

University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
January 21, 2026

Emerald Conference Room
Delta Point Building, 1st Floor
901 Rancho Lane
Las Vegas, Clark County, Nevada

The University Medical Center Governing Board Audit and Finance Committee met at the location and date above at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:00 p.m. by Chair Harry Hagerty and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:

Harry Hagerty, Chair
Bill Noonan
Mary Lynn Palenik (via Teams)
Christian Haase (via Teams)

Absent:

None

Others Present:

Jennifer Wakem, Chief Financial Officer
Deb Fox, Chief Nursing Officer
Kendrick Russell, Chief Human Resources Officer
Doug Metzger, Controller
Bud Shawl, Executive Director, Continuum of Care
Susan Pitz, General Counsel
Lia Allen, Assistant General Counsel - Contracts
Stephanie Ceccarelli, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair Caspersen asked if there were any public comments 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 Audit and Finance Committee meeting on December 10, 2025. (For possible action)

A motion was made by Member Noonan to approve the minutes as presented. Motion carried by a majority vote.

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

A motion was made by Member Noonan to approve the agenda as presented.
Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive monthly and year-to-date financial report for November and December FY26; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:

- October FY26 Financial Report

DISCUSSION:

Jennifer Wakem, Chief Financial Officer, presented the financials for November and December.

An abbreviated review of the November FY26 financials was presented. Admissions were below budget 6%, observation cases were approximately 10% below budget and AADC was slightly above budget. The average length of stay was 5.29; hospital CMI was 1.81, and Medicare CMI was 2.01.

Inpatient surgeries were 17 cases below budget, and outpatient surgery cases were 48 cases below budget. There were 15 transplants and 8,998 ER visits. The ED overall conversion rate was approximately 21.8%.

Quick and primary care declined slightly, and telehealth had 361 visits. Outpatient Orthopedic Clinic volume exceeded budget by 379 cases and there were 126 deliveries. The Crisis Stabilization Clinic had 155 visits, and the OP Infusion Clinic saw 430 patients.

The November income statement showed net patient revenue was below budget \$3.1 million, other revenue was under budget \$673k. Operating revenue was below budget \$3.7 million and operating expenses was down \$5.1 million. EBITDA was \$2.9 million on a budget of \$1.2 million.

Chair Hagerty asked whether the operating expenses were down due to below-budget revenue or to other factors unrelated to volume. This was due to supplies, 340B revenue, and surgery volumes.

Next, the financials for December were presented.

Admissions were 63 cases below budget. Observation cases were down 36, and AADC was up slightly. Length of stay decreased to 5.39. Hospital and Medicare acuity were significantly below budget at 1.74. Ms. Wakem explained the calculations for inpatient cases and DRG coding. There was continued discussion about what can be done to improve this statistic and the cause of the decline in specific surgical procedures. Ms. Wakem also discussed initiatives to focus on and improve physician documentation.

Inpatient surgeries were below budget. Outpatient surgeries were down slightly. Ms. Wakem explained the difference in reimbursement for inpatient

surgeries as compared to outpatient surgeries. Chair Hagerty inquired about the costs. Ms. Wakem explained that the cost is less with outpatient surgeries.

There were 14 transplants in the month. ER visits were 5.37% below budget; the key driver was pediatrics. The overall ER conversion rate was 22.8%.

Quick cares were down over 4K cases. The locations that were the key drivers were Blue Diamond, Centennial and Summerlin. Ms. Wakem noted increased competition in those areas.

The Committee asked whether anything could be done to reduce costs. Ms. Wakem noted strategies being implemented to reduce costs and increase volumes. A discussion ensued regarding the potential advantages of a 24-hour quick care location.

Telehealth had 434 visits for the month, Ortho Clinic visits were 469 cases above budget, and deliveries were 114. The Crisis Stabilization Clinic (CSC) saw 128 visits. Discussions have been held with the County regarding increasing the volumes at the CSC. Mr. Shawl commented on the challenges EMS and Metro taking patients to the CSC and opportunities that have been discussed to improve volumes.

The OP Infusion Clinic saw 438 patients.

In trended stats, there were 108 admissions over the 12-month average. ADC was up slightly. ALOS was 5.39, which was below the 12-month average. Hospital and Medicare CMI were down.

Inpatient surgeries were down and outpatient cases were up slightly. There were 14 transplants. ER visits were up. The conversion rate to inpatient was 16%, and the ED to obs conversion rate was 6.5%.

Quick cares had 18K visits and primary care were below the 12-month average. The Ortho Clinic had a record high of visits.

Mr. Shawl added, regarding the CSC, there was an improvement in volumes and that the center actually saw over 200 patients. A conversation ensued regarding meetings scheduled with the county to discuss the issue. Ms. Wakem will continue to provide updates to the Committee.

Inpatient payor mix trends were compared to the 12-month average. All statistics were consistent with prior year, with the exception of self-pay, which was lower than the 12-month average. Payor mix by type and location were shown as informational.

Net patient revenue was \$6 million below budget. Ms. Wakem stated that supplemental payments are good; a high-level report out of the status of the supplemental payment program will be included in the slide deck at the next meeting for the benefit of the committee members. The new supplemental payment program will generate \$750k per month, but we are still waiting on CMS approval to the State.

Other revenue was down approximately \$1 million and 340B was offset by CSC losses. Total operating revenue was \$7 million below budget. Operating expenses were down \$6.6 million. EBITDA \$1.4 million on a budget of \$2.1 million, which was approximately \$713k below budget.

YTD income from operations showed net patient revenue was \$14.9 million below budget, and other revenue was \$4 million below budget. Total operating revenue was below budget \$18.9 million, and operating expenses were \$22.5 million below budget. EBITDA \$12 million, on a budget of \$10.3 million, which was approximately \$1.7 million over budget year to date.

Salaries were below budget \$5.6 million. Overtime was over budget 46%. Contract labor was on budget. All other expenses were below budget \$4 million. Purchased services were down.

Key financial indicators were reviewed for profitability, labor, liquidity, and cash collections. Profitability was in the red and labor was mostly in the green. Day's cash on hand was green with 70.4 days. Approximately \$42 million remains outstanding in supplemental payments. Ms. Wakem provide a brief explanation as to why the outstanding amount is so high. Cash collections were strong for the month.

Organizational goals were reviewed. Currently, three of the four goals are being met.

Finally, Ms. Wakem reviewed the cash flow statement and the FY25 balance sheet highlights.

FINAL ACTION TAKEN:
None

ITEM NO. 5 Receive an update report from the Chief Financial Officer; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:
- None

DISCUSSION:

Ms. Wakem provided the following updates:

HRSA Letter:
UMC is one of 65 hospital facilities selected for an audit of the 340B Program. HRSA, the Health Resources and Services Administration, oversees the 340B Program. The visit will be on January 26th.

BDO Single Audit Report:

Guidance has been received and the auditors will begin working on the single audit.

Chair Hagerty returned to discuss the HRSA audit. A brief discussion followed on how the team is monitoring the changes.

New Supplemental Payment Program:

The State must complete an application and submit it to CMS. Ms. Wakem noted challenges in assisting with the application process. The State has moved forward with the application without UMC input. We are awaiting approval.

A change in the vendor who calculates the data for the supplemental payments has also been a challenge. This has caused a delay in receiving older supplemental payments.

The 340B Rebate Pilot Program is in litigation and is now on pause.

2027 Budget Season:

Ms. Wakem reminded the Committee that the budget will begin building the budget for 2027. The strategic initiatives will be discussed at the February Strategic Planning meeting and will subsequently come before the Audit and Finance for run-rate calculations. Ms. Wakem suggested bringing financial data before the Strategy Committee for discussion.

Lastly, Chair Hagerty called for suggestions on modifying the format and data in the financial presentation at the Committee.

FINAL ACTION TAKEN:

None taken

- ITEM NO. 6 Review and recommend for ratification by the Governing Board, the Multispecialty Group Participation Agreement and Provider Incentive Program Amendment with P3 Health Partners-Nevada, LLC for Managed Care Services; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Incentive Program Amendment - Redacted
- Multi-Specialty Agreement – Redacted
- Disclosure of Ownership

DISCUSSION:

This request is for ratification of a new Multispecialty Group Participation Agreement and the Provider Incentive Program amendment for a new two-year term. This agreement includes a PCP payment. The incentive payment agreement for 2025 is included.

The Committee inquired as to why Agenda Items 6-12 were all ratifications. Ms. Allen explained the end of the year push by the payors for finalization of the managed care agreements.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to ratify the agreement and amendment and make a recommendation to the Governing Board to ratify the agreement and the amendment. Motion carried by unanimous vote.

ITEM NO. 7 Review and recommend for ratification by the Governing Board the Ancillary Provider Participation Agreement and the Facility Participation Agreement with United Healthcare Insurance Company for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Ancillary Urgent Care Agreement
- Facility Agreement
- Disclosure of Ownership

DISCUSSION:

These new agreements cover urgent care billing and hospital care services. The term of the agreements are for 3 years. Ratification was necessary as the agreements were retroactively effective as of November 1st and immediate execution ensured they were loaded in UHC's internal systems.

Member Noonan asked if these agreements mirror other agreements. Ms. Carol, Director of Managed Care, responded that each managed care organization has their own contractual agreement. Although the agreements may have similar language, each agreement is different conceptually.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to ratify the agreements and to make a recommendation to the Governing Board to ratify the agreements. Motion carried by unanimous vote.

ITEM NO. 8 Review and recommend for ratification by the Governing Board, the Amendment Six to Participating Facility Agreement with SelectHealth, Inc. and SelectHealth Benefit Assurance, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Facility Agreement – Amendment 6
- Disclosure of Ownership

DISCUSSION:

This amendment deletes and replaces the compensation schedules in the agreement, which increases the reimbursement rates specified in the new compensation schedule.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to ratify the agreement and to make a recommendation to the Governing Board to ratify the agreement. Motion carried by unanimous vote.

ITEM NO. 9 Review and recommend for ratification by the Governing Board Amendment One to the Memorandum of Understanding with SCAN Health Plan Nevada for Managed Care Services, or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Amendment to MOU
- Disclosure of Ownership

DISCUSSION:

This amendment extends the term of the agreement for an additional year while a new agreement is negotiated and also updates the reimbursement rates.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to ratify the amendment and to make a recommendation to the Governing Board to ratify the amendment. Motion carried by unanimous vote.

ITEM NO. 10 Review and recommend for ratification by the Governing Board Amendment One to the Memorandum of Understanding with SCAN Health Plan Nevada for Managed Care Services, or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Hospital Participation Agreement – Amendment 2
- Hospital Participation Agreement – Amendment 3
- Disclosure of Ownership

DISCUSSION:

Amendment 2 extends the term of the agreement through the end of December 2028, and Amendment 3 adds new Medicaid rates to the agreement.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to ratify the amendments and to make a recommendation to the Governing Board to ratify the amendments. Motion carried by unanimous vote.

ITEM NO. 11 Review and recommend for ratification by the Governing Board the Eighth Amendment to Provider Services Agreement and Tenth Amendment to the Memorandum of Understanding with Intermountain IPA, LLC for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Amendment 8
- Amendment 10

- Disclosure of Ownership

DISCUSSION:

This 8th amendment adds the HMO, PPO, and commercial rates to the agreement.

The 10th amendment to the MOU adds the Anthem BCBS Medicare Advantage HMO effective January 1, 2026.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to ratify the amendments and to make a recommendation to the Governing Board to ratify the amendments. Motion carried by unanimous vote.

ITEM NO. 12 Review and recommend for ratification by the Governing Board, the Combined Services Agreement and Amendment with Molina Healthcare of Nevada, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Combined Services Agreement – Redacted
- Value Based Payment Programs Amendment - Redacted
- Disclosure of Ownership

DISCUSSION:

The agreement and amendment replaces the previous agreement for a new 1-year term. The amendment realizes a value-based incentive program.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to ratify the agreement and amendment and to make a recommendation to the Governing Board to ratify the agreement and amendment. Motion carried by unanimous vote.

ITEM NO. 13 Review and recommend for approval by the Governing Board Amendment Two to the Provider Group Services Agreement with Optum Health Networks, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Provider Services Agreement – Amendment 2 - Redacted
- Disclosure of Ownership

DISCUSSION:

This amendment will add a quality incentive program to the agreement and allows UMC to realize incentive payments for 2025.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to approve the amendment and to make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

ITEM NO. 14 Review and recommend for approval by the Governing Board the Blue Distinction Centers for Transplants Participation Agreement and Letter of Agreement with Anthem Blue Cross and Blue Shield Nevada for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Letter of Agreement
- Participation Agreement
- Disclosure of Ownership

DISCUSSION:

This is a request for a new agreement for kidney and pancreas transplant. The second request is for a letter of agreement to participate in the Behavioral Health Emergency Department Incentive Program.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to approve the agreements and to make a recommendation to the Governing Board to approve the agreements. Motion carried by unanimous vote.

ITEM NO. 15 Review and recommend for approval by the Governing Board the Institutional Provider Agreement with Evernorth Behavioral Health, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Provider Agreement - Redacted
- Disclosure of Ownership

DISCUSSION:

This is a new agreement with a 2-year term. This will allow UMC to realize payments for services provided at the Crisis Stabilization Center.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to approve the agreement and to make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

ITEM NO. 16 Review and recommend for award by the Governing Board, the Bid No. 2025-11, UMC Quick Care Build Out 2100 W Charleston Project, PWP# CL-2026-111, to Monument Construction, the lowest responsive and responsible bidder, contingent upon submission of the required bonds and insurance; authorize the Chief Executive Officer to execute change orders within his delegation of authority; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- ITB 2025-11 - UMC QC Build Out 2100 W Charleston Agreement

- Disclosure of Ownership

DISCUSSION:

In November, a request for bid proposals was published for improvements to the building located at 2100 W Charleston Blvd., the former CVS building. This will be used as a 24/7 Quick Care location. The scope of the project includes but is not limited to, the demolition and addition of walls and finishes, and upgrades to the HVAC rooftop units. The scope further includes mechanical, electrical, and plumbing alterations.

There were 7 submissions received. Staff recommends award of the bid to Monument Construction as the lowest responsive and responsible bidder. The project will take approximately 6 months to complete, and termination is at any time upon notice.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to approve the award of bid and to make a recommendation to the Governing Board to approve the award of bid. Motion carried by unanimous vote.

- ITEM NO. 17 Review and recommend for award by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Bid No. 2025-07, UMC 7 Story Tower & Trauma Building Elevator Modernization Project, PWP# CL-2026-102, to Monument Construction, the lowest responsive and responsible bidder, contingent upon submission of the required bonds and insurance; authorize the Chief Executive Officer to execute change orders within his delegation of authority; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- ITB 2025-07 - UMC 7 Story Tower & Trauma Elevator Project Agreement
- Disclosure of Ownership

DISCUSSION:

In October, a notice for bid proposals was published. There were 5 submissions were received. Initially Monument Construction was the lowest bidder. UMC sought additional information from both Monument and Monument's elevator subcontractor, to assess their qualifications to undertake the work specified in the bid. Based on the information provided, UMC determined that Monument's elevator subcontractor did not possess the requisite qualifications. UMC formally requested a substitution in accordance with NRS 338.141(5)(a).

Monument provided revised bid documents, substituting its elevator subcontractor. After the subcontractor substitution, Monument Construction remained the lowest responsive and responsible bidder.

Staff requests the award of bid to Monument Construction. The term of the is approximately 18-months. The project includes modernization of elevators within the 7 Story Tower and trauma building of the main campus to meet

current safety standards. This project does not include the addition of elevators. Discussion continued regarding the scope of the project.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to approve the award of bid and to make a recommendation to the Board of Hospital Trustees to approve the award of bid. Motion carried by unanimous vote.

SECTION 3: EMERGING ISSUES

ITEM NO. 18 Identify emerging issues to be addressed by staff or by the Audit and Finance Committee at future meetings; and direct staff accordingly. (*For possible action*)

Possible changes to the financial reporting slide deck.

At this time, Chair Hagerty asked if there were any public comment to be heard on any items not listed on the posted agenda.

COMMENTS BY THE GENERAL PUBLIC:

SPEAKERS(S): None

FINAL ACTION TAKEN:

At the hour of 3:08 p.m., the meeting was adjourned.

MINUTES APPROVED: February 18, 2026
Minutes Prepared by: Stephanie Ceccarelli