

**University Medical Center of Southern Nevada
Governing Board Strategic Planning Committee
December 5, 2024**

UMC Providence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Thursday, December 5, 2024
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 (Via WebEx)
Renee Franklin (Via WebEx)
Christian Haase (Via WebEx)
Mary Lynn Palenik (Via WebEx)

Absent:

Dr. Don Mackay (Excused)

Also Present:

Mason Van Houweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Chris Jones, Executive Director of Support Services
Maria Sexton, Chief Information Officer
Susan Pitz, General Counsel
Stephanie Ceccarelli, 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. No such comments were heard.

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Strategic Planning Committee meeting on October 3, 2024. (For possible action)

FINAL ACTION: A motion was made by Member Franklin that the minutes be approved as presented. Motion carried by majority vote. Member Caspersen abstained as she was not present at the last meeting.

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

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive a report regarding UMC Service Line Performance Overview; and direct staff accordingly. (For possible action)

DOCUMENT SUBMITTED:

- Service Line Update

DISCUSSION:

Chris Jones, Executive Director of Support Services, reviewed the Service Line Updates for general surgery, orthopedics, cardiology, women's and children's and ambulatory for Q1 of FY25. Overall, volumes have been good with most service lines.

In general surgery overall, volume was up 9%, charges, revenue and contribution margins are up and variable costs are flat. There was brief discussion regarding the impact recent renovations of the OR suites may have on volumes. Mr. Van Houweling commented that overall volumes are keeping pace, despite the renovation work. The expectation is to complete renovations by FY26. Mr. Marinello shared growth plans and improvements in the operational updates.

Orthopedic volumes were up year over year. Case by case, charges, revenue and contribution margins are all up. A discussion ensued regarding identifying and controlling fixed and variable costs while improving the contribution margins as case volumes increase. Mr. Marinello responded that the team is addressing gaps in throughput with management. Operational updates, expense controls, revenue enhancements and strategic next steps were reviewed. The ortho dashboard was briefly reviewed.

Cardiac showed volumes up in inpatient and outpatient services. Total charges are good. Costs are down and the contribution margin is up. Mr. Marinello added that the 3rd Cath lab has opened, averaging over 200 cases per month. TAVR and Watchman procedures continue to show growth. Expense opportunities, marketing campaign promotions and next steps in service line expansion were discussed briefly.

Children's hospital volumes were good overall. Charges and revenue were good, but contribution margin was down. Although deliveries are down, pediatric volumes have increased due to the flu and RSV season. Mr. Marinello highlighted some of the initiatives, which include the NICU reunion, Child Life Specialists who assist non-verbal patients, as well as daily Ortho Clinic rotations, and Diabetic Educator for pediatric patients and mothers. Volumes in Women's services was down 20% in inpatient and outpatient services.

Ambulatory volume year over year is down for the quick care locations. Charges and revenue are good and the contribution margin is up. Primary care volumes are doing very well, up 20%, but the contribution margin is down for the quarter. A discussion ensued regarding the growth in quick care competitors in the valley. Mr. Marinello highlighted the improvement in patient throughput, technology strategy enhancements and next steps in expansion.

FINAL ACTION TAKEN:

None taken.

ITEM NO. 5 Receive a report regarding UMC Service Line Market Share Update; and direct staff accordingly. (For possible action)

DOCUMENT SUBMITTED:

-PowerPoint Presentation

DISCUSSION:

Mr. Jones provided an overview of hospital market share and market share by bed size.

UMC is 4th in the overall market with 8.8% of the market share and 2nd in hospital market share by bed size with 12.19%, behind Sunrise. Although the Committee feels that we are moving in the right direction, the team feels there is room for improvement.

Chair Hagerty commented that more beds need to be added if there is to be improvement. It will be important to validate how many beds are filled and what the incremental margin in revenue. This would also relate to OR suites and would be a critical metric.

Mr. Jones explained that the graph is showing that UMC should hold 12.19% of the staffed beds in the market, as compared to 8.8%, which is the current average.

The team will drill down to obtain more data in ways to improve UMC's position.

FINAL ACTION TAKEN:

None taken.

ITEM NO. 6 Receive an update regarding overall Market Comparison; and direct staff accordingly. (For possible action)

DOCUMENT SUBMITTED:

- None

DISCUSSION:

Mr. Marinello provided a high level overview on the changes in the competitive market.

Valley Health System has 7 freestanding ERs, multiple specialty clinics and 3 ambulatory surgery centers. He added that the West Henderson hospital opened on December 3, 2024. He reminded the Committee that Desert Springs closed. A map of the UHS Health System was reviewed.

Chair Hagerty suggested a map showing that indicates the hospital and the outpatient locations for the related hub location. A discussion ensued regarding strategies for restructuring, retooling and extending hours for quick care locations.

Member Palenik commented on the capacity at the West Henderson hospital and how it may affect the UMC market. There was continued discussion regarding the affects that may be felt at Dignity hospital and growth in the Henderson market.

HCA facilities have 6 freestanding ERs and 18 CareNow locations. Southern Hills is expanding with a 6th floor vertical expansion and a new free standing ER opening. Sunrise Health is expanding to Boulder Highway. Maps of the Sunrise Health System and CareNow locations were shown. A discussion ensued regarding expansion and virtual care.

Dignity Health has 1 urgent care clinic, 4 primary care clinics and multiple specialty locations. Map of the locations throughout the valley was shown. The focus is on the specialty clinics.

Intermountain Health will open a standalone children's hospital, with the planned opening in 2030. Updates were briefly reviewed for VA Hospital in North Las Vegas, the Michael O'Callaghan Military Medical Center and UNLV Health.

Lastly, the team reviewed the trauma levels for UMC, Sunrise, St. Rose Siena and Michael O'Callaghan Military Medical Center, robotic surgeries, and pediatric bed capacity.

Member Caspersen wanted an update on the general rehab strategies and additional hospital beds.

FINAL ACTION TAKEN:

No action taken

ITEM NO. 7 Receive an update on the FY25 Organizational Performance Goals; and direct staff accordingly. (For possible action)

DOCUMENT SUBMITTED:

- None

DISCUSSION:

Mr. Marinello provided an update on the Strategic Planning Committee Organizational Goals.

All goals are currently on target and on track to be met.

FINAL ACTION TAKEN:

No action taken

SECTION 3: EMERGING ISSUES

ITEM NO. 8 Identify emerging issues to be addressed by staff or by the Board at future meetings; and direct staff accordingly. (For possible action)

DISCUSSION:

Service line advertising.

FINAL ACTION TAKEN:

No action taken

COMMENTS BY THE GENERAL PUBLIC:

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

At 10:19 a.m., a motion was made by Member Palenik that the go into closed session pursuant to NRS 450.140(3). Motion carried by unanimous vote.

At the hour of 10:25 a.m., the Committee went into closed session.

SECTION 4. CLOSED SESSION

ITEM NO. 9 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.

There being no further business to come before the committee this time, at the hour of 11:27 a.m. the meeting adjourned.

APPROVED: February 6, 2025

MINUTES PREPARED BY: Stephanie Ceccarelli, Board Secretary