

***University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
June 14, 2017***

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, June 14, 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, June 14, 2017, at the hour of 3:00 p.m. The meeting was called to order at the hour of 3:05 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
Robyn Caspersen
Jeff Ellis
Dr. Donald Mackay
Laura Lopez-Hobbs

Absent

Eileen Raney (Excused)
Mary Lynn Palenik Non-Voting (Excused)

Others Present:

Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating 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 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 May 17, 2017. (For possible action)

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

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

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 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. Epic goes live for scheduling patients in three days. UMC has about 25 staff members who will be impacted with the soft Go Live. This soft Go Live will help the team fix any bugs that may present themselves before the hospital-wide Go Live.

There were some issues with testing of lab results and this is being worked on. Medical records is falling a little bit behind but this is being handled. From a billing perspective there were some issues with billing extracts and statements but these issues have been cleared up as well.

Dress rehearsals are ongoing at the clinics, staff has been receptive and there is a desire for more practice.

There are 170 classes as part of Wave 1 with each class length being between three hours and a full day.

UMC Connect physicians' classes will be held next week for community physicians to learn how to view medical records.

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

DOCUMENTS SUBMITTED:

- Management Discussion & Analysis FY April 2017

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

- Total operating expenses were over budget
- Total Admissions were down 5.3%
- Surgeries were down from prior year by 12.6%
- ED visits were .5% better than prior year
- Average daily census was 386

Observation is being monitored and worked on by Case Management to lower the length of stay.

A discussion ensued about the shortage of surgeons and what measures staff are doing to backfill the positions.

Mr. VanHouweling added that Dr. Atkinson has enlisted the help of a few community doctors that will help fill those spots and they are actively recruiting for positions.

A discussion ensued about narrowing down the vendors and number of options of implants to help keep expenses down.

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 announced that she has made an offer to a candidate for the Director of Materials Management position.

AB65 passed (\$.02 cents on the first \$100 of property tax gets allocated to UMC) and we may use the funds for capital.

ITEM NO. 7 Review and recommend for approval by the Governing Board the Professional Services Agreement (Individual and Group Physician On-Call Coverage) for Orthopaedics Services Master Template; authorize the Chief Executive Officer to exercise any renewal options; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Professional Services Agreement

DISCUSSION: This is a NTE amount of \$2,190,000 (\$6k/day) for a one year agreement. The term is July 1, 2017 through April 30, 2020. There is a 30-day without cause termination.

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 4 of the five members as Dr. Mackay abstained from voting.

- ITEM NO. 8 Review and recommend for approval by the Governing Board the Participating Provider Agreement between SilverSummit Health Plan, Inc. ("SilverSummit") and University Medical Center of Southern Nevada ("UMC"); and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Amendment Number One Participating Provider Agreement
- Participating Provider Agreement

DISCUSSION: Rose Coker, Director of Managed Care explained the agreement and noted that it is a standard three year term.

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. 9 Review and recommend for approval by the Governing Board Amendment Three to Bid No. 2010-23 Courier Services with Southern Nevada Courier Services, Inc.; authorize the Chief Executive Officer to execute future amendments that are within his delegation of authority on behalf of University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Courier Service Bid Form
- Amendment Three

DISCUSSION: This is an outside courier service that UMC uses to cover the deliveries of supplies to our clinics. This contract expires on Oct. 31, 2017 and staff is looking at other options to streamline costs.

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. 10 Review and recommend for approval by the Governing Board the Purchaser Participation Letter ("LOP"), Amendment 1 to Purchaser Participation Letter, and Standardization Incentive Program Acknowledgement Form ("SIP"), which allow University Medical Center of Southern Nevada ("UMC") to purchase Radiopharmaceutical Products from Cardinal Health 414, LLC ("Cardinal") at HealthTrust Purchasing Group, LP ("HPG") pricing; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Amendment 1
- Purchasing Agreement

- Acknowledgement Form

DISCUSSION: This contract is for \$500,000 a year based on use and the terms are March 1, 2017 through February 28, 2017.

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 Clinical Affiliation Agreement for various Clinical Education Programs with The Board of Regents of the Nevada System of Higher Education on behalf of the College of Southern Nevada; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Clinical Affiliation Agreement

DISCUSSION: This is an agreement on UMC's standard clinical affiliation agreement.

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

ITEM NO. 12 Review and recommend for approval by the Governing Board the Clinical Affiliation Agreement for the Dietetic Internship Program and Nursing and Nurse Practitioner Program with The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Reno; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Clinical Affiliation Agreement

DISCUSSION: This is an agreement on UMC's standard clinical affiliation agreement.

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. 13 Review and recommend for approval by the Governing Board the Addendum to Educational Affiliation Agreement with The Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Las Vegas; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Addendum One

DISCUSSION: This is an addendum to our existing agreement with UNLV School of Nursing.

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. 14 Review and recommend for approval by the Governing Board the Provider Agreement between Community Counseling Center and University Medical Center of Southern Nevada for Mental Health Services for Ryan White participants; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Agreement

DISCUSSION: This agreement involves provider services for our Ryan White participants and is on standard form.

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. 15 Review and recommend for approval by the Governing Board the Provider Agreement between Nevada Optical and University Medical Center of Southern Nevada for optometry services for Ryan White participants; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Agreement

DISCUSSION: None

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. 16 Review and recommend for approval by the Governing Board the Provider Agreement between Daniel L. Orr II, DDS, MS, Ltd. and University Medical Center of Southern Nevada for Oral Surgery Services for Ryan White participants; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Agreement

DISCUSSION: None

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. 17 Review and recommend for approval by the Governing Board the Study Site Agreement between Duke University, a tax-exempt research and educational institution, acting for and on behalf of its Duke Clinical Research Institute ("Duke"), Nevada Heart and Vascular Center Resh LLP ("Nevada Heart"), and University Medical Center of Southern Nevada ("UMC"), and the accompanying Memorandum of Understanding ("MOU") between UMC and Nevada Heart; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:

- Study Site Agreement
- MOU

DISCUSSION: Ron Roemer, Director of Clinical Research explained that the revenue is dependent on the number of subjects that are enrolled. This agreement will run for five years.

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. 18 Review and recommend for approval by the Governing Board the Philips Healthcare NICU Patient Monitor Quote and Amendment One to Terms & Conditions; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:

- Quote
- Affidavit

DISCUSSION: This is one of two similar agreements for the purchase of Philips monitors. This monitor is to use in the NICU.

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 the Philips Healthcare PACU Patient Monitor Quote and Amendment One to Terms & Conditions; and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Amendment One

DISCUSSION: This is one of two similar agreements for the purchase of Philips monitors. This monitor is to use in the PACU.

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. 20 Review and recommend for approval by the Governing Board the Third Amendment to the Master Services Agreement and Services Agreement for Perfusion and Related Services with SpecialtyCare, Inc. ("SpecialtyCare"); and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Third Amendment

DISCUSSION: This is the third amendment for two replacement Heater Coolers to be added to capital equipment. These are used in the operating room and are specialized in keeping out airborne diseases. This is adding an additional \$1,925 per month to the existing agreement.

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. 21 Review and recommend for approval by the Governing Board the Professional Services Agreement for Women's Care Services between the Board of Regents of the Nevada System of Higher Education (NSHE) on behalf of the University of Nevada, Las Vegas and its School of Medicine (UNLV School of Medicine or School) and University Medical Center of Southern Nevada (UMC); and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Professional Services Agreement

DISCUSSION: This agreement and the next four on the agenda, will run July 1, 2017 through June 30, 2020 and are all subject to fair market value.

This particular agreement is for \$1,540,800 a year for Women's Care Services.

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. 22 Review and recommend for approval by the Governing Board the Professional Services Agreement for Internal and Family Medicine Services between the Board of Regents of the Nevada System of Higher Education (NSHE) on behalf of the University of Nevada, Las Vegas and its School of Medicine (UNLV School of Medicine or School) and University Medical Center of Southern Nevada (UMC); and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Professional Services Agreement

DISCUSSION: This agreement is for \$3,878,650 a year, for Internal and Family Medicine.

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. 23 Review and recommend for approval by the Governing Board the Professional Services Agreement for Pediatric Services between the Board of Regents of the Nevada System of Higher Education (NSHE) on behalf of the University of Nevada, Las Vegas and its School of Medicine (UNLV School of Medicine or School) and University Medical Center of Southern Nevada (UMC); and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Professional Services Agreement

DISCUSSION: This agreement is for \$1,154,450 a year, for five years for Pediatric Services.

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. 24 Review and recommend for approval by the Governing Board the Professional Services Agreement for Psychiatry Services between the Board of Regents of the Nevada System of Higher Education (NSHE) on behalf of the University of Nevada, Las Vegas and its School of Medicine (UNLV School of Medicine or School) and University Medical Center of**

Southern Nevada (UMC); and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Professional Services Agreement

DISCUSSION: This agreement is for \$450,000 a year, for five years for Psychiatry Services.

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. 25 Review and recommend for approval by the Governing Board the Professional Services Agreement for Surgical Services between the Board of Regents of the Nevada System of Higher Education (NSHE) on behalf of the University of Nevada, Las Vegas and its School of Medicine (UNLV School of Medicine or School) and University Medical Center of Southern Nevada (UMC); and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Professional Services Agreement

DISCUSSION: This agreement is for \$3,628,000 a year, for five years for Surgical Services.

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. 26 Review and recommend for ratification by the Governing Board the Professional Services Agreement (Individual Physician and Group On-Call Coverage) for Ophthalmology Services Master Template; authorize the Chief Executive Officer to exercise any renewal options; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Professional Services Agreement (Group On-Call Coverage)
- Professional Services Agreement (Individual On-Call Coverage)

DISCUSSION: This agreement is for \$438,000 a year, for three years for Ophthalmology Services through May 31, 2020. There is a 30 day out clause with the option to extend for two, one year periods.

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. 27 Review and recommend for approval by the Governing Board the Professional Services Agreement (Individual and Group Physician On-Call Coverage) for Stroke Neurology Services Master Template; authorize the Chief Executive Officer to exercise any renewal options; and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Professional Services Agreement (Group Physician On-Call Coverage)

DISCUSSION: The amount of this contract is \$700 per day for Stroke Neurology on-call services, not to exceed \$255,500 per year. This agreement covers services from June 21, 2017 through June 20, 2020.

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. 28 Review and recommend for ratification 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: None

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

- ITEM NO. 29 Review and recommend for approval by the Governing Board the agreements related to the purchase of a new MAGNETOM Skyra MRI system from Siemens Medical Solutions USA, Inc. ("Siemens"); and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Quote Skyra
- Tim Upgrade for Magnetom Symphony and Sonata
- Proposal Skrya
- Proposal Symphony
- Asbestos Release of Liability
- Design Construction Services Proposal
- Rental Agreement
- Business Associate Agreement
- Letter

DISCUSSION: This agreement is for the new MRI system, the 3T Magnetom Skyra. The total cost of this machine is \$4,162,190. This agreement also includes an upgrade of our current 1.5T magnet as well as installation costs. Our current 1.5T magnet would reach end-of-life status at the end of 2017 without the upgrade.

Vick Gill, Associate Administrator explained that this new machine will be located next to our 1.5 MRI machine and will help with throughput. We will be able to get patients through quicker and improve our overall capacity with this new machine.

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. 30 Review and recommend approval by the Governing Board the new Contracted Pharmacy Services Agreement between Avella of Deer Valley, Inc. and University Medical Center of Southern Nevada for the 340B Drug Program; and authorize the Chief Executive Officer to sign the agreements and any amendments that only address pharmacy locations or other non-financial components; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Agreement

DISCUSSION: Avella is a contracted pharmacy for our 340B Drug Program. Revenue is estimated at \$3,000,000 a year. This is for a two-year term with a one year renewal option.

Staff had questions regarding the revenue source so they asked if they could receive a brief overview of the 340B program at a future meeting.

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. 31 Review and recommend approval by the Governing Board the award of RFP No. 2016-19 Websites Design Services to R&R Partners, Inc.; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Agreement

DISCUSSION: The committee would like more information with regards to the services R&R Partners will be providing within the scope of this agreement.

FINAL ACTION TAKEN: This item was removed from the agenda and will be placed on the next agenda.

SECTION 3: EMERGING ISSUES

ITEM NO. 32 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 asked the committee if they are free in July for the scheduled meeting. The members present commented that they are available on July 12.

Mr. VanHouweling and Mary Lynn had lunch last week and he got her caught up on many helpful UMC subjects to assist with her onboarding as our new ex-officio committee member.

Marcia Turner gave a brief update on a few bills, one that passed, AB65 and one bill that did not, AB382.

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 5:28 p.m., Chair Hagerty adjourned the meeting.

MINUTES APPROVED: July 12, 2017
Minutes Prepared by: Terra Lovelin