University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
April 17, 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 3:01 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
Chris Haase – Via Phone
Mary Lynn Palenik

Absent:
David Struve – Excused
Jeff Ellis - Excused

Others Present:
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Lonnie Richardson, Chief Information Officer
Susan Pitz, General Counsel
Terra Lovelin, 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 March 20, 2019. *(For possible action)*

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)*

Item number 8, BDO is being pulled off the agenda.

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 Receive the monthly financial report for March FY19; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- March FY19 Financials

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

Patient class revenue streams were shown including Inpatient, Outpatient and Emergency. It was explained that most patients come through the ED to become inpatient status. Ms. Wakem also provided a cost breakdown of the revenue streams.

Chair Caspersen asked how many hospitalists groups are in the hospital and Rose Coker explained that we have about four contracted groups.

Total admissions were above budget and prior year
LOS was slightly over budget
In-patient surgery cases were below budget and prior year
Out-patient surgery cases were above budget and prior year
Quick cares are doing very well; above budget and prior year
Primary Care was below budget but above prior year

Blue Diamond and Centennial are the key drivers for the Quick Cares; they are doing exceptionally well.

Trending Stats:
- It was a record month with total admissions being 2,131
-Quick Cares had 19,279 visits for March, a record month; expanded hours have helped greatly

-Payor mix by admits
Commercial is down 2.1%

Total patient revenue was below budget at $2.1 million
Total net revenue was below budget at 1.0%
Total operating expenses were below budget

For the month of March:
Salaries are unfavorable to budget
Benefits are less than budget
Overtime is less than budget

Expenses year to date:
Supplies are over budget
Professional fees under budget
Purchased services under budget
Total other expenses under budget

Capital Plan
FY 19 Spent $14.4 million
FY 19 Committed $11.0 million

DSH and UPL monies were received in March.

ITEM NO. 5 **Review and receive feedback on the Proposed Final FY 2020 Budget to be submitted to Clark County and discuss any changes; and direct staff accordingly. *(For possible action)***

DOCUMENTS SUBMITTED:
- Proposed Final FY2020 Budget

DISCUSSION: Ms. Wakem presented the Proposed Final FY 2020 budget.

Ms. Wakem showed the Medicaid book of business via a pie chart in response to an inquiry from last month's meeting.

Out of 46% of the Medicaid pie slice, 27% was Managed Care and 19% was Medicaid

FY2020 Budget Prelim vs. Final Budget numbers were shown. There is a difference of $2.9 million dollars.

Chair Caspersen asked about additional potential revenue from new business lines and Ms. Wakem mentioned she looked at other revenue sources such as new business with the Cath lab but she was not comfortable adding potential dollars.

FINAL ACTION TAKEN: A motion was made by Member Hagerty that the committee recommend the budget for approval by the Governing Board. Motion carried by unanimous vote.

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 wanted to give praise to the Business office as they exceeded their cash goal by $4 million dollars. Also, a big thank you to Doug Metzger and his team for all their work on the budget.

FINAL ACTION TAKEN: None taken

ITEM NO. 7 Review and recommend for approval by the Governing Board the Amendment Number Three to Participating Provider Agreement with SilverSummit Health Plan, Inc.; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment Number Three Participating Provider Agreement

DISCUSSION: The term of this contract is for three years and revenue to the hospital is based on volume. Centene is the parent company and Silver Summit is the plan. This is an amendment to add the professional fee component to the contract.

FINAL ACTION TAKEN: A motion was made by Dr. Mackay 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 Agreement to Provide Auditing Services between BDO USA, LLP and University Medical Center of Southern Nevada; authorize the Chief Executive Officer to exercise any renewal options; and take action as deemed appropriate. *(For possible action)*

Item Number 8 was removed from agenda.

ITEM NO. 9 **Review and recommend for approval by the Governing Board the Amendment Three to the Agreement for Physician On-Call Services with Children's Urology Associates, LLC; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment Three to Agreement for Physician On-Call Services

DISCUSSION: This third amendment is for one year for physician on-call services for pediatric inpatients, outpatients and ER patients. It extends the term of the agreement by one additional year.

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. 10 **Review and recommend for approval by the Governing Board the Sales Quotation/Work Order, Pricing Proposals and the Enterprise License Agreement Order Form to purchase the 3M 360 Encompass System Server Hardware and Software between Custom Storage, Inc. d/b/a cStor, SHI International Corporation, VMware, Inc. and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Quotation

DISCUSSION: This is a new contract for the purchase of server hardware and software licenses in the amount of $1,826,693.88.

This is an important piece of hardware for our coding team and will help them greatly.

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 One to Service Agreement with Neustaedter & Associates, Inc. d/b/a HCS Healthcare Consulting Solutions for chargemaster review and education; and take action as deemed appropriate. *(For possible .***
. 7ny action)

DOCUMENTS SUBMITTED:

- Amendment One to Service Agreement

DISCUSSION: This amendment is for a term of two years for a $30,000 increase over the original contract amount for consulting services.

This amendment also adds some Epic chargemaster for ED and Trauma so we can see how our physicians are documenting the charges. The consultants will look at where we are missing charge opportunities and also at things we are not allowed to charge for.

Terri added that they are working with Blue Tree and the chargemaster to see how we can not miss revenue opportunities coming out of the ED.

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

ITEM NO. 12 Review and recommend for award by the Governing Board RFP 2018-16 Valet Parking Services to American Valet and Limousine Inc. dba American Valet; approve the Agreement for Valet Parking Services; authorize the Chief Executive Officer to exercise any extension options; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Agreement for Valet Parking Services

DISCUSSION: This new contract is for one year, with two, one year options and will provide the staff, signs, equipment and professional materials for the management and performance of valet parking services. The base contract has a NTE of $15,000.

Patients will be charged a minimal fee for this service if they choose to use it.

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

SECTION 3: EMERGING ISSUES

ITEM NO. 13 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)*

COMMENTS BY THE GENERAL PUBLIC: None

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 4:30 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: May 22, 2019
Minutes Prepared by: Terra Lovelin