

University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
February 21, 2024

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 2:03 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:

Robyn Caspersen
Dr. Donald Mackay
Harry Hagerty
Jeff Ellis (via webex)
Chris Haase (via webex)
Mary Lynn Palenik (via webex)

Absent:

None

Others Present:

Mason Van Houweling, Chief Executive Officer
Jennifer Wakem, Chief Financial Officer
Doug Metzger, Controller
Nate Strohl, Internal Auditor
Shana Tello, Academic and External Affairs Administrator
Hollie Thornton, Executive Assistant
Christopher Jones, Executive Director of Support Services
Susan Pitz, General Counsel
Lia Allen, Assistant General Counsel - Contracts
Stephanie Ceccarelli, Board Secretary
Representative from Stericycle

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 24, 2024. (For possible action)

FINAL ACTION:

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Review the results of the audit of the Façade Construction Project dated February 13, 2024 and receive a report on the quarterly status of the Façade Project; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:

- PowerPoint Presentation

DISCUSSION:

Nate Strohl reviewed the results of the Façade Construction project. It was determined that UMC was in compliance with the selected key controls as documented in the risk assessment profile. There were no findings.

Next, Shana Tello provided an update of the progress with the façade project. There is active construction around the entire campus. There was a review of the phasing plan and project completion as of the January 2024. The percentage of completion by building and the site plan progress for FY24 and FY25 was shown.

The project construction is approximately 42% completion. Areas that have been completed include light track installation, painting and some of the signage. Slides were presented showing the progress.

As of December 2023, the capital expenditure is approximately \$23 million. There was continued discussion regarding risk mitigation, including the road construction challenges, hospital access and the impact on hospital operations. Ms. Tello commented that the project manager and contractor respond quickly to mitigate any disruption in hospital operations and to keep the project on track.

Hollie Thornton has been added to support management of the project. Ms. Thornton reviewed the healing gardens, hope wall, signage and the time capsule. Funding has been received from the City of Las Vegas and the UMC Foundation will assist with management of the gardens. This will be a non-smoking area.

A time capsule ceremony is planned for April of 2024, scheduled to be opened in 2034. There was discussion regarding what the contents that will be included in the time capsule. Ms. Thornton concluded her discussion regarding current grant application progresses.

Another update report will be given next quarter.

FINAL ACTION TAKEN:

None taken

ITEM NO. 5 Receive the monthly financial reports for January FY24; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:

- January FY24 Financials

DISCUSSION:

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

Admissions were 14% below budget; AADC was 584. Length of stay was 6.85, up 2%. Hospital acuity was above budget 2.80% and Medicare CMI was 8.47% above budget. Inpatient surgeries were 8.7% below budget and outpatient surgeries were 41% above budget. There were 11 transplants for the month. ER visits were on budget and ED to admission was approximately 23%.

Quick cares volumes were strong, 6% above budget; Summerlin, Sunset and Peccole were the key drivers. Primary cares were below budget.

Telehealth visits were 718 for the month and Ortho Clinic visits were 2,032. There were 120 deliveries for the month.

Trended stats showed length of stay up slightly for the month. Outpatient surgeries were a record high at 605. The conversion rate was a record at 23%. Ortho clinic was up over prior year.

Inpatient payor mix trended self-pay was down just over 1%, Medicaid was up 2%. ED commercial was up 1% and self-pay was down 1%. Inpatient surgical showed government decreased 1.5% Medicaid down 1.3% and Medicare was up 1.4%. Outpatient surgical cases were 2% up in commercial and Medicaid dropped 1%.

Summary income statement showed net patient revenue was down \$8.1 million above budget; the key driver was the supplemental payment program. Operating expenses were above budget \$1.8 million. Total income from ops adding depreciation and amortization was approximately \$13 million, on a budget of \$5.5 million. There was continued discussion regarding the out of

period payments, challenges with radiology services and supplemental payments that were received during the month.

Mr. Van Houweling suggested inviting the Medicaid Director to the hospital in the future to provide an overview regarding the Medicaid program.

Year to date total operating revenue was below budget \$13.7 million. Operating expenses were \$12.5 million below budget. Total income from ops was \$37.2 million on a budget of \$34.5 million; exceeding budget by \$2.6 million. The income statement trended was shown as informational.

Salaries, wages and benefits was above budget \$300K budget. Overtime was managed nicely; contract labor was above budget \$1.1 million due to radiology coverage.

The trended stats for SWB highlighted the trend for contract labor and overtime. Overtime as a percent of productive was 3.12%.

All other expenses for the month were above budget \$1.5 million; \$1.1 million due to purchased services.

Key financial indicators were reviewed in profitability, labor, liquidity and cash collections. Labor and profitability are in the green. Day's cash on hand is in the green at 109.2 days. Cash collections were strong for the month. Patient access hit their goal.

Cash flow for January showed \$169 million was received from patients and payors. Approximately \$5 million in capital was received from the county for the build out of a secure detention unit for inmate patients. There was continued discussion regarding this project.

Lastly, the balance sheet was briefly reviewed.

FINAL ACTION TAKEN:

None taken.

ITEM NO. 6 Receive an update report from the Chief Financial Officer; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:

- None

DISCUSSION:

Ms. Wakem provided updates on the following:

1. On January 30th, UMC was awarded an additional 1.93 GME slots. There was brief discussion regarding the collaboration with northern Nevada in GME expansion.
2. Continuing to work on budget, this will be presented in strategy

3. Radiology update – UMC has hired 9 radiologists. The goal is to hire 22 in total.

FINAL ACTION TAKEN:

None taken

- ITEM NO. 7 Review and recommend for approval by the Governing Board the Agreement for Contingent Permanent Placement with Optimum Healthcare Solutions, LLC; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Contingent Permanent Placement Agreement
- Disclosure of Ownership

DISCUSSION:

This agreement is for the recruitment of qualified physicians and or advanced practitioners, primarily for radiologists. This is a 2-year agreement with a not to exceed amount.

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. 8 Review and receive a report on the emergency repairs of a chilled water line repair; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Chilled Water Line Emergency Repair Report

DISCUSSION:

In December, a primary underground chilled water line ruptured, causing disruption in the HVAC cooling for the main campus. Due to the emergent situation, this qualified as an emergency under NRS 332.

FINAL ACTION TAKEN:

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

- ITEM NO. 9 Review and recommend for award by the Governing Board the RFP 2023-03, Comprehensive Background Checks Services to AccuSourceHR, Inc.; approve the Agreement for Comprehensive Background Checks; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Comprehensive Background Check Service Agreement
- Disclosure of Ownership

DISCUSSION:

In June, services were solicited for background check services, which will integrate with NeoGov. There were six proposals received. The vendor will provide comprehensive background checks to reduce risks to the hospital. This is a 3-year agreement and term upon 15-days notice.

There was discussion regarding the consolidation of providers for this type of service for cost savings. Feedback will be taken to the management team.

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. 10 Review and recommend for award by the Governing Board the RFP 2023-08, FMLA Administrative and Other Related Leave Services to AbsencePlus Administrators; approve the RFP No. 2023-08 Service Agreement; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- 2023-08_FMLA Administrative Services
- Disclosure of Ownership

DISCUSSION:

In June, a notice for proposals for FMLA services was published. Three proposals were reviewed and AbsencePlus was recommended for award. The vendor will coordinate and management of employees out on leave of absence for FMLA, as well as monitor frequency and duration of claims as well as employee progress. The vendor will provide dedicated email, phone and leave specialists for UMC employees. This is a 5-year agreement with 15 day term notice.

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. 11 Review and recommend for ratification by the Governing Board the Amendment No. 1 to Professional Services Agreement with Essential Associates Holdings, LLC for radiology clinical services; authorize the**

Chief Executive Officer to exercise renewal options within his delegation of authority; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Professional Services Agreement
- Disclosure of Ownership

DISCUSSION:

UMC currently has an agreement with Essential for their radiologists to review radiologic images and provide interpretations. This request is to amend the agreement to increase funding and modify the services pricing list.

There was discussion regarding the leadership changes within the company and limited options available for this service, which has resulted in this request.

FINAL ACTION TAKEN:

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

ITEM NO. 12 Review and recommend for approval by the Governing Board the Master Services Agreement with EV&A Architects for Architectural Design and Documents Service; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Master Services Agreement
- Disclosure of Ownership

DISCUSSION:

This is a 1-year agreement with 4 one-year options and terminate upon 30 days' notice. The vendor will provide various architectural design and documentation services for multiple areas of the UMC campus.

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. 13 Review and recommend for approval by the Governing Board the Agreement with Getinge USA Sales, LLC; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Quote

- Disclosure of Ownership

DISCUSSION:

This agreement is the request for the purchase of four cardio help systems ECMO machines. This is a portable life support system used to transport patients in need of respiratory support. There was continued discussion regarding the benefits of this technology at UMC.

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 Professional Services Agreement with Meena P. Vohra, M.D. dba Las Vegas Pediatric Critical Care Associates; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Physician Professional Services Agreement – Pediatric Clinical Care
- Disclosure of Ownership

DISCUSSION:

This is a new 5-year agreement for services to the hospital Pediatric Critical Care Unit effective March 1st, with an increase in compensation from the previous agreement, as there is an increase in the number of providers providing services. The compensation has been determined by appraisers to be within fair market value.

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. 15 Review and recommend for approval by the Governing Board the Service Agreement with Stericycle, Inc. for Waste Disposal Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

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

DISCUSSION:

This is a new agreement with the vendor to provide waste management for sharps, pharmaceutical, hazardous and controlled substance waste disposal.

This agreement will consolidate all of the services into 1 agreement and will realize cost savings. This is a 5-year agreement and will be in compliance with regulatory and compliance services.

There was discussion regarding where the hazardous waste was disposed. A representative with Stericycle provided insight on the waste disposal location.

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. 16 Review and recommend for approval by the Governing Board the Agreement with T Evans RNFA, LLC for Cardiovascular Operating Room First Assist Services; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Service Agreement
- Disclosure of Ownership

DISCUSSION:

This is an agreement for RN first assist professional services. This is a 3-year agreement with an ability to term upon 15 days' notice. The vendor will also provide training and proctoring to current employees.

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. 17 Review and recommend for approval by the Governing Board the Agreement with Waxie Sanitary Supply for Sanitation Materials and Equipment; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Service Agreement
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

The vendor will provide janitorial equipment and supplies to UMC based upon the pricing in the agreement. This is an HPG agreement which will realize cost savings and rebates for UMC based upon spend. This is a new agreement with a 5 year term and 15 day out clause.

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. 18 Review and recommend for award by the Governing Board the Bid No. 2023-15, UMC Southern Highlands PC/QC Expansion, to Monument Construction, the lowest responsive and responsible bidder, contingent upon submission of the required bonds and insurance; authorize the Chief Executive Officer to execute change orders within his delegation of authority; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Professional Service Agreement – Second Amendment

DISCUSSION:

A bid was published in November for the Southern Highlands expansion construction project. There were 6 bids received. Two bids are recommended for rejection due to incomplete documentation. The recommendation is that Monument Construction, the lowest responsive and responsible bidder be awarded the bid.

The project is estimated to take 240 days to complete and may be terminated upon 180 days' notice.

This project will take place in phases and the facility will remain open during renovations.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve and make a recommendation to the Governing Board to approve the award. 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 Agreements with ICU Medical Sales, Inc. and Smiths Medical ASD, Inc. for Infusion Pumps and related products; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Addendum – Redacted
- Ordering Document #1 – Placement Equipment Plum 360– Redacted
- Ordering Document #2 – Purchase Summary of CADD - Redacted
- CJT Placed Equipment Agreement - Redacted
- CJT Purchaser Agreement – Redacted
- 1351 HPG Statement of Work – Exhibit L - Redacted
- 1351 Customer Letter – Update Installed Base
- 1119 HPG Information Security Exhibit - Redacted
- IV Catheters Blood Collection Sourcing Letter

- IV Infusion Sourcing Letter
- ICU Medical Sales Sourcing Letter
- Disclosure of Ownership – ICU Medical
- Disclosure of Ownership – Smiths
- Business Associate Agreement

DISCUSSION:

This is an 84-month agreement through HPG for replacement of infusion pumps hospital-wide. These devices deliver medications and fluids in a controlled manner to the patient. The vendor will place equipment and UMC will commit to purchase disposables. The agreement includes the right to terminate upon payment of a termination fee.

It was explained that the implementation necessitates the 7-year agreement term. There was continued discussion regarding the number of pumps being installed, as well as the warranty of the equipment and required changes in the future due to advancements in technology.

Deb Fox, CNO, commented on the benefits of this vendor selection.

FINAL ACTION TAKEN:

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

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*)

Mr. Van Houweling hosted successful town hall meetings system wide on February 20th for all staff members by in person and online meeting platforms.

UMC is assisting the county with an opioid treatment facility performa. This will be a 246 bed facility.

AI technology will be presented at a future board meeting.

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:

SPEAKERS(S): None

There being no further business to come before the Committee at this time, at the hour of 3:47 pm., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: March 20, 2024
Minutes Prepared by: Stephanie Ceccarelli