University Medical Center of Southern Nevada
Governing Board
May 27, 2015

UMC Emerald Room
901 Rancho Lane, Suite 180
Las Vegas, Clark County, Nevada
Wednesday, May 27, 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, May 27, 2015, 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
Eileen Raney, Vice Chair
Jeff Ellis
Renee Franklin
Harry Hagerty
Laura Lopez-Hobbs
Donald Mackay, M.D.

Absent:
Michael Saltman (Excused)
John White (Excused)

Ex-Officio Members:

Present:
Mason VanHouweling, Chief Executive Officer
Dale Carrison, D.O., Chief of Staff
Thomas Schwenk, M.D., Dean, University of Nevada School of Medicine

Absent:
Barbara Atkinson, M.D, Planning Dean, UNLV School of Medicine (Excused)

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 April 22, 2015. *(Available at* University *Medical Center, Administrative Office) (For possible action)*

FINAL ACTION: A motion was made by Laura Lopez-Hobbs that the minutes be approved as recommended. Motion carried by unanimous vote.

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

Lisa Logsdon read into the record a change on Item No. 22. At the request of the UNLV Dental School, the extension of the original agreement will be for one year, rather than two.

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive a fair employment law review in accordance with the consent decree which Clark County entered into with the Dept. of Justice on January 15, 2015; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- PowerPoint Presentation, "Fair Employment Law Review"

DISCUSSION: Clark County recently entered into a consent decree with the Department of Justice that requires all supervisors and managers receive a review of the fair employment laws. Legal counsel has interpreted that to include the County Commissioners and UMC Governing Board as well.

Anna Caputo, UMC's Affirmative Action Manager, distributed copies of UMC's Equal Opportunity/Affirmative Action Plan to the Board members, and provided a an overview of UMC's Equal Opportunity/Affirmative Action Plan as well as an informational review of Fair Employment Law for the Board. Board members not present at today's meeting, will receive the PowerPoint presentation and an audio recording of today's presentation.

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 provided an overview of the May 19, 2015 meeting of the Human Resources and Executive Compensation Committee, with the following highlights.

- The Committee reviewed the quarterly HR Metrics specific to turnover and vacancies. The Committee believes that the new compensation practices will help improve management turnover over time.

- The Committee received a presentation on UMC's Wellness Programs in place to keep employees healthy and focused on a healthy lifestyle.

- The CEO performance measures were reviewed and approved.

- Staff is working on a plan to provide employees with a total compensation statement, which will remind them of the value of the benefits they receive in addition to their salary.

FINAL ACTION: No action taken.

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

DISCUSSION: Committee Chair Eileen Raney provided an overview of the May 20, 2015 meeting of the Audit and Finance Committee, with the following highlights.

- The Committee approved a 3% CPI increase to the charge master, which appears on today's consent agenda. A detailed evaluation of the charge master currently underway will result in more targeted increases later in the year.

- The Committee had a lengthy discussion on EHR. The consultant engaged to help optimize the McKesson implementation has fixed 80 of the 222 issues identified, and internal IT staff has completed 40 of those items. Some of the remaining fixes will not be completed by the time a new clinical product is introduced, but all of the critical issues have been addressed. Staff will be reporting quantitative information next month on what's been accomplished through the optimization and how it has affected utilization of the system.

- Transition from ICD-9 to ICD-10 is on track. Staff has expressed concern about a likely decrease in productivity due to the complexity of ICD-10, which could impact the hospital's cash flow. Staff and the Committee will be tracking carefully.

- Shelley Russell, the New Meaningful Use Program Manager, was introduced to the Committee. As UMC began attestation of readiness, CMS halted all attestations, as they consider a proposed Rule change that will affect the process and deadlines. The Committee and Board will be updated once the Rule is finalized, which is expected to be in August.

- A timeline has been implemented for the replacement of McKesson Clinical Horizons. While the project is expected to cost an estimated $25-$35 million, the Committee has requested that staff present a cash flow of expenses that coincides with the implementation timeline.

- The Committee had an agenda item to approve a consultant to assist in project management of the first phase of the EHR replacement. The Committee requested additional information before making a decision, and has called a Special Meeting for June 3rd to evaluate the proposals.

- A detailed Quick Care Financial Performance Review was tabled until next month.

- The Committee discussed the proposed CEO performance objectives and made some suggestions for clarification.

- Several contracts were approved, and appear on today's Consent Agenda for the Board's approval.

FINAL ACTION: No action taken.

ITEM NO. 7 Receive the monthly financial report for April 2015; and direct staff accordingly. ***(For possible action)***

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

DISCUSSION: Stephanie Merrill, Chief Financial Officer, reviewed the Management Discussion and Analysis for April 2015, with the following highlights:

- Net Revenue was $45.1 million for April, which is 3.9 million ahead of budget
- Total Operating Expenses were $2.8 million for April, which is $2.8 million favorable against budget
- Net Operative Deficit was reported at $(1.1) million, $6.8 ahead of budget. Year to date deficit was $74.7 million.
- Total Operating Expenses
    - Salaries and Benefits remain low at $1.8 million better than budget, with 4% overtime, and productivity at 105.7%.
    - Supplies were $8 million, which was $200,000 below budget. This is mostly attributable to the closure of clinics. It was noted that there was an unexpected expense of $800,000 for Acquired Antihemophilic Factor drugs for one patient.
    - Depreciation continues to be a little over budget due to new depreciable assets.
- Net Patient Revenue was over budget and over prior year to date
- Total Operating Costs were below year-to-date and below budget.
- Purchased Services were below prior year and below budget.
- Professional fees were below last year and below budget.
- Volume
    - Average Daily Census and Adjusted Patient days were both down slightly
    - Emergency Department volume is following the same trend of being down over last year and below budget.

  - Outpatient visits are in line with 2014 volume and above budget.
  - Surgery was about the same as last year, the first time since last October.
- The volume of 23 robotics cases was down from the prior month, but minutes were up. CEO VanHouweling noted a 98% on-time start for robotic cases, demonstrating effective and efficient use of the equipment. Chair Raney requested that payer mix be added to the robotics report in the future.
- Harry Hagerty mentioned that the Committee has requested that staff separate the effect of the enhanced payments, to allow focus on underlying operating performance. CFO Merrill commented that the bulk of the $3.9 favorable variance in the Net Revenue for April was attributable to the MCO enhanced payments and UPL volume adjustment. Without them, we would have made budget for revenue. Next year's budget will have the enhanced payments built into it.

There was a brief discussion about the care of hemophilia patients, and the need to work with pharmaceutical companies for reimbursement for patients without a payment source.

FINAL ACTION: No action taken.

ITEM NO. 8 Receive an update on the University of Nevada School of Medicine; and direct staff accordingly. *(For possible action)*

DISCUSSION: Dean Schwenk provided the following updates:

- UNSOM has assumed the Lied Pediatric Clinic. The Clinic is growing under the leadership of Dr. Nevin Wilson, with the expansion of primary care, addition of pediatric subspecialists and growing patient volume.
- All of the residency programs were successfully filled in the recent match.
- Graduation events are planned over the next few weeks for all of the residency programs.
- Board members are invited to the Commission Ceremony on June 29th in the City Council Chambers. This ceremony recognizes the transition of medical students from the basic science (second) year to the clinical (third) year.

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: In Dean Atkinson's absence, Chair O'Reilly provided the following updates on her behalf:

- Funding of the UNLV Medical School looks promising, with the Legislature passing the UBER/taxi tax
- 56 of 59 scholarships for the first class are committed
- Next accreditation deadline is August 1st
- The School now has eight employees

FINAL ACTION: None taken.

ITEM NO. 10 Receive an update from the Hospital CEO; and direct staff accordingly. *(For possible action)*

<u>DISCUSSION:</u> Mason VanHouweling, Chief Executive Officer provided the following operational updates.

- Susan Pitz was introduced to the Board as the new in-house Legal Counsel.

- In follow-up to Dean Schwenk's report, Item No. 15 on today's Consent Agenda will finalize the lease of the Lied Building for Pediatrics and allows for future growth.

- Senate Bill 33, which would allow public hospitals to go into closed session to discuss, but not vote, on expansion of services, was passed by the State Senate and Assembly. The Bill is awaiting the Governor's signature.

- The State Legislature recently passed an aggregate 10% increase in Medicaid reimbursement. Hospitals will receive a 5% increase over two years. UMC will not see the net benefit because of UPL payments, but will receive more timely reimbursement.

- U.S. News and World Report has released a new rating system for hospitals. UMC scored average on four indicators, with one indicator was un-rated due to lack of volume. Staff will follow and track to better understand the criteria and improve performance.

- A calendar of events for May and June was distributed to Board members. This Friday is the Trauma Survivors Luncheon.

- Copies of patient letters complimenting the care received at UMC were distributed to the Board members.

- The Board reviewed a video released last week. It is the story of UMC set to music, showcasing the employees, and is available on the UMC website, on Facebook, and is being shared at staff meetings.

- Over the past fiscal year, UMC borrowed $25 million from the County to bridge the gap between Clark County Social Services and the Affordable Care Act. UMC repaid those loans back today, and expects to receive that money back from the County in the form of Capital.

<u>FINAL ACTION</u>: None taken.

ITEM NO. 11 Review and approve performance metrics to be included in the Chief Executive Officer's employment agreement as it pertains to discretionary

salary increases and bonuses; and take any action deemed appropriate. . *(For possible action)*

DISCUSSION: Tabled by Board Chair.

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, 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.)

ITEM NO. 12 Recommend for approval by the Board of Trustees the proposed increase to the room/bed rates and other service charges of University Medical Center of Southern Nevada: and take action as deemed appropriate. *(For possible action)*

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to recommend approval of the settlement agreement by the Board of Trustees. Motion carried by unanimous vote.

ITEM NO. 13 Recommend for approval by the Board of County Commissioners also sitting as the Board of Hospital Trustees acceptance of OBRA Plan Document for the 457(b) Deferred Compensation Plan with Mass Mutual and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- MassMutual Specimen 457(b) Plan Document

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 14 Approve the Third Amendment with Spring Valley Shopping Center Las Vegas, NV Limited Partnership to extend the lease of the Spring Valley Quick Care through June 30, 2020; and authorize Chief Executive Officer to sign the amendment. *(For possible action)*

DOCUMENTS SUBMITTED:
- Third Amendment to Shopping Center Lease between Spring Valley Town Center and UMCSN.

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 15 Recommend for approval by the Board of County Commissioners, also sitting as the Board of Hospital Trustees, the Interlocal Lease of Premises for 1524 Pinto Lane between the Board of Regents of the Nevada System of

Higher Education (NSHE) on behalf of University of Nevada School of Medicine (UNSOM) and University Medical Center of Southern Nevada; and take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Interlocal Lease of Property between UMCSN and UNSOM

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 16 **Approve the Memorandum of Understanding between Clark County and University Medical Center of Southern Nevada to provide a videographer and necessary equipment to videotape and produce the "UMC Digest" for airing on the Clark County Television, CCTV, Channel 4; and authorize Chief Executive Officer to sign the amendment.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- Memorandum of Understanding between Clark County and UMCSN.

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 17 **Approve the Sixth Amendment to Participating Provider Agreement between Amerigroup Nevada, Inc. d/b/a Amerigroup Community Care and University Medical Center of Southern Nevada; and authorize Chief Executive Officer to sign the amendment.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- Sixth Amendment to Participating Provider Agreement between Amerigroup and UMCSN
- Disclosure of Ownership/Principals
- Disclosure of Relationship

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 18 **Approve the 2nd Amendment to MOU between JSA P5 Nevada, LLC d/b/a HealthCare Partners of Nevada and University Medical Center of Southern Nevada (UMC) ; and authorize Chief Executive Officer to sign the amendment.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment to JSA PS NEVADA, LLC dba Healthcare Partners of Nevada and UMCSN
- Disclosure of Ownership/Principals
- Disclosure of Relationship

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 19 Approve the Fourth Amendment to the Hospital Services Agreement between Health Services Coalition and University Medical Center of Southern Nevada for managed care services; and authorize Chief Executive Officer to sign the amendment. *(For possible action)*

DOCUMENTS SUBMITTED:
- Fourth Amendment to Hospital Services Agreement between Health Services Coalition and UMCSN

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 20 Approve Amendment Three to Hospital Participation Agreement between Health Value Management d/b/a ChoiceCare Network and University Medical Center of Southern Nevada (UMC) ; and authorize Chief Executive Officer to sign the amendment. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment Three to Hospital Participation Agreement between UMCSN and Health Value Management dba Choice Care Network
- Disclosure of Ownership/Principals
- Disclosure of Relationship

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 21 Ratify and approve Amendment A01 to the Interlocal Agreement with the Southern Nevada Health District to Provide an Epidemiologist to serve at the SNHD Tuberculosis Clinic and to authorize the CEO to sign additional one year extensions as detailed in the agreement; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Interlocal Agreement Amendment A01 between Southern Nevada Health District and UMCSN December 2014
- Interlocal Agreement Amendment A01 between Southern Nevada Health District and UMCSN November 2013

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 22: Approve Amendment One to the Agreement with the UNLV School of Dental Medicine, for General and Pediatric Dentistry On-Call and Professional Dentistry Services; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment One to Agreement for Dentist On-Call Services between UMCSN and NSHE on behalf of UNLV School of Dental Medicine

- Agreement for Dentist On-Call Services between UMCSN and NSHE on behalf of UNLV School of Dental Medicine

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 23 Approve the agreement for biologics products with various companies and University Medical Center of Southern Nevada; and authorize the Chief Executive Officer to execute future agreements. *(For possible action)*

DOCUMENTS SUBMITTED:
- Letter dated April 16, 2015 to Undisclosed Recipients re: Biologics
- Biologics Capped Pricing Program
- UMCSN Biologics Products Agreement

FINAL ACTION: A motion was made by Laura Lopez-Hobbs to approve as recommended. Motion carried by unanimous vote.

ITEM NO. 24 Ratify and approve the Extension of Agreement for the Provision of Interim Manager of the OR/Surgical Services, with Whitman Partners; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Letter dated May 7, 2015 to Travis O'Conner, Whitman Partners, Inc.
- Letter of Understanding between Whitman Partners and UMCSN

FINAL ACTION: A motion was made by Laura Lopez-Hobbs 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)*

None

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 3:07 p.m., Chairman O'Reilly adjourned the meeting.

APPROVED: June 24, 2015