University Medical Center of Southern Nevada
Governing Board Strategic Planning Committee
February 6, 2020

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Thursday, February 6, 2020
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
Renee Franklin
Dr. Mackay- Phone
Mary Lynn Palenik
Christian Haase

Absent:
Robyn Caspersen- Excused

Also Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Danita Cohen, Chief Experience Officer
Deb Fox, Chief Nursing Officer
Dwayne Murray, Interim Project Leader
Lonnie Richardson, Chief Information Officer
Susan Pitz, General Counsel
Kayla Hillegass, Management Analyst
Andrea Lou, Administrative Assistant

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.

Member Franklin introduced Elizabeth, an Intern at UMC who has been working on the Senior Hunger Project which is a grant funded project. She visits patients between the ages of 60-89 to assist them with food needs after they leave the

hospital. The program partners with Three Square and they have assisted over 500 patients in the program.

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Strategic Planning Committee meeting on December 4, 2019. *(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 Franklin 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:
- 2019 Q3 Market Share

DISCUSSION: Mr. Marinello reviewed the Market Share Q3 data. Market share down but there has been some normalization. In total, the market has been up approximately 788 admissions, mostly from OB and delivery. UMC was down 280 admissions compared to the previous quarter, due to lower volumes in cardiac and pulmonary services.

ER volume is flat, but transports were up 4.1%. The observation/admission total admission rate was down 2.5%. We are focusing on proper statusing of hospital admissions.

The cardiac market is down overall; UMC was down 80 cases. The new Cath Labs will be in place by June. The new Cardiac C-Arm, which will provide the ability to perform more cardiovascular work, will be in house by March and in service by April. The Heart Failure Clinic was installed at the end of the third quarter.

Member Palenik asked what is expected for future market share. Mr. Marinello responded that the hope is to have new technology centered on cardiology and to pick up EP studies that we are not doing at this time. New technology, Tavers procedures, will help us to continue to grow. Ms. Hillegass added that we had a successful accreditation visit for chest pain earlier in the month.

Surgical services were flat quarter over quarter, but we continue to grow in general surgery and orthopedics. A second new robotic unit will be added March 1st will see more volume from that. The conversation continued regarding the drop that occurred in the market share. We are back to our normal market share percentage.

Mr. VanHouweling added that we have to directly compete with the free standing ERs.

Member Franklin also noted that physician ownership, lower cost, and faster service at the free standing centers also contributes to competition in the market. The conversation continued regarding the surgical services offered in the local area.

Member Haase asked how competitor activity is adding to our capacity and if this activity is being tracked. Ms. Hillegass stated that competitor activity is being tracked. The Physician Relations team provides updates regarding any activity with other facilities within the community. Mr. VanHouweling added that the physician led team provides beneficial information regarding turnover times, start times and how to maximize current assets. He also stated that we looking into adding multi-faceted hybrid rooms. The discussion continued with surgery services, room expansion and hospital growth plans in the future.

Orthopedics continues to grow and quarter over quarter it is making great progress and moving forward. Boot camps for knee and hip replacements and having seminars in the community prior to patient surgeries.

In market share, admissions were down for the overall market, but we stayed the same with admissions.

Member Dr. Mackay stated that surgery start times have improved. He said surgery delays should not be the fault of UMC, but it helps that surgeons are required to use their chosen anesthesiologist for the entire day so as to not wait for their arrival to begin a case. Optum has an over flow of orthopedic patients and because of the high volume, patients are being referred to other facilities.

Oncology market share is down. This is attributed to directing patients to go to their clinic or provider for treatment, instead of presenting to the ED for routine treatment.

Chair Hagerty suggested adding a P&L by business line. Member Palenik added it would be helpful to see a comparison of the payor mix vs. the market mix year over year.

Dwayne Murray added we are strong with Medicare and Medicaid. We are developing costs and looking internally at service lines based around costs and comparing it with net revenue and payors.

The pediatrics market grew; we went up 12%. Member Palenik said she would like to see fair share vs. market share. Mr. Marinello added that a benefit is that we have employed pediatric hospitalists and we are staffed appropriately and the length of stay will go down. We have consistency in branding and marketing of general pediatrics.

Chair Hagerty stated that there is an opportunity to advertise that we provide charity care in pediatrics to the community. The conversation continued regarding looking for unique solutions to fund different kinds of charitable opportunities.

Ambulatory shows strong growth. Increase in Quick Cares and Primary Cares. Hours have been extended with quick cares. Centennial has opened and next month Spring Valley, then Southern Highlands because we experiencing growth by expanding hours. Getting providers is a struggle, but we are getting Nurse Practitioners.

Member Franklin asked if staffing at quick cares are still at appropriate levels on the physician side related to throughput and patient satisfaction? How much time is spent at quick care for patients? Mr. Marinello stated that we are doing a time study from start to finish. Staffing levels at quick cares is good, but at the primary cares there is a struggle. We are working with IT to get an app for quick cares to get it launched for wait times. This time study will be very important to discover variables. Complaints are from long waiting room and then a long wait in room.

Chair Hagerty asked if we could get physicians that study the logistics and get them to buy into improving the flow. Getting them involved could impact their working environment as well.

Next, Mr. VanHouweling provided the most recent developments happening in the market with the Market Dynamics Update. HCA has 3 hospitals in the area - Sunrise, Mountain View and Southern Hills. Sunrise Hospital's new 5-story tower is open, which brings their bed count to 762 and they have also opened a new burn center which is being marketed aggressively. UMC held an open house at the Burn Care Center with other hospitals.

Member Palenik asked how the hospital can receive certification for the burn center. Mr. VanHouweling responded that there is verification through the American College of Surgeons and we are the only verified Burn Care Center.

We are continuing to monitor the activities with Mountain View Medical Center. They have recently broken ground on a new hospital based emergency department in Aliante, as well as a new cardiac practice called Las Vegas Heart Associates, which adds a fourth cardiology group in the area. They also opened new floors March 2018 with oncology.

Southern Hills has a new stand-alone ER on Blue Diamond which creates competition. He provided a competitive analysis of the area with other area hospitals. HCA in total will have 3 ER's total extended off of their hospital based operations. Mr. VanHouweling also mentioned that HCA is now in network with HPN.

UHS Hospital System has seven hospitals in the market with the largest bed count in the community. Spring Valley has expanded their operating rooms which are comprised of hybrid rooms. Valley has a new CEO, Claude Wise. They have submitted for comprehensive stroke center. UMC is a primary stroke center, but we are currently pursuing comprehensive. Henderson Hospital, which opened in October of 2016, is planning a new patient tower.

Chair Hagerty asked what would HCA say about UMC? Mr. VanHouweling responded that other hospitals view UMC as necessary to survive but not thrive.

Other systems track what we are doing and interested in what is going on and they pay attention to our market share. They know exactly what we are doing. The discussion continued regarding future planning, growth and progress for UMC.

Dignity Health is changing their name to Common Spirit. They have a new marketing team led by Larry Barnard. They have four area hospitals and they are pursuing the addition of academics.

We have a great relationship with Nellis AFB. On the 28th a 3-Star Army General will be visiting the facility. Colonel Flowers is going to be the Surgeon General of the Space Force.

The new CEO of the VA will be here to tour the hospital on the 25th at 9:00am.

We have signed a transfer agreement with Elite Medical.

Intermountain has they bought land and intend to build a surgery center, medical office building, primary care clinic and pharmacy.

UNLV School of Medicine has been appointed Marc Kahn as their new Dean starting in April. He is from Tulane University. The new president of UNLV has not yet been named.

FINAL ACTION TAKEN: None taken.

ITEM NO. 5 Receive a report regarding Service Line Forecasting and Market Growth; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- 2020 Market Demographic

DISCUSSION: Kayla Hillegass, Management Analyst provided a report regarding the service line forecast and market growth. She gave a breakdown of the expected population growth in Clark County in the next 10 years which included 7% pediatrics, 11% adults and 60% seniors. The needs for inpatient services, outpatient services and primary care services trending were reviewed.

Though there is a decline projected over the next 5 years, there is actual growth expected in the next 10 years overall.

Chair Hagerty asked about the trends in rehab decrease. Ms. Hillegass stated that it is an expensive service in the inpatient setting, so payors would prefer an outpatient service.

She highlighted neurosurgery, trauma, and general medicine as the service lines that will need a higher bed capacity. Large growth is also expected in cardiac services. The discussion continued regarding the transition from inpatient to outpatient.

In the outpatient setting, there is over 35% growth expected in the next 10-years and great opportunities.

Aligning our primary care settings of family care and internal medicine with the School of Medicine in pediatrics and OBGYN will also promote growth if the service lines are combined.

Member Franklin noted there is a shortage of rheumatology services being offered in our community. Debra Fox, CNO commented that there is a shortage in the community and we should invest in broader service lines that address diabetes, rheumatology and broader auto-immune diseases because it strikes the pediatric and adult populations.

FINAL ACTION TAKEN: No action taken

ITEM NO. 6 Receive an update regarding FY20 CEO Performance Goals related to the UMC Governing Board Strategic Planning Committee; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- None.

DISCUSSION: Mr. VanHouweling briefly reviewed the 4 Performance Goals that were established by the committee.

1. Develop a 5-year financial plan – identify revenue by service line and expense by service line.
2. Improve results in the 6 focus areas
3. Marketing plan with co-branding with UMC and UNLV School of Medicine. It has been approved and there is discussion on when and where it will be used.
4. Continued leadership in the Las Vegas Medical District. There has been planning with infrastructure; working closely with the City on façade and landscape improvements. The UMC PICU is being recognized as Citizen of the Month. UMC has been working closely with supporting and managing LVMD.

FINAL ACTION TAKEN: No action taken

ITEM NO. 7 Receive a report regarding UNLV School of Medicine Strategic Plan; and direct staff accordingly. (*For possible action)*

DOCUMENT SUBMITTED:
- None.

DISCUSSION: Dr. Fildes, Interim Dean of UNLV, provided a summary of the detailed strategic plan with Dr. Atickson, which included bringing in all 4 years of classes, achieving full accreditation, the 1st graduation and attracting graduating residents to stay in Nevada. To date, we have interviewed and accepted the 4th

class. They will be in session by the end of the summer, bringing the total number enrollment to 240. Year from May we will graduate the 1st class.

In October, the LCME accrediting body will return for a 3rd visit.

New Dean will start in 6 weeks and is expected to continue the original strategic plan.

Parallel with this is building of our new school. It is hoped to proceed quickly. This will be a new modern look for the downtown medical district. It is projected to be a 175,000 sq. foot building – possibly high rise. The expected completion is approximately 3 years. There could be as many as 4 buildings at this site.

Chair Hagerty stated that our future and larger population that we at UMC will address are services line for the aging population, and the desire is for UNLV to be our academic school and a partnership with them. Dean Dr. Fildes agreed that there should be a partnership and expressed that these goals should be presented to the incoming Dean.

The discussion continued with the need for alignment between UMC and the School of Medicine and the partnership that is essential for success.

To Dean Fildes, thank you for your service as Interim Dean and making this partnership work.

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)*

Susan Pitz introduced Stephanie Ceccarelli as the new board secretary. Stephanie will be joining us on Monday.

It was announced that Vick Gill is moving on to another position for career growth. He has taken a position as VP of Operations at Sunrise Hospital.

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 11:12 a.m., the committee voted on a motion made by Member Palenik to go into closed session.

SECTION 4. CLOSED SESSION

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 11:18 a.m.

At the hour of 11:50 a.m., the closed session on the above topic ended.

FINAL ACTION: No action was taken.

APPROVED: August 5, 2020

MINUTES PREPARED BY: Stephanie Ceccarelli