University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
February 21, 2018

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, February 21, 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 3:05 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
Chris Haase (via phone)
Harry Hagerty
Jeff Ellis

Absent:
Mary Lynn Palenik

Others Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Susan Pitz, General Counsel
Deb Fox, Chief Nursing Officer
Vick Gill, Associate Administrator
Danita Cohen, Chief Experience Officer
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

ITEM NO. 2 **Approval of minutes of the regular meeting of the UMC Governing Board Audit and Finance Committee meeting on January 17, 2018. *(For possible action)***

Member Hagerty abstained from voting as he was not present at the January meeting.

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

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

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

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)***

DOCUMENTS SUBMITTED:
- 2017-2018 Marketing Overview

DISCUSSION: B & P have been partners with UMC since 2001. Rob Colbrook is the Sr. Executive at B&P and handles the day to day activity. He is here with Michael, Media Supervisor and TC, Sr. Associate Director.

Goals and Objectives
Promote the Overall UMC brand
Promote the Latest Surgical & Diagnostic Technology
Promote UMC's Quick and Primary Care
Highlight the Children's Hospital
Integrate with Community Partnerships and Sponsorships

Member Hagerty asked for examples the advertising team used to drive the UMC brand and the other objectives listed above.

Mr. Colbrook replied that the campaign slogans, including "I Survive" get the UMC brand out there. Many commercials, mailings and billboards for the Quick and Primary Cares have also been created and advertised.

The target audience is families with children, the senior population, 65+ years old and insured adults, 25+ years old.

Ms. Cohen added that UMC places ads in David Magazine to promote the robotics and surgical technology. Also, an EMS Liaison has been added to our staff. August has over 20 years' experience as an EMT and he has been busy educating other EMT's as to what UMC offers to patients and why they should bring them here.

Chair Caspersen asked about the Quick Care brand and B&P staff provided some examples.

Michael added that television is still the greatest venue for advertising. They also do a lot of digital advertising on social media such as Facebook, YouTube, etc.

Member Hagerty asked the group how we know if the audiences that attend UMC's sponsored events see our ads and also, what impression has it made on them.

Michael replied that they would have to do ground research and it is not cheap. It has been over seven years since a study has been done due to budget restrictions but they believe the time is right going into 2018-2019 to do some research.

Member Hagerty commented that there is not a standard tag line with our UMC logos when he sees them on display and perhaps we should have it followed by one.

Ms. Cohen added that in the print material, such as brochures and handouts, the wording, "The highest level of care" accompanies all UMC's logos. We couldn't put the tag line on the ads in the hockey arena for example, due to the size of the wording. The tag line was initially on the large ads behind the goals at T-Mobile, but it was not visible.

Member Ellis asked what the sponsorships include and staff replied they include places like the Smith Center, Kohl's events, drowning prevention events, sports teams, etc.

Member Hagerty asked how you make someone buy into our services. He would like to see what the return is on our marketing investment.

FINAL ACTION TAKEN: None taken.

ITEM NO. 5 **Receive the monthly financial report for January 2018; and direct staff accordingly. *(For possible action)***

DOCUMENTS SUBMITTED:
- January 2018 Financials

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

-The hospital revenue was above budget

-Expenses were $1.2 million over budget
-Income from Operations was shy of budget

We did have another audit correction to last month and that resulted in a loss of income from earnings of $300,000.

-Total Admissions were up 7.5% over prior year
-Patient Surgery was up 29.3% over prior year, a record month
-Out Patient Surgery was down 8.7% over prior year
-Quick Cares were up 1.6% over prior year
-Supplies are $1.2 million over budget
-Primary Cares were down 9.8% over prior year
-ER visits for the month were up 2.3% over prior year

Chair Caspersen asked what staff is doing regarding staffing and over time.

Deb Fox, CNO reported that the report from Greeley is due back next week and staff will see what recommendations they will make regarding block scheduling. She commented that we need more rooms and better management of the surgery scheduling.

Mr. VanHouweling commented that we had 50 admissions from area hospitals.

(Member Hasse dropped off the phone call at 4:15pm)

The FY19 budget plan was shown and some notable dates are as follows:

February 15: Department Directors provide feedback
February 28: Directors Review
March 5: Administration Review
March 9: Provide FY18 annualized and tentative FY19 budget
April 26: Final budget to county due

This year Ms. Wakem and her budget team will do the budget; unlike last year when departments submitted their own budgets.

Chair Caspersen added that at the March Audit and Finance meeting this committee will review the tentative budget.

Member Hagerty would like to do a more detailed department review so he can see where big changes are being made across the organization.

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 had nothing further to update the committee on.

ITEM NO. 7 Receive an update on CEO goals for 2018; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
-CEO Performance Objectives Update

DISCUSSION: CEO Mason VanHouweling gave an update on the Finance and Operations Performance Objectives that were set for 2018.

1. Meet Fiscal Year budget income from operations
- Year to date we are negative $511,000 on a budget of $8.8 million. This is due to revenue expenses such as the October 1 event and the delay of Epic and contract labor.

2. Ensure all Fiscal Year budgeted capital expenditures are completed or activated
- $31 million for FY18 ($21.2 million spent and committed, $9.9 million remaining with large remodels going on and purchases under way)

3. Meet 75% of total identified initiatives in operations and financial efficiencies for Fiscal year 2018.
- 50 initiatives identified totaling $15 million with a total goal of $11.3 million. Total goal captured through January is $2.1 million.

FINAL ACTION TAKEN: None taken

ITEM NO. 8 Review and recommend for approval by the Governing Board Amendment Two 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 Two to Agreement for Medical Coding Support

DISCUSSION: This amendment is for cost saving as the price was negotiated down by $10/hour. This contract will be utilized on an, “as-needed” basis for in patient and out patient coding.

Ms. Wakem added that this individual does very good quality work.

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 One to the EMR Systems Access Agreement by and between University Medical Center of Southern Nevada and the Board of Regents of the Nevada System of Higher Education, on behalf of the University of Nevada, Las Vegas School of Medicine. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment One to EMR System Access Agreement

DISCUSSION: General Counsel noted that this should state that it is a ratification. The agenda and back up materials does clarify that it is for ratification, it is just not noted on the agenda.

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

SECTION 3: EMERGING ISSUES

ITEM NO. 10 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 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 4:55 p.m., Chair Caspersen adjourned the meeting.

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