University Medical Center of Southern Nevada
Governing Board Strategic Planning Committee
February 4, 2021

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Thursday, February 4, 2021
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 9:05 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 (via WebEx)
Robyn Caspersen (via WebEx)
Dr. Donald Mackay
Renee Franklin (via WebEx)
Mary Lynn Palenik (via WebEx)

Absent:
Chris Haase

Also Present:
Mason VanHouweling, Chief Executive Officer (via WebEx)
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Chris Jones, Executive Dir. Of Support Services
Dr. Thomas Zyniewicz, Performance Improvement Physician Advisor
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 public comment received to be heard on any item on this agenda.

None.

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Strategic Planning Committee meeting on October 8, 2020. *(For possible action)*

FINAL ACTION: A motion was made by Member Franklin that the minutes be approved as presented. Motion carried by unanimous vote.

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

FINAL ACTION: A motion was made by Member Mackay that the agenda be approved a presented. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

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

DOCUMENT SUBMITTED:
- Service Line Update

DISCUSSION:

Tony Marinello, COO introduced Chris Jones, Executive Director of Support Services and Dr. Thomas Zyniewicz, Physician Performance Improvement Advisor to the committee.

Mr. Jones presented the overall hospital market share reflecting in-patient hospital data. UMC holds 9.0% of the market share after St. Rose-Siena, Mountain View and Summerlin. Sunrise leads at 15.0% of the market.

An overview of the entire business line by payor mix showed no changes in Medicare and Medicaid, which holds about 70% of payors. General Surgery captures 10.16% of cases, but has continues to be the largest percentage of net revenue at UMC with 24.2%.

Chair Hagerty asked how general medicine relates strategically to the sacred six and what is it comprised of. Mr. Marinello explained that general medicine is comprised of all admissions that are non-surgical procedures.

Mr. Jones continued with a review of the service line profit and loss dashboard which includes all surgical service lines. He noted that general surgery and orthopedics make up 70% of the hospital volume. The contribution margin per case is approximately $6K.

The majority of robotic cases occur in general surgery with 77.1% of cases, followed by neurosurgery and spine. Medicare was shown as the highest in payors and the contribution margin is roughly $7K per case. The conversation continued regarding hospital benchmark comparisons and how the sacred six fit into the overall hospital business of surgical cases, including robotics and transplants.

Member Caspersen requested that the documents be labeled to indicate the management data that is being presented.

Mr. Marinello related due to COVID-19, UMC fell to 12.5% in market share for FY2020; Sunrise leads at 15.6%, followed by Mountain View at 12.8%.

Organizational highlights were reviewed and as of January 31, 2021, there have been a total of 96 transplants completed. A breakdown of the general surgery and general surgery transplant cases were next discussed.

The Committee suggested that the Medicare cost report be included to show an accurate representation of the revenue generated by the transplant service line.

UMC remained consistent in the Orthopedic market, capturing 13.2% of the market share, following St Rose-Siena and Sunrise. A total joint program has been implemented to provide patient education prior to orthopedic surgeries. Finalizing purchase of Rosa robot. Expense control and revenue enhancement has been a goal and a continuous review of supply costs will provide consistency, reduce costs and cap pricing.

Mr. Marinello added that year over year, the contribution margin for orthopedics increased to over $5K per case.

The cardiac market is down overall; UMC holds 6.8% of the market share and was down 80 cases but growth is anticipated. Phase 1 of the Cath Lab has been completed and the second phase is projected to be completed for use by April 1st. Telehealth consultations have been implemented and the structural valve clinic is targeted to start 4th quarter of FY21. Cardiac volume has decreased slightly year over year, but there has been a slight increase in the contribution margin.

Ambulatory services volumes show growth in quick care and primary care locations. Payor mix for quick care is strong in commercial with 52% and Medicare holds 51% of primary care volumes. A list of ambulatory initiatives, along with technology updates and revenue enhancements, were next reviewed.

Member Hagerty asked if telehealth has evolved so that we can get paid appropriately. Mr. Marinello responded it is starting to evolve and the team has met with payors regarding reimbursement.

Member Franklin asked if there was a research component to the COVID Long Haul Clinic. Dr. Zyniewicz provided an explanation of the benefits associated with the COVID long haul clinic. A conversation ensued regarding telemedicine. Updates regarding its use and progress with be reported at future meetings.

Profit margins in quick cares and primary cares were reviewed. There has been an increase in primary care visits more than in the quick care locations.

Oncology has grown quarter over quarter in the market share. The goal is to establish a future partnership with UNLV and explore a future fellowship program. The contribution margin loss has decreased.

Member Caspersen wanted to know if this was a mix to include hematology or was it true oncology. Mr. Marinello stated that he would footnote the bar to reflect true oncology.

The Children's Hospital market share showed a decrease in the general pediatric census. UMC ranks 3rd in market share. UMC has launched a Children's Critical Care Transport Team. The first transport occurred February 1st. This is a grant funded initiative.

Lastly, Women's Hospital services have trended down. Volumes have declined in deliveries. The team is focused on how to improve this service.

FINAL ACTION TAKEN: None taken.

ITEM NO. 5 Receive an update regarding UMC/UNLV business strategy; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- None

DISCUSSION:

Mr. Marinello stated that regular meetings are being conducted with UNLV to discuss future service lines and growth.

Chair Hagerty wanted to ensure that the Sacred Six service lines are in line with the School of Medicine. Further discussion regarding the strategic alliance will be deferred to a future meeting.

FINAL ACTION TAKEN: No action taken

ITEM NO. 6 Receive an update/overview on COVID-19; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- None.

DISCUSSION:

Ms. Wakem provided updates on UMC's COVID statistics. She mentioned that it has been 330 days since the first COVID-19 case was reported at UMC on March 8, 2020.

Trended statistics revealed a record number of COVID positive admissions in December. The COVID testing volume in December was over 151K.

The Committee members shared experiences and the responses they have received from the community regarding the convenience, efficiency and good will exhibited at the testing sites and anticipate UMC and the community will continue to receive long lasting benefits.

FINAL ACTION TAKEN: No action taken

ITEM NO. 7 Receive an update on CEO Objectives for Fiscal Year 2021 as it relates to the Strategic Planning Committee's recommendation; and direct staff accordingly. (*For possible action)*

DOCUMENT SUBMITTED:
- None.

DISCUSSION:

1. **Continued Leadership in Las Vegas Medical District: Continue to play a leading role in the development of the Las Vegas Medical District.**

   Mr. Marinello said that we are continuing on this path and achieving this goal.

2. **Improved Results in the Six Focus Areas: Deliver improved results (financial and clinical) in the six focus areas (Ambulatory, Cardiology, General Surgery, Oncology, Orthopedics and Pediatrics).**

   There has been continued improvement on margin, efficiencies and reporting and this goal is also being met.

3. **Establish at least one new Ambulatory service for UMC to strategically respond to COVID-19 needs for the community in partnership with UNLV School of Medicine.**

   The Long Haul clinic is set to open March 1st and we continue to work with partners on other strategies. This goal is also being achieved.

4. **Develop new Annual Strategic Plan and a five-year financial plan (FY 21 – FY 25 inclusive) for UMC as a whole with a consolidated income statement and cash flow statement. The plan will be granular down to the service line level and, within service lines will forecast volumes, revenue and expenses by sub service line.**

   Ms. Wakem said we are on track to meet this goal. The target date to submit a financial plan to the Committee will be the last quarter of FY21.

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)***

Chair Hagerty would like to continue to focus on how to bring telemedicine as a delivery channel for our service lines.

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 the hour of 10:44 a.m., the committee voted on a motion made by Member Palenik to go into closed session.

There being no further business to come before the committee this time, at the hour of 10:44 a.m. Chair Hagerty adjourned the meeting.

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.

The meeting was reconvened in closed session at 10:46 a.m.

At the hour of 11:18 a.m., the closed session on the above topic ended.

FINAL ACTION: No action was taken.

APPROVED: June 3, 2021

MINUTES PREPARED BY: Stephanie Ceccarelli