University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
February 20, 2019

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada

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 3:08 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 (Via Phone)
Harry Hagerty (Via Phone)
Chris Haase (Via Phone)
Mary Lynn Palenik
Jeff Ellis

Others Present:

Absent:

Others Present:
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Lonnie Richardson, Chief Information Officer
Deb Fox, Chief Nursing Officer
Jacqueline Saites, Director, Contracts Management
Lia Allen, Attorney
Terra Lovelin, Administrative Assistant

<u>SECTION 1. OPENING CEREMONIES</u>

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 23, 2019. *(For possible action)*

<u>FINAL ACTION</u>: A motion was made by Dr. Mackay that the minutes be approved as amended. Motion carried by unanimous vote.

With regards to Item number 5, Member Hagerty commented that his concern is with the ratio of net revenue to gross revenue, not the total net revenue as was typed.

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

<u>FINAL ACTION</u>: A motion was made by Dr. Mackay that the agenda be approved as recommended. Motion carried by unanimous vote.

A nursing student is here to observe as part of her curriculum.

<u>SECTION 2. BUSINESS ITEMS</u>

ITEM NO. 4 Receive an update on Epic EHR Utilization Statistics; and direct staff accordingly. *(For possible action)*

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

<u>DISCUSSION</u>: Lonnie Richardson, CIO provided an update on Epic utilization statistics.

Mr. Richardson explained that he will include statistics in his quarterly update on utilization from an ambulatory perspective. To date for ambulatory clinics, the usage is broken into four areas.

In each area there is opportunity for coaching, right now we are at 25% utilization of the tool. He expects the education will not take too long as the areas that need improvement are easy to implement.

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

DOCUMENTS SUBMITTED:
- January FY19 Financials

DISCUSSION: Jennifer Wakem, Chief Financial Officer presented the financials for January FY 2019.

Total admissions were up in January, almost 4% above budget
ER visits had a record month with 70 visits more than last month
Primary care is looking strong at 20.35% above budget
In patient surgery cases were below budget by 14.67%
Outpatient surgery cases were above budget by 24%

We are actively recruiting for a surgery business manager and this will help with scheduling.

Member Ellis asked how many of the 2,062 patients were coming from the ED and Tony Marinello replied that 782 admissions come through the ED while the rest is coming through in-patient admissions.

The Blue Diamond clinic is doing very well and accounting for the increase in Quick Care visits. For the month of January, the clinics saw 18,320, up from 16,401 in December.

Southern Highlands is trending above 400 visit every month, which is an improvement over the last few months.

Chair Caspersen asked how we make sure patients are getting referred to our primary cares from our ED's and Mr. Marinello explained that we are using a company to track this.

Payor mix by admits is a new trend we are tracking and was requested by Member Ellis. The averages for the last six months were listed under each of the categories: Commercial, Government, Medicaid, Medicare, and Self Pay.

The highest payor mix is Medicaid, followed by Medicare and Commercial.

Surgery by specialties were shown and orthopedics still leads the way with the highest number of cases (269), followed by general surgery (273).

Total net revenue for the month of January was slightly down, not even 1%.

Operating expenses are down $552,00 from budget.

Income from Operations is over budget by 8.34%

Salaries Wages and Benefits are looking great this month due to the team managing labor and productivity tightly.

Member Ellis asked if we had a slight dollar increase in benefits this year and staff replied that we did but we budgeted for it.

He then asked if the totals could be put on the other expenses on the slide and Ms. Wakem replied that she could.

Staff is cleaning up balance sheet accounts so that accounts for the 38% January variance in depreciation and amortization.

A Capital Plan update was provided; $31 million is budgeted, $14.1 million has been spent and $8.1 million committed.

Ms. Wakem mentioned that we have not received any DSH money for FY 2019 from the County. We don't expect to receive the first payment until March, which would include the back pay.

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 suggested presenting the budget for FY20 next month at the March 20, Audit and Finance meeting then presenting the final budget to the committee on April 17. The final budget would be presented to the Governing Board on April 24, 2019. The final budget will then be submitted to the County on April 25, 2019.

It was mentioned that due to the agenda needing to post the day after Audit and Finance for the April Governing Board, it gives staff only one day to make changes for the board meeting agenda, if the budget were to go to the Board for approval.

Staff replied that they are aware of the short turn around and will do what it takes to make it happen.

FINAL ACTION TAKEN: None Taken

ITEM NO. 7 Review and recommend for award by the Governing Board RFP No. 2018-15 Physical Records Management and Storage Services to Iron Mountain Information Management LLC; approve the RFP No. 2018-15 Service Agreement; authorize the Chief Executive Officer to exercise the extension option; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Service Agreement

DISCUSSION: This contract is for continuation of service for physical records and storage services. This contract has a NTE of $1 million a year with a NTE of $3 million aggregate amount. We could increase our savings but we have to see what we are working with. Purging of existing documents needs to be done and records looked at more closely to see what needs to be kept.

There is a written procedure to destroy records and Terri Costa in HIM is currently overseeing this. The County also has to sign off on records destruction.

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. 8 **Review and recommend for approval by the Governing Board the Master Service Agreement for Architectural Design and Documentation Services between EV&A Architects and University Medical Center of Southern Nevada; authorize the Chief Executive Officer to exercise any extension options; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Service Agreement

DISCUSSION: This contract is for professional services for non-clinical areas in the hospital. This has a NTE amount of $550,000 for the initial term of this agreement.

Member Haase asked how we choose the vendor and staff replied that we have used EV&A over the years on multiple projects.

He also inquired as to why EV&A hasen't provided an hourly rate and perhaps they should.

Ms. Saites responded that EV&A will provide a scope of work depending on the project that comes up. The pricing is up for negotiation when the estimate comes in for whatever project we need them to do.

We are not obligated to use them if we feel the pricing is not in agreeance.

FINAL ACTION TAKEN: A motion was made by Member Haase 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. 9 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 4:15 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: March 20, 2019
Minutes Prepared by: Terra Lovelin