***University Medical Center of Southern Nevada***
***Governing Board***
***April 19, 2017***

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UMC Emerald Room
901 Rancho Lane, Suite 180
Las Vegas, Clark County, Nevada
Wednesday, April 19, 2017
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 19, 2017 at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:10 p.m. by Chair O'Reilly. 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
Michael Saltman
Robyn Caspersen
Renee Franklin
Donald Mackay, M.D.
Harry Hagerty

Absent:
Laura Lopez-Hobbs
Jeff Ellis

Ex-Officio Members:

Present:
Barbara Atkinson, M.D, Planning Dean, UNLV School of Medicine
Dean Thomas Schwenk, University of Nevada, Reno School of Medicine

Absent:
Dr. Dale Carrison

Also Present:
Mason VanHouweling, Chief Executive Officer
Susan Pitz, General Counsel
Terra Lovelin, 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.

None

**ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board on March 22, 2017. *(Available at* University *Medical Center, Administrative Office) (For possible action)***

FINAL ACTION: A motion was made by Dr. 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 Saltman that the agenda be approved as presented. Motion carried by unanimous vote.

## SECTION 2. BUSINESS ITEMS

**ITEM NO. 4 Receive an update from Dale Kirby, Regional Executive – Region 9, American Hospital Association (*For possible action)***

DOCUMENT(S) SUBMITTED**:**
- AHA Washington Report

DISCUSSION: Mason VanHouweling introduced Dale Kirby, our Regional Executive of the American Hospital Association. Mr. Kirby is going to give an update on the political landscape of healthcare.

The AHA is the advocacy for hospitals, representing 5,000 hospitals in the country. There are almost 40,000 professional members of AHA. They partner with hospitals and professional organizations to advocate on our behalf in Washington DC.

Hospitals are in an excellent positon to advocate in the new administration. Their position is that Obamacare needed fixing and they communicated that concern. Their message for the new Trump administration is protection is needed for the 21 million people that already have coverage. If they have to repeal the bill they want it simultaneously replaced. They need the regulatory barriers brought down so hospitals can do their business.

Coverage loss can't be tolerated and this is the message they are sending. By 2018 they are estimating at 8 million fewer enrollees and in Nevada, 76,000 lives. In Nevada the uninsured estimate is 191,000 by next year.

The message from the AHA is to reach out and touch the delegates with our concerns.

Some potential executive actions the government could take is to revise the medical loss ratio for insurance companies (the amount of money out of every dollar that they have to spend on healthcare.) Currently this is at 80% and this could go to 70% or less. They want the IRS to stop enforcing the individual and employer mandate.

One of the major items that AHA is working with the Trump administration on is insurance market stabilization. Right now, 1/3 of the counties in the U.S. only have one insurance company operating on the exchange; this is not competition. The insurance companies have to decide if they are going to play in the exchanges in 2018.

There is a lack of clarity from the Trump administration about the cost sharing mechanism for insurance companies that will continue. The feds came out last Thursday with their rule for market stabilization. It shuts some of the loop holes that Obama Care had and it reduces the open enrollment period from 90 days down to three weeks.

FINAL ACTION: No action taken.

**ITEM NO. 5 Receive a report from the Governing Board Strategic Planning Committee and take any action deemed appropriate. *(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- None Submitted

DISCUSSION: Member Raney provided a brief summary of the last meeting that was held on April 6. The committee reviewed market share data and service lines. We lost some market share in OB, neurology and orthopedics.

Mr. VanHouweling added that we had a decrease (138) in admissions, mainly due to the OB admissions and related to Medicaid volumes.

The committee approved a proposal for a new Quick Care and Primary Care and the presentation is here today for approval. There is still a concern in both committees with our ability to make a profit on the Primary Care side.

The committee also approved an item to move forward to the Audit and Finance committee to purchase a Tesla 3 MRI machine.

Chair O'Reilly asked where UMC is at with overall market share and Mr. VanHouweling replied that we are currently at 10.2%

FINAL ACTION: No action taken.

**ITEM NO. 6 Receive a report from the Governing Board Clinical Quality and Professional Affairs Committee and take any action deemed appropriate. *(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- None Submitted

DISCUSSION: Dr. Mackay provided a brief summary from the last meeting on April 10.

A report on HCAHPS scores were given and discussed. There has been an increased emphasis on customer service and nursing initiatives to drive improvement.

The iCARE4u program was presented and it was noted that approximately 1,000 employees, including physicians have been retrained.

The committee reviewed the CEO performance goals and final recommendations will be referred to Jeff Ells, chairman of the Human Resources Committee.

The 2016 Quality Plan Evaluation was reviewed, a report on the 2016 Infection Control Program was received, and the Hospital Grievance Report was discussed.

FINAL ACTION: No action taken.

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

DOCUMENT(S) SUBMITTED**:**
- None Submitted

DISCUSSION: Harry Hagerty provided a summary from the last meeting on March 30th and April 12.

A special budget meeting was held on March 30; the committee suggested the Finance team come back with initiatives to achieve a targeted net revenue of $15 million for the FY2018 budget.

At the April 12 meeting, an EHR update was provided and the Go Live date for Phase One is still set for July 1. The committee encouraged Brian to do what he needs to do for the best outcome including hiring some additional help due to staffing issues.

Financial results on UMC's Primary and Quick Cares were provided but downstream revenue was not detailed. The committee asked for more information at a future meeting. The committee recommended that the Centennial Clinic project be advanced to the Governing Board for approval.

A report was received on the budget for 2018 and opportunities and initiatives toward the targeted $15 million were presented. The CEO bonus objectives were also discussed and the committee decided to list three components within Schedule B to achieve, instead of five.

FINAL ACTION: No action taken.

**ITEM NO. 8 Receive presentation and recommendation for approval by the Board of County Commissioners, also sitting as the Board of Hospital Trustees for University Medical Center of Southern Nevada ("UMC"), the Lease Agreements between TAG NW Mixed Use, LLC ("Landlord") and UMC; and take action as deemed appropriate. *(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- Centennial Hills Quick & Primary Care
- TAG NW Mixed Use Lease Suite 190
- TAG NW Mixed Use Lease Suite 230

DISCUSSION: Andrew Chung, Associate Administrator provided an overview of the proposed Centennial ambulatory clinic.

This project accomplishes two main things:
1. To build a new urgent care facility in the Centennial area
2. Relocates a primary practice out of an aging building and into a modernized facility in an area of growth.

   By doing this staff believes they can turn the investment into the project within five years and increase the volume of visits to UMC during the time period.

The Primary Care practice needs to be relocated due to the aging infrastructure of the building it is currently in. Primary Care will be located on the second floor of the new building in Centennial Hills and the urgent care will be located on floor one. This new location is in a highly visible area and the primary care will only be five minutes further from the old location.

The projected opening for the Centennial Quick Care location would be the first of October and consist of nine exam rooms, x-ray and lab capabilities and staffed with one provider. Both leases are for ten years with two, five year options and an early termination option at years six and eight.

Three Primary Care Physicians will be relocated from the Rancho Quick Care location into this area and we anticipate that we can scale up to the fourth provider and grow the practice.

Urgent Care downstream revenue to the Emergency room was discussed.

Member Saltman praised Mr. Chung on his presentation and asked how much we are investing over and above the landlord contributions on both locations.

The spend on the urgent care side is not to exceed $625,000. For the primary care side the spend is similar, for an approximate total of $1.2 million dollars

Chair O'Reilly asked for a look back on this clinic to see how it is doing financially.

Member Caspersen asked about the timeline for the new clinic and Mr. Chung replied that the build out would take roughly 8 to 10 weeks so we are looking at an opening of October 1, 2017.

FINAL ACTION: A motion was made by Member Saltman to approve as recommended and recommend approval to the Board of Hospital Trustees. Motion carried by unanimous vote.

**ITEM NO. 9** **Approve the FY 2018 final budget for submission to Clark County. *(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- Proposed Final Budget FY2018

DISCUSSION: Jennifer Wakem, CFO presented the final budget.

Net Patient Revenue increasing 6.4% or $26 million
- $15.0M - Strategic Initiatives
- $ 3.3M - Revenue from contingency appeals
- $ 3.0M - ED expansion
- $ 3.0M - Urgent cares (Centennial + Blue Diamond)
- $ 1.0M - Net revenue impact of 4% CPI increase

Net Federal supplemental payments decreasing by $15.6 million due to DSH

Revenue Cycle improvements, efficiencies and Strategic Growth was discussed.

Chair O'Reilly asked what the likelihood was that the DSH payment will be reduced by $15 million and the reply was likely.

This budget will need to be turned into the County on April 27, 2017.

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

**ITEM NO. 10** **Receive the monthly financial report for FY February 2017; and direct staff accordingly. *(For possible action)***

DOCUMENT(S) SUBMITTED**:**

- MD&A FY2017

DISCUSSION: Ms. Wakem provided the following monthly financial report updates for FY February 2017.

- Received $3.1 cost report settlement
- Favorable payor mix, decrease in self-pay and Medicaid
- Medicare case mix index increased 5.2% over prior year
- ED volumes dropped
- Admissions fell

It was noted that $2.3 million dollars of the budgeted Epic expense of 2017 has not been activated yet.

FINAL ACTION: None

**ITEM NO. 11 Receive an update on the University of Nevada Las Vegas School of Medicine; and direct staff accordingly. *(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- None submitted

DISCUSSION: Dean Atkinson reported on updates related to UNLV School of Medicine.

-$200,000 anonymous gift for the Autism Center was just received today
-48 students are arriving Thursday to to decide if they want to choose UNLV as their medical school
-The school received their 501c3 status
-July 1 is the move in date for faculty
-Three Agreements are ready to go between UMC and UNLV
-Invitation extended to UMC Governing Board to have their May 24, 2017 meeting at UNLV Medical School

Mr. VanHouweling asked if there was any word on Roseman University related to their medical school status.

Dean Atkinson replied that Roseman will be able to apply for either a June or December deadline, it then takes another year for everything to go through. It won’t be for at least two years until they hear if they can accept medical students.

FINAL ACTION: None taken

**ITEM NO. 12 Receive an update from the Hospital CEO; and direct staff accordingly. *(For possible action)***

DOCUMENT(S) SUBMITTED**:**

- Slides

DISCUSSION: Mr. VanHouweling provided the following operational updates.

- Preparing for Joint commission survey readiness
- Leapfrog Scores: UMC is at a C but we are working on improving our HCAHPS scores to improve this
- AB65 Bill: Out of Assembly and now with Senate HHS committee
- CEO town halls have been conducted with good turnout
- Open House at Lions Burns Center
- Happy Days Car Show benefiting Children's Hospital of SN coming up
- Mr. VanHouweling, on behalf of UMC was selected as Honorary Commander for 99th Medical Group
- Recognized Deb Fox for the interview she gave that will appear in the next Pulse
- Recognized Dr. John M. Menezes for a rare surgery that was performed on a young patient here at UMC.

Chair O'Reilly invite the Board to his house where he hosts a group of Airforce members twice a year and the next gathering will occur on May 19, 2017.

FINAL ACTION: None

**ITEM NO. 13 Discuss the possible appointment of a Community member to serve on one or more Governing Board Committees as an Ex-Officio member and direct staff accordingly. *(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- None Submitted

DISCUSSION: General Counsel Pitz reminded the Board that under the Governing Board bylaws the Chairman of the Governing Board can appoint ex-officio members to the Board.

Chair O'Reilly introduced Mary Lynn Palenik who is currently VP of the Global Head Project Management Office for Aristocrat Technologies.

Ms. Palenik gave a brief summary on her background and stated she was honored to be a possible, non-voting, member of the UMC Governing Board.

Member Franklin commented that she was impressed with Mary Lynn's background and resume.

FINAL ACTION: None taken

## SECTION 3: CONSENT ITEMS

**ITEM NO. 14 Approve the 2017 Infection Control and Quality Plan. *(For possible action)***

DOCUMENT(S) SUBMITTED:
- 2016 Quality Annual Appraisal
- 2016 Quality and Patient Safety Plan

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

**ITEM NO. 15 Approve changes to the Management Compensation Plan regarding effective dates for merit increases and incentive bonuses. (*For possible action)***

DOCUMENT(S) SUBMITTED:
- UMC Management Compensation Plan

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

**ITEM NO. 16 Approve the Order Form for Software Consulting Services between Kaufman, Hall & Associates, LLC and University Medical Center of Southern Nevada; authorize the Chief Executive Officer to approve future Order Forms within his delegation of authority; and take action as deemed appropriate. *(For possible action)***

DOCUMENT(S) SUBMITTED:
- Kaufman Hall Order Form

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

**ITEM NO. 17 Approve the Purchaser Specific Agreement and Outlook Services Work Scope Agreement between Airgas USA, LLC and University Medical Center of Southern Nevada for Medical Cylinder Gases and Inventory Control Management; and take action as deemed appropriate. *(For possible action)***

DOCUMENT(S) SUBMITTED:
- Purchaser Specific Agreement
- Letter Re: Request for competitive bidding Information from HealthTrust
- Disclosure of Ownership

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

**ITEM NO. 18** **Approve the six month extension of BID No. 2012-04, Laundry Management and Distribution Services; and authorize the Chief Executive Officer to sign the letter of extension; and take action as deemed appropriate. *(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- Letter: Notice of Option to Extend Bid

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

**ITEM NO. 19** **Approve the award of RFP No. 2016-18 Computer Assisted Surgical Navigation System to Medtronic USA, Inc. ("Medtronic"); and take action as deemed appropriate. *(For possible action)***

DOCUMENT(S) SUBMITTED**:**
- Medtronic redacted price list
- Letter: Notice of Award
- Medtronic Master Terms and Conditions
- Business Associate Agreement
- Disclosure of Ownership

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

**ITEM NO. 20** **Approve On the Job Training (OJT) Master Contracts between ResCare Workforce Services and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)***

DOCUMENT SUBMITTED:
- Contract FY17 and FY18
- ResCare DOO
- Workforce DOO
- Addendum, General Policies, Assessment, Forms

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

**ITEM NO. 21** **Approve the Purchasing Agreement with HealthTrust Purchasing Group, NuVasive Inc. and University Medical Center of Southern Nevada ("UMC"); and take action as deemed appropriate. *(For possible action)***

DOCUMENT SUBMITTED:
- Purchasing Agreement
- DOO

FINAL ACTION: A motion was made by Member Saltman 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 asked for an update with where things stand with the Medical District and Mr. VanHouweling said he would ask Scott Adam if he was available for the May meeting to provide an update.

Member Raney asked if Scott could also cover the tax credit for this market.

## COMMENTS BY THE GENERAL PUBLIC:

A period devoted to comments by the general public about matters relevant to the Board's jurisdiction will be held. No action may be taken on a matter not listed on the posted agenda. Comments will be limited to three minutes. Please step up to the speaker's podium, clearly state your name and address and please ***spell*** your last name for the record.

None

There being no further business to come before the Board at this time, at the hour of 4:07 p.m. Chair O'Reilly adjourned the meeting.

Minutes Prepared by: Terra Lovelin
APPROVED: May 24, 2017