mr. Richardson said that the vendor has agreed to delay the payment of the 2017 maintenance and services agreement for the products we are keeping, to the tune of about $1.5 million. The additional scope of work in the next agreement should be covered by the balance of the credits.

FINAL ACTION: A motion was made by Member Raney 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 approval of the Order Forms and Service Agreement between McKesson Technologies, Inc. and University Medical Center of Southern Nevada for Accelerated Management Services (AMS) and Professional Services for Upgrade Support of the McKesson Electronic Health Systems Star Module; and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Order Form (Hospital Solutions)
- Order Form Part 1

DISCUSSION: This is the order forms and service agreement for $219,000 for the Star Upgrade. This is a backfill for those employees on the Epic project, to provide us with services to upgrade Star to be in compliance for regulatory items that will come out over the next year. This agreement is not to exceed one year and will take us to Epic's implementation.

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. 16 Review and recommend for approval by the Governing Board the award of Bid No. 2017-01, 2040 Building Lobby and 5th Floor Buildout, to Cobblestone Construction, the lowest responsive and responsible bidder; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Letter of Award
- Notification of Intent to Award
- Bid No. 2017-01 2040 Building Lobby and 5th Floor Buildout

DISCUSSION: This award is for Cobblestone Construction for the 5th floor buildout for the 2040 building in the amount of $1,228,998. This floor will be occupied by UNLV under the terms of their lease agreement.

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. 17 Receive an update on the Electronic Health Record (EHR) and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- EHR Update PowerPoint

DISCUSSION: Brian Rosenberg gave a brief update on the project.

The interfaces are still in a significant "watch" phase for the team and is most at risk. Staffing went to a "satisfactory level" on the hospital billing side and medical records side by bringing on additional help.

Mr. VanHouweling mentioned a phone call he just had with Judith Faulkner, CEO of Epic. She was pleased with the progress of UMC.

Key activities that have happened over last few months:
- Ambulatory Physician Demo and Training Overview
- Completed contract builds for Medicare/Medicaid for clinics
- Created MyChart Beside strategy – Tablet functionality for when patients stay at the hospital
- ACNO engagement
- Finalized order set list for entire hospital
- Developed EpicCare Link - Allows physicians to access medical records from their office.

Training teams and materials are in place and training will be required for staff to get access. Employees must complete pre-requisites, attend training, be attentive, and pass an assessment.

Wave 1 training timeline was shown and the Go-Live date is scheduled for July 1, 2017.

ITEM NO. 18 Receive the monthly financial report for FY December 2017; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- FY 2017 December Financial Package

DISCUSSION: Brent Hilton, Assistant Controller gave a financial summary for FY December 2017.

- UMC Payor Mix is staying the same
- Operating income was higher than budgeted due to salaries and budgets
- Supplies exceeded budget due to purchases from pharmaceuticals, blood cost and surgical supplies
- Purchased services was over budget due to legal fees that were outstanding
- Average daily census was higher than previous month at 391
- ED admissions were up over 11% from the prior year
- Total surgeries were up over last few months
- Outpatient visits increased over previous months

Committee members discussed not using the County budget template but instead creating and using our own. They are hoping the new CFO has this in her plan.

Member Raney asked for an analysis on the contracts that are coming before this committee.

Mr. VanHouweling said one was just created by Kerry M. in contracts and he will make sure she receives it.

FINAL ACTION: None

ITEM NO. 19 Receive an update report from the Controller; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- None

DISCUSSION: Hillary McElroy explained that her team is in the middle of putting together the tentative, operating budget. We have received an extension from the County to submit the budget so we will not have to hold a special meeting.

Marcia Turner, Chief Administrative Officer explained that State Medicaid is proposing legislation which would enable the imposition of a hospital provider fee. The Nevada Hospital Association has expressed opposition, UMC is neutral. We are continuing to track this as it progresses through the session.

FINAL ACTION: None

SECTION 3: EMERGING ISSUES

ITEM NO. 20 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)*

Member Raney asked Andrew Chung for an Ambulatory financial presentation and Matt Cova for a Southern Highlands update, to be presented to the Audit and Finance Committee next month.

Chair Hagerty would like to see one slide on the $10 million dollar restricted donation that was mentioned at the last committee 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 5:10 p.m., Chair Hagerty adjourned the meeting.

MINUTES APPROVED: March 15, 2017
Minutes Prepared by: Terra Lovelin