University Medical Center of Southern Nevada
Governing Board
October 22, 2014

UMC Emerald Room
901 Rancho Lane, Suite 180
Las Vegas, Clark County, Nevada
Wednesday, October 22, 2014
2:00 p.m.

The University Medical Center Governing Board met in regular session, at the regular place of meeting in the Emerald Room, 901 Rancho Lane, Suite 180, Las Vegas, Clark County, Nevada, on Wednesday, October 22, 2014, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:04 p.m. by Chair John O'Reilly and the following members were present, which constituted a quorum of the members thereof:

CALL TO ORDER

Board Members:

Present:
John O'Reilly, Chair
Jeff Ellis
Renee Franklin
Harry Hagerty
Laura Lopez-Hobbs
Donald Mackay, M.D.
Michael Saltman

Absent:
Eileen Raney (Excused)
John White (arrived at 2:15 p.m., during Item No. 4)

Ex-Officio Members:

Present:
Lawrence Barnard, Chief Executive Officer
Dale Carrison, D.O., Chief of Staff
Barbara Atkinson, M.D, Planning Dean, UNLV
Thomas Schwenk, M.D., Dean, University of Nevada School of Medicine

Also Present:
Lisa Logsdon, Deputy District Attorney
Cindy Dwyer, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Chair O'Reilly asked if there were any persons present in the audience wishing 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 on September 24, 2014. *(Available at University Medical Center, Administrative Office)* [For possible action]

FINAL ACTION: A motion was made by Harry Hagerty that the minutes be approved as recommended. Motion carried by unanimous vote.

ITEM NO. 3 Approval of Agenda [For possible action]

The Chair noted that Items #22 and #23 were added in a published addendum to the agenda, and will be taken before Item #21 Emerging Issues.

As noted by Ms. Logsdon, Item #10 should read:

"*That the Governing Board recommend* that the Board of Hospital Trustees ratify….."" Board of Hospital Trustees ratify the pre-trial settlement in the matter of Clark County District Court Case No. A-13-678087-C, Yarely Flores-Cobaxin, a minor, by and through her natural parents and guardian Porfirio Flores v. University Medical Center of Southern Nevada, and authorize the Chief Executive Officer to execute the necessary settlement documents. [For possible action]

FINAL ACTION: A motion was made by Michael Saltman that the agenda be approved with the above changes. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive a report from the Audit and Finance Committee; and take any action deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED:
- Management Discussion & Analysis; August Financials

DISCUSSION: Committee Member Jeff Ellis gave an overview of the October 9, 2014 meeting of the Audit and Finance Committee.

- The Committee reviewed a follow-up audit of 340B Contracted Pharmacy Service with Walgreens. The initial audit revealed a significant number of prescriptions with 340B pricing that were non-UMC patients. The process to ensure appropriate determination of 340B drug pricing was modified, but at the time of the follow-up audit, the reversals for these prescriptions had not been completed. This has since been resolved, and all reversals were completed. The Audit staff is satisfied that the new process is sufficient to ensure appropriate determination in the future.

- McKesson Implementation – Consultant Innovative Healthcare Solutions has identified over 200 recommendations in their final report to ensure a meaningful McKesson system. 60 of those items have been identified as quick fixes, best performed by an outside consultant. IHS has provided a fixed fee quote for the project, and if the contract is approved, they will begin work in November. A key component of the project is the training of staff and physicians, which is critical to the successful implementation.

- Financials – the Committee reviewed the August and fiscal year-to-date financial statements. Management is addressing the fact that we are off budget, even though we have had a significant reduction in revenue and patient volume. The budget does not yet reflect most recent cost reductions; that should be reflected in the October financials. We continue to have a significant reduction in patient volume.

- Delegation of Authority - On October 7, 2014, the Board of Hospital Trustees approved a change to the ordinance creating the Governing Board, which delegates authority to the Governing Board to approve professional contracts up to $5 million. Though the change must be presented at two subsequent Board of Trustees meetings for public comment, the change is in effect immediately. The Ordinance will also include technical amendments recommended by this Board in January and February of this year.

- Capital Needs – UMC has received $5 million in capital funding from the County, which will be directed to two or three top priority items. Staff is finalizing a capital needs document that will be shared with the Board upon receipt.

- Clark County is refinancing some of UMC's bonds, for a reduction in interest and an annual savings of approximately $500,000 per year over the remaining five years. The Committee discussed the option of borrowing more principle while keeping the interest expense at the same level; this option is being discussed with the County.

- In anticipation of CMS approving another UPL arrangement for Medicaid Managed Care, the Board of Trustees has approved a $15 million intergovernmental transfer (for a net of $30 million).

- The Committee briefly discussed the improvements being made to improve the commercial business in Surgical Services, including robotic surgery.

FINAL ACTION: No action taken.

ITEM NO. 5 Receive a report from the Human Resources and Executive Compensation Committee; and take any action deemed appropriate. [For possible action]

DISCUSSION: Committee Chair Laura Lopez-Hobbs gave an overview of the October 21, 2014 meeting of the Human Resources and Executive Compensation Committee. The Committee reviewed and approved recommendation to this Board for approval of the revised Human Resources Policies and Affirmative Action Plan, which are both on today's consent agenda, as Items No. 22 and 23.

FINAL ACTION: No action taken.

ITEM NO. 6 Receive a report from the Clinical Quality and Professional Affairs Committee; and take any action deemed appropriate. [For possible action]

DISCUSSION: Committee Chair Renee Franklin gave an overview of the October 16, 2014 meeting of the Clinical Quality and Professional Affairs Committee.

- The Committee approved and recommended for this Board's approval the Medical Staff Bylaws amendment, which consisted of administrative-type changes.

- The Committee discussed discharge delays of Medicaid patients that require transfer to long-term care facilities. There are a limited number of beds in the community, as the majority of facilities are unwilling to accept Medicaid patients due to poor reimbursement. The Committee received a report on the scope of the problem, as well as the efforts being made at a higher level to look at reimbursement rates for long-term care, which would open up more bed capacity for hospitals to discharge their Medicaid patients. The Committee will continue to monitor this issue.

- Infection control procedures for suspected and confirmed Ebola cases were reviewed. The Board will receive a similar update today.

- The Committee continues to refine the Metrics Dashboard, based on input received.

FINAL ACTION: None taken.

ITEM NO. 7 Receive an update from the Hospital CEO; and direct staff accordingly. [For possible action]

DISCUSSION: Mr. Barnard provided the following updates:

- Hospital leadership continues to have strategic planning sessions. The Board members will be briefed before moving to the tactical phase. Chair O'Reilly briefly spoke about the need for the strategic plan to be a living document, and presented a sample business planning model for the Board members to review, with input to be provided to Mr. Barnard at a later time.

- Two of the County's bill draft requests for the upcoming legislative session are specific to UMC. One of the requests is to allow public hospitals to discuss "trade secrets" in closed session, and the second request is regarding interfacility transfers for care between hospital emergency departments. The other two items discussed previously - using UPL matching funds to the fullest extent possible, and increasing Medicaid rates for targeted services - are not legislative changes, but will be pursued with the State. Leadership is working on an economic impact statement that would address the impact to healthcare in the community if UMC ceased to exist. This would include speaking points to be utilized during the legislative session.

- The Nevada Medical Center recently published their Feasibility Study and Report. Mr. Barnard and Chair O'Reilly provided an overview, explaining that the Nevada Medical Center is not a healthcare provider, but a model similar to the Texas Medical Center. It is a member-based organization with strategies that promote collaboration among and advancement of its member institutions.

- Mr. Barnard acknowledged Maximum Comics for their ongoing efforts to raise funds for UMC Children's Hospital. He accepted a check from Operating Officer Anthony Militano for $450.00, raised during a recent costume party at one of their stores.

FINAL ACTION: None taken.

ITEM NO. 8 Submit a recommendation to the UMC Board of Hospital Trustees for the appointment of the three Governing Board members whose terms expire on December 31, 2014, for a three (3) year term ending December 31, 2017; and take any action deemed appropriate. [For possible action]

DISCUSSION: To ensure staggered terms, the initial selection of the Board members resulted in three of the members serving an initial term of one year: Eileen Raney, Jeff Ellis, and Donald Mackay. All three Board members have expressed a willingness to be reappointed for a three-year term.

FINAL ACTION: A motion was made by Renee Franklin to recommend to the Board of Trustees the reappointment of the three members. Motion carried by unanimous vote.

ITEM NO. 9 Receive an update on the Ebola virus outbreak, including internal infection control measures for suspected and confirmed Ebola cases; and direct staff accordingly. [For possible action]

DISCUSSION: J.D. McCourt, M.D., Adult Emergency Department Medical Director, provided an overview and brief history of the Ebola Virus Disease. He explained how the disease is spread, and shared some of the valuable information gleaned from the recent cases in the United States. He also provided an overview of UMC's preparation for potential patients, including internal infection control measures implemented in accordance with the Center for Disease Control. While it's difficult to know the exact number of cases that UMC could accommodate at a given time, it is clear that caring for these patients is very labor intense and would be a drain on hospital staffing. He also shared concerns about the potential for "false positives" increasing during flu season and the potential depletion of resources for those patients. UMC will potentially have three individuals serving on the Governor's newly formed Ebola Task Force.

FINAL ACTION: None taken.

ITEM NO. 10 That *the Governing Board recommend* that the Board of Hospital Trustees ratify the pre-trial settlement in the matter of Clark County District Court Case No. A-13-678087-C, Yarely Flores-Cobaxin, a minor, by and through her natural parents and guardian Porfirio Flores v. University Medical Center of Southern Nevada, and authorize the Chief Executive Officer to execute the necessary settlement documents. [For possible action]

DISCUSSION: Ms. Logsdon explained to the Board that this settlement, which is over the Governing Board's authority limit, had previously been approved in closed session of the Board of Trustees, but due to a miscommunication with previous Risk Management staff the settlement was not taken to a public meeting for approval. The settlement is well below the statutory cap, and is the outcome of a triage issue that resulted in an extended hospital stay (though the patient suffered no long term effects). The issues that lead to the untimely treatment have been addressed.

FINAL ACTION: A motion was made by Michael Saltman to recommend ratification by the Board of Hospital Trustees. Motion carried by unanimous vote.

ITEM NO. 11 Review and recommend for approval by the Board of County Commissioners Amendment Two to Interlocal Lease of Premises for 2231 W. Charleston Boulevard between the Board of Regents of the Nevada System of Higher Education on behalf of University of Nevada School of Medicine and University Medical Center of Southern Nevada; and take action as deemed appropriate. [For possible action]

DOCUMENTS SUBMITTED: Amendment Two to Interlocal Lease of Premises for 2231 W. Charleston Blvd.

DISCUSSION: This lease will allow the University of Nevada School of Medicine to continue their clinics in the Lied building. The Amendment has been reviewed by Clark County Real Property. This property is owned by Clark County, and requires the approval of the Board of County Commissioners.

FINAL ACTION: A motion was made by Donald Mackay to recommend approval of the amendment by the Board of Hospital Trustees. Motion carried by unanimous vote.

ITEM NO. 12 That the Governing Board approve the agreement between Innovative Healthcare Solutions, Inc. and University Medical Center of Southern Nevada for Services to complete items found for efficiency from the Health Check on the McKesson Electronic Health Record System; and authorize the Chief Executive Officer to sign the agreement. [For possible action]

DOCUMENTS SUBMITTED:
- IHS McKesson Systems Optimization (Agreement)
- Disclosure of Ownership
- Clark County business License

DISCUSSION: Mason Vanhouweling, Chief Operating Officer, gave an overview of the proposal from Innovative Healthcare Solutions to address 60 priority items relative to clinical and financial issues, to ensure a meaningful McKesson product. The contract details have been vetted and supported by the IT strategic committee, and approved by legal counsel. The contract has a fixed rate and designated hours for the deliverables.

FINAL ACTION: A motion was made by Donald Mackay to recommend approval of the Agreement. Motion carried by unanimous vote.

SECTION 3: CONSENT ITEMS

All matters of this section were considered to be routine and were acted upon in one motion. The action taken on Item 13 was the recommendation of the Clinical Quality & Professional Affairs Committee, for Items No. 14-20 the action taken was the recommendation of the Audit and Finance Committee, and for Items No. 22-23, the action taken was the recommendation of the Human Resources and Executive Compensation Committee.

ITEM NO. 13 **That the Governing Board approve and recommend approval by the Hospital Board of Trustees the amended Medical and Dental Staff Bylaws of University Medical Center of Southern Nevada; as accepted and voted on by the Medical Executive Committee and General Medical Staff. [For possible action]**

DOCUMENTS SUBMITTED: Memo from Medical Executive Committee dated September 24, 2014

FINAL ACTION: A motion was made by Michael Saltman to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 14 **Approve Amendment One to Service Agreement for Interpretation and Translation Services between CyraCom International, Inc. and University Medical Center of Southern Nevada and authorize the Chief Executive Officer to sign the amendment and exercise future renewal options. [For possible action]**

DOCUMENTS SUBMITTED:
- Amendment One to Agreement between CyraCom International, Inc. and UMCSN
- Disclosure of Ownership

FINAL ACTION: A motion was made by Michael Saltman to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 15 Approve the Agreement for STAT Testing Services between Laboratory Corporation of America Holdings and University Medical Center of Southern Nevada; and authorize the Chief Executive Officer to sign the Agreement and execute future amendments. [For possible action]

DOCUMENTS SUBMITTED:
- Agreement for STAT Testing Services between Laboratory Corporation of America Holdings and UMCSN
- Disclosure of Ownership

FINAL ACTION: A motion was made by Michael Saltman to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 16 Approve Amendment One to RFP No. 2009-05 Gift Shop Concession Agreement between Lori's Gifts, Inc. and University Medical Center of Southern Nevada; and authorize the Chief Executive Officer to sign the amendment. [For possible action]

DOCUMENTS SUBMITTED:
- Amendment One to RFP No. 2009-05 Gift Shop Concession Agreement between Lori's Gifts, Inc. and UMCSN
- Disclosure of Ownership

FINAL ACTION: A motion was made by Michael Saltman to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 17 Ratify Amendment One to Sublease Agreement between Nevada AIDS Research and Education Society (Lease - 701 Shadow Lane) and University Medical Center of Southern Nevada signed by the Chief Executive Officer. [For possible action]

DOCUMENTS SUBMITTED:
- Amendment No. 1 to Sublease Agreement Between NARES and UMCSN
- Disclosure of Ownership
- Disclosure of Relationship

FINAL ACTION: A motion was made by Michael Saltman to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 18 Approve the Fourth Amendment to Hospital Services Agreement between Teachers Health Trust and University Medical Center of Southern Nevada; and authorize the Chief Executive Officer to sign the amendment. [For possible action]

DOCUMENTS SUBMITTED:
- Fourth Amendment Hospital Services Agreement Between Teachers Health Trust and UNSOM
- Disclosure of Ownership

FINAL ACTION: A motion was made by Michael Saltman to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 19 Ratify the Asset Purchase Agreement and Amendment One between Walgreens and University Medical Center of Southern Nevada for Lied and Outpatient Pharmacy prescriptions signed by the Chief Executive Officer. [For possible action]

DOCUMENTS SUBMITTED:
- Asset Purchasing Agreement between Walgreens and UMCSN
- Asset Purchasing Agreement Amendment between Walgreens and UMCSN
- Disclosure of Ownership
- Disclosure of Relationship

FINAL ACTION: A motion was made by Michael Saltman to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 20 Ratify the agreement for Percutaneous Coronary Intervention Products between Boston Scientific Corporation and University Medical Center of Southern Nevada signed by the Chief Executive Officer. [For possible action]

DOCUMENTS SUBMITTED:
- Percutaneous Coronary Intervention Products Agreement
- Disclosure of Ownership
- Disclosure of Principles

FINAL ACTION: A motion was made by Michael Saltman to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 22 Approve the UMC Human Resource Policies Manual. [For possible action]

DOCUMENTS SUBMITTED:
- Human Resources Policies - Summary of Revised and New Policies
- Human Resources Policies No. 1-18

FINAL ACTION: A motion was made by Michael Saltman to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 23 Approve the Equal Opportunity/Affirmative Action Plan. [For possible action]

DOCUMENTS SUBMITTED:
- UMC Equal Opportunity/Affirmative Action Plan

FINAL ACTION: A motion was made by Michael Saltman to approve as recommended. Motion carried by unanimous vote.

SECTION 4: EMERGING ISSUES

ITEM NO. 21 Identify emerging issues to be addressed by staff or by the Board at future meetings; and direct staff accordingly. [For possible action]

The following updates were given to the Board:

Barbara Atkinson, MD, Founding Dean, UNLV School of Medicine, reported that an application has been submitted to the accrediting body. The School is currently recruiting a Vice-Dean of Medical Education and Academic Medical Affairs, a Communications Director, and a Development Officer. Additionally, they have created a Community Advisory Board, which will meet for the first time next week, and plans to discuss their vision and the location of the first building. Board members asked that the Dean provide them with the names of the Community Advisory Board members.

Thomas Schwenk, MD, Dean, University of Nevada School of Medicine, reported that the new Multi-Specialty Patient Care Center in Henderson has gotten off to a great start. He anticipates that the success of the Center will have an indirect benefit to UMC in terms of diversifying the payer mix. He reported that he, Dean Atkinson and the CEO are discussing restructuring of the GME program. He announced pending affiliations agreements with Renown and Mountain View Hospitals.

No additional emerging issues identified.

COMMENTS BY THE GENERAL PUBLIC:

At this time, Chair O'Reilly asked if there were any persons present in the audience wishing to be heard on any items not listed on the posted agenda.

Speaker(s): None

There being no further business to come before the Board at this time, at the hour of 3:28 p.m., Chairman O'Reilly adjourned the meeting.

APPROVED:

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John F. O'Reilly, Chairman

ATTEST:

Cindy Dwyer
____
Cindy Dwyer, Board Secretary