University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
November 8, 2023

UMC ProVidence Suite
Trauma Building, 5^{th} 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 2:00 p.m. The meeting was called to order at the hour of 2:03 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:
Robyn Caspersen (via webex)
Dr. Donald Mackay
Jeff Ellis (via webex)
Harry Hagerty (via webex)
Mary Lynn Palenik (via webex)
Christian Haase (via webex)

Absent:
None

Others Present:
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Maria Sexton, Chief Information Officer
Shana Tello, Academic and External Affairs Administrator
Hollie Thornton, Executive Assistant
Nathan Strohl, Internal Auditor
Susan Pitz, General Counsel
Lia Allen, Assistant General Counsel - Contracts
Stephanie Ceccarelli, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair Caspersen asked if there were any public comments 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 October 18, 2023 *(For possible action)*

FINAL ACTION:
A motion was made by Member Mackay that the minutes be approved as amended. Motion carried by unanimous vote. Member Palenik and Member Hagerty abstained, as they were not present at the October meeting.

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

Item 4 was tabled for this meeting and will be reported at the next meeting.

FINAL ACTION:

A motion was made by Member Mackay that the agenda be approved as amended. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive and recommend for acceptance by the Governing Board the Fiscal Year 2023 Basic Financial Statements and Single Audit Information from BDO USA, LLP, Certified Public Accountants for University Medical Center of Southern Nevada; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- None

DISCUSSION:

This item was tabled for discussion at the next meeting.

FINAL ACTION TAKEN:
None taken

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

DOCUMENTS SUBMITTED:
- None

DISCUSSION:

Ms. Wakem updated the on the BDO Single Audit. She stated that there were two issues that were discovered in the audit related to IT internal controls. Maria Sexton, Chief Information Officer, stated that there were three findings. Two of the three findings cited were removed. Recommendations have been received from BDO and an action plan is in place to correct the issue. It was clarified that this was classified as a deficiency, not a material weakness. The auditors will be on site to present on December 6th. There was a brief discussion regarding audit adjustments and other recommendations.

Per the request of the Committee, the federal supplemental payment dashboard was modified to include the aging of the supplemental payments. This will be presented at the next meeting.

In October, UMC received $63.2 million in outstanding supplemental payments and $59.5 million were items over 360 days. Almost $4 million were 181 to 360 days old. There was continued discussion regarding the programs from which payments were received.

Due to the holiday schedule, financials were not presented during this meeting. Ms. Wakem provided a brief summation regarding the volumes for the month of October. A complete report of the October financials will be presented at the December meeting.

Lastly, the Committee received a brief update on UMC's preparation for the Formula One event. Mr. Marinello stated that UMC Incident Command is prepared and ready in the event of an emergency or a mass casualty event.

FINAL ACTION TAKEN:
None

ITEM NO. 6 **Receive a report on the quarterly status of the Façade Project and review the results of the audit of the Façade Construction Project; and direct staff accordingly.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- Façade Update Power Point
- Façade Audit Letter

DISCUSSION:

Nathan Strohl, Internal Auditor, provided the second audit report for the Façade Project. There were no findings on the audit.

Next, Shana Tello, Academic and External Affairs Administrator, provided an update of the progress with the façade project. There is active construction around the entire campus. Despite challenges, the project is on schedule ad work has begun early on buildings slated to commence construction in FY2025. The percentage of completion by building and the site plan progress for FY24 and 25 was shown.

We are currently at approximately 26% completion. Areas that have been completed include the employee parking garage, ADA walkway and some of the lighting.

The capital expenditure to date is approximately $14 million, which includes monies spent in FY2023 and FY2024.

The project manager and contractor responds quickly to mitigate any disruption in hospital operations and to keep the project on track. Hollie

Thornton has been added to support management of the project. Images were shown of project progress. Ms. Tello also reviewed the financial, legal, technology and operational risk mitigation. She added that the hospital has received $95K funding from the City Redevelopment Fund for the Healing Garden.

Ms. Tello highlighted the partnership with the contractor and the donations provided to the hospital units and UMC Pediatric unit.

Lastly, the Committee reviewed future concerns, lessons learned, better coordination and department involvement.

FINAL ACTION TAKEN:
None

ITEM NO. 7 **Review and recommend for approval by the Governing Board the Second Amendment to the Master Services Agreement for Consumer Reporting and Ancillary Services with FinThrive Healthcare, Inc. for Insurance Discovery Subscription Services; authorize the Chief Executive Officer to execute future amendments within the not-to-exceed amount of this Agreement; or take action as deemed appropriate.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- Second Amendment to Master Services Agreement

DISCUSSION:

This agreement is for a software which will help determine patient eligibility for certain payment programs. This amendment extends the current agreement term for an additional 3-years with a 90-day out without cause.

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.

ITEM NO. 8 **Review and recommend for approval by the Governing Board the Amendment Two to Deferred Equipment Agreement with Masimo Americas, Inc. for the purchase of pulse oximetry sensors and accessories; or take action as deemed appropriate.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment 2
- Disclosure of Ownership

DISCUSSION:

This amendment will increase funding and update the current software and supplies for critical needs for patient monitoring. The term remains the same with termination with a 30-day notice.

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

ITEM NO. 9 **Review and recommend for approval by the Governing Board the Renewal Order Form and Support Services Quote with Kronos Incorporated for the Workforce Central Product Suite; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Support Services Quote
- Renewal Order Form

DISCUSSION:

This request is for the purchase of Workforce Central Product Suite technology, which will provides time collection, leave management and reporting. The term is through January. This renewal is for one additional year of service and adds additional funding.

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

ITEM NO. 10 **Review and recommend for approval by the Governing Board the Amendment No. 1 to Master License Agreement with Canopy Partners, LLC for AIDOC Software Subscription; authorize the Chief Executive Officer to execute future amendments within his delegation of authority; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Master License Agreement
- Amendment 1
- Disclosure of Ownership

DISCUSSION:

This service will enhance radiology services through the implementation of AI platforms. This amendment will extend the term of the agreement for an additional year with 4 annual auto renewals and termination at any time upon 90-days' notice prior to the renewal term.

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

ITEM NO. 11 Review and recommend for award by the Governing Board the RFP 2023-02, Enterprise-wide Fiber Optic Network Infrastructure to TeleData Contractors, Inc.; approve the RFP No. 2023-02 Service Agreement; authorize the Chief Executive Officer to exercise extensions or amendments; or take action as deemed appropriate. *(For possible action)*

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

<u>DISCUSSION</u>:

The RFP was published in April. Two proposals were received for the enterprise wide upgrade to the fiber data network at UMC. Award is recommended to TeleData Contractors. This is a capital project for the vendor to remove old network and install new fiber throughout the campus. The term of the agreement is the effective date through the project completion date. The termination is at any time.

<u>FINAL ACTION TAKEN:</u>
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the award. Motion carried by unanimous vote.

<u>SECTION 3: EMERGING ISSUES</u>

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)*

None

At this time, Chair Caspersen asked if there were any public comment received to be heard on any items not listed on the posted agenda.

COMMENTS BY THE GENERAL PUBLIC: None
SPEAKERS(S): None

There being no further business to come before the Committee at this time, at the hour of 2:43 pm., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: December 6, 2023
Minutes Prepared by: Stephanie Ceccarelli