

University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
February 18, 2026

Emerald Conference Room
Delta Point Building, 1st Floor
901 Rancho Lane
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 2:00 p.m. by Chair Harry Hagerty and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:

Harry Hagerty, Chair
Bill Noonan (via Teams)
Mary Lynn Palenik (via Teams)
Christian Haase (via Teams)

Absent:

None

Others Present:

Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Deb Fox, Chief Nursing Officer
Kendrick Russell, Chief Human Resources Officer
Doug Metzger, Controller
Bud Shawl, Executive Director, Continuum of Care
Susan Pitz, General Counsel
Lia Allen, Assistant General Counsel - Contracts
Stephanie Ceccarelli, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair Hagerty 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 21, 2026. (For possible action)

A change was made to correct the named chair of the committee.

A motion was made by Member Palenik to approve the minutes as amended. Motion carried by a majority vote.

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

A motion was made by Member Palenik to approve the agenda as presented.
Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive monthly and year-to-date financial report for November and January FY26; and direct staff accordingly. (*For possible action*)

DOCUMENTS SUBMITTED:

- January FY26 Financial Report

DISCUSSION:

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

Admissions were 40 cases below budget. AADC was up slightly. Length of stay was 5.75. Hospital acuity was 1.77.

Inpatient surgeries were below budget 82 cases. Outpatient surgeries were down 10 cases.

There were 11 transplants in the month. ER visits were 535 cases above budget; the key driver was pediatrics. The overall ER conversion rate was 21%. Quick cares were on budget and primary care locations were down 1,400 visits.

Telehealth had 450 visits for the month, and there were 125 deliveries. The Crisis Stabilization Clinic (CSC) saw 251 visits. The OP Infusion Clinic saw 483 patients.

In trended stats, there were 18 admissions over the 12-month average. ALOS was up slightly. On March 2nd, two additional OR suites will be opened and primarily used to perform inpatient surgeries.

Chair Hagerty asked if there are statistical measurements related to capacity utilization in the OR, such as hours per day, week and average surgical time. Ms. Fox explained how this can be seen through the OR dashboard.

Chair Hagerty commented that it would be helpful to see an OR capacity utilization metric in the slide deck moving forward.

Member Palenik asked if there is a penalty for wasted OR block time. A discussion ensued about monitoring the efficient use of block times.

Ms. Wakem highlighted the trend related to transplant cases, which has decreased, due to a change in how organs are allocated coupled by increased reimbursement. The goal was to reduce unused organs. Telehealth volumes are increasing. The Ortho Clinic experienced its second highest month in volume.

Payor mix trends were reviewed briefly. There have been no significant changes to Medicaid or self-pay.

The income statement for January showed net patient revenue below budget \$3.5 million below budget. Other revenue was down approximately \$ 855k. Total operating revenue was \$4.5 million below budget. Operating expenses were down \$5.5 million. EBITDA \$2.5 million on a budget of \$1.8 million, which was approximately \$700K over budget. There was a brief discussion regarding the ratio of operating expenses related to volume versus indirect costs.

Member Noonan asked about the profit margin for telehealth. Ms. Wakem responded that it is an option for patients to be seen by physicians as an alternative to going to a clinic or emergency room.

YTD total operating revenue was below budget \$23.8 million, and operating expenses were \$28 million below budget. EBITDA \$14.5 million, on a budget of \$12 million, which was approximately \$2.4 million over budget year to date.

Salaries were favorable to budget \$1.1 million. Overtime was below budget. Contract labor was slightly over budget. All other expenses were below budget \$4.4 million, primarily due to drop in 340B revenue.

Key financial indicators were reviewed for profitability, labor, liquidity, and cash collections. Profitability and labor were mostly in the green. Day's cash on hand was green with 71.8 days. Approximately \$37.3 million remains outstanding in supplemental payments. Ms. Wakem provided a brief update on the status of the remaining supplemental payments. Cash collection goals were met.

Organizational goals were reviewed. Currently, two of the four goals are being met.

Finally, Ms. Wakem reviewed the cash flow statement and the FY25 balance sheet highlights.

FINAL ACTION TAKEN:

None

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 provided the following updates:

BDO Single Audit Report:

The single audit has been completed, and the report has been issued.

HRSA Audit:

The HRSA Audit for the 340B program has officially started. All documents have been provided to the auditors, and there will be a site visit next week.

New Supplemental Payment Program Refresher:

Ms. Wakem provided a high-level review of the supplemental payment program, highlighting the strategic importance of supplemental payments, how the hospital is funded, as well as the programs that UMC receives benefits.

The four entities involved in the supplemental payment program are CMS, Clark County, the Nevada Health Authority, and UMC. Ms. Wakem explained that the County sends an IGT payment to the state, and CMS matches this amount. A portion remains with the state, and the rest is returned to UMC. A discussion followed regarding how the funding is divided among the entities and how it is used.

Ms. Wakem next reviewed and discussed a grid showing the breakdown of the supplemental programs used at UMC. UMC receives quarterly payments from these directed payment programs. Causes for adjustments and delays in payments were reviewed.

FINAL ACTION TAKEN:

None taken

ITEM NO. 6 Review and recommend for approval by the Governing Board the Participating Facility Agreement with SelectHealth, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Participating Facility Services Agreement
- Disclosure of Ownership

DISCUSSION:

This is a new Participating Facility Agreement with SelectHealth for its Crisis Stabilization Center (CSC). This agreement establishes that SelectHealth will compensate UMC through rates and reimbursements for covered services. It has a one-year term with four renewal options. Termination can occur without cause with a 60-day notice.

There was ongoing discussion about concerns regarding volumes at the CSC. Chair Hagerty also asked about follow-up discussions with the county regarding an increase in subsidies due to decreased volumes. Ms. Wakem responded that there are no updates at this time. Bud Shawl added that the subsidies needed continue to trend downward.

FINAL ACTION TAKEN:

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

ITEM NO. 7 Review and recommend for ratification by the Governing Board the Amendment Number Eleven to Participating Provider Agreement with SilverSummit Healthplan, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Amendment
- Disclosure of Ownership

DISCUSSION:

This amendment will add compensation schedules for various products with SilverSummit. Ratification was necessary to avoid inaccurate reimbursements resulting from the retroactive application of effective dates to the individual marketplace products.

FINAL ACTION TAKEN:

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

ITEM NO. 8 Review and recommend for approval by the Governing Board the First Amendment to Specialist Physician Services Agreement with Renal Payer Solutions, Inc. dba Champion Health Plan of Nevada for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Agreement – Amendment 1
- Disclosure of Ownership

DISCUSSION:

This amendment is to extend the term an additional year through January 31, 2027.

FINAL ACTION TAKEN:

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

ITEM NO. 9 Review and recommend for approval by the Governing Board the Agreement with GE Healthcare for the purchase of anesthesia machines; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Quote - Redacted
- Disclosure of Ownership

DISCUSSION:

This agreement with GE Healthcare is for the purchase of 18 new anesthesia machines to replace the current end-of-life and end-of-service anesthesia machines, which are used in every surgery to sedate patients and monitor their vital signs and breathing when intubated. HealthTrust GPO pricing is included, and the agreement comes with a one-year warranty.

FINAL ACTION TAKEN:

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

- ITEM NO. 10 Review and recommend for award by the Governing Board RFP No. 2025-12 Clinical Denial Services to RSource, LLC d/b/a Knowtion Health; approve the RFP No. 2025-12 Service Agreement; authorize the Chief Executive Officer to exercise any extension options and execute future amendments within his yearly delegation of authority; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Service Agreement

DISCUSSION:

A notice of interest was issued in November allowing companies to express their interest in participating in the RFP for Clinical Denial Services. There were 8 respondents.

The selection of the award was recommended to Knowtion Health to provide remote clinical denial services for the Patient Accounting Department. The agreement lasts for 3 years with two 1-year options to extend. Payment is contingency-based, depending on the amount recovered.

FINAL ACTION TAKEN:

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

- ITEM NO. 11 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
- Disclosure of Ownership

DISCUSSION:

This request is to approve the new agreement for clinical coverage with the provider for a new 5-year term. Either party may terminate with a 365-day

written notice. The vendor will provide emergency and on-call services with consultative coverage on a 24/7 basis to treat the hospital's inpatients, outpatients, ER and trauma patients, etc.

Member Palenik asked why the RFP process wasn't used. Ms. Allen explained that the professional services exception was applied for this agreement, and since this is the incumbent vendor, there was no need to go through an RFP for the service.

A discussion followed about considering other providers in the future, an early out clause in the agreement, and the hospital's criteria for evaluating vendor contracts.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to approve the agreement and to 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 Master Services and License Agreement and Order Form with SC Johnson Professional USA, Inc. for the SwipeSense project; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Master Agreement – Redacted
- Disclosure of Ownership

DISCUSSION:

This is a new 36-month agreement with SC Johnson for SwipeSense hygiene sensors. This is a healthcare technology platform that monitors hand hygiene, tracks staff movements, and automates room status updates, streamlining daily operations and helping UMC reduce infection risks, while meeting regulatory and compliance standards. The modules are expected to improve infection control, workflow efficiency, and staff accountability.

Implementation for the monitors and software is anticipated to be 15-weeks. Either party may terminate the agreement with a 180-day written notice.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to approve the agreement and to make a recommendation to the Governing Board to approve the agreement. 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; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- ICD-10 Agreement
- Disclosure of Ownership

DISCUSSION:

This is a new 5-year term agreement for remote coding support. Termination without cause upon 90-days' notice.

FINAL ACTION TAKEN:

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

ITEM NO. 14 Review and recommend for award by the Governing Board the RFP No. 2025-10 Revenue Cycle Assessment to BDO Digital, LLC d/b/a BDO Management Consulting; approve the RFP No. 2025-10 Service Agreement; authorize the Chief Executive Officer to exercise any extension options and execute future amendments; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Service Agreement

DISCUSSION:

In September, a notice of interest was posted; seven responses were received.

The selection of the award was recommended to BDO to provide a comprehensive, enterprise-wide assessment of UMC's revenue cycle processes, challenges, and opportunities for improvement. The term of the agreement is one year with two renewal options. Termination can occur without cause with 30 days' notice.

Chair Hagerty noted that BDO handles UMC's financial and single audits and wants to ensure there is no conflict.

Member Palenik added that the audit partner should be aware of this agreement. Staff will contact the vendor to confirm they are aware of the relationship with the auditors.

FINAL ACTION TAKEN:

A motion was made by Member Palenik to approve the agreement and to make a recommendation to the Governing Board to approve the agreement provided there is no conflict with the BDO Auditors. Motion carried by unanimous vote.

ITEM NO. 15 Review and recommend for award by the Governing Board the RFP No. 2025-13 for UMC Elevator Service Agreement to KONE, Inc.; authorize the Chief Executive Officer to sign the Service Agreement and execute any extension options and future amendments; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Service Agreement
- Disclosure of Ownership

DISCUSSION:

In December, a notice of interest was posted; two responses were received. Staff recommends award of the bid to KONE, Inc. as the lowest responsive and responsible bidder. The vendor will service 35 elevators, including preventative maintenance, parts, labor, equipment, quality control, and perform emergency repairs for the 5-year agreement.

Ms. Allen explained that this project is not a part of the elevator modernization project.

FINAL ACTION TAKEN:

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

- ITEM NO. 16 Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Purchaser-Specific Agreement Form with Vitalant for blood products and services; authorize the Chief Executive Officer to execute any extension options and future amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Blood Services Agreement – Redacted
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

This is a request to enter into a new agreement with the vendor to provide blood products and services. The initial term is for 3-years with 2 one-year options for renewal. The agreement holds a not-to-exceed amount for the 5-year term.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to approve the agreement and to make a recommendation to the Board of Hospital Trustees to approve the agreement. Motion carried by unanimous vote.

- ITEM NO. 17 Review and recommend for award by the Board of Hospital Trustees for University Medical Center of Southern Nevada RFP No. 2025-01/CMAR Construction Services for UMC 7 Story Tower Patient Room Remodel, to Core West, Inc., d/b/a CORE Construction; authorize the Chief Executive Officer to sign the Contract for CMAR Construction Services, and execute any extension documents, change orders, and future amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Construction Services Agreement
- Disclosure of Ownership

DISCUSSION:

Pre-construction was approved by the Governing Board in July, enabling UMC to finalize the project design and establish a guaranteed maximum price for the construction, which included costs for labor, materials, constructability, value engineering, and scheduling.

This project involves renovating patient rooms in the 7 Story Tower and providing other infrastructure refreshes or replacement of lighting, HVAC, drain, waste and vent systems.

The estimated completion time is 623 days.

Chair Hagerty asked if the rooms will be converted to single or remain double. Mr. Marinello responded that they would stay as double rooms. There was ongoing discussion about the logistics of the room closures and HVAC unit replacements.

FINAL ACTION TAKEN:

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

SECTION 3: EMERGING ISSUES

ITEM NO. 18 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)

Streamlining the contract approval process. There was discussion about the structure and format of future meetings, delegation of contract approval, and the threshold amount for contract approval. The Committee would like staff to review options for streamlining the vetting process.

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

COMMENTS BY THE GENERAL PUBLIC:

SPEAKERS(S): None

FINAL ACTION TAKEN:

At the hour of 3:30 p.m., the meeting was adjourned.

MINUTES APPROVED: March 18, 2026
Minutes Prepared by: Stephanie Ceccarelli