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

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, March 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, March 15, 2017, at the hour of 3:00 p.m. The meeting was called to order at the hour of 3:04 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
Robyn Caspersen
Jeff Ellis
Laura Lopez-Hobbs

Absent
Dr. Donald Mackay - Excused

Others Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Hillary McElroy, Controller
Brent Hilton, Assistant Controller
Kelly Swanson, Budget Manager
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 February 15, 2017. *(For possible action)*

Member Caspersen noted that the dollar figure on item No. 8 should be changed to reflect $2.5 million, not billion and Chair Hagerty commented that Brent's last name is Hilton and not Wilson (Item No.8).

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 Raney 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 Customer Order Agreements/Implementation Timeline between CareFusion Solutions LLC and University Medical Center of Southern Nevada to add/reinstate Pyxis MedStations throughout the main campus and ancillary locations and authorize the Chief Executive Officer to execute future Order Forms under the appropriate signing authority; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Customer Order
- Disclosure of Ownership

DISCUSSION: This agreement is for medication management with CareFusion and their Pyxis MedStations. The total amount of this agreement is $163,000 with a 60 month term for new MedStations and a 48 month term for reinstatement of MedStations.

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. 5 Review and recommend for approval by the Governing Board the Interlocal Contract with University Medical Center of Southern Nevada to provide Medical Core & Support Services for HIV/AIDS Infected & Affected Clients in Las Vegas, Ryan White, Transitional Grant Area (RFP 604274-16) and authorize the Chief Executive Officer to accept any

additional partial awards of grant funds to UMCSN; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Contract for Medical Core & Support Services Agreement

DISCUSSION: This is an Interlocal agreement for Medical Core and Support Services through February 2018, in the amount of $235,000.

Jan Richardson, OP and Ambulatory Clinic Manager explained that Ryan White services provides the funding for our HIV patients and has been doing so since 1990. The Federal Govt. funds the County and the County funds UMC. This grant is for outpatient services and for Part A.

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. 6 Review and recommend for approval by the Governing Board the Deferred Equipment Agreement between University Medical Center of Southern Nevada and Masimo Americas, Inc.; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Deferred Equipment Agreement
- Disclosure of Ownership

DISCUSSION: This agreement is for pulse oximetry services and is included in Health Trust. The total amount is for $739,000 and will save UMC $354,000 through our GPO. The last GPO was Novation now it is Health Trust. The term of this agreement is for three years and the commitment is to spend a minimum amount to get the equipment at no cost, which we already exceed.

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. 7 Review and recommend for approval by the Governing Board the new Primary Care Physician Agreement between WellHealth Medical Associates (Volker) PLLC ("WellHealth") and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTSUBMITTED:
- Primary Care Physician Participation Agreement

DISCUSSION: Rose Coker, Director of Managed Care explained that this agreement is with UMC and Well Health. This is not an IPA, HMO or PPO, it is a network of physicians and specialists who will manage patients on behalf of payors. This agreement is for a two year term and can be terminated with 60 days written notice.

Andrew Chung, Associate Administrator explained that we are contracted on behalf of Health Care Partners to manage their primary care risk pool. UMC takes on the capitated lives.

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. 8 Review and recommend approval of Amendment Five to the 340B Contracted Pharmacy Services Agreement between Walgreen Co. and the University Medical Center of Southern Nevada and to approve the Funding Appropriations for the Sentry Data Systems, Inc. Service and associated Transactions Fees; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Walgreens Amendment No. 5 to Contracted Pharmacy Services Agreement
- Walgreens Disclosure of Ownership/Principals
- Sentry Data Systems Technology Services Agreement
- Sentry Data Systems Disclosure of Ownership/Principals

DISCUSSION: This amendment is requested to our Walgreen's contracted pharmacy agreement and to approve funding appropriations for our Sentry Data Systems with an estimated spend of $600,000. This Amendment was for Walgreen's which created funding under Sentry. This amendment will go through December 2018 and can be terminated with 30 days written notice.

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

DOCUMENTS SUBMITTED:
- EHR PowerPoint Update

DISCUSSION: Brian Rosenberg gave an overview on the status of the EHR implementation. The project is in an overall "watch" status and budget remains on track. There have been challenges regarding the staff but as of now, they are back on track and fully staffed.

There have been challenges with test systems so the team had to upgrade to get those test systems where they were not previously available. There are 36 separate interfaces and of those, 12 are related to Wave One. Wave Two interfaces are making good process.

Training material is being built and going very well. Mr. Rosenberg and his team have begun to identify super users. The training approach and rules with the union have been confirmed.

Go-Live Dates: July 1st – 2nd - Quick Cares
July 3rd - Quick Cares and Primary Cares
July 4th – Break (All clinics are closed)

The deployment teams will be at the clinics during Go-Live for support. All remaining team members will be at the business office and on a support line. There will be 100 total team members available (30 Epic, 70 UMC), to address any issues and additional staff can be dispatched if needed.

Charge testing has been completed and there are about 600 of those that had to be tested.

Member Lopez-Hobbs asked about a timeline for refunding inaccurate charges that may get entered into the system.

Rose explained that three people have been sent to Madison to the Epic Campus to be trained from the Revenue Cycle team, to ensure hospital and clinic claims come out with the correct amount.

A final inventory of what devices and screens will be needed is almost complete. This process entailed a walk-through of the entire hospital to determine what items were needed for the Epic implementation.

Chair Hagerty asked what would happen if the system is not available.

Mr. Rosenberg replied that if the system were to go down, one could still view records but not enter data. Also, paper documentation would be utilized until the system is available.

A Charge Master discussion ensued and it was asked when the price increase would go into effect and be loaded into Epic.

FINAL ACTION: None taken.

ITEM NO. 10 Receive a report on the Annual Contract Evaluation Performance Review detailing performance measures/evaluations on various professional and service contracts of the Hospital as required by Centers of Medicare

Services (CMS) Conditions of Participation (CoPs) and Joint Commission Standards (*For possible action)*

DOCUMENTS SUBMITTED:
- Contract List

DISCUSSION: This is the annual contract evaluation required by CMS. This is not a process to approve contracts, just our review to make sure the vendor is performing the way we expect them to. This is the first attempt at putting this together so staff is starting with the critical ones related to clinical care such as dialysis. Staff will go through the list and bring it to this committee monthly.

Chair Hagerty requested that when this report is brought back monthly, if it could only contain the contracts/vendors we are having issues with.

FINAL ACTION: No action taken.

ITEM NO. 11 Receive a report on ambulatory financials. (*For possible action)*

DOCUMENTS SUBMITTED:
- Primary and Quick Care Quarterly Revenue Overview

DISCUSSION: Andrew Chung, Associate Administrator gave a brief overview of the performance during the past six quarters. Quick cares are a positive service line margin for us. Primary care is a loss leader and accounts for downstream revenue for UMC. This overview is better than last year.

Chair Hagerty had a few questions regarding the numbers that were presented. It was suggested that this report be brought back and presented again with further explanation for Q1 on the report. He would also like to see fixed versus variable expenses listed.

Mr. Chung said he would make the changes and bring it back for further discussion.

FINAL ACTION: No action taken.

ITEM NO. 12 Receive the monthly financial report for FY January 2017; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- Management Discussion & Analysis FY January 2017

DISCUSSION: Mr. Hilton gave a brief financial summary for FY January 2017 including the following:

- Another favorable month (17 plus months)

- Increased volumes in ED and outpatient
- Total surgeries were down
- Salaries and benefits were under budget
- Supplies expense were over due to medical supplies and other
- Purchased services were under budget
- Average daily census; 404

Marcia Turner, Chief Administrative Officer explained that with the restricted donated funds, there will be more transparency at the department level to know how much money comes in and where it is to be spent. The previous process was not really defined or tracked very well. This new process should help spend the donations as soon as they come and thank the appropriate donors timely.

FINAL ACTION: No action taken.

ITEM NO. 13 Review and provide feedback on the FY 2018 Operating Budget to be submitted to Clark County for consideration; and direct staff accordingly *(For possible action)*

DOCUMENTS SUBMITTED:
- None submitted

DISCUSSION: Kelly Swanson, Budget Manager spoke about the tentative budget and where we are currently.

The two new clinics were added into the tentative assumptions. We are anticipating a reduction in federal supplemental programs. The net revenue that is being proposed is $651.6 million, which is a slight reduction over the projected.

Hillary McElroy, Controller, added that we are using a projected FY17; a rolling 12 month.

Member Raney commented that the hospital should be compared to goals, not the budget number that we give the County.

Chair Hagerty voiced his concern that this was the third year in a row that the committee has gone through this. A budget is being submitted to the County without discussion from this committee. A discussion ensued regarding the preliminary budget will be presented to the Audit and Finance Committee next year for input long before it goes to the County.

FINAL ACTION: The presented, tentative budget was not approved by the committee. The committee requested a special meeting to discuss the budget and the meeting will be scheduled for March 30th at 2pm.

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

DOCUMENTS SUBMITTED:
- None submitted

DISCUSSION: Kaufmann Hall is on site for three days starting their preliminary build at the end of the month.

FINAL ACTION: None

SECTION 3: EMERGING ISSUES

Mr. Marinello reminded the Board that the Employee Service Awards are this Friday at Texas Station at 12pm.

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)*

None

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 6:08 p.m., Chair Hagerty adjourned the meeting.

MINUTES APPROVED: April 13, 2017
Minutes Prepared by: Terra Lovelin