University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
May 16, 2018

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, May 16, 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 3:01 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
Harry Hagerty
Mary Lynn Palenik
Jeff Ellis

Absent:
Chris Haase (Excused)

Others Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Susan Pitz, General Counsel
Jacqueline Saites, Director, Contracts Management
Maria Hernandez, Administrative Assistant

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 April 18, 2018. *(For possible action)***

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

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

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 **Review the results of the follow up of the Emergency Medicine Physicians Audit dated May 10, 2018; and direct staff accordingly *(For possible action)***

DOCUMENTS SUBMITTED:
- Audit Report Letter dated May 10, 2018

DISCUSSION: Nathan Strohl, Internal Auditor provided a follow up report on the Emergency Medicine Physicians Audit.

Mr. Strohl explained why the audit was conducted. Last time there was an issue with quarterly reports not being submitted and staff wasn't sure if these were done or if they were done, if they were being submitted. The recommendation to remove this requirement from the contract was completed in the revised contract.

It was noted that there is a meeting on June 6, to go over the next fiscal year audit plan.

ITEM NO. 5 **Receive an update on the Electronic Health Record (EHR) System; and direct staff accordingly. *(For possible action)***

DOCUMENTS SUBMITTED:
- Epic Deployment Phase II Overview

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

The team is launching a series of governance committees that will be responsible for identifying and prioritizing issues. Epic will also be upgraded to the 2018 version and will be live in November of 2018. The committees are looking at how decisions were made during the Epic implementation and deciding if any changes should be made. There will be 17 committees compromised of about five individuals.

Chair Caspersen asked how Mr. VanHouweling and his team oversee the activities of what the committees are doing.

Mr. Rosenberg explained that anything that has budgetary or scope impact, will go through the administration team. The committees will be on going and will start meeting weekly then drop down the meeting frequency according to need.

Chair Caspersen asked who will be responsible for management reporting.

Mr. Rosenberg said the majority would fall under data governance and quality.

Projected Go-Live Dates are as follows:
UNLV 5/7/18 to 7/1/18
Epic Upgrade Q4 2018
Cupid 1/1/19
Infusion Pumps 2/1/19
Beacon Q1 2019
Phoenix Q1 2019
Beaker Q4 2019

Chair Caspersen mentioned My Chart and the discussion that ensued at April's Governing Board meeting regarding signing people up as they entered each clinic.

ITEM NO. 6 Receive the monthly financial report for April 2018; and direct staff accordingly. ***(For possible action)***

DOCUMENTS SUBMITTED:
- April 2018 Financials

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

-Hospital net revenue was slightly under budget
-Income from Operations was below budget
-Total Admissions were 2,333, above prior year by 31.2%
-In Patient Surgery cases totaled 917, above prior year by 42.6%
-Quick Care visits totaled 14,797, above prior year by 1.6%
-Primary care visits totaled 5,074, above prior year by 1.7%
-ER visits for the month were 9,619, below prior year by 7.7%
-Average length of stay (ALOS) is the lowest it has been since July at 4.77

Top three surgery categories by specialty are General, Orthopedics and GI.

Salaries were below budget by 184k, 0.9%

Benefits were above budget by 542k, 5.7%
Contract labor is holding steady even though it is above budget

It was noted we have a nursing shortage and this accounts for the overtime and contract labor.

Capital Update: $1.3 million remaining to be spent for FY17 and $17.2 million committed funds for FY18.

A discussion ensued regarding Kaufmann Hall and the system helping the team track the charges and track the diagnosis of each patient moving forward.

Deb Fox, Chief Nursing Officer added that we have capacity issues in the OR and the issue is we have to actually look at the block scheduling governance and how we are defining cases. Ms. Fox and her team are going to look at whether they have to extend active operating time into the evening or look at running two shifts on the weekend.

Mr. VanHouweling explained that blocks are reserved times for physicians and if physicians run over this time or do not use it, issues arise.

Member Ellis asked about the admission to ER observation process.

Ms. Wakem responded that she is happy with the process and the staff that is monitoring this is doing a good job.

ITEM NO. 7 Receive an update report from the Chief Financial Officer; and direct staff accordingly. *(For possible action)*

<u>DOCUMENTS SUBMITTED</u>:
- None submitted

<u>DISCUSSION:</u> Ms. Wakem was asked to come back with an update on DNFB (Discharge Not Final Billed) days. DNFB days were 25.7 and they have dropped to 17.4. She has been trained on Epic in terms of managing this process so she has visibility into the work queues. She can see how long the claims have been sitting in the work queues and who has been working on them, or not. Tomorrow she meets with the entire Revenue Cycle Team to let them know she can now see what is going on and she hopes to get the number down even further.

Her goal is get the DNFB to 8 days by end of fiscal year. There are about 350 accounts stuck in the work queues.

ITEM NO. 8 Review and recommend for approval and adoption by the Governing Board changes to the Resolution delegating authority of certain agreements to the Chief Executive Officer; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Resolution – Final
- Resolution - Redlined

DISCUSSION: Susan Pitz, General Counsel explained that this change is revising the original delegation from 2014 and delegates' authority to the CEO agreements that are lower level professional services agreements and clinical trial and affiliation agreements.

It was suggested by the committee to place this under Consent on May's Governing Board Agenda.

FINAL ACTION TAKEN: A motion was made by Member Hagerty 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 Board of Hospital Trustees for University Medical Center of Southern Nevada, the Third Amendment to Preliminary Affiliation Agreement with 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 take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Third Amendment to Preliminary Affiliation Agreement

DISCUSSION: Ms. Pitz explained that this is an amendment to the Affiliation Agreement, it sets our residents salaries for the next fiscal year and makes clear that we will work towards the master affiliation agreement with intention to complete it by June 30.

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. 10 Review and recommend for approval by the Governing Board Amendment One to RFP No. 2016-10 Service Agreement for release of medical information and copying services between MRO Corporation d/b/a MRO and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment One to RFP No. 2016-10 Service Agreement

DISCUSSION: Ms. Saites explained this amendment is to add one FTE to the Radiology Department to manage the work load.

Chris Jones, Director of Radiology explained that the financial offset is they have a staff member who is doing this now and she is retiring in August and he will not replace this individual. This position will help with compliance issues as well.

Dr. Mackay asked if it was easier to just email the scan rather than put it on a CD.

Mr. Jones replied that he has not heard CD imaging being an issue but he will look into it and make sure it's patient friendly.

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 Amendment Six to 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 Six to Agreement for Staff Augmentation Services

DISCUSSION: This contract is for an additional resource for Epic and Revenue Cycle. They are proposing a-not-to exceed amount so the team doesn't have to keep coming back with additional amendments.

The total cost of this amendment is $89,180.000. The new not-to-exceed total amount for the Agreement is $3,862,796.00

The need for this is our employees lack the skill set required to perform the functions that the Epic staff can do.

FINAL ACTION TAKEN: A motion was made by Member Hagerty 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. 12 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 Ellis mentioned Silver State and some ACO's going to a risk based arrangement. Mr. VanHouweling mentioned he will be meeting them for lunch on June 6 and although he has not heard this, he will ask.

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 4:47 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: June 20, 2018
Minutes Prepared by: Terra Lovelin