University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
February 17, 2021

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada

The University Medical Center Governing Board Audit and Finance Committee met at the location and date above, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:02 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:
Robyn Caspersen (via WebEx)
Dr. Donald Mackay
Jeff Ellis (viaWebEx)
Harry Hagerty (via WebEx)
Mary Lynn Palenik (via WebEx)
Christian Haase (via WebEx)
Barbara Fraser, Ex-Officio (via WebEx)

Absent:

Others Present:
Mason Van Houweling, Chief Executive Officer (via WebEx)
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Doug Metzger, Controller
Maria Sexton, Chief Information Officer
Rose Coker, Director, Managed Care (via WebEx)
Jacqueline Saites, Director of Contracts and Materials Management (via WebEx)
Carissa Rey, Academic and External Affairs Officer (via WebEx)
Susan Pitz, General Counsel
Lia Allen, Attorney (via WebEx)
Stephanie Ceccarelli, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair Caspersen asked if there were any public comments 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 January 20, 2021. *(For possible action)*

FINAL ACTION:

The minutes were amended to reflect that Barbara Fraser was present.

A motion was made by Member Hagerty that the minutes be approved as amended. 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. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive the monthly financial report for January FY21; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- January FY21 Financial Report

DISCUSSION:

Jennifer Wakem, Chief Financial Officer presented the financials for January.

Key indicators were reported. Admissions were below PY 20%. AADC was 576. Length of stay continues to be high at 7.61 and acuity for overall hospital CMI was 1.97 and Medicare CMI was 2.08.

Inpatient surgeries strong; only 1.5% below prior year and outpatient surgeries were down 5.5% compared to prior year. There were 14 transplant cases in the month of January. ER visits were down 27%. Quick care volumes continue to be down almost 37% and primary care is down 18%. There were 91 deliveries. ED to admit conversion rate was 22%; tracking 1% over prior year.

Member Ellis asked if length of stay was being tracked by payor. Ms. Wakem confirmed LOS is being tracked by payor and there was no significant stand out.

Payor mix by admits trended was decent in January. Medicaid dropped almost 3% and Medicare went up 4.5%. She continued by comparing the payor mix admissions in the ED.

Member Ellis asked if these trends were being compared to pre-COVID averages. Ms. Wakem stated she will report on this topic at the next meeting.

Member Fraser asked if applications are initiated for self-pay patients that qualify for Medicaid and present to the ED. Ms. Wakem confirmed that UMC's eligibility team assist patients in filling out these forms.

The income statement for January showed other revenue was pretty significantly over prior year and the key driver was the COVID reference lab work which is about $5.9 million and net patient revenue was strong, up 8% for the month.

Operating expenses continue to be a struggle, over prior year roughly $10 million. Income from ops was positive for the month.

Year to date income statement is upside down roughly $22.3 million. Income statement trended shows January in the green. Last time it was positive was February 2020, pre-COVID.

Key financial indicators were in the green. In liquidity, days cash on hand dropped to 94.2 days. Federal supplemental payments are behind. Candidate for billing is 6.3 days. The goal is 5 days. Cash collections are tracking 90.2%. POS cash collection goals have also been a bit of a challenge.

Salaries, Wages and Benefits for January is $1.5 million higher than prior year. Overtime and contract labor have been significantly high, especially in critical care nursing areas. The conversation continued regarding the conversion of overtime hours and the total paid FTEs.

Other revenue showed supplies up due to COVID expenses, reagents for COVID lab testing and PPE and drug costs. Purchase services are up $526k. COVID expenses year to date are approximately $79 million.

Capital Plan – Emergency capital is being approved as needed.

The cash flow statement shows $36 million received in the month of January. We are approximately $113 million behind in receiving federal supplemental payments. Roughly $31 million is related to FY20. In the month of January, $16 million was received from the County and $30.7 million in Cares Funding for lost revenue money was received.

Balance sheet shows networking capital improved due to the receipt of money from the county and cares money received. The budgeted cash flow statement was reviewed.

COVID volume testing dropped to 113k tests in January. This is anticipated to continually trend downward. Testing supply orders are being modified, which will reduce expenses on lab supplies.

<u>FINAL ACTION TAKEN:</u>

None taken.

ITEM NO. 5 Receive an update report from the Chief Financial Officer; and direct staff accordingly. ***(For possible action)***

DOCUMENTS SUBMITTED:
- None

DISCUSSION:

Ms. Wakem updated the Committee on Cares Act funding. We continue to monitor eligibility on any money that has yet to be allocated.

Reimbursement of costs may be available through FEMA for COVID-19 related projects. We are in the process of submitting applications and will update the Committee on costs that may be recovered.

Admissions for COVID-19 have dropped from 435 to 314 for the month of January. This is positive news.

FINAL ACTION TAKEN:

None taken

ITEM NO. 6 Receive an update on the UMC Governing Board Audit and Finance Committee CEO Performance Objectives. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Power Point – CEO Performance Objectives

DISCUSSION:
Ms. Wakem provided a brief update on the CEO Performance Objectives for FY2021.

1. **Exceed fiscal year budgeted income from operations after depreciation and amortization.**

   This goal is being met. Volumes are better than expected.

2. **Actual SWB per Adjusted Patient Day is less than $2,449 or Actual SWB as a percentage of net operating revenue is less than 66.17%.**

   This goal is tracking very well.

Member Hagerty asked despite COVID, what the key driver is to help achieve Objective 2. Ms. Wakem responded that the Voluntary Separation Program (VSP) is a key driver. She added that open positions have not been automatically replaced. The discussion continued regarding supply management and cost savings, COVID testing, contract labor and overtime needs.

FINAL ACTION TAKEN:

None taken

ITEM NO. 7 Review and recommend for ratification by the Governing Board the Addendum 1 to Provider Agreement with P3 Health Partners-Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Provider Agreement – Addendum One

DISCUSSION:

Rose Coker, Director of Managed Care, stated that P3 Healthcare Partners is adding new insurance plans to their network. In order for UMC to be a provider, an addendum is needed to add the new plans to the rate schedule

FINAL ACTION TAKEN:

A motion was made by Member Dr. Mackay to approve and make a recommendation to the Governing Board to ratify the agreement. Motion carried by unanimous vote.

ITEM NO. 8 Review and recommend for approval by the Governing Board the Hospital Services Agreement with LifePrint Health, Inc. d/b/a OptumCare; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Hospital Service Agreement

DISCUSSION:

Ms. Coker stated that this replaces an agreement with United Healthcare, which is set to term on March 20, 2021. This new agreement will continue coverage and refreshes rates.

FINAL ACTION TAKEN:

A motion was made by Member Palenik 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 the Sixth Amendment to Memorandum of Understanding with HCP IPA Nevada, LLC; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Sixth Amendment

DISCUSSION:

This will allow Healthcare Partners to add United Healthcare Medicare Complete to their agreement and avoid disruption in coverage to 26K covered lives.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

ITEM NO. 10 Review and recommend for approval by the Governing Board the Master Services Agreement with Versalus Health, LLC; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Master Services Agreement

DISCUSSION:

Jacqueline Saites, Director of Contracts and Materials Management stated this is a contract for performance improvement and revenue generation.

Ms. Wakem added the primary scope of work involves appropriate statusing of the patient population. This is a replacement for Executive Health Resources, (EHR), which has termed. Versalus Health will work with the coding and clinical documentation improvement teams. Medical provider consultants will work with hospitalists as well.

FINAL ACTION TAKEN:

A motion was made by Member Palenik 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. 2020-12 Chronic Care Management to ViziHealth Solutions, Inc. D/B/A Carepointe; authorize the Chief Executive Officer to sign the Service Agreement for Chronic Care Management; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- RFP 2020-12 Chronic Care Management Service Agreement

DISCUSSION:

This agreement is for Chronic Care management. This will help patients with chronic long term illnesses receive managed care and assistance with scheduling appointments and filling prescriptions. Staff education is also provided.

Member Palenik asked if the information provided already available in EPIC. Ms. Saites stated that the patient's care plan will become a part of their record and will be available within EPIC.

FINAL ACTION TAKEN:

A motion was made by Member Haase to approve and make a recommendation to the Governing Board to approve the award. Motion carried by unanimous vote.

ITEM NO. 12 Review and recommend for approval by the Governing Board the Amendment Three to Agreement for Consulting Services with United Audit Systems, Inc. d/b/a UASI for coding and auditing services; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment Three

DISCUSSION:

This is an amendment for a coding services. Ms. Wakem added this is contract labor for complex coding account services.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

ITEM NO. 13 Review and recommend for approval by the Governing Board the Agreement for Medical Coding Support with Fort Topco, Inc. d/b/a AGS Health LLC; authorize the Chief Executive Officer to exercise any extension options; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- AGS Health Agreement

DISCUSSION:

This is an additional remote complex coding agreement. This vendor also performs audits to verify work.

FINAL ACTION TAKEN:

A motion was made by Member Mackay 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 for approval by the Governing Board the First Amendment to the Agreement for Advertising & Marketing Services with

R&R/CRR Holdings, LLP d/b/a B&P Advertising; and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- First Amendment
- Disclosure of Ownership
- Incremental Budget – Attachment A

DISCUSSION:

This request is for additional funding to support increased community outreach marketing via television, radio and digital marketing as it relates to COVID initiatives and information.

FINAL ACTION TAKEN:

A motion was made by Member Haase to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

ITEM NO. 15 Review and recommend for approval by the Governing Board the Professional Services Agreement for Radiology Clinical Coverage with Ellis, Bandt, Birkin, Kollins & Wong, PLLC d/b/a Desert Radiology; and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Professional Services Agreement

DISCUSSION:

This is a new Radiology contract agreement providing clinical radiology services for hospital and quick care patients. This will include a medical director and education. There is no rate change and there will be a minimum of 10 providers for hospital coverage.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty 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 approval by the Governing Board the Professional Services Agreement for Cardiology Clinical Coverage with Nevada Heart and Vascular Center (Resh), LLP; and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Professional Services Agreement

DISCUSSION:

This agreement provides clinical cardiology services to hospital patients through Nevada Hearth physicians. This will include a medical director and coverage is through a minimum of 5 FTEs. A conversation ensued regarding the strategic planning with this vendor.

FINAL ACTION TAKEN:

A motion was made by Member 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 Professional Services Agreement for Hospitalist Clinical Coverage with Sound Physicians of Nevada II; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Professional Services Agreement

DISCUSSION:

This agreement is for hospitalists services necessary due to an increase in volume and potential need for additional services. This includes a minimum of 21 FTEs for in house hospital coverage. Mr. Marinello added that the group would also be responsible for monitoring the observation unit.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty 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 for approval by the Governing Board the Microsoft Enterprise Agreement, Enterprise Enrollment, and Pricing Proposal with CDW Government; authorize the Chief Executive Officer 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:
- Enterprise Agreement
- Enterprise Enrollment
- Previous Enrollment Agreement Form
- Amendment to Contract Documents
- Enterprise Enrollment Product Selection Form
- Program Signature Form
- Quote Confirmation
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

This is a volume licensing agreement which includes a bulk discount. Ms. Saites stated that we are required to use a third-party to purchase from Microsoft. Maria Sexton, UMC Chief Information Officer added we have had Enterprise agreements with Microsoft for many years. This is a new 3-year agreement with CDW, who is the channel partner. Ms. Sexton continued by explaining the purchasing structure.

Member Palenik asked if the price increase is due to expansion, as well as increased users and usage. Ms. Sexton confirmed the increase in desktop usage, additional licensing, servers, etc. She added that we will be incorporating Microsoft Teams to our system and eventually eliminating other web-based meeting forums.

FINAL ACTION TAKEN:

A motion was made by Member Haase 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 for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Lease Agreement with the Clark County Department of Aviation for leased space at McCarran International Airport; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Lease Agreement

DISCUSSION:

Mr. Marinello stated this is a 5-year lease for 1,440 square feet of space. The agreement includes a 90-day out clause. The venue, located on the 3rd level of McCarran airport, will be called UMC Express Care at LAS.

Susan Pitz, General Counsel added that there will be exclusive use over medical clinics at the airport.

Member Haase added that the space was formerly used as a medical space and allows convenient access to vendors. He advised that he will abstain because he has offered labor to assist with build out and construction.

FINAL ACTION TAKEN:

A motion was made by Member Palenik to approve and make a recommendation to the Board of Hospital Trustees to approve the agreement. Motion carried by majority vote. Member Haase abstains.

SECTION 3: EMERGING ISSUES

ITEM NO. 20 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)*

Member Palenik commented on the waitlist for wasted vaccines and if UMC has started this process. Mr. Marinello responded that we have had a waitlist process in place since day one and we have worked with the pharmacy to ensure that no vaccines are wasted. Carissa Rey, Academic and External Affairs Officer explained the standby process that has been established.

The discussion continued with an update regarding the State's vaccine reporting and the delay in reporting.

At this time, Chair Caspersen asked if there were any public comment received to be heard on any items not listed on the posted agenda.

COMMENTS BY THE GENERAL PUBLIC: None

SPEAKERS(S): None

There being no further business to come before the Committee at this time, at the hour of 3:18 pm., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: March 24 2021
Minutes Prepared by: Stephanie Ceccarelli