

**University Medical Center of Southern Nevada  
Governing Board Audit and Finance Committee Meeting  
December 4, 2024**

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UMC ProVidence Suite  
Trauma Building, 5<sup>th</sup> 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 2:00 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

**CALL TO ORDER**

**Board Members:**

**Present:**

Robyn Caspersen  
Jeff Ellis (via WebEx)  
Harry Hagerty  
Christian Haase (via WebEx)  
Mary Lynn Palenik (via WebEx)

**Absent:**

Dr. Donald Mackay (Excused)

**Others Present:**

Mason Van Houweling, Chief Executive Officer  
Tony Marinello, Chief Operating Officer  
Jennifer Wakem, Chief Financial Officer (WebEx)  
Deb Fox, Chief Nursing Officer  
Maria Sexton, Chief Information Officer (WebEx)  
Chris Jones, Executive Dir. Of Support Services  
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 November 6, 2024. (For possible action)**

FINAL ACTION:

A motion was made by Member Ellis that the minutes be approved as recommended. Motion carried by unanimous vote.

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

Item 11 was removed from the agenda.

FINAL ACTION:

Motion was held for approval due to technical difficulties. The Committee heard the financial statements at this time.

**SECTION 2. BUSINESS ITEMS**

**ITEM NO. 4    Receive the monthly financial report for October FY25; and direct staff accordingly. (*For possible action*)**

DOCUMENTS SUBMITTED:

- October FY25 Financials

DISCUSSION:

Admissions were 3% below budget. Adjusted average daily census was 591. ALOS 6.08. Hospital CMI was 1.99 and Medicare was 2.01. Inpatient surgeries were above budget 4.42% and outpatient surgeries were above budget 23%. There were 15 transplants and total ER visits were 4% below budget. ED to observation was at 21.65%. Quick care volumes were 3% below budget and primary cares were above budget 18%. There were 410 telehealth visits. Ortho visits were up 8% and there were 99 deliveries.

Key stats trended were compared to the 12-month average. Admissions were 15 above the 12-month average. Average length of stay has come down to 6.08. Inpatient surgery cases were up by 94 cases and outpatient cases were up 172. ER visits were up by 120 visits. The ED to observation rate was at 8.97%. Telehealth was at a record low. Ortho was 500 cases above the 12-month average.

Payor mix trended showed commercial up 1%, Medicaid was down 2.39% and Medicare was up 1.47. The ED payor mix showed Medicaid was down 3.63% and self-pay was up 1.15%.

Payor mix trends by inpatient surgical volumes showed commercial up 2.69%, Medicaid down 1.83%, Medicare up 1.32% and self-pay was down 1.64%. Outpatient commercial was up 1.71%, Medicaid down 3.19%, and Medicare up 3.27%.

The income statement for October showed net patient revenue above budget \$5.2 million. Other revenue was up \$2.2 million. Total operating revenue was

above budget \$7.3 million. Operating expenses were significantly above budget \$14.4 million. Income from ops showed a loss of \$3.9 million. We were \$6.9 million below budget for the month.

Income statement year to date, net patient revenue is above budget \$10.7 million and other revenue was up \$5.6 million. Total operating revenue was above budget \$16.3 million. Operating expenses were \$23.6 million higher than budget, leaving us \$7.5 million below budgeted expectations in earnings. The income statement trended was reviewed as informational.

Salaries, wages and benefits for October were \$8.1 million over budget. Overtime was good, but salaries were high, as FTEs are more than budget. Key drivers driving high salaries included the out of period COLA payment and physician salaries.

SWB trended highlighted the increase in contract labor due to the need for physicians and radiologists. Contract labor was also added to the HIM department to build the clinical documentation improvement team. Overtime was a record low at 2%.

Chair Caspersen would like the committee to receive forecast of what is expected through the end of the fiscal year. There was continued discussion regarding this topic. The committee would like to also see action plans to improve the current financial status.

All other expenses were over \$6.3 million, primarily due to supplies and purchased services.

Financial indicators were discussed in profitability, labor, liquidity and cash collections. Net to gross was in the green at 18.3%, labor was in the red, day's cash on hand decreased slightly and cash collections were all green.

Ms. Wakem provided an update on the FY25 organizational goals and noted that there has been progress. There was continued discussion regarding bonus accruals and adjustments.

Next, the Committee discussed concerns related to cash flow. Ms. Wakem explained that we are still awaiting outstanding supplemental payments.

Lastly, the balance sheet was reviewed.

FINAL ACTION TAKEN:

None

**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 provided the following updates:

- DSH Audit – The annual DSH audit results for FY21 showed no over payments for UMC. There was continued discussion regarding how many years remaining for the audits and suspected overpayments for the next 2 audit years.
- The Medicare Cost Report was submitted for FY24. Payment is expected in February 2025.
- An update will be provided on a potential new supplemental payment program.

FINAL ACTION TAKEN:

None taken

**At this time the Committee returned to approve the Agenda.**

FINAL ACTION TAKEN:

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

- ITEM NO. 6** **Review and recommend for ratification by the Governing Board the First Amendment to the Consulting Provider Agreement with Health Plan of Nevada for Managed Care Services; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- First Amendment to Consulting Provider Agreement – Redacted
- Disclosure of Ownership

DISCUSSION:

This amendment shall also add orthopedic, internal medicine and emergency services, and also update the compensation plan to include consulting services, effective as of July 1, 2024.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to ratify and make a recommendation to the Governing Board to ratify the amendment. Motion carried by unanimous vote.

- ITEM NO. 7** **Review and recommend for ratification by the Governing Board the Second Amendment to Medicaid / Nevada Check-up Consulting Provider Agreement with Health Plan of Nevada, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Medicaid Agreement – Second Amendment
- Disclosure of Ownership

DISCUSSION:

This is second amendment will, add internal medicine and emergency medicine services, with an effective date of July 1, 2024.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to ratify and make a recommendation to the Governing Board to ratify the amendment. Motion carried by unanimous vote.

- ITEM NO. 8** **Review and recommend for ratification by the Governing Board the Second Amendment to Individual / Group Provider Service Agreement with Sierra Health and Life Insurance Company, Inc. and Sierra Healthcare Options, Inc., for Managed Care Services; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Service Agreement – Second Amendment
- Disclosure of Ownership

DISCUSSION:

This second amendment will add hospitalist and emergency medicine services under the agreement, effective July 1, 2024.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to ratify and make a recommendation to the Governing Board to ratify the agreement. Motion carried by unanimous vote.

- ITEM NO. 9** **Review and recommend for ratification by the Governing Board the Third Amendment to Hospital Services Agreement with Health Plan of Nevada, Inc., Sierra Health and Life Insurance Company, Inc. and Sierra Healthcare Options, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Hospital Services Agreement – Third Amendment
- Disclosure of Ownership

DISCUSSION:

This third amendment will extend the term of the agreement for an additional 3 years and will update the transplant and urgent care rates and attachments.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to ratify and make a recommendation to the Governing Board to ratify the agreement. Motion carried by unanimous vote.

**ITEM NO. 10 Review and recommend for ratification by the Governing Board the National Transplant Services Agreement with Kaiser Foundation Hospitals for Managed Care Services; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Transplant Services Agreement
- Disclosure of Ownership

DISCUSSION:

This new transplant services agreement establishes that UMC shall be paid for authorized covered services rendered to Kaiser members at the negotiated rates. This is a one year term with four, one-year successive renewal terms. This Agreement needed execution immediately as Kaiser requires a minimum of 30 days to setup new agreements and rates before they become effective. The agreement will be effective January 1, 2025.

The team explained the process that UMC will receive Kaiser patients from other markets.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to ratify and make a recommendation to the Governing Board to ratify the agreement. Motion carried by unanimous vote.

**ITEM NO. 11 Review and recommend for approval by the Governing Board the Provider Services Agreement with Hometown Health for Managed Care Services; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- None

DISCUSSION:

This item was removed from the agenda.

FINAL ACTION TAKEN:

None

**ITEM NO. 12 Review and recommend for approval by the Governing Board the Memorandum of Understanding with SCAN Health Plan Nevada for Managed Care Services; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Memorandum of Understanding
- Disclosure of Ownership

DISCUSSION:

This New agreement will be effective January 1, 2025 for a term of one-year. UMC will be the provider for over 280K SCAN beneficiary members residing in California, Arizona, Texas and Nevada.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

**ITEM NO. 13 Review and recommend for approval by the Governing Board the Agreement with Optiv Security Inc. for the Exabeam Fusion Platform; authorize the Chief Executive Officer to execute future Order Forms within his delegation of authority; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Master Purchase Agreement
- Exabeam Quote
- Disclosure of Ownership

DISCUSSION:

This request is to enter into a new agreement with the vendor for security software. Exabeam helps UMC maintain HIPAA compliance by enhancing its security monitoring. This is a 3-year agreement for data security.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

**ITEM NO. 14 Review and recommend for approval by the Governing Board the RQI Program Renewal Change Order No. 2 with RQI Partners, LLC for CPR training services; 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:

- Program Renewal – Change Order #2

DISCUSSION:

This Change order will extend the term of the agreement for an additional 3 years and renew the subscription service for licensure and provide 21 simulation stations for employee training and recertification.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

**ITEM NO. 15 Review and recommend for approval by the Governing Board the Agreement with Tegria Services Group – US, Inc. for the Epic Forms Conversion Project; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Statement of Work
- Disclosure of Ownership

DISCUSSION:

This is a new agreement with Tegria Services for Epic forms conversion. The vendor will manage onboarding requirements including planning, design, form recreation, training, workflow implementation and signature capture.

Chair Caspersen asked if this was part of the original integration with Epic. Ms. Sexton responded that Epic Forms was available previously and we are now choosing to move forward with implementation of this tool. There was continued discussion regarding signature verification concerns.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

**ITEM NO. 16 Review and recommend for award by the Governing Board, the RFP No. 2024-09 for Out-of-State Medicaid Billing and Collections to Firm Revenue Cycle Management Services, LLC; authorize the Chief Executive Officer to sign the Service Agreement, and execute any extension options and future amendments within the not-to-exceed**



**amount of this Agreement; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- RFP 2024-09 – Out of State Medicaid Billing and Collections Service Agreement
- Disclosure of Ownership

DISCUSSION:

A request for proposal was published in August of 2024. Five responses were received. Firm was selected as the lowest qualified bidder. The term of the agreement is to begin on the effective date and continue through for five years. Firm will review and determine patient's eligibility for out of state Medicaid. There was continued discussion regarding the process of posting RFPs to satisfy statutory requirements.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve the award of bid and make a recommendation to the Governing Board to approve the award. Motion carried by unanimous vote.

**ITEM NO. 17 Review and recommend for award by the Governing Board the Bid No. 2024-10, UMC Main Lobby Level 1 Remodel Project PWP# CL-2025-083, to JMB Construction, Inc., the lowest responsive and responsible bidder, contingent upon submission of the required bonds and insurance; authorize the Chief Executive Officer to execute change orders within his delegation of authority; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- ITB 2024-10 Remodel Project Agreement
- Disclosure of Ownership

DISCUSSION:

The request for bids was submitted on October 3, 2024 and there were 2 responsive bidders. JMB Construction was awarded as the lowest responsive qualified bidder. This project includes a refresh of the main lobby and adjacent areas and addition of new LED lighting.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve the award of bid and make a recommendation to the Governing Board to approve the award. Motion carried by unanimous vote.

**SECTION 3: EMERGING ISSUES**

**ITEM NO. 14 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)**

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.

There were none.

**COMMENTS BY THE GENERAL PUBLIC:**

SPEAKERS(S): None

There being no further business to come before the Committee at this time, at the hour of 3:17 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: January 22, 2025  
Minutes Prepared by: Stephanie Ceccarelli