University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
December 6, 2017

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, December 6, 2017
3:00 p.m.

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 3:03 p.m. by Chair Harry Hagerty and the following members were present, which constituted a quorum;

CALL TO ORDER

Board Members:

Present:
Harry Hagerty
Dr. Donald Mackay
Robyn Caspersen
Laura Lopez-Hobbs
Jeff Ellis
Mary Lynn Palenik (Non-Voting)

Absent:
None

Others Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Susan Pitz, General Counsel
Jacqueline Saites, Director, Contracts Management
Terra Lovelin, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair Hagerty 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 November 8, 2017. *(For possible action)***

FINAL ACTION: A motion was made by Dr. Mackay that the minutes be approved. Motion carried by unanimous vote with the exception of Chair Hagerty who was not present at the November meeting.

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

Item Number 20 was removed from the agenda.

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 **Review the results of the follow up audit of Staff Travel performed on December 6, 2017; and direct staff accordingly *(For possible action)***

DOCUMENTS SUBMITTED:
- Follow up report dated December 1, 2017

DISCUSSION: Nathan Strohl, Internal Auditor provided the findings of the follow up audit on staff travel.

Mr. Strohl thanked Jennifer Wakem and her staff for their cooperation during this audit. The audit looked into whether the staff travel policy and procedure was updated and Mr. Strohl found that these were not available for review.

Ms. Wakem announced that the policy will be revised and the target date for completion is April 30th, 2018.

FINAL ACTION TAKEN: None

ITEM NO. 5 **Receive an Update on the Electronic Health Record (EHR) System; and direct staff accordingly. *(For possible action)***

DOCUMENTS SUBMITTED:
- EHR Update

DISCUSSION: Brian Rosenberg provided an update on the Epic Go Live.

The hospital went live on Epic at 5:30am on November 30th and by December 1, the cut over process was completed.

Staff morale was high and the hospital is functioning well for being Live for only three days.

As of Monday 1,993 tickets were logged and 1,230 have been resolved.

A clinical command center is available 24/7. This command center prioritizes issues and then dispatches staff to take care of the issues. Staff is also available next to employees on the floors to help resolve problems.

The Epic dashboard was shown in real time to the committee.

Chair Hagerty requested a progress update each quarter moving forward.

FINAL ACTION TAKEN: None

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 will have the November financials at the Governing Board meeting. They were not available today due to this meeting falling so early in the month. She also noted that Epic Go Live will affect getting bills out in a timely manner which will affect cash flow.

Also, Member Caspersen asked Ms. Wakem to report a status update on the findings of the outside auditors during the last Board meeting so she met with Lonnie Richardson, Interim CIO and they have a plan to fix a few of the items that have showed up including employee access when employees are terminated.

Ms. Wakem handed out a cost savings improvement plan and a task list that the team believes they can execute. The savings will be $10 million dollars if all tasks are executed.

FINAL ACTION TAKEN: None

ITEM NO. 7 **Review and recommend for award by the Governing Board RFP 2017-14 Advertising and Marketing Services to R&R/CRR Holdings, LLP d/b/a B&P Advertising; approve the Agreement for Advertising & Marketing Services; authorize the Chief Executive Officer to exercise the extension option; and take action as deemed appropriate.** ***(For possible action)***

DOCUMENTS SUBMITTED:

- Service Agreement

DISCUSSION: This contract is for advertising/marketing services including the development of comprehensive advertising/marketing communications campaigns that include television, print, radio, billboard and online advertising, among others. It is not to exceed $3 million dollars per year for five years.

Chair Hagerty asked who decides what we will spend in one year.

Danita Cohen, Chief Experience Officer replied that we make sure our marketing budget follows our Strategic Plan and B&P is able to get great rates for us for our marketing purposes.

Chair Hagerty asked for a presentation on what the marketing budget is for 2018, what the programs are and what the expected returns are.

Dr. Mackay commented that our prior budget for marketing was only $1 million and the other hospitals had a $5 million dollar budget.

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

ITEM NO. 8 **Review and recommend for approval by the Governing Board the Opportunity Agreement (Task Order 39) between Duke University and University Medical Center of Southern Nevada for the Sildenafil study described below; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Pediatric Trial Network Opportunity #3

DISCUSSION: This clinical trial is a federally funded and sponsored project with up to 120 infant subjects at 30 locations nationwide. This is revenue generating as there are administrative startup costs of $7,000 and additional opportunities per subject depending on the medication given.

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

ITEM NO. 9 Review and recommend for approval by the Governing Board Amendment One to Assignment and Assumption Agreement between Horizontech Technologies, Inc. d/b/a Horizontech, Inc. and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment One
-

DISCUSSION: This agreement provides services for scanning and tracking of returned mail and helps UMC to identify updated address and possible fraud. This contract will start on January 1, and continue until November 14, 2019.

This service integrates with Epic and will help UMC deal with the high amount of incorrect addresses that are given at intake.

There are audit reports that are part of this service that will tell us the initial mail returns and which pieces of mail are returned multiple times. This will help us determine ways to mitigate this issue moving forward.

Staff from the Business Office explained that this company's specialty is NCOA Postal Service approved as an address update vendor. They also return files to UMC with corrected addresses.

Tiffanie Fleming, Director of Patient Accounting added that Epic will also help with correcting and updating patient addresses.

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. 10 Review and recommend for approval by the Governing Board the First Amendment to Network Participation Agreement between OneHealth and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- First Amendment

DISCUSSION: Rose Coker explained that this amendment will extend the Primary Care Clinics to be part of OneHealth Physician Network.

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 award by the Governing Board RFP No. 2017-09 Linen Management and Distribution Services to Staheli Laundry Services, LLC d/b/a Staheli Laundry; approve the RFP No. 2017-09 Service Agreement; authorize the Chief Executive Officer to approve the addition or deletion of services for any offsite clinic and satellite locations within the not-to-exceed amount of this Agreement and exercise any extension options; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Service Agreement

DISCUSSION: Two vendors returned proposals for linen management services and Staheli Laundry Services won the bid. This agreement is for a five year base contract term with two, two year options for a total of nine years. It is a not to exceed $2,200,000 per year.

Mr. VanHouweling added that this company will also provide the distribution of scrubs through specialized vending machines.

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

ITEM NO. 12 Review and recommend for approval by the Governing Board the Second Amendment to the Hospital Blood Services Agreement between Blood Systems, Inc. (dba United Blood Services) and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Second Amendment

DISCUSSION: This amendment two is for a one-year renewal option with an estimated cost savings of $72,294.00.

FINAL ACTION TAKEN: A motion was made by Member Caspersen 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 ratification by the Governing Board the Amendment One to Agreement for Consulting Services between United Audit Systems, Inc. D/B/A UASI and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment one

DISCUSSION: This contract is to supplement UMC staff with remote auditors to be able to review in-patient records that have gone through our auditing software before being submitted. We are actively recruiting for these positions but there is a significant issue in finding in-state individuals.

This is for a six-month contract in the amount of $170,560.

Chair Hagerty would like to know how much we are spending on coding for external resources at the next Audit and Finance meeting.

Linda Garrison, HIM Director explained that the County rules are the reason for UMC not being able to hire coders outside of Clark County. She can't hire any auditors that live outside of Clark County, they do not exist locally. We currently have three open auditor positions.

FINAL ACTION TAKEN: A motion was made by Member Ellis 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 ratification by the Governing Board of Amendment One to the Agreement for Epic At The Elbow (ATE) Support Services between ALKU Technologies, LLC and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Agreement

DISCUSSION: This Agreement is for additional staff to assist Physicians in order to make the Epic implementation successful. This is an extension through 12/31. Amendment One is in the amount of $990,940.56

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. 15 Review and recommend for approval by the Governing Board the In-Hospital Dialysis Services Agreement and accompanying Letter of Agreement between Fresenius Kidney Care Nevada, LLC and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- In-Hospital Dialysis Services agreement
- Agreement

DISCUSSION: This agreement is for in hospital dialysis services with a, not-to-exceed amount of $3.6 million per year plus a 2.5% annual increase ($11,072,250 for a three-year term).

The services under the agreement will be performed by non-physician employees or contractors of Fresenius, who will be either duly licensed and qualified nurses or qualified technicians trained in extracorporeal therapy including dialysis.

FINAL ACTION TAKEN: A motion was made by Member Lopez-Hobbs 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 RFP No. 2017-02 Hospital Video Surveillance and Security Management System to Stanley Convergent Security Solutions, Inc.; approve the RFP No. 2017-02 Master Agreement; authorize the Chief Executive Officer to execute future Statement of Works within the not-to-exceed amount of this Agreement and exercise any extension options; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Master Agreement

DISCUSSION: This a new RFP for video surveillance, access control and a security management system. Six companies responded to the RFP and the contract was awarded to Stanley Convergent Security Solutions, Inc.

This agreement includes the installation of emergency phones throughout the hospital and a complete overhaul of the current system.

Carissa Rey, Associate Administrator explained that this company has previous experience with hospital monitoring and access with regards to patients and privacy rules.

The base contract has a not-to-exceed amount of $3.5 million and a term of three years with three, two year options. There is also a three year maintenance and support cost in the amount of $276,673.

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. 17 Review and recommend for approval by the Governing Board the Microsoft Enterprise Enrollment Program Signature Form, and Pricing Proposal with SHI International Corp., an authorized Microsoft Reseller; authorize the CEO to process any additional fund requests for the annual True-ups that are within his delegation; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Microsoft EA Agreements
- Product Selection Form
- SHI Pricing Quote
- Disclosure of Ownership

DISCUSSION: This is a Microsoft enterprise agreement where UMC is able to take some of our selected licenses, and capture a volume discount for those that we are utilizing. This program agreement is for a three year term for software licenses in the amount of $1,734, 282.

Lonnie Richardson, Interim CIO explained that there is a cost savings with this Enterprise Agreement with licenses that can be shared across the organization.

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

ITEM NO. 18 Review and recommend ratification of Amendment Four to the Agreement for Staff Augmentation Services between Optimum Healthcare IT, LLC and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment Four to Agreement for Staff Augmentation Services

DISCUSSION: This is a staff augmentation contact specific to Epic for an additional 118 people At the Elbow (ATE) support and project management staff at the additional cost of $1,856,556 in staff resources and $600k in travel and expenses costs for the total additional cost of $2,456,556. This support is for nurses and other clinical staff outside of the physicians.

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. 19 Review and recommend approval by the Governing Board the Renewal Content License Order Form with Truven Health Analytics, LLC; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Truven Health Analytics LLC Renewal Content License Order Form
- DOO

DISCUSSION: This is a renewal for subscription services that aid in the clinical supervision of patients. It allows staff to provide patients with after care instructions providing drug and adverse reaction information, manages and identifies poisons and supplies patients with educational materials which enable UMCSN to be in compliance with Joint Commission standards. This agreement is for a one year term in the amount of $91k with a cost saving of $70k.

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

ITEM NO. 20 Review and recommend for approval by the Governing Board the Agreement for Physician Medical Directorship and Physician Professional Services between Laboratory Medicine Consultants, Ltd. and University Medical Center of Southern Nevada and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Laboratory Medicine Agreement

DISCUSSION: *THIS ITEM WAS REMOVED FROM THE AGENDA*

SECTION 3: EMERGING ISSUES

ITEM NO. 21 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)*

- A presentation on what the marketing budget is for 2018 and what the programs are and what the expected returns are.

- A discussion on transitioning to paperless billing and the conversion process.

- How much are we paying for consultants in coding versus if we could employ people outside of Clark County?

- Epic update moving forward to occur in March, June, September and December.

Dr. Mackay introduced Barbara Fraser, the new ex-officio who has joined our Board. She will sit on the HR committee and Clinical Quality committees. Ms. Fraser is a nurse and an instructor at UNLV.

COMMENTS BY THE GENERAL PUBLIC:

At this time, Chair Hagerty 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 4:53 p.m., Chair Hagerty adjourned the meeting.

MINUTES APPROVED: January 17, 2018
Minutes Prepared by: Terra Lovelin