University Medical Center of Southern Nevada
Governing Board
January 28, 2015

UMC Emerald Room
901 Rancho Lane, Suite 180
Las Vegas, Clark County, Nevada
Wednesday, January 28, 2015
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, January 28, 2015, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:10 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
Eileen Raney, Vice Chair
Jeff Ellis
Renee Franklin
Harry Hagerty
Laura Lopez-Hobbs
Donald Mackay, M.D. (by conference phone)

Absent:
Michael Saltman
John White (Arrived at 2:17 p.m., Agenda Item No 5)

Ex-Officio Members:

Present:
Mason VanHouweling, Chief Executive Officer
Dale Carrison, D.O., Chief of Staff
Barbara Atkinson, M.D, Planning Dean, UNLV School of Medicine

Absent:
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 December 17, 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]

Chair O'Reilly announced that Items No. 17 and 21 would be pulled from the agenda,

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Accept a donation in the amount of $123,841.53 from the Sun City Host Lions Club to benefit the UMC Lions Burn Center. ***(For possible action)***

DISCUSSION: Representing the Summerlin Lions Club, Esther Louie, Cathy Downey and Leo Downey presented the hospital with a check in the amount of $123,841.53, donated from the estate of Mrs. Irene Lulay. The organization was acknowledged for their generous donation and support of the UMC Lions Burn Center over the past 50 years.

FINAL ACTION: A motion was made by Laura Lopez-Hobbs that the donation be accepted. Motion carried by unanimous vote.

ITEM NO. 5 Receive a report on Governing Board Committee accomplishments and focus for 2015; and direct staff accordingly. ***(For possible action)***

DISCUSSION: Chair O'Reilly has received reports from the Committees on their accomplishments in 2014 and their goals for 2015. The accomplishments will be incorporated into the hospital's planning process and utilized by staff in their annual report to the County. The goals will be presented and discussed at the next Board meeting.

FINAL ACTION: No action taken.

ITEM NO. 6 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 January 27, 2015 meeting of the Human Resources and Executive Compensation Committee, with the following highlights:

- Representatives of Mercer, our compensation consultant, provided a review of benefits in a cross-section of hospitals for benchmarking, which will assist with future decisions that affect our competitiveness as an employer. There was discussion by the Committee members, and it was the consensus, that benchmarking should be against our competition, which is for-profit hospitals, as opposed to government employers or public hospitals. Mercer provided data for benchmarking on retirement plans, healthcare plans for employees and retirees, dental plans and time loss plans. Staff was requested to follow-up on several items to assist in additional analysis of the information.

- The Committee received a presentation on public sector collective bargaining in Nevada, as set forth in Nevada Revised Statue 228, and its application to UMC. The Committee learned that as a public entity UMC is ruled by the Employee Management Relations Board not by the National Labor Relations Board, as well as the fact that the collective bargaining units representing the public sector have a pledge not to strike.

- The Committee discussed performance metrics for the CEO employment agreement, and submitted their recommendations to the Governing Board Chair for future Board discussion.

- The Committee reviewed the 2014 metrics for Human Resources. Of particular note is the increase in vacancy rates, which have risen in the past year from 11.6% to 13.8% for full-time non-management employees, and from 18.1% to 29.4% for management employees. Staff was directed to further analyze the data to determine how many of these terminations were voluntary, involuntary, or retirements. The Committee will continue to focus on vacancy and turnover, and has included the development of a talent management strategy in their goals for next year.

FINAL ACTION: No action taken.

ITEM NO. 7 Receive a report from the Audit and Finance Committee; and take any action deemed appropriate. ***(For possible action)***

DISCUSSION: Committee Chair Eileen Raney gave an overview of the January 21, 2015 meeting of the Audit and Finance Committee, with the following highlights:

- Two follow-up audits were reviewed by the Committee. The audit for Major Joint Replacement Medical Necessity addressed all the findings of the original audit. The audit for Spinal Fusion Medical Necessity revealed that four out of five records reviewed did not meet the documentation requirements, and therefore are subject to denial of payment. Staff has since taken measures to address, and will re-bill these cases with appropriate documentation included.

- Innovate Healthcare Solutions (IHS) should be finished before the end of February with their second phase of the McKesson implementation optimization. Areas of focus include: ER, patient folder, physician order entry, admin/pharmacy/nursing documentation, healthcare scheduling, and reports. The Committee will receive a more detailed report at their next meeting.

- Four of the five managed care contracts identified as being below target for reimbursement have been renegotiated to cover total costs.

- Staff is working to change the focus of the Management Discussion and Analysis for the monthly financials. The Committee requested that the report focus on major/critical issues.

FINAL ACTION: No action taken.

ITEM NO. 8 Receive the monthly financial reports for November and December 2014; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED**:**
- Management Discussion & Analysis; November 2014 Financials
- Management Discussion & Analysis; December 2014 Financials
- FY16 Outside Entity Budget Preparation Calendar of Events/Due Dates

DISCUSSION: Stephanie Merrill, Chief Financial Officer reviewed the Management Discussion and Analysis for November and December 2014, and 2^{nd} Quarter FY2015 trends.

Following the report, there was a discussion about the shift in the Medicaid patient population from 12% to 29% over the past 12 months, and the potential affect on the hospital's revenue. Of particular note was the importance of negotiating with the two Medicaid Managed Care organizations for the rate enhancement, the need to manage costs, and the importance of articulating this information in our budget meetings with the County.

Staff is currently going through the budget process for FY16. A budget timeline was included in the meeting book. The first deadline is March 12, 2015. The Audit & Finance Committee will be holding a special meeting before that deadline to review the draft budget submission with staff.

FINAL ACTION: None taken.

ITEM NO. 9 Receive an update on the University of Nevada Las Vegas School of Medicine; and direct staff accordingly. *(For possible action)*

DISCUSSION: Barbara Atkinson, MD, Planning Dean, UNLV School of Medicine provided the following updates to the Board:

- The School has had success with recruitment, to include filling following positions: Ellen Cosgrove, Vice Dean for Education; Stan Parrish, Senior Associate Dean for Student Affairs; Lisa Stark, Director of Communications; Laura Culley, Associate Dean for Health Policy and Community Affairs.

- Dean Atkinson recently traveled to Washington DC to meet with members of the Nevada delegation, she has presented to the Las Vegas City Council, and has plans to present to the North Las Vegas City Council. To date, everyone has been enthusiastic and supportive.

- Curriculum is being developed for students to spend their first six weeks of medical school to become certified EMT's. This innovate program will allow students to be more involved with patients from the start of the training, and will give them important training with the medical ABC's.

- Governor Sandoval recently announced in his State of the State address that the State would fund the school with $9.3 million. The School had requested $7 million for the first year and $20 million for the second year. The School is on track for the first class to begin in 2017, but a lack of adequate funding by the State could jeopardize that date.

- Regent James Dean Leavitt, Chair of the Board of Regent's Health Sciences Committee, spoke briefly of the Board of Regents' strong support of the School, and his belief that the State Legislature will provide adequate initial funding for the first class to begin in 2017.

- In responding to a question by Member Eileen Raney, Dean Atkinson noted that the accreditation of the Medical School is separate from the accreditation of the residency programs, and that some residency programs could begin without the medical students, including the transfer of some residency programs from UNSOM. The UNLV School of Medicine Steering Committee supports beginning a residency program as early as July 2016, if they can find the $10 million it would cost to start the program.

FINAL ACTION: None taken.

ITEM NO. 10 Receive an update on the University of Nevada School of Medicine, to include the School's relationship with UMC, their Affiliation agreement with Mountain View Medical Center, and their lease with UMC for office space at 2040 West Charleston; and direct staff accordingly. ***(For possible action)***

DISCUSSION: Chair O'Reilly announced that in the Dean's absence, this item will be carried forward to the February meeting agenda. He provided some background information on the issues the Dean will be addressing. The Board of Regents recently approved two agenda items - for the School to vacate UMC's 2040 Building for a new eight year lease of another building, and an affiliation agreement between UNSOM and Mountain View Hospital. At the request of Chair O'Reilly, representatives of the UMC Governing Board, UMC Administration, the Board of Regents, UNSOM and UNLV Medical School have met to discuss these two subjects, as well as the transition from UNSOM to UNLV Medical School and the UMC/UNSOM relationship. This agenda item will be discussed further with Dean Schwenk at the February meeting.

FINAL ACTION: None taken.

ITEM NO. 11 Receive an update from the Hospital CEO; and direct staff accordingly. *(For possible action)*

DISCUSSION: Mason VanHouweling, Interim Chief Executive Officer provided the following operational updates:

- Board members were provided with a calendar of upcoming community events that showcase UMC's services and benefit to the Community. Board members are encouraged to attend events as their schedules allow.

- UMC is a regional training center to assist medical airmen in maintaining their skills and be mission ready for future conflicts. Last week the Air Force Surgeon General and other Air Force dignitaries came to UMC to tour the facility, and they were very impressed with what they saw. We currently have approximately 60 active duty health care providers training in our Trauma Center, but the Air Force plans to expand the training to approximately 210 per year. The event was covered by local media, as well as the Air Force's own media.

- UMC recently received national attention on World News Tonight and Good Morning America. UMC Emergency Physician Devon Moore spoke with the media regarding Emergency Department overcrowding and capacity issues during flu season.

- Tonight at 6:00 p.m. Channel 3 News will be showcasing UMC's new robotics program, which is part of our strategic plan to increase revenue.

- The lease of some much needed surgical equipment from Olympus appears on today's Consent Agenda. CEO VanHouweling stated that the equipment will allow physicians to better visualize lesions and better diagnose patients. The equipment will be used by Gastroenterologists and Urologists and will drive business back to our surgical center, which is part of our strategic plan to increase revenue.

- UNSOM will be vacating the 2040 Building sometime between April and June. Staff is working with the School to determine who is responsible for previous modifications and what needs to be done in terms of renovations for future tenants.

- The Transplant Department, the Family Resources Center and Information Services have all relocated to the Delta Point building. Patient Financial Services (Business Office) will be moving soon.

- Several management positions have been filled recently, including Post-Anesthesia Care Unit Manager, Neonatal ICU Manager, Director of Development and Donor Relations, Director of Patient Placement Center.

Staff is currently interviewing candidates for the newly created in-house counsel position.

FINAL ACTION: None taken.

ITEM NO. 12 Review and approve Chief Executive Officer performance metrics to be included in Employment Agreement; and direct staff accordingly. *(For possible action)*

DISCUSSION: This item was tabled, awaiting input from the Committees.

FINAL ACTION: None taken.

ITEM NO. 13 Receive a report on matters before the 78th Legislative Session that have the potential to impact UMC; and direct staff accordingly. *(For possible action)*

DISCUSSION: Gail Yedinak, Senior Management Analyst, Government Relations, will provide monthly updates to the Board regarding proposed legislation that has the potential to impact UMC. She reminded the Board that UMC has two bills submitted by Clark County. AB36 would attempt to tighten the rules regarding patient transfers from one hospital Emergency Department to another. SB33 would allow UMC's Governing Board to go into closed session to discuss certain strategic matters. CEO VanHouweling will introduce both bills in their respective Health and Human Services Committees. R&R Partners and Clark County will be assisting with the lobbying of these bills. Ms. Yedinak will be working the County to track any and bills that would impact UMC to share our position on the bills.

Dr. Carrison commented on the importance of AB36, noting that he anticipates it will be opposed by all the other local hospitals, including the Nevada Hospital Association.

FINAL ACTION: None taken.

SECTION 3: CONSENT ITEMS

All matters of this section were considered to be routine and were acted upon in one motion. Items 17 and 21 were pulled from the agenda. The action taken on Items 15, 16, 18, 19, and 20 were the recommendation of the Audit and Finance Committee.

ITEM NO. 14 Approve 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:

- Memorandum from Medical Executive Committee dated December 31, 2014, Subject: Bylaws Revision

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

ITEM NO. 15 Ratify the renewal of the Infection Control Hosted Services, to CareFusion Solutions, LLC; and authorize the Chief Executive Officer to sign the agreements. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Customer Order
- Amendment to Master Agreement
- Schedule

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

ITEM NO. 16 Approve the Professional Services Agreement for Medicare Advantage Shadow Billing Review, Post-Acute Care Transfer DRG Claim Review, and Medicare Reimbursable Bad Debt Review between Healthcare Payment Specialists, LLC and University Medical Center of Southern Nevada and authorize the Chief Executive Officer to exercise the renewal option; and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Professional Services Agreement between Healthcare Payment Specialists and UMCSN
- Business Associates Agreement
- Disclosure of Ownership

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

ITEM NO. 17 Recommend approval to the Board of Hospitals Trustees the Master Affiliation Agreement for Graduate Medical Education, Program Letters of Agreement and Memorandum of Understanding between the Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada School of Medicine and University Medical Center of Southern Nevada, subject to final approval by the Board of Hospital Trustees; and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Master Affiliation Agreement between NSHE Board of Regents on behalf of UNSOM and UMCSN
- Program Letters of Agreement

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

ITEM NO. 18 Ratify the Renewal Letter with WRI Charleston Commons, LLC to extend the lease of the Nellis Quick Care through June 30, 2020; and authorize the Chief Executive Officer to sign the agreement. ***(For possible action)***

DOCUMENTS SUBMITTED:
- 12/8/14 Letter of Notification to Weingarten Realty

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

ITEM NO. 19 Approve the Seventh Amendment to PHCS Participating Provider Agreement between MultiPlan, Inc. and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Seventh Amendment of PHCS Participating Provider Agreement
- Disclosure of Ownership

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

ITEM NO. 20 Approve Schedule Number 002 to Master Lease Agreement, for the lease of new/upgraded endoscopy equipment, related accessories and the associated service agreements, with Olympus America, Inc.; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Fixed Period Payment Schedule
- Debit Authorization
- Request for Insurance Certificate
- Information Sheet
- Quote
- Equipment Service Agreement

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

ITEM NO. 21 Approve the Fifth Amendment to Participating Provider Agreement between Amerigroup Nevada, Inc. d/b/a Amerigroup Community Care and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED: None

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

SECTION 4: EMERGING ISSUES

ITEM NO. 22 Identify emerging issues to be addressed by staff or by the Board at future meetings; and direct staff accordingly. *(For possible action)*

Member Hagerty requested that the Board receive a presentation on the Las Vegas Medical District and its impact on UMC.

SECTION 5: CLOSED SESSION

ITEM NO. 23 Go into closed session, pursuant to NRS 241.015(3)(b)(2), to receive information from the District Attorney regarding potential or existing litigation involving a matter over which the Board had supervision, control, jurisdiction or advisory power, and to deliberate toward a decision on the matter; and direct staff accordingly. *(For possible action)*

COMMENTS BY THE GENERAL PUBLIC were taken out of order, before the Board went into closed session.

A motion was made by Harry Hagerty that the recommendation be approved to go into closed session pursuant to NRS 241.015(2)(b)(2). Motion carried by unanimous vote.

At the hour of 3:36 p.m., the Board recessed to go into closed session.

The meeting was reconvened in closed session at 3:53 p.m.

At the hour of 4:30 p.m. the closed session was adjourned.

FINAL ACTION: No action was taken by the Board.

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 4:30 p.m., Chairman O'Reilly adjourned the meeting.

APPROVED: February 25, 2015