University Medical Center of Southern Nevada
Governing Board Strategic Planning Committee
February 2, 2023

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Thursday, February 2, 2023
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 9:04 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
Robyn Caspersen (Via WebEx)
Renee Franklin (Via WebEx)
Christian Haase (Via WebEx)
Mary Lynn Palenik (Via WebEx)

Absent:
Dr. Donald Mackay

Also Present:
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Chris Jones, Executive Director of Support Services
Geoffery Empey, Project Manager
Frederick Lippmann, Chief Medical Officer
Shana Tello, Academic and External Affairs Administrator
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 persons present in the audience wishing to be heard on any item on this agenda. No such comments were heard.

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Strategic Planning Committee meeting on December 1, 2022. *(For possible action)*

FINAL ACTION: A motion was made by Member Haase 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 as recommended. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

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

DOCUMENT SUBMITTED:
- Service Line Update

DISCUSSION:

Chris Jones, Executive Director of Support Services, reviewed the Service Line updates for all service lines.

In the overall market share, UMC sits number 4 in the valley, following Sunrise, Mountain View and Summerlin. He noted that North Vista has increased slightly in the market in all categories. The market share data that was shared with the Committee included FY22 Q2 – FY23 Q1.

In general surgery, UMC sits at number 3 in the market.

Chair Hagerty asked about the number of operating suites in other facilities. Mr. Marinello stated that data regarding the number of operating rooms will be brought to the next meeting, which will also include ERs and free standing towers in the competitive market analysis.

Mr. Marinello next reviewed the operational updates for the general surgery service line, strategic next steps and tech strategies. There was continued discussion regarding the first case on time starts and initiatives to improve room turnaround times. More data will be provided regarding the reasons behind delays.

Orthopedics showed a drop in the market share to the number 2 spot, behind Sunrise. In operational updates, Epic Bones module is scheduled to go live in April and physician leadership is having monthly operational meetings to improve payor strategy, efficiencies and implant cost reduction. The team is working to gain the Gold Standard of Excellence in Orthopedics certification. Other expense controls, revenue enhancements and strategic next steps were discussed.

In cardiac services, we remain at number 8 in the market; there was a loss of .2%. Chair Hagerty asked where the Desert Springs volume will go. Mr. Jones responded Spring Valley has taken over that cardiac staff.

In the service line update, Cath procedures remain strong with more than 160 cases per month. More TAVR cases have transitioned to the Cath Lab, resulting in reduced costs and increased physician satisfaction. The ACT machine has also helped in reducing procedure times and we have added additional cardiac anesthesia coverage. Revenue enhancement and strategic next steps were reviewed. There is planning for an additional Cath Lab due to increased volumes. A capital request will be submitted for approval. Marketing of a new minimally Invasive CT Surgery and Bloodless Medicine surgeries to begin.

In the Children's Hospital market share, UMC remains at number 3 in the market, behind Sunrise and Summerlin.

Chair Hagerty asked why there are only 5 hospitals listed on the pie chart for Children's compared to the other market shares where all hospitals are listed. Mr. Marinello responded that it could be due to expense.

In service line updates, UMC is now receiving 24 hour support from Nevada Behavioral Health to support evaluating patients, both peds and adult patients. The intake area has also been redesigned to enhance workflow in surge times. NICU Level 3 recertification prep is in progress; the survey date is February 16th. We are obtaining quotes for capital needs for a Pediatric Sedation unit.

In Women's services, we have remained #9 in the market share at 5.5%. There has been slight fluctuation. Last quarter was the highest during the year at 6.6%. Employed OB anesthesia providers began in October and they are happy to be here. There has been an enhancement in perinatal bereavement services and offer sensitivity to those who need it. Infant security system is being updated to Centrak and a new Code Crimson for OB hemorrhage has been implemented in order to improve maternal outcomes.

In ambulatory, the statistics fluctuated over the past year. Quick cares highest payor was commercial, followed by Medicaid and Medicare. In Primary care, the highest payor was Medicare, followed by commercial and Medicaid. This data is through September of 2022. Aliante PC/QC grand opening is scheduled for February 28th UHC MCR advantage plan in the #1 payer. A discussion ensued regarding increased patient volumes in outpatient arenas.

In revenue enhancement, point of service collection goals are being exceeded. The committee discussed co-pay collection initiatives, collecting old debts, creating a pre-payment discount and proper coding and documentation. Dr. Lippmann commented on how proper documentation by physicians can improve RAF scores and the steps that are being taken to improve this. Pay for Performance incentive plan is on track for cost share to increase over 2022. Strategic next steps include a refresh of clinics, increased ability for self-scheduling in MyChart and optimizing Epic Telehealth for primary cares and introducing Specialty Care telehealth.

Chair Hagerty asked how UMC is affected by the CMS going after payers regarding abuses of Medicare Advantage. Mr. Marinello responded that we will

need to make sure the data is correct and compliant. Intelemed data has a lag, and he would like to see data in a timelier manner moving into FY2023.

Images of the Aliante Family Quick Care were shown.

The Committee briefly reviewed the financial slides and noted updated data on page 32 in the contribution margin. Mr. Jones stated that incentive payments were not included in the contribution margin and the payor mix changed in Medicare and Medicaid. He also noted that on slide 33 the contribution margin per case changed for Quick Cares due to increased volumes in Medicaid.

FINAL ACTION TAKEN:

None taken.

ITEM NO. 5 Receive an update on the FY24 Budget Initiatives; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
-PowerPoint Presentation

DISCUSSION:

Mr. Marinello said they are excited about the budget season.

The draft budget initiatives were discussed to focus on Ambulatory, Cardiology, Orthopedics and Surgery.

Ambulatory:

- Southern Highlands Clinic PC Expansion and Express Care
- Aliante
- Continuity Clinic (Discharge Clinic). This will help the hospital with non-emergent hospital visits.

Member Caspersen asked how the payers will see a difference in this clinic setting, will it create a patient service disconnect and can appointments be made from this area. Mr. Marinello explained the benefits of the continuity clinic and that payers will not see a difference in service. This follow-up clinic will be open to all. Ms. Tello added that this will help avoid hospital admissions and readmissions and insurance companies look at this model favorably. This is a proactive approach to patient care.

- Network Referral Capture
    - Eliminate/reduce Ortho outmigration
- Increase Quality Incentive Payments

Cardiology

- Additional Cath Lab, Unit Remodel – this will be forwarded to the capital committee and to the Audit and Finance committee for approval. There is a lot of growth in this service, so expansion is necessary.
- New Procedures: Structural Heart, Watchman and MitraClip
- Cardiac Thoracic Surgery Growth-Minimally Invasive

Orthopedics

- 14 Physicians employed

- 2231 Ortho Clinic Expansion
- Increased Surgeries

Surgery (All Other)

- Volumes back to 2019
- Run rate, when we had anesthesia 12-14 General Room

Chair Hagerty asked how many active surgical suites we had in 2019. Mr. Marinello said there were 16 rooms total and 14 were being used at that time. The discussion continued regarding the growth that should be seen moving forward with the Cath lab and the delays in the contracting review process. Mr. Marinello stated that we would get it submitted.

- Once we are fully employed Anesthesia program 16 Rooms
- Number of FTE, 45, OB/Gen/Trauma/Peds/Cardiac
- Medical Director, hired. Dr. Anderson Hu

Chair Hagerty articulated the expectations with respect to what he would like to see with these four service lines during the FY2024 budget initiatives. Starting with expected results for FY23 and then on the revenue side, the 5 or 6 major category volumes, net revenue, direct costs and the contribution margins. What will be done in 2024 that will be different that will drive new categories of service lines or increase volumes in existing ones. How will this change reimbursement rates, net revenue and costs. He added that we could review this by quarter to track whether we are on course. We need more granularity.

Member Caspersen added that we should add the capital data to this list.

Chair Hagerty added that since this is internal data, we should be able to monitor this easily.

Mr. Marinello agreed that this data could be monitored quarterly.

Maria Sexton added that she is available to assist in any way along with her team.

FINAL ACTION TAKEN:

None taken

ITEM NO. 6 Receive an update on the FY23 Organizational Goals; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- None

DISCUSSION:

The Goals:

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

Shana Tello has been working very actively with the Medical District and the County; the team is confident that this goal will be met.

Goal 2: Improve focused six service lines financial outcomes.

There has been definite improvement; the team is confident that this goal will be met.

Goal 4: Align UMC/UNLV strategic initiatives.

The team has met with UNLV. They are still working together on many initiatives.

Goal 3: Expand upon the five-year financial plan for UMC Enterprise to include consolidated income statement, cash flow statement and facility wide capital plan. The plan will be detailed down to the service line level and, within service lines will forecast volumes, revenue and expenses by sub service line.

Ms. Wakem stated that the initiatives have been presented and built into the budget. As the Committee requests, these initiatives will be quantified and built into the budget, 2024 will be the base year and 5-years will be projected out from there. Ms. Wakem confirmed that this goal will be met and the task will be complete by June 30.

Mr. Marinello added that no draft will be presented until the final is done.

FINAL ACTION TAKEN:

No action taken

ITEM NO. 7 Receive an update regarding UMC/UNLV business strategy; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- None

No updates and the Dean was unable to attend. We have addressed this item.

FINAL ACTION TAKEN:

No action taken

ITEM NO. 8 Receive an update regarding the Medical District and Façade progress; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:

Shana Tello provided a brief update on the background and planning progress with the Medical District and Façade projects. The GMP agreement is ready to be presented to the BCC on February 21st. Construction will start in March and continue through June 2025. Project closeout will be June 2025 through August

2025. There have been Commissioner briefings set up; overall, everyone is excited and supportive about this project.
A Stakeholder Committee is scheduled to address issues regarding the construction and risk mitigation; members are welcome to attend.
Phases of the construction, by year, and the towers that will be worked on were shown. A ground breaking ceremony is being planned.

Next, Ms. Tello reviewed projects within the Medical District. Service gaps in the Medical District were also discussed. A consultant is being used to assess the market and share opportunities that UMC may be able to benefit from. She noted that parking is a major concern. A discussion ensued regarding this subject matter.

SECTION 3: EMERGING ISSUES

ITEM NO. 9 Identify emerging issues to be addressed by staff or by the Board at future meetings; and direct staff accordingly. *(For possible action)*

DISCUSSION:

None

FINAL ACTION TAKEN:

No action taken

COMMENTS BY THE GENERAL PUBLIC:

Comments from the general public were called for. No such comments were heard.

There being no further business to come before the committee this time, at the hour of 10:46 a.m.

APPROVED: April 6, 2023

MINUTES PREPARED BY: Stephanie Ceccarelli, Board Secretary