UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Thursday August 8, 2019
9:00 a.m.

The University Medical Center Governing Board Strategic Planning Committee met at the time and location listed above. The meeting was called to order at the hour of 9:02 a.m. by Chair Hagerty and the following members were present, which constituted a quorum of the members thereof:

CALL TO ORDER

Board Members:

Present:
Harry Hagerty, Chair
Robyn Caspersen
Renee Franklin
Dr. Mackay
Mary Lynn Palenik- via phone

Absent:
Christian Haase (Excused)

Also Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Danita Cohen, Chief Experience Officer
Deb Fox, Chief Nursing Officer
James Conway, Assistant General Counsel
Vick Gill, Associate Administrator
Terra Lovelin, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

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

David Baldwin from Engineering used his break time to stop in and thank the committee members and Mr. VanHouweling for all their hard work.

Kennon Perrin, Account Executive with Sales Force is here today to observe.

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Strategic Planning Committee meeting on June 6, 2019. *(For possible action)*

Chair Hagerty corrected the spelling of Dave Struve's name.

Marcia Turner name was not capitalized in Item number 6.

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

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

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive a report regarding UMC market share and service line performance; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- Market share and Service Line Update

DISCUSSION: Vick Gill presented the 2019 Market Share Update as well as a brief update on Healthcare Partners, Intermountain and Dignity systems.

Mr. VanHouweling added that some of the hospitals are concerned about Intermountain coming in and trying to build a network.

Member Franklin asked for a brief tutorial on how the networks work and where the money flows.

Mr. VanHouweling added that they can do that and also include the subject of micro hospitals.

It was discussed that perhaps these topics be agenized at a future meeting so all Board members could listen to the presentation.

UMC has about 10% of the market share with Sunrise leading at 14%.

There were significant advances in our cardiology business and this helped increase market share. There has been a focus on transport volume and this has helped increase our share. We have about 26% of the EMS transport volume, right behind Sunrise at 29%.

Chair Hagerty asked why we are declining over each quarter.

Staff replied that other hospitals have added beds and services to help increase their market share. Not all patients need to be admitted so the more efficient we are in discharging, the less in patients we are showing.

<u>Trended Market Share</u>

Cardiac services have shown growth in 2019 Q1 as well as Orthopedics, Oncology and Pediatrics.

Outpatient surgery is the category that is slowly declining but the increases are occurring in the categories we want and the ones we are focusing on.

We are down in OB deliveries, dentistry and general medicine, and our Children's Hospital is at capacity.

Ms. Fox added that we aren't seeing the seasonal visits like in the past coming into the Children's Hospital; we are seeing more neurological issues. We also continue to see pediatric oncology direct admits and we are at capacity across the entire children's' hospital. The hospital converted a fourth of the rooms in general pediatrics so we can see more patients and manage the volume.

Danita Cohen added that UMC consistently markets the Children's hospital and cardiology and we are just now beginning to market the other areas.

Surgical services and orthopedics are categories where we need to better utilize existing space in the hospital to show increases in these areas. Attention is focused on block schedule management in these areas. The team is looking at adding a second robot as there are increasing requests for this.

<u>FINAL ACTION TAKEN:</u> None taken.

ITEM NO. 5 Receive an update regarding UMC's service line committees; and direct staff accordingly. *(For possible action)*

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

<u>DISCUSSION</u>: Chair Hagerty provided a summary from the cardiology service line committee.

Member Palenik's committee, Pediatrics, meets directly after this meeting. The focus has been to review available data and look at a SWOT analysis. Their findings are that in house data is time consuming and hard to analyze. The gap in the data is being looked at. Weaknesses identified include the environment and lack of women's services, payor mix, and capacity issues.

Dr. Mackay provided an update on the orthopedics service line committee. Block time in the operating room was discussed at their meeting. The MEC is currently making a rule regarding block time and consequences of missing scheduled surgery time.

Dr. Kubiak was mentioned up as a high provider of joint replacement surgeries.

Member Caspersen summarized the oncology service line committee meeting. Normalizing and optimizing was also part of her committees brainstorming discussion as well as SWOT analysis. She also mentioned the mission of UMC and how to help fulfill the mission. The need to focus on Kaufmann Hall was also discussed as it needs to be looking at the finances and the financial outlook of the service line.

Member Franklin provided a report from the general surgery committee. They are focusing on normalizing the areas such as block scheduling of the surgery department. Space utilization and staffing was also brought up as a topic they are discussing. Member Franklin also wanted to remind staff of the mission while discussing these topics.

FINAL ACTION TAKEN: No action taken

ITEM NO. 6 Discuss CEO annual FY19 incentive compensation performance standards as it relates to the subject matter relevant to the Strategic Planning Committee and make a recommendation to the Human Resources and Executive Compensation Committee. ***(For possible action)***

DOCUMENT SUBMITTED:
- FY 19 CEO Performance Objectives

DISCUSSION:

Objective #1
Develop a 10-year Strategic Plan for UMC addressing short and long terms goals in identified service lines including but not limited to addressing strategic priorities, resources required and operation and financial metrics and projection.

This has been achieved and all six service lines have been covered in depth and committees formed.

Objective #2
Position UMC as a strategic and active leader in the development of the Las Vegas Medical District

There is a planning committee and staff is active in this committee. There is also a security and safety meeting that meets. A public relations and marketing committee has also been formed and meets regularly.

The Las Vegas Medical District Development Corporation was created with an objective of advocating for public policies and investments that benefit the district. UNLV, Valley and UMC are all invested in this.

Objective #3
Execute a Master Affiliation Agreement with UNLV School of Medicine by June 30, 2019

We did sign a fourth affiliation agreement going into this fiscal year and we will continue to work on a Master Affiliation Agreement. A new document has not been created as we wanted to continually build on it. However, the document we received back was not what we agreed upon and we couldn't accept the suggestions provided by the school.

Objective #4
Develop joint branding between UMC and UNLV School of Medicine as a plan to promote the partnership to the community

Documentation was distributed showing advertising campaigns and marketing. B&P is the campaign provider for UMC and UNLV. Staff thought the ads and materials were great for a marketing campaign but the feeling was not mutual from UNLV.

There is a new Interim Dean of UNLV, Dr. Fildes. Mr. VanHouweling has met with him and with UNLV President Meana and there is good collaboration going on now.

UMC is ready to go on the marketing plan and staff is very excited to have Dr. Fildes on board.

A discussion ensued regarding the percentage that the committee felt Mr. VanHouweling met and the committee collectively came up with the following:

Chair Hagerty suggested that the goals be weighted the following:

Goal 1: 30%

Goal 2: 30%

Goal 3: 25%

Goal 4: 15 %

And suggested each goal be awarded as follows:

Goal 1: 80%
Goal 2: 100%
Goal 3: 90%
Goal 4: 90%

Member Franklin feels like Goal 1 should be a bit higher.

Member Palenik feels like Goal 1 should have been more specific than stated.

Mr. VanHouweling stated that 90% is very fair and represents what was done this last year. (Strategy makes up 25% of the committee goals)

The committee felt that Mr. VanHouweling met 90% of goals stated.

Chair Hagerty stated that for 2020 he feels there is nothing more important than these four that are currently listed.

FINAL ACTION TAKEN: A motion was made by Chair Hagerty to recommend to the HR Committee that Mr. VanHouweling be awarded 90% percent of the 25 percent that comes from the Strategic planning committee. Motion carried by unanimous vote.

ITEM NO. 7 Discuss CEO annual FY20 goals and objectives as it relates to the subject matter relevant to the Strategic Planning Committee and make a recommendation to the Human Resources and Executive Compensation Committee. *(For possible action)*

Mr. VanHouweling added four FY20 Performance Objectives for the committee to consider.

1. Implement strategic/operational/financial goals and tactics related to the 10-year Strategic Plan for UMC addressing in identified service lines (Cardiology, Orthopedics, General Surgery, Pediatrics, Oncology and Ambulatory)

2. Develop a marketing plan and associated centers of excellence related to the development of an Academic Health Center

3. Market Share Growth Metrics

4. Finalize Master Plan and associated Business Plans and implement associated phases

Chair Hagerty asked if everyone could review the above goals and get together as a committee in September to discuss 2020 goals.

Board Secretary Terra Lovelin will schedule a September meeting that works with everyone's schedules.

SECTION 3: EMERGING ISSUES

ITEM NO. 7 Identify emerging issues to be addressed by staff or by the Board at future meetings; and direct staff accordingly. *(For possible action)*

Have a discussion regarding where the health care industry is going and on other hospital networks coming in.

Schedule a September meeting to discuss FY20 goals.

COMMENTS BY THE GENERAL PUBLIC:

Comments from the general public were called for prior to going into closed session. No such comments were heard.

There being no further business to come before the committee this time, at the hour of 11:12 a.m. Chair Hagerty adjourned the meeting.

APPROVED: September 19, 2019

MINUTES PREPARED BY: Terra Lovelin