University Medical Center of Southern Nevada
Governing Board Joint Meeting
February 27, 2019

UMC Emerald Room
901 Rancho Lane, Suite 180
Las Vegas, Clark County, Nevada
Wednesday, February 27, 2019
2:00 p.m.

The University Medical Center Governing Board met for a Joint Meeting of the UMC Board of Hospital Trustees and Governing Board, at the location and date above, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:02 p.m. by Chair O'Reilly. The following members were present, which constituted a quorum of the members thereof:

CALL TO ORDER

Board Members:

Present:
John O'Reilly, Chair
Donald Mackay, M.D., Vice-Chair
Robyn Caspersen
Harry Hagerty – Via Phone
Laura Lopez-Hobbs
Christian Haase
Renee Franklin
Mary Lynn Palenik
Jeff Ellis

Absent:

Hospital Board of Trustees Present:
Lawrence Weekly
Larry Brown
Michael Naft
Marilyn Kirkpatrick
Tick Segerblom
Justin Jones
Jim Gibson (Left 2:45pm)

Ex-Officio Members:
Barbara Fraser

Present:
Dr. Frederick Lippmann, Chief of Staff
Barbara Atkinson, M.D., UNLV School of Medicine
Marta Meana, President, UNLV School of Medicine

Absent:
None

Also Present:
Mason VanHouweling, Chief Executive Officer
Susan Pitz, General Counsel
Terra Lovelin, Board Secretary

SECTION 1. OPENING CEREMONIES

PLEDGE OF ALLEGIANCE

ITEM NO. 1 PUBLIC COMMENT

Chair O'Reilly asked if there were any persons present in the audience wishing to be heard on any item on this agenda.

Speakers: None

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board on January 30, 2019. ***(Available at*** **University** ***Medical Center, Administrative Office) (For possible action)***

FINAL ACTION: A motion was made by Dr. Mackay that the minutes be approved as recommended. Motion carried by unanimous vote of the UMC Governing Board.

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

Chair O'Reilly stated that he would like Item 6 to be pulled aside and voted on separately for further discussion since it did not go before the A&F Committee.

FINAL ACTION: A motion was made by Member Franklin that the agenda be approved as amended. Motion carried by unanimous vote including both UMC Governing Board and Hospital Board of Trustees.

SECTION 2. CONSENT ITEMS

A motion was made by Member Caspersen to approve Items 4 and 5 on the Consent agenda listed below as recommended. Motion carried by unanimous vote by UMC Governing Board Members.

ITEM NO. 4 Approve the award RFP No. 2018-15 Physical Records Management and Storage Services to Iron Mountain Information Management LLC; and authorize the Chief Executive Officer to sign the RFP No. 2018-15 Service Agreement and exercise the extension option. *(For possible action)*

DOCUMENT(S) SUBMITTED**:**
- Service Agreement

ITEM NO. 5 Approve 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)*

DOCUMENT(S) SUBMITTED**:**
- Master Service Agreement

Item number 6 was held for further discussion and a separate vote by the Governing Board.

Mr. VanHouweling explained that with regard to Item number 6, this contract is a continuation of our copier contract and did not go before the Audit and Finance committee solely due to a timing issue. This is a $450,000 savings over the life of the contract

ITEM NO. 6 Approve the Master Service Agreement, Order Agreement, Lease Agreement, and associated agreements between Ricoh USA, Inc. and University Medical Center of Southern Nevada to utilize copiers/printers, copy services, and non-fleet management services; and authorize the Chief Executive Officer to sign the agreements. *(For possible action)*

DOCUMENT(S) SUBMITTED**:**
- Master Service Agreement

A Motion made by Member Caspersen to approve Item Number 6. Motion carried by unanimous vote.

SECTION 3: BUSINESS ITEMS

ITEM NO. 7 Welcome introductions and update from the Board of Hospital Trustees Chair, Governing Board Chair and Hospital CEO; and take any action deemed appropriate. *(For possible action)*

DOCUMENT(S) SUBMITTED**:**
- UMC Overview

DISCUSSION: John O'Reilly welcomed everyone and asked the members present to please introduced themselves.

Lawrence Weekly thanked the other commissioners for being here today and all staff sitting at the table provided brief introductions of themselves.

Mason thanked everyone for being here today.

Commissioner Gibson stated that he appreciates the change and effort that has occurred and supports what UMC is doing.

Commissioner Weekly stated that he was here when the UMC Board was formed and although we have a long way to go, we are not where we used to be and UMC has made great improvements.

Mr. VanHouweling provided an overview on UMC and the services provided.

UMC was founded in 1931 and now employs approximately 4,000 employees, credentials more than 1,000 physicians, and is licensed with 541 beds.

UMC is the only Level 1 Trauma, burn care and children's hospital of its kind in Nevada.

UMC's Mission, Vision and Values were shown and Mr. VanHouweling added that he is proud of our affiliation with the UNLV Medical School.

UMC has a lot of competition in the area with 14 hospitals in the surrounding vicinity. We are proud of our acute care coverage. UMC also serves as a major designated site for the U.S. Air Forces' Sustained Medical and Readiness Trained Program (SMART). The program providers played a valuable role in UMC's response to the October shooting.

UMC currently captures 10.1% of the market share.

ITEM NO. 8 Receive an update on healthcare issues before the 2019 Legislative Session; and take any action deemed appropriate. ***(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- PowerPoint Presentation – Legislative Update 2019

DISCUSSION: Marcia Turner presented a Legislative update for 2019.

Key healthcare-related legislative issues include targeted cuts in payments to the 340B hospitals, reductions to Medicaid DSH and other Federal programs, hospital price transparency and surprise billing.

80th Legislative session has started and runs February 4 through June 3, 2019.

UMC's Government Relations team is tracking over 124 bills currently.

UMC Bill SB77 is being sponsored by Clark County on behalf of UMC, proposing revisions to statues governing purchasing by a county hospital.

ITEM NO. 9 Receive a report from the Governing Board Clinical Quality and Professional Affairs Committee; and take any action deemed appropriate. ***(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- None submitted

DISCUSSION: Dr. Mackay, Chair of the Clinical Quality and Professional Affairs Committee provided a brief overview of the committee's duties and goals.

FY19 goals were listed and include:
-Improve publically reported quality measures to meet/exceed state and national averages
-Improve on publically reported patient safety indicators
-Attain employee influenza vaccination rate at or above 90%
-Achieve compliance with CMS requirements for electronic Clinical Quality Measures
-Implement strategies to improve overall quality improvement

Accomplishments were listed and include:
-Improved Fall 2018 Leapfrog Hospital safety grade from F to C.
-Readmission reduction
-ED throughput and capacity management
-Regulatory Readiness/Compliance

UMC's lab was ranked number two in the country.

The ICARE4U Program was mentioned and was noted that it is being practiced throughout the hospital with mandatory hospital wide training.

Marilyn Kirkpatrick added that UMC has great employees and programs like ICARE4U helps to show that we appreciate our employees.

Commissioner Kirkpatrick asked what they can do as a board to help showcase UMC, the care patients receive, and the employees.

Mr. VanHouweling added that we do a lot of outreach to the community for this purpose.

ITEM NO. 10 Receive a report from the Governing Board Human Resources and Executive Compensation Committee; and take any action deemed appropriate. *(For possible action)*

DOCUMENT(S) SUBMITTED**:**
- None submitted

DISCUSSION: Jeff Ellis, Chair of the Human Resources and Executive Compensation Committee provided a brief overview of the committee's duties and goals.

The HR committee looks at employee compensation and the benefit structure. They also provide oversight of education and training programs.

2019 goals include improving employee progression and organizational succession by developing and implementing an employee development plan and a succession plan.

The committee wants to continue to promote the culture of caring and excellence, enhancing UMC's values.

UMC is looking at staffing levels compared to other organizations.

Some accomplishments include:
-Turnover rates are 7 percentage points below industry average
-Average employee tenure at UMC is 8 years
-Nursing turnover at 8%, down from 18% in 2015
-Introduced employee development programs

ITEM NO. 11 Receive a report from the Governing Board Strategic Planning Committee; and take any action deemed appropriate. *(For possible action)*

DOCUMENT(S) SUBMITTED**:**
- PowerPoint presentation

DISCUSSION: Member Hagerty provided a brief overview of the committee's duties and goals.

The Strategic Planning committee is developing a 10-year plan to help aid UMC in addressing short and long term goals in identified service lines.

Member Hagerty provided a time line of where UMC was when he came on board and where it is now.

Few statistics:
-17 percent increase in admissions
-69 percent increase in surgery cases

A few weaknesses include the overall physical structure of UMC. The average patient room is over 36 years old and some are semi-private. This hurts UMC's ability for the physician to pick UMC as their place of choice as other hospitals are newer/more modern. Our for-profit competitors are getting a jump on UMC with new towers and rooms.

UMC's payor mix is also challenging with 44% being Medicaid.

Commissioner Kirkpatrick invited Member Hagerty to her office to discuss robotics, telemedicine, etc. and to offer their services to help with the strategic plan.

ITEM NO. 12 Receive a report from the Governing Board Audit and Finance Committee; and take any action deemed appropriate. ***(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- None submitted

DISCUSSION: Member Caspersen provided a brief overview of the committee's duties and goals.

The Audit and Finance committee is responsible for reviewing and evaluating financial results, plans and audits of UMC.

Some of the tasks the committee is involved with is:
-Preparation of annual operating and capital budgets
-Period financial reports, audits (internal and external)
-Financial aspects of the strategic plans of UMC and coordinating issues of strategy with the Strategic Planning Committee.

Goals:
-To meet or exceed fiscal year budgeted income from operations
-Improve our group GPO contract compliance through HPG, equal to or greater than 2% over our FY18 average
-Increase SWB ratio trends in relationship to case mix index and patient volumes
-Demonstrate evidence of an efficient and effective finance and accounting organization through the implementation of Kaufmann Hall

Some accomplishments include:
-Replaced EHR System
-32 reports from internal/external audits
-500 (estimated) contracts approved
-County funding reduced $60 million since the inception of the A&F Committee
-Recipient of the Good Governance Award

Clinical improvements, service line enhancements and facility modernization items were listed.

Chair O'Reilly commented on the electronic health record system that was replaced with Epic and also the robot that was purchased and now utilized by robotic surgeons.

FINAL ACTION: None taken

ITEM NO. 13 Receive the year to date financial report for Fiscal Year 2019; and take any action deemed appropriate. ***(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- FY 2019 Year to Date Financials

DISCUSSION: Jennifer Wakem provided a summary of the Fiscal Year 2019 financials.

- Adjusted patient days are down 4% against budget
- ALOS is under 5.5 days, last year patients were staying 6 days
- Admissions are up
- In patient surgeries are strong
- ER visits are down 3%
- Primary care visits are up 17% due to extended hours

Salaries Wages and Benefits are the largest expenses on our P&L, we are 1.2% over budget.

It was noted that supplies are over budget by 1.68%, mainly due to surgery volumes.

The capital plan was shown and the budget timeline for FY 2020.

FINAL ACTION: None

ITEM NO. 14 Receive an update on the University of Nevada Las Vegas School of Medicine; and take any action deemed appropriate. ***(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- UNLV School of Medicine: Partnership with UMC

DISCUSSION: Dean Atkinson presented an update on the Medical School and announced that the new Acting President is Marta Meana, PH.D., who was the Dean of UNLV's Honor College since 2012. She was here earlier today but had to leave for another commitment.

Dean Atkinson will have her contract renewed in July and a search committee for a dean will be formed. She will step down when a new dean begins.

The partnership with UMC/UNLV includes medical student education in a hospital setting, resident physician education, and physician administration for GME, research and community service.

The third medical school class has offers out to 52 students to begin in July; out of 1,941 applicants. These students must have strong ties to Nevada to be selected.

GME in Nevada has been expanded by funding $5 million per year over the last four years for teaching sites.

Dean Atkinson provided the budget and the financials are listed below.

FY19 SOM State Budget $31.1 million
FY19 Clinical Practice, Budgeted $78.1 million
GME support UMC, Sunrise, VAH $22.7 million
Total Practice FY19 $102 million
Total Revenue, School and Practice $134.6 million

Commissioner Kirkpatrick stated that she is frustrated because the money for the medical school comes out of the county's budget and she wants to know what the priorities are for the school. She would like to see a plan specific to UMC and Clark County. It would be great if UNLV students helped with the homeless issue at various events and made their presence known.

Dean Atkinson replied that the comments were great and she provided replies to a few of her concerns.

Commissioner Jones asked for an update on the capital campaign, specifically in regards to the building and the funds that have been raised for it.

Dean Atkinson replied that due to the involvement of politics some of the donors have pulled back. They are working on another plan for the medical education building that is on 9 acres which they have received from the County. They are looking at the third version of a plan for the medical education building that will expand the number of students it could hold

<u>FINAL ACTION</u>: None

<u>SECTION 4: EMERGING ISSUES</u>

ITEM NO. 15 Identify emerging issues to be addressed by staff or by the Board at future meetings; and direct staff accordingly. *(For possible action)*

No emerging issues

<u>COMMENTS BY THE GENERAL PUBLIC</u>:

Ilona Price, Office Assistant in Health Information Management spoke about her tenure at the hospital and how she was disappointed her position was eliminated as her last day at UMC is Thursday, Feb. 28.

FINAL ACTION: None

At the hour of 4:38 p.m., the Governing Board and Board of Hospital Trustees voted on a motion to go into closed session.

There being no further business to come before the Board at this time, at the hour of 4:38 p.m. Chair O'Reilly adjourned the meeting.

SECTION 5: CLOSED SESSION

ITEM NO. 16 Go into closed session pursuant to NRS 450.140(3) to discuss new or material expansion of UMC's health care services and hospital facilities.

The meeting was reconvened in closed session at 4:50 p.m.

At the hour of 5:41 p.m. the closed session on the above topic ended.

FINAL ACTION: No action was taken by the Board.

Minutes Prepared by: Terra Lovelin

APPROVED: March 27, 2019