University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
October 18, 2017

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, October 18, 2017
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 3:00 p.m. by Chair Hagerty and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:
Dr. Donald Mackay
Laura Lopez-Hobbs
Robyn Caspersen
Harry Hagerty
Mary Lynn Palenik (Non-Voting)
Jeff Ellis

Others Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Marcia Turner, Chief Administrative Officer
Jennifer Wakem, Chief Financial Officer
Debra Fox, Chief Nursing Officer
Susan Pitz, General Counsel
Terra Lovelin, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair 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 September 20, 2017. *(For possible action)*

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

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

Jennifer Wakem made a correction to the agenda with regards to the monthly financials. She will be presenting the September financials, rather than August.

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:
- PowerPoint – EHR Update

DISCUSSION: Brian Rosenberg, EHR consultant provided an update on the Epic implementation.

- 42 days until Go live
- Over 300 employees have attended training
- Resident and Physician training has started
- 40% of providers enrolled in training
- Risk points include training enrollment for anesthesia, order sets validation, integrated credit card processing and communication with clinical staff
- Activities over next month include training, Go live support planning and communication
- Surgery Scheduling Go Live set for 11/11/17
- Appointment conversion Go Live set for 11/17/17
- Surgery Scheduling Go Live set for 11/20/17

FINAL ACTION TAKEN: None

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

DOCUMENTS SUBMITTED:
- Management Discussion & Analysis FY September 2017

DISCUSSION: Jennifer Wakem presented the monthly financial update for September 2017. The agenda listed the update would be for August but her team was able to show more current data, therefore, September financials were presented instead.

Chair Hagerty and the committee thanked Ms. Wakem and her team for being able to present more recent financial data.

In August operating expenses exceeded budget.

In September we exceeded budget and total operating expenses were $54.6 million.

Year to date we are under budget by about $2 million. Labor has been driving our costs up with a high amount of contract and per diem labor. We have a nursing profession shortage in the Las Vegas market and Deb's team is actively recruiting to help with this issue.

Total admissions were up 2.2%
Surgery cases were up 3.7%
ER visits were down 4.3%
Quick care visits were down 7.4%
Primary care visits were down 14.3%
Average daily census was 394

FINAL ACTION TAKEN: None

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

DOCUMENTS SUBMITTED:
- None submitted

DISCUSSION: The auditors with BDO will issue us a draft report next week; no issues were found.

Chair Hagerty asked if we will be able to track the profitability of a patient with the new Kaufman Hall software and staff replied yes.

FINAL ACTION TAKEN: None

ITEM NO. 7 **Review and recommend ratification for the Amendment Three 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 Three
- Disclosure of Ownership (DOO)

DISCUSSION: This is an addendum for additional staffing hours and the total cost is $175,400. This cost is contained within the budget.

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. 8 Review and recommend ratification by the Governing Board the CDW Government LLC Quote and CareLink Care Package Statement of Work with Capsa Healthcare; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Sourcing Letter
- Statement of Work
- DOO

DISCUSSION: This contract is to support the Epic project and includes the purchase of 79 additional work stations so the departments can utilize Epic. The total cost of the equipment and support is $555,311.

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 Skull Flap Storage Agreement between California Transplant Services, Inc. d/b/a SafetyGraft and University Medical Center of Southern Nevada; authorize the Chief Executive Officer to execute future renewal amendments; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Agreement

DISCUSSION: This agreement is for skull flap storage in the amount of $370,000. This includes packaging, transportation and coordination.

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 approval by the Governing Board Fund Appropriations for Infrastructure Hardware/Firmware Support with

Extreme Networks, Inc.; and take action as deemed appropriate. ***(For possible action)***

<u>DOCUMENTS SUBMITTED</u>:
- Renewal Quote
- Service Budgeting

<u>DISCUSSION</u>: This contract is for four years for a total of $2,158,407. This is to purchase software and hardware for wire and wireless network infrastructure.

<u>FINAL ACTION TAKEN</u>: 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. 11 **Review and recommend for award by the Governing Board RFP No. 2017-07 Data Breach Notification and Remediation Services to Identity Theft Guard Solutions, Inc. d/b/a ID Experts; approve the RFP No. 2017-07 Service Agreement; authorize the Chief Executive Officer to exercise the extension option; and take action as deemed appropriate.** ***(For possible action)***

<u>DOCUMENTS SUBMITTED</u>:
- Agreement

<u>DISCUSSION</u>: This four year contract is for data breach services, should one occur at UMC. This is not to exceed $4.8 million dollars. UMC would provide a list of those impacted to ID Experts and this company would do the outreach and notification.

Member Caspersen asked if Connie Sadler, Information Security Officer could provide an update on cyber security and the committee suggested this be done at the November meeting.

<u>FINAL ACTION TAKEN</u>: 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. 12 **Review and recommend for approval by the Governing Board the Agreement for Physician Professional Services between Quality Care Consultants, LLC and University Medical Center of Southern Nevada for utilization, case management and resource management services; and take action as deemed appropriate.** ***(For possible action)***

<u>DOCUMENTS SUBMITTED</u>:
- Agreement

DISCUSSION: This is for professional services for Case Management and Utilization Review. This is for one year at $115,200

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. 13 Review and recommend for approval by the Governing Board the Interlocal Agreement between The Board of Regents of the Nevada System of Higher Education, on behalf of the University of Nevada Las Vegas and University Medical Center of Southern Nevada For General and Pediatric Dentistry On-Call Services; authorize the Chief Executive Officer to exercise any extension options; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Interlocal Agreement

DISCUSSION: This agreement is for three years for on-call, general and pediatric dentistry services with UNLV.

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 Amendment Two to Consulting Agreement between Diamond Healthcare Corporation and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment

DISCUSSION: This amendment extends our current agreement for one year, for consulting 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. 15 Review and recommend for approval by the Governing Board the Master Services Agreement between Merritt Hawkins & Associates LLC and University Medical Center of Southern Nevada; authorize the Chief Executive Officer to approve future Statement of Works within the not-to-

exceed amount of this Agreement and exercise the extension option; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- None provided at this time

DISCUSSION: This is a master services agreement for a new contract for professional recruitment services for Executive and Clinical level leadership. This company recruits physicians and allied health professionals based on what our requirements are. It is not to exceed $250,000.

Vick Gill commented that this company will aid in searches for C Suite level positions and other positions as needed.

Dr. Mackay asked if the School of Medicine will participate in cost sharing and Mr. Gill said there is nothing in this agreement as far as cost sharing goes.

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 Lab Testing Services Master Agreement for use by University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Services Agreement

DISCUSSION: This agreement is for lab testing services if other facilities need to utilize our lab. For this agreement it would be 200% of Medicare rates. Where a service is not covered by the Medicare fee schedule, we will come to reasonable rates that will cover our cost, and those agreements will come back to the board.

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 Customer Order Agreements/Implementation Timelines from CareFusion Solutions LLC to upgrade existing Alaris Infusion Pumps and to purchase the CATO Software/Hardware Solution; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Executive Summary
- DOO

DISCUSSION: These smart pumps are important for patient safety as they pumps alert health care providers if there is a mistake in the administration or calibration of drugs. These pumps will integrate with Epic. The contract is for 5 years and will cost $3,216,013.

Jamie King gave a brief description of what these new pumps will be capable of and the safety features they have.

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.

SECTION 3: EMERGING ISSUES

ITEM NO. 18 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 Caspersen mentioned Connie's presentation next month on cyber security.

Tony Marinello mentioned that the ED bids are out for construction and construction is hoping to start on December 11, 2017.

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 4:29 p.m., Chair Hagerty adjourned the meeting.

MINUTES APPROVED: November 8, 2017
Minutes Prepared by: Terra Lovelin