UMC Emerald Room
901 Rancho Lane, Suite 180
Las Vegas, Clark County, Nevada
Wednesday, April 22, 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, April 22, 2015, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:06 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.
John White

Absent:
Michael Saltman (Excused)

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 March 25, 2015. *(Available at* University *Medical Center, Administrative Office) (For possible action)***

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

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

Chair O'Reilly requested that Item No. 22 be pulled from the consent agenda for discussion.

FINAL ACTION: A motion was made by Don Mackay that the agenda be approved with the above change. Motion carried by unanimous vote.

**SECTION 2. BUSINESS ITEMS**

**ITEM NO. 4 Receive an overview of Laboratory services at UMC; and direct staff accordingly; and take any action deemed appropriate. *(For possible action)***

DOCUMENT SUBMITTED:
- PowerPoint Presentation "UMC Department of Laboratory Services; Meeting the Needs of Patients Today/Preparing for the Needs of Patients Tomorrow"

DISCUSSION: Lisa Gorlick, Director Laboratory Services, and Dr. Ronald Knoblock, Medical Director of Pathology, were introduced to the Board. Ms. Gorlick provided an overview of UMC Laboratory Services. Highlights included UMC's involvement with teaching and internships for the College of Southern Nevada Medical Laboratory Program, and the fact that UMC is a hospital-based reference lab for two major national labs as well as other hospitals throughout the Las Vegas community. The Lab has received perfect scores for the past three years during the the College of American Pathologists (CAP) accreditation process, and has received numerous national recognitions, including being named as the runner up out of 12,000 hospital labs in the "Medical Laboratory Observer" magazine Lab of the Year Award.

In response to inquiries from Board members, Ms. Gorlick noted that Medicare pricing is used as a guideline for pricing of reference work, and always covers direct and least some of the indirect costs. She also noted that the capital acquisition of the automation line was made possible through cost and labor savings when the ER satellite lab was closed.

Dean Atkinson commented on the accomplishments of the Lab, including a CAP survey without deficiencies, and stated that both the hospital and the community should be very proud of this valuable asset.

FINAL ACTION: No action taken.

**ITEM NO. 5 Receive a report from the Clinical Quality and Professional Affairs Committee; and take any action deemed appropriate.** ***(For possible action)***

DISCUSSION: Committee Chairman Renee Franklin provided an overview of the March 21, 2015 meeting of the Clinical Quality and Professional Affairs Committee, with the following highlights:

- The Committee approved an amendment to the Medical & Dental Staff, and recommended approval by the Governing Board. This item appears on today's consent agenda.

- The new Director of the Patient Experience provided a monthly update. Staff is recommending the award for their proposal submitted in response to the RFP for the patient satisfaction/experience tool to Avatar Solutions. The Audit & Finance Committee has approved the contract and recommended approval by the Governing Board. The Quality and Professional Affairs Committee also endorses the approval of this contract, which appears on today's consent agenda.

- Ron Roehmer, Director of the Clinical Trials program also provided an update on the trials program. The Department has been working diligently to establish a process and procedures to deal with existing trials, as well as to attract new studies.

- The 2015 Leapfrog Hospital Survey opened April 1, 2015. The Committee reviewed the timeline and reporting deadlines. Staff will be providing accurate information in keeping with the deadlines.

- The Committee had a very robust discussion regarding coding and clinical documentation process improvements. Discussions will continue to determine how departments can work together to ensure accurate coding and documentation.

- Several board self-evaluation tools have been collected from various healthcare and non-healthcare industries, which will be distributed to Committee members for their input on developing a tool for the Governing Board. Any other Board members interested are encouraged to participate as well.

- The Committee was apprised of several key staff openings within the Quality Department.

- The CEO performance metrics as they pertain to Clinical Quality were discussed.

FINAL ACTION: No action taken.

**ITEM NO. 6 Receive a report from the Strategic Planning Committee; and take any action deemed appropriate.** ***(For possible action)***

DISCUSSION: Committee Chair John White provided an overview of the April 15, 2015 meeting of the Strategic Planning Committee, with the following highlights:

- The Committee received an update on the Hospital Strategic Plan, and discussed market share data for the five service lines identified in the Strategic Plan: Surgery, Cardiology, Pulmonology, Emergency Department and the Children's Hospital. There was discussion about growing those service lines, how to make the right strategic investments, and how to ensure proper measurement of the return on investment.

- The hospital's marketing plan was reviewed. The general view was that the investment in the marketing of the hospital is inadequate, which has resulted in some flaws in the plan. The Committee asked staff to look at how they might grow some marketing efforts within the current budget constraints, and to report back on the nature of the marketing efforts, i.e., building a brand and community education.

- Hospital staff is involved and represented with outside groups, including Project Neon and the Las Vegas Medical District. The Committee discussed the dramatic disruption during Project Neon and the need to ensure good ingress and egress for patients and visitors. The Committee also discussed the changing demographics of the hospital service area and payer mix. Staff was asked to report on those items and build a plan to discuss with interested parties. External planning, including disruptions caused by Project Neon, will be standing items for the Committee.

- Due to time constraints, several agenda items were continued until the next meeting.

In response to an inquiry from Chair O'Reilly, CEO VanHouweling provided a brief status update on the Crimson software, indicating that initial reports by service line are being created and reviewed.

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 Member Harry Hagerty gave an overview of the April 15, 2015 meeting of the Audit and Finance Committee, with the following highlights:

- The results of a follow-up audit on Medicare as a Secondary Payer were discussed. To address issues identified in the initial audit, staff implemented a self-audit process and provided additional training of staff. Only one of sixteen cases in the follow-up audit did not have the Medicare Questionnaire, a 6% failure rate, compared to a 40% failure rate during the initial audit. Training and self-audit tool will continue while a technology solution is researched.

- The results of a follow-up audit on Cash Controls were discussed. The original audit found significant weaknesses with six findings to be addressed. On re-audit, four of those items had been addressed completely and one item was partially addressed. While there was significant progress, there is room for improvement.

- The Committee reviewed and approved nine contracts, all of which appear on today's consent agenda for approval by the Governing Board.

- The Committee received a detailed report on the various NRS requirements imposed on UMC's contracting and RFP process. It was noted that the Contracts Department has new leadership and two additional FTE's since the Hospital Advisory Board was in place. Additionally, a contract management system has been selected and will hopefully be installed this summer. All of these additions have and will continue to greatly improve the efficiency of the internal contracting process.

- The Committee was updated regarding ongoing negotiations with managed care payors, all of which should result in improved reimbursement.

- The Committee received an overview of a proposed set of activities and timeline for replacing the sunsetting EHR Clinicals. Hiring an outside consultant with experience in selecting and implementing EHR will be key. The preliminary timeline includes vendor selection by December 2015, funding identified by May 2016, project implementation starting June 2016 and ending at the end of 2017. Monthly updates will be a standing Committee agenda item, and it was suggested that because of the importance of this item, the Board may want to be updated quarterly.

- March Financials showed an operating profit, driven by better than expected revenue. Of particular note is that inpatient and outpatient surgery volume is the highest it's been since last October.

- CEO performance objectives were tabled.

In follow-up to questions posed by Chair O'Reilly, Chief Information Officer Ernie McKinley provided some additional information:

- The Hospital is on track for the Phase 1 Year 1 Meaningful Use attestation. The Committee will be updated at their next meeting.

- Committee Chair Raney noted that Clark County has recently purchased a $25 million cyber security policy. She has requested that staff follow-up on this new information. CFO Merrill stated that as insurance policy expirations come up in June, staff will analyze needs and determine whether to join the

County or purchase its own policy. As noted at the February Committee meeting, the hospital will need to spend $3 million on software and staffing to implement internal safeguards, which would increase cyber security and significantly reduce the cost of insurance coverage. CIO McKinley estimated that by the end of the current fiscal year those safeguards will be one-fourth implemented, and by the end of the calendar year they will be one-third implemented. It will take approximately 18 months to implement the entire list, assuming the funding is allotted. The Finance Committee will continue to be updated on the status of cyber security.

FINAL ACTION: No action taken.

**ITEM NO. 8 Receive the monthly financial report for March 2015; and direct staff accordingly. *(For possible action)***

DOCUMENTS SUBMITTED**:**
- Management Discussion & Analysis; March 2015 Financials

DISCUSSION: Stephanie Merrill, Chief Financial Officer, reviewed the Management Discussion and Analysis for March 2015. Net revenue was ahead of budget by $7 million, mostly due to Cost Report settlements from 2014 and retro UPL payments based on volume adjustment. There were also improvements in bad debt recovery, gross revenue trends in commercial payers and Medicare, some clean up in the Business Office now that our systems have stabilized, and a volume increase in surgery. Total operating expenses for the month were $800,000 under budget, for a net operating gain of $1.1 million for the month of February, which was $7.8 million better than budget. There were 28 surgical robot cases for the month, bringing the total to 81 year to date.

In response to questions from the Board, CFO Merrill noted that approximately $6 million of the $7 million revenue reported in March was related to prior period changes, without which would have put March at a net operating loss of $5 million. Chair O'Reilly requested that staff provide a snapshot for a given month without anomalies for the purposes of comparison, separate from a template to track revenue streams and expenses that are not reported in real time. CFO Merrill will ensure that historical information is appropriately reported for future comparisons.

FINAL ACTION: None taken.

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

DISCUSSION: There was no UNSOM report in the Dean's absence. However, Dr. Carrison gave a brief report on UMC's Emergency Medicine Residency Program's annual In-service Examination. The program finished in the top 15 out of 162 programs nationwide – in the top 10% - for all three classes.

FINAL ACTION: None taken.

**ITEM NO. 10 Receive an update on the University of Nevada Las Vegas School of Medicine; and direct staff accordingly. *(For possible action)***

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

- The Dean continues to speak with local groups within the community.
- A group from the Community Advisory Board will be travelling to Carson City tomorrow to lobby for the Governor's budget, which would restore the UNLV Medical School's funding.
- The Accreditation Committees are continuing to meet and prepare.
- The School will be affiliating with the Oquendo Center for dissection demonstrations and orthopedic electives.
- The Dean was happy to report that to-date there are 49 scholarships confirmed for the initial class of 60 medical students.

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.

- Staffing
  - Gregg Fusto has resigned his position as Chief Nursing Officer. Assistant Chief Nursing Officer Mel Talbott will be the Interim Chief Nursing Officer.
  - Curt Houser will be joining UMC as the Chief Operating Officer on June 1, 2015.
  - Susan Pitts will be joining UMC as the new in-house General Counsel.
  - Carissa Rey will be joining the Administrative team as an Associate Administrator.
  - Anna Caputo was introduced as the Equal Opportunity Program Manager. Her position has been transitioned from Clark County to UMC, and she is now a full-time UMC employee.
  - Don Galloway has been hired as the new Director of Surgical Services.

- Community Events
  - The Annual UMC Car Show was held over the weekend, raising money for Children's Hospital.
  - UMC is partnering with LV Science and Technology Group, and will be giving tours to the public on April 22nd.
  - Emergency Department Director Katie Ryan will be honored on April 28th at Healthcare Headliners Awards Ceremony at the Bellagio.

- Legislative Update provided by CEO VanHouweling and Gail Yedinak:

- Copies of the latest amendment to Senate Bill 33 were distributed. The current language would allow only two subjects to be discussed in closed session: acquiring a new service or acquiring a new facility. The amendment does not allow for discussion of reduction of services in closed session. The amended bill will go to the Assembly Health & Human Services Committee before May 15th. Ms. Logsdon noted that Bill references the "Hospital Board of Trustees" because they have the statutory responsibility for the hospital, though they can delegate any of their powers to the Governing Board, which was created by ordinance.
- The following bills did not pass out of Committee: Senate Bill 361 (nurse staffing ratios), Assembly Bill 396 (full medical work-up of mental health patients), and Assembly Bill 346 (coordination of physician and EMS billing for hospital stays).
- Assembly Bill 91 has been approved by the Assembly, and is going to the Senate. This bill would allow paramedics to medically clear mental health patients.
- SB 210 has been amended to give hospitals a letter grade from the State Department of Health, The Nevada Hospital Association is advocating against the bill, based on the complexity of hospitals.
- The Nevada Hospital Association is also proposing an increase in Medicaid reimbursement for hospitals before the Legislature.

FINAL ACTION: None taken.

**ITEM NO. 12 Recommend that the UMC Board of Trustees approve the settlement agreement in the matter of District Court Case No. A691531, Aklilu Atanaw vs. University Medical Center of Southern Nevada; and authorize the Chief Executive Officer and UMC's legal counsel to execute the necessary settlement documents.** ***(For possible action)***

DOCUMENTS SUBMITTED:
Settlement Agreement and Release of All Claims
Stipulation and Order to Dismiss Defendant UMCSN with Prejudice

DISCUSSION: Shaunda Phillips, Director of Risk Management, presented a tentative settlement agreement brought forward in December 2013, alleging that UMC was negligent when failing to prevent pressure ulcers which resulted in additional treatment. The initial demand was $100,000, and a settlement conference resulted in a settlement offer of $27,500, which is believed to be less than the cost of going to trial. Because the Governing Board's authority to settle personal injury tort cases is limited to $25,000, this settlement agreement will go the Board of Trustees for final approval.

FINAL ACTION: A motion was made by Donald Mackay to recommend approval of the settlement agreement by the Board of Trustees. 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, unless requested to be taken separately. For all items left on the Consent Agenda, the action taken was staff's recommendation as indicated on the item.)

NOTE: Item No. 22 was requested to be taken separately.

**ITEM NO. 13 Receive and accept a check in the amount of $50,715 from Fidelity for the Spirit of Halloween fundraiser. *(For possible action)***

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

**ITEM NO. 14 Approve the revised UMC Equal Opportunity/Affirmative Action Plan; and authorize the Chief Executive Officer to sign the Plan. *(For possible action)***

DOCUMENT SUBMITTED:
- UMC Equal Opportunity/Affirmative Action Plan

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

**ITEM NO. 15 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 on March 24, 2015. *(For possible action)***

DOCUMENTS SUBMITTED:
- Memorandum dated March 24, 2015 from Medical Executive Committee re: Bylaws Revision

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

**ITEM NO. 16 Approve the extension of BID No. 2012-04, Laundry Management and Distribution Services; and authorize the Chief Executive Officer to sign the option to extend; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- DRAFT letter – Notice of Option to Extend BID No. 2012-04, Laundry Management and Distribution Services
- Award of Bid No. 2012-04, March 20, 2012

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

**ITEM NO. 17 Approve RFP No. 2014-11 Patient Satisfaction/Experience Tool to Avatar International, LLC d/b/a Avatar Solutions; and authorize the Chief Executive Officer to sign the Agreement. *(For possible action)***

DOCUMENTS SUBMITTED:
- Master Services and License Agreement between UMCSN and Avatar Solutions
- Business Associates Agreement between UMCSN and Avatar
- Disclosure of Ownership/Principals

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

**ITEM NO. 18 Approve the Interlocal Agreement for Occupational Medicine Services at Enterprise Physicals between University Medical Center of Southern Nevada (UMC) and Clark County Water Reclamation District (CCWRD) and authorize the Chief Executive Officer to sign the Agreement; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Letter of Agreement between UMCSN and Clark County Water Reclamation District

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

**ITEM NO. 19 Approve the Agreement for Physician Professional Services with Children's Urology Associates for Pediatric Urology Services and authorize the Chief Executive Officer to sign the Agreement; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Agreement for Physician On-Call Services between UMCSN and Children's Urology Associate

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

**ITEM NO. 20 Ratify the Provider Agreement for Outpatient Orthopedic Clinic Services with Eugene Libby DO, authorize the Hospital CEO, at the end of the initial term, to exercise the renewal option(s) at his discretion if deemed beneficial to UMC; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Provider Agreement between UMCSN and Eugene Libby, D.O.
- Disclosure of Relationship

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

**ITEM NO. 21 Approve the Agreement between McKesson Technologies, Inc. and University Medical Center of Southern Nevada for Executive Project Management Services connected to the McKesson Electronic Health Record System; and authorize the Chief Executive Officer to sign the amendment; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- McKesson Order Form
- UMCSN Executive Program Executive Statement of Work
- Disclosure of Ownership
- Disclosure of Relationship

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

**ITEM NO. 22: Approve the Option to Exercise a 3 year Extension for the On-Site Branch Banking Services, to U.S. Bank National Association; and authorize the Chief Executive Officer to sign the extension letter; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Letter dated November 25, 2014 from U.S. Bank acknowledging desire to extend Agreement for one year
- Award of Bid No. 2009-09, April 6, 2010

DISCUSSION: Chair O'Reilly requested that this contract be tabled until next month to allow time for staff work on provisions for tenant signage.

FINAL ACTION: No action taken.

**ITEM NO. 23 Approve Amendment Six to Hospital Services Agreement between Connecticut General Life Insurance Company d/b/a CIGNA Healthcare and University Medical Center of Southern Nevada; and authorize the Chief Executive Officer to sign the amendment; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Letter dated April 8, 2015 from UMCSN to CIGNA Healthcare
- Disclosure of Ownership
- Sixth Amendment to Hospital Agreement between UMCSN and CIGNA

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

**ITEM NO. 24 Amendment Five to the INOtherapy Services Agreement between INO Therapeutics, LLC d/b/a Ikaria and University Medical Center of Southern**

**Nevada for nitric oxide gas and delivery devices and authorize Chief Executive Officer to sign the amendment; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment to Agreement between UMCSN and INOTherapy Services

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

**SECTION 4: EMERGING ISSUES**

**ITEM NO. 25 Identify emerging issues to be addressed by staff or by the Board at future meetings; and direct staff accordingly. *(For possible action)***

- Eileen Raney reminded the Board that the necessary but unanticipated upgrade or replacement of the electronic health record will cost the hospital a minimum of $25 million, and could cost more depending on the selected vendor. The amount, $25 million, would utilize all of the capital funding made available through re-payment of the County loan, with no funds for other capital needs. The timing is critical for the Governing Board to identify potential funding sources. She suggested that the Board begin financial discussions and planning to understand the total of the Medicaid MCO enhanced money, the Capital from the County as a result of loan repayments, possible request for capital funds from the County, and other potential sources. She also suggested that the Board address with the County Manager the topic of the County pursuing a designated funding source for Metro and UMC, as previously mentioned by the County Manager.

**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 3:25 p.m., Chairman O'Reilly adjourned the meeting.

APPROVED: May 27, 2015