

***University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
May 17, 2017***

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, May 17, 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, May 17, 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
Eileen Raney
Robyn Caspersen
Jeff Ellis
Dr. Donald Mackay

Absent

Laura Lopez-Hobbs - 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 April 12, 2017. (For possible action)

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive the monthly financial report for FY March 2017; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:

- Management Discussion & Analysis FY March 2017

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

- Total operating expenses were favorable to budget.
- Admissions were below budget
- LOS was favorable to budget
- Surgeries were down
- Average daily census was 372, which was lower than prior years

Member Raney asked if the next financial report could have arrows indicating if the payor mixes are either up or down.

- UMC received meaningful use dollars totaling \$1 million, a quarterly rebate from our GPO for \$300,000 and a rebate from the 340B pharmacy program for \$155,000.
- Salaries/Wages/Benefits exceeded budget by .5%
- Purchased Services were lower than budget
- \$24.3 million dollars' worth of capital in progress (ED Expansion, MRI, 2040 remodel, etc.)

ITEM NO. 5 Receive an update report from the Chief Financial Officer; and direct staff accordingly. (For possible action)

Ms. Wakem introduced Doug Metzger, the new Controller with the Finance Department.

An update on AB65 was provided. This is the property tax bill where the first \$.02 cents on every \$100 will go to UMC dedicated funding or capital. This bill has been through the Assembly and the Senate and will go to the Governor.

A discussion ensued if UMC would bond against this amount.

Lastly, the County approved the UMC FY18 budget.

ITEM NO. 6 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.

Wave 1 update

- 6 ½ weeks away from Go Live
- HIM interface status is improving
- EpicCare Link (Physician portal) will be launching with Wave 1 but not used widely until Wave 2
- Overall the project is in a watch status
- Staffing, Contracting and Clinical Readiness is in a watch status
- Reengaging with staff is on the horizon and will be handled through Town Halls with Mr. VanHouweling and himself
- Revenue Cycle readiness, Conversions, Interfaces and Training are strong

Progress in the past thirty days

- Technical Dress Rehearsal started
- Full-scale conversion testing completed
- Right Patient Pilot at Wellness starting on May 10
- Developed launch strategy for UMConnect for Physicians

June 19 is the GoLive date for the scheduling module.

The committee discussed upcoming charge master updates with Virginia Carr.

A discussion ensued about separating Wave 1 and Wave 2 on the next presentation.

FINAL ACTION TAKEN: None

- ITEM NO. 7 Review and recommend ratification by the Governing Board the Amendment One between Anchor Healthcare Consultants, LLC and University Medical Center of Southern Nevada for Consultant Services and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Anchor Healthcare Consultants LLC Agreement
- Disclosure of Ownership

DISCUSSION: This is a ratification for consultant services for \$128,100 and goes through September 2017.

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 the Third Party Tools Orders between Epic Systems Corporation and University Medical Center of Southern Nevada for InterSystems Cache Licensing (Subscription Model) and allow the Chief Executive Officer to sign future Third Party Tools Orders within his delegation of authority; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- None submitted

DISCUSSION: This is part of the Epic proposal and budget for software user licenses and the estimated spend is \$2,200,979.

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 the Amendment One 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 One to Agreement for Staff Augmentation Services
- Disclosure of Ownership

DISCUSSION: This is for staff augmentation services for Epic team member support. This will help replace a few members that are no longer part of the

Epic team project. The amount is for \$413,380.00 and this will take us through March 23, 2018, which leaves us extra time if needed.

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. 10** Review and recommend that the Governing Board approve the **Second Amendment to Preliminary Affiliation Agreement 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), subject to final approval by the Board of Hospital Trustees; and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Second Amendment to Preliminary Affiliation Agreement

DISCUSSION: This is a 2nd Amendment which is now moving us towards the transition date in July. This amendment is accounting for the different areas that we support for UNLV. The amount is \$20,053,247.00.

Chair Hagerty asked if we included provisions for this in our County budget and Vick Gill, Associate Administrator replied that we did.

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

- ITEM NO. 11** Review and recommend for approval by the Governing Board the **EMR System Access Agreement 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); authorize the Chief Executive Officer to exercise any renewal options; and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- EMR System Access Agreement

DISCUSSION: UNLV will pay costs of UMC for the Epic implementation for UNLV over the next twelve months. UNLV will also provide team members who will become part of One UMC.

The committee suggested that Item No. 10 be placed under Business Items on the Governing Board agenda.

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. 12 Review and recommend for approval by the Governing Board the Master Affiliation Agreement for Graduate Medical Education (GME) 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:

- Master Affiliation Agreement for Graduate Medical Education (GME)

DISCUSSION: This agreement has zero dollars and is part of the ACGME accreditation and the transition date.

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 Service Agreement for Interpretation and Translation Services between CyraCom, LLC and University Medical Center of Southern Nevada; authorize the Chief Executive Officer to exercise any renewal options; and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Service Agreement

DISCUSSION: This agreement is for interpretation and transition services in the amount of \$390,000. The term is not to exceed three years with two, one renewal options.

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. 14 Review and recommend that the Governing Board approve Amendment Two to Legal Services Agreement (QAF Program) between Dean L. Johnson, Inc. (Attorney) and University Medical Center of Southern Nevada (UMC), subject to final approval by the Board of Hospital Trustees; and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Amendment Two to Legal Services Agreement

DISCUSSION: Second amendment for legal services through June 30, 2022. This attorney, Dean L. Johnson is working on the California QAF program, contingency based legal agreement. The additional cost is approximately \$100,000.

Pete Tibone, Director of Reimbursement/Cost Reporting explained further the purposes for the outside legal services.

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. 15 Review and recommend for approval by the Governing Board the Settlement Agreement under MHRIA between the California Hospital Association (CHA), University Medical Center of Southern Nevada (UMC), and Dean L. Johnson, Inc. (Attorney); and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Settlement Agreement on File

DISCUSSION: This is the negotiated settlement with the California Hospital Association waiting for the CEO's signature.

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. 16 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), the Group Enrollment Agreement between University Medical Center of Southern Nevada and Health Plan of Nevada, Inc. to provide health care coverage to UMCSN employees, retirees and dependents through a Health Maintenance Organization; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Clark County Agenda Item Group Enrollment Agreement
- Clark County Group Enrollment Agreement
- UMCSN Group Enrollment Agreement
- Disclosure of Ownership

DISCUSSION: This contract was sent out for Requests for Proposals (RFP) by the County and HPN was the provider who was chosen. Estimated annual cost is \$8.7 million dollars with six one year renewal term options.

Member Raney asked how many employees are covered under HPN and Mr. VanHouweling replied that 2/3 of employees are covered under HPN due to lower premiums versus the Clark County Self-funded option.

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. 17 Review and recommend for approval by the Governing Board Amendment One to Bid No. 2014-03, Workers Comp and Out of State Medicaid Accounts Receivable Services Agreement, between MedData, Inc. and University Medical Center of Southern Nevada; authorize the Chief Executive Officer to exercise the remaining renewal option; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Amendment One to Workers Comp and Out of State Medicaid Accounts Receivable Services Agreement

DISCUSSION: This a renewal of an agreement that came up after the hospital made some changes to out of state Medicaid enrollment billing services. The estimate spend is \$100k with the new term taking UMC through June 30, 2018. There is an estimated cost savings of \$489,000.

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 ratification by the Governing Board Amendment One to Agreement for Medical Coding Support between Pietro S. Ingrande and University Medical Center of Southern Nevada; and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Amendment One

DISCUSSION: This is a Ratification to Amendment One for coding support. The previous agreement was for one year and the term is now extended to April 24, 2018. UMC still has two open coding positions as we are unable to fill them. One of the barriers we run into is that the employee population has to live within the County to be employed at UMC.

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 ratification by the Governing Board the Professional Services Agreement for Physician On-Call Coverage between S & G Halthore, PC d/b/a S & G Halthore and University Medical Center of Southern Nevada; 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: Mr. VanHouweling explained that Pediatric Neurology is an extreme shortage in our community. There are only about five pediatric neurologists in the area so it was hard to find someone to work in a hospital setting, most want to only work within their clinics. Dr. Halthore agreed to provide services within this setting.

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. 20 Review and recommend for approval by the Governing Board the Medical Student Affiliation Agreement between The Uniformed Services University of the Health Sciences, a Department of Defense academic entity (USUHS), and University Medical Center of Southern Nevada (UMC); and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Medical Student Affiliation Agreement

DISCUSSION: There is no fiscal impact or savings associated with this Medical Student training agreement. This agreement is for a five year term and can be terminated with 90 days written notice.

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. 21 Review and recommend for approval by the Governing Board the Medicaid Hospital Services Agreement between Aetna Better Health of Nevada Inc. and University Medical Center of Southern Nevada ("UMC"); and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Medicaid Hospital Services Agreement Checklist

DISCUSSION: This agreement has a three year term and will take us through June 30, 2020 with a 90 day written notice.

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 Clinical Affiliation Agreement between North Dakota State University and University Medical Center of Southern Nevada ("UMC"); and take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Clinical Affiliation Agreement

DISCUSSION: This three year agreement is for two Child Life Specialists attending North Dakota State University.

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.

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)

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 5:10 p.m., Chair Hagerty adjourned the meeting.

MINUTES APPROVED: June 14, 2017
Minutes Prepared by: Terra Lovelin