University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
January 17, 2018

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, January 17, 2018
3:00 p.m.

The University Medical Center Governing Board Audit and Finance Committee met at the location and date above, at the hour of 3:00 p.m. The meeting was called to order at the hour of 3:12 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:
Robyn Caspersen - Chair
Dr. Donald Mackay (joined via phone at 3:23pm)
Chris Haase
Mary Lynn Palenik

Absent:
Harry Hagerty
Jeff Ellis

Others Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Susan Pitz, General Counsel
Jacqueline Saites, Director, Contracts Management
Terra Lovelin, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair Caspersen asked if there were any persons present in the audience wishing to be heard on any item on this agenda.

Speaker(s): None

At this time the committee proceeded to Item No. 5 until quorum was present.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive an overview on the 2018 UMC Advertising and Marketing Services from R&R/CRR Holding, LLP d/b/a B&P Advertising. *(For possible action)*

Removed from agenda

ITEM NO. 5 Receive the monthly financial report for December 2017; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- December 2017 Financials

DISCUSSION: Jennifer Wakem provided a summary of the December financials.

Net hospital revenue is running $1.7 million over budget
Operating expenses are running $2.8 million over budget
Year to date, income from operations is $7.5 million below budget

Ms. Wakem noted that we had an accounting error made and that has since been corrected; a $2.2 million dollar impact to the year to date earnings.

Chair Caspersen asked for different labeling of the income statement slide next time, with regards to the prior year and current year.

-Length of stay is down
-Admissions are up 13.4% over prior year, the highest we have seen all year
-In patient surgeries are up 18.3% over prior year
-ER visits are down 5.5% over prior year
-Quick care visits are up 14.3% over prior year
-Primary care visits are down 25.9% over prior year (physicians took time off over the holidays so this had something to do with the decline)
-Average daily census was 394
-Outpatient surgery cases are down for the month

(Dr. Mackay joined the meeting by phone at 3:23pm.)

Due to the Epic transition, nurses spent on average two hours plus, per shift trying to learn the new system. Even with the conversion, contract labor and overtime is going on a downward swing.

Deb Fox, CNO added that surgery is only one element that is causing the overtime. We are currently on a block schedule in the absence of a physician governance policy around add on surgery cases. Due to this, surgeons are adding surgery cases as elective cases at the end of the day so our staff is staying past their scheduled time to take care of these cases. We are then using our staff and on call staff to manage these cases.

Mr. Marinello commented that Greeley is helping with surgery efficiencies, physician cooperation and collaboration and this should help rectify these issues. If this committee would like to see the results of Greeley's six week study, Mr. Marinello would be happy to share it.

The federal supplemental payments were discussed and we did receive those in the amount of $38 million.

FINAL ACTION TAKEN: None

At this time the committee proceeded to Agenda ITEM NO. 2

ITEM NO. 2 **Approval of minutes of the regular meeting of the UMC Governing Board Audit and Finance Committee meeting on December 6, 2017. *(For possible action)***

FINAL ACTION: A motion was made by Member Palenik that the minutes be approved. Motion carried by unanimous vote.

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

Item numbers 4, 15, and 17 were pulled from the agenda.

Item number 4 will be heard at next month's meeting.

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

At this time the committee proceeded to Agenda ITEM NO. 7

ITEM NO. 7 **Review and recommend for approval by the Governing Board the Clinical Study Agreement between inVentiv Health Clinical, LLC, University Medical Center of Southern Nevada and Michael D. Daubs, M.D., and accompanying Memorandum of Understanding between Michael D. Daubs, M.D. and University Medical Center of Southern Nevada for the study described below; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Clinical Study Agreement
- MOU

DISCUSSION: This study involves receiving a vaccine prior to a spine procedure and studying the effects of whether or not it reduces staph infections.

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. 8 Review and recommend for approval by the Governing Board the Provider Participation Agreement between HealthNet Federal Service and University Medical Center of Southern Nevada ("UMC"); and take action as deemed appropriate. *(For possible action)*

DISCUSSION: The agreement is not yet finished so staff is asking for a recommendation of approval pending the agreement meets all legal requirements.

Rose Coker explained that the agreement is with the legal team for Health Net along with many other entities contracts. They are backed up due to the thousands of agreements they have to update.

FINAL ACTION TAKEN: A motion was made by Member Palenik 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 Amendment Four 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 Four to Project Consultant Agreement

DISCUSSION: This is a one-month amendment that involves a scope of service within the existing agreement, it is for additional labor. It is for an additional $110,400.

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

ITEM NO. 10 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, the Amendment II to Standard Office Lease Agreement between 701 Medical, LLC and University Medical Center of Southern Nevada for rentable space for the UMC Wellness Center at 701 Shadow Lane; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment II

DISCUSSION: This is amendment two to extend the lease for the Wellness Clinic located at 701 Shadow Lane. This extends the lease for five years and has to go before the BCC as it has to do with real property. It has substantial cost savings.

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

ITEM NO. 11 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), Amendment 1 to the Lease Agreement between TAG NW Mixed Use, LLC and UMCSN entered into in May of 2017 for a new Quick Care location; and take action as deemed appropriate. *(For possible action)*

No. 11 and No. 12 were taken together

ITEM NO. 12 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), Amendment 1 to the Lease Agreement between TAG NW Mixed Use, LLC and UMCSN entered into in May of 2017 for a new Primary Care location; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment One

DISCUSSION: These two amendments are for UMC's Centennial locations for our primary and quick cares and these amendments are for tenant improvements.

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

ITEM NO. 13 Review and recommend for approval by the Governing Board Amendment Two to the Provider Agreement between Eugene Libby, DO and University Medical Center of Southern Nevada; authorize the CEO to sign future extensions; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment Two to Provider Agreement

DISCUSSION: This agreement is being extended for one year and covers adult and pediatric patients. The amendment relates to the calculation of days worked as the amount of days in a month have more days than others and Dr. Libby's contract had verbiage regarding how many days he would work in a month's period.

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

ITEM NO. 14 Review and recommend for approval by the Governing Board the Statement of Work #2 between Global Healthcare Exchange, LLC and University Medical Center of Southern Nevada for electronic payment services; authorize the Chief Executive Officer to exercise any renewal options; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Global Healthcare Exchange, LLC – Statement of Work #2

DISCUSSION: Mr. Rosenberg explained that this is an electronic payment service where UMC gets a rebate with the supplier financing the cost.

The estimated revenue is $50,000 to $75,000 annually.

FINAL ACTION TAKEN: A motion was made by Member Haase 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 Provider Agreement between Laboratory Corporation of America and University Medical Center of Southern Nevada for Laboratory Services for Ryan White participants; authorize the Chief Executive Officer to exercise any renewal options; and take action as deemed appropriate. (For possible action)

Removed From Agenda

ITEM NO. 16 Review and recommend for ratification and approval by the Governing Board Amendment Six to the Master Agreement between Abbott Laboratories, Inc. and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment Six Master Agreement Addendum

DISCUSSION: This amendment extends the agreement for one year and has a not to exceed amount of $1,412,326.00. During the transition to a new GPO vendor, the amendment ensures services will not be disturbed until the new system is built.

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

ITEM NO. 17 **Review and recommend for approval by the Governing Board the Facility Agreement Form for Intraoperative Neuromonitoring Services and Superseding Amendment One with Biotronic National, LLC; and take action as deemed appropriate. *(For possible action)***

Removed From Agenda

ITEM NO. 18 **Review and recommend for approval by the Governing Board the award of RFP 2017-15, Comprehensive Background Check Services, to Certiphi Screening, Inc.; approve the Services Agreement and authorize the CEO to exercise any option periods; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Services Agreement
- Membership Application and Statement of Intent
- DOO

DISCUSSION: An RFP was issued and the vendor that received the award was a vendor who we have used in the past. This service is for conducting background checks for employees, medical staff physicians and volunteer services. This agreement is for five years plus two additional, one year options.

FINAL ACTION TAKEN: A motion was made by Member Palenik 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 the Clinical Data Base and Resource Manager License Agreement and Order Form with Vizient Inc. for quality management and software solutions;**

authorize the CEO to exercise any renewal options; and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Clinical Data Base and Resource Manager Member License Agreement
- Clinical Data Base and Resource Manager Order Form

DISCUSSION: This is a new agreement to aid us in meeting CMS requirements for reporting core measures and data. Vizient helps UMC use the data to measure against certain bench marks. This is for a one year term plus two additional one year options.

FINAL ACTION TAKEN: A motion was made by Member Haase 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 Four to the Quality Measures Abstraction Agreement between Primaris Holdings, Inc. and University Medical Center of Southern Nevada; and take action as deemed appropriate.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment Four

DISCUSSION: This amendment is for a one year extension to add pediatric and new born resuscitation as core measures and reporting. This particular contract will go into medical records and extract patient data so the data can be reported to Vizient and we can create our reports.

Jenny Gaca explained that the measures are always changing so this contract is always being amended.

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

ITEM NO. 21 **Review and recommend for approval by the Governing Board the 340B Engagement Letter with Powers Pyles Sutter & Verville, PC for 340B Program Requirements and Related Issues; and take action as deemed appropriate.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- Engagement Letter – Powers Pyles Sutter & Verville PC

DISCUSSION: Ms. Pitz explained that the Principal of this firm who we have worked with previously, has written the regulations on 340B and we wanted to get the engagement letter in place since 340B is always under attack. This is for a three year term with a not to exceed of $50,000 per year.

Mr. VanHouweling added that the 340B reimbursement is very important to us and the threat to take it away is constantly mentioned in the news.

FINAL ACTION TAKEN: A motion was made by Member Haase 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 the Master Agreement and associated Order Forms between Allscripts Healthcare, LLC and University Medical Center of Southern Nevada for enterprise information solutions and application management services; authorize the Chief Executive Officer to approve future Order Forms within his delegation of authority; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Allscripts Master Agreement
- AMS Order Form
- OneContent Epic Integration Order Form

DISCUSSION: The base contract is $947,971.24 and the annual software maintenance is $10,000. McKesson sold services to Allscripts and this agreement ensures those programs that we are keeping from McKesson will still be supported.

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

At this time the committee proceeded to ITEM NO.6

ITEM NO. 6 **Receive an update report from the Chief Financial Officer; and direct staff accordingly. *(For possible action)***

DOCUMENTS SUBMITTED:
- None submitted

DISCUSSION: Ms. Wakem followed up with the inquiry regarding coders and the cost for contract labor to UMC. We are basically paying the contract labor double since we have very few coders in the State and those coders in the state are coding for other hospitals paying a lot more than UMC offers.

Regarding Epic, there is still clean up that needs to happen and issues with the build. The numbers will be settling down over time but she wanted to be transparent and let folks know that there are still issues.

In regards to the budget, Ms. Wakem and her team are doing it differently this year and she will update the committee next month regarding the level of involvement they want.

Chair Caspersen asked for Ms. Wakem to work backwards from the County's schedule for due dates and the budget requirements.

SECTION 3: EMERGING ISSUES

ITEM NO. 23 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)*

Mr. VanHouweling said that the hospital is full due to the flu season. Only 1% of the flu vaccine is being covered by the vaccine this season.

The ED renovation is currently underway.

COMMENTS BY THE GENERAL PUBLIC:

At this time, Chair Caspersen 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 4:22 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: February 21, 2018
Minutes Prepared by: Terra Lovelin