

**University Medical Center of Southern Nevada
Governing Board Strategic Planning Committee
December 7, 2023**

UMC Providence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Thursday, December 7, 2023
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 9:01 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
Dr. Don Mackay
Robyn Caspersen (Via WebEx)
Renee Franklin (Via WebEx)
Christian Haase (Via WebEx)
Mary Lynn Palenik (Via WebEx)

Absent:

None

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 5, 2023. (For possible action)

FINAL ACTION: A motion was made by Member Mackay 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*)

Items 4 and 5 were combined due to the content flow of the slide presentation.

FINAL ACTION: A motion was made by Member Mackay that the agenda be approved as amended. 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:

The Committee received a report on the Service Line Performance and the Competitive Landscape and Market Share data.

Mr. Marinello shared the first slide, which highlighted the FY24 Service Line notes and budget initiatives in Ambulatory, Cardiology, Orthopedics and all other surgeries. Market share and service line performance were reviewed.

Chris Jones, Executive Director of Support Services, reviewed the overall market share update. UMC remains #4 overall in the market. There has been a steady increase in the market. It was suggested to include bed count for all facilities.

Overall as a system, UMC was up .1%, HCA was up .1%, the Valley Health System was down .1% and St. Rose was down .2%. There was continued discussion regarding market share changes.

In general surgery UMC is #3 in the market overall. Market share has increased quarter over quarter and as a system, UMC had the most growth with .4% in the market.

Ms. Wakem shared two new slides, one which provided a breakdown of market payor mix and weighed performance percentage by licensed beds and another slide shared actual payor mix by hospital facility. There was continued discussion regarding the changes in payor mix and demographics. Chair Hagerty commented that this is great data. There was continued discussion regarding the hospital system functionality with HCA, UHS and Valley Health.

Next, Ms. Wakem shared a statistical breakdown of the new Estimated Provider Assessment Model for private hospitals, which will begin January 1, 2024. The program is also applicable to acute care hospitals critical access hospitals, rehabs

and psych facilities. She noted that they will continue to monitor this program. There was continued lengthy discussion on this subject matter.

Mr. Jones reviewed service lines.

In Surgery, volumes are stable, charges and revenue are up. Cost is up on a per case basis 9% and contribution margin is up 12%. Chair Hagerty asked how this data compares to budget for first quarter of this year and suggested adding a budget column comparing data year over year vs budget for the quarter.

In operational updates and technology strategy, there has been improvement in first case on time starts and room turn-around times. OR remodels for suites 12, 14 and Endo are complete. Phase 2 of remodels for the heart rooms are in process. LeanTass platform education to providers and surgeon offices has been completed; Go-live date is February 2024. There was continued discussion regarding capacity utilization and the quality of revenue earned. Slides showing before and after OR room remodels and ribbon cutting ceremony were shown.

In Orthopedics, UMC went up .2%, but remained at #2 in the market following Sunrise. There continues improvement quarter over quarter. There was discussion regarding what is being done to continue leading the market in orthopedics.

Mr. Jones continued his review of the financial data which included ortho clinic visits. The initiatives, which were budgeted against actual, was down in revenue and costs. Contribution margin significantly below budget. Chair Hagerty suggested analyzing the data set quarterly. The service line update discussion included staff initiatives for performance and the addition of 2 APNs and new Sports Medicine surgeon who is scheduled to start in February. An RFP is out for remodel of the 2231 location and the team is looking at opportunities to bolster patient access for the community.

In Cardiac Services, there is continued market share gain quarter over quarter. UMC remains #8 in the market, but there has been a .4% gain in market share. Volume is down by 2%, but per case charges are up 20% and net revenue is up 29%. Costs are up 27% and the contribution margin is up 35% per case. Next the committee reviewed the FY24 initiatives in Cardio Cath and Open Heart.

Operational updates highlighted increasing Cath Lab volumes and TAVRs are all now being done in the Cath Lab. Cardiac CTA is now in operation to support growth. Revenue enhancements and strategic next steps were discussed. The team is working to increase clinical trials at UMC. A discussion ensued regarding benefits of having a stronger clinical trials presence at UMC and strategic benefits. Mr. Marinello commented that although the clinical trial program is not a strong revenue generating program, it could enhance the cardiac program.

In the Children's Hospital, UMC is #3 in the market behind Sunrise and Summerlin. In Women's Services, UMC sits at #8 in the market. Financials for Children's Hospital show volume was down, but charges and revenue were up 3% on a per case basis, costs were up 8% and the contribution margin was up 7%

per case. In Women's Services, volumes have increased, charges were up 11%, revenue was up 12%, costs were up 11% and the contribution margin was also up 11% on a per case basis. Mr. Marinello highlighted some of the operational updates, revenue enhancements, as well as strategic next steps to enhance the Women's and Children's service lines.

In Ambulatory, primary care volumes were down 17%, but charges were up 29%, revenue up 22% and costs were up only 15%. The contribution margin was up 48% on a per case basis. Quick care volumes were down 2%, but charges were up 19%, revenue was down 8% and costs are up 29%. The key driver was the soft opening of the Aliante Quick Care locations. The team may re-evaluate the business structure that is in place for the clinic locations. The Committee would like to review this in the future. Operational updates, strategic next steps and expense opportunities were reviewed.

A lengthy discussion ensued regarding the percentage of the population in the community that needs to establish a primary care physician relationship and the benefits of UMC pursuing this opportunity. Mr. Van Houweling invited the Committee and staff to share their ideas regarding outreach and approach within the community. Operational updates were briefly reviewed.

Lastly, Mr. Marinello shared updates in telehealth. There have been challenges with staffing. The team has been proactive in developing ideas to use staff more efficiently during down times.

FINAL ACTION TAKEN:

None taken.

- ITEM NO. 5 Receive an update regarding overall competitive landscape and market share data related to healthcare activity; and direct staff accordingly. (For possible action)**

DOCUMENT SUBMITTED:

-PowerPoint Presentation

DISCUSSION:

This item was combined with Item 4 discussion.

FINAL ACTION TAKEN:

None taken.

- ITEM NO. 6 Receive a quarterly update on the UMC CEO/Organizational Performance Goals for FY2024; and direct staff accordingly. (For possible action)**

DOCUMENT SUBMITTED:

- None

DISCUSSION:

An update was provided on the strategic goals for the first quarter of FY24. At this time we are on track.

1. **Continue to deliver improved clinical and financial outcomes in the existing 5 service lines and develop a business plan for 2 other service lines that will be critical to help UMC deliver an important service line to the community going forward.**

On target with this goal. Radiology is one service line that is being added. Chairman Hagerty suggested adding Lab as a service line.

Member Mackay agreed that radiology is a good service line. A discussion ensued regarding the temporary decline in procedures due to the challenges with radiology.

Chairman Hagerty would like to see a presentation on radiology and lab, why we would pursue these two service lines and what should be expected.

2. **Continue to play a leading role in the development of the Las Vegas Medical District**

This goal is on track. The team will present updates at a future meeting.

3. **Expand upon the five-year financial plan for UMC Enterprise to include consolidated income statement cash flow statement and facility wide capital plan. The plan will be detailed down to the service line level and within service lines will forecast volumes, revenue.**

This goal is still in progress.

4. **Enhance Strategic Initiatives in furtherance of the Academic Health Center.**

This goal is also on track.

FINAL ACTION TAKEN:

No action taken

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)**

DISCUSSION:

Report regarding two service lines.

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.

A motion was made by Member Mackay that the go into closed session pursuant to NRS450.140(3). Motion carried by unanimous vote.

At the hour of 10:43 a.m., the Committee went into closed session.

SECTION 4. CLOSED SESSION

ITEM NO. 8 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 10:54 a.m.

APPROVED: March 7, 2024

MINUTES PREPARED BY: Stephanie Ceccarelli, Board Secretary