

**University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
January 22, 2025**

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
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 Robyn Caspersen and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:

Robyn Caspersen
Dr. Donald Mackay
Harry Hagerty (via WebEx)
Mary Lynn Palenik (via WebEx)
Christian Haase (via WebEx)

Absent:

None

Others Present:

Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Deb Fox, Chief Nursing Officer
Doug Metzger, Controller
Christopher Jones, Executive Director of Support Services
Kimberly Carroll, Director of Managed Care
Kayla Hillegass, Business Development Officer
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 4, 2024. (For possible action)

FINAL ACTION:

A motion was made by Member Mackay that the minutes be approved as presented. Motion carried by unanimous vote.

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

FINAL ACTION:

A motion was made by Member Mackay that the agenda be approved as presented. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive a report on the status of the Façade Project from Shana Tello, UMC Academic and External Affairs Administrator; and direct staff accordingly (*For possible action*)

DOCUMENTS SUBMITTED:

- PowerPoint Presentation

DISCUSSION:

Shana Tello, UMC Academic and External Affairs Administrator, provided an update on the ReVITALize Façade project.

Ms. Tello provided a brief review of the phasing plan and project completion for FY23, FY24, and FY25, as well as the percentage of completion by building and the site plan progress to date. Images were shown of the building exterior prior to the improvements.

As of January 2025, the capital spend remaining is approximately \$7.4 million. Risk mitigation items include the closure of the main entrance, IT fiber coordination, additional signage, hospital access for ambulatory patients, and city road work on Tonapah and Wellness, which includes road construction challenges.

The project is approximately 87% complete. Areas that have been completed include the Shadow Lane entrance, the main hospital entrance, the trauma building, the 2040 building, and the café patio. Slides highlighting the progress and more before-and-after images around campus were displayed. Construction is scheduled to be completed in June 2025, and the project will close out in October 2025.

Member Hagerty asked about the healing gardens and the procedures regarding access and security. Ms. Tello responded that policies regarding using and accessing the gardens will be in place.

A discussion ensued regarding parking garage cameras, landscaping, and a timeline for final closeout payments.

FINAL ACTION TAKEN:

None taken

ITEM NO. 5 Receive the monthly financial reports for November FY25 and December FY25; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:

- November FY25 and December FY25 Financials

DISCUSSION:

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

An abbreviated review of the November FY25 financials was presented. Admissions were 7.5% below budget, and AADC was 548. The average length of stay was 5.90; hospital CMI was 1.84, and Medicare CMI was 1.99.

Inpatient surgeries were 11% below budget, and outpatient surgery cases exceeded budget by 5.6%. There were 15 transplants and 8,907 ER visits. The ED overall conversion rate was approximately 21.78%.

Quick and primary care declined slightly, and telehealth visits decreased by 17%. Outpatient Orthopedic Clinic volume was 2,134, and there were 110 deliveries.

The November income statement showed net patient revenue was below budget \$68k, other revenue was over \$980k. Operating expenses exceeded the budget by \$970k. Total income from operations was \$3.3 million on a budget of \$3 million.

Next, the financials for December were presented.

Admissions were 5% over budget, and AADC was 586. Length of stay decreased to 5.62. Hospital acuity was 1.77, and Medicare CMI was 1.91. Inpatient surgeries were 8% below budget. Outpatient surgeries were 2.5% above budget.

There were 17 transplants in the month.

ER visits surpassed 10k cases, a record high, 8% above budget. The overall ER conversion rate was 20.47%. A discussion ensued regarding initiatives in place to improve conversion percentages.

Quick cares were 327 cases over budget, and primary care was significantly over budget by 22%.

Telehealth had 540 visits for the month, Ortho Clinic visits were 12% above budget, and deliveries were 106. A discussion ensued regarding the performance of the telehealth visits and trends contributing to a decrease in telehealth volumes.

In trended stats, admissions were at a record high. Observation cases were 742 cases. ALOS was 5.62, which was the lowest since August. The length of stay for observation cases was at 1.03 days, which was a record low.

ER visits were at a record high. The conversion rate to inpatient was 13.56%, and the ED to obs conversion rate was 6.91%. Quick cares were at a record high at over 21,820. The Ortho Clinic had a record high of 2,458 visits. Mr. Marinello commented on the benefits of employing hospitalists and screeners.

Inpatient payor mix trends were compared to the 12-month average. Ms. Wakem introduced a new slide, highlighting the payor mix trends by patient type, as well as quick care and primary care locations. These statistics will be presented to the Committee periodically moving forward.

Net patient revenue was \$600k over budget, and other revenue was \$571k over budget. Total operating revenue was \$1.2 million over budget, and the net to patient gross was 18%. Operating expenses were above budget, at \$457k. Income from operations before depreciation and amortization showed earnings of \$3.7 million on a budget of \$3 million, which was approximately \$679k above budget.

YTD income from operations showed net patient revenue was \$11.2 million over budget, and other revenue was \$7.2 million above budget. Total operating revenue exceeded budget \$18.4 million, and operating expenses were \$25 million above budget. Total operating expenses before depreciation and amortization were \$11.9 million, on a budget of \$18.5 million, which was approximately \$6.6 million below budget year to date.

Salaries were on budget. Overtime was below budget \$811k. Contract labor was above budget \$200k. All other expenses were above budget \$423k. There was a brief discussion regarding out-of-period rental expenses.

Key financial indicators were reviewed for profitability, labor, liquidity and cash collections. Profitability and labor were mostly in the green. Day's cash on hand was in the red with 37.6 days. Cash collections were strong for the month. Cash collections point of service was at 98%.

Organizational goals were reviewed. Currently, two of the five goals are being met.

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

FINAL ACTION TAKEN:

None taken.

ITEM NO. 6 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:

- A projection of the year-end budgeted earnings. Ms. Wakem anticipates that we will make budget. Opportunities to improve efficiencies in the OR and ambulatory locations were shared.
- The legislative session will begin in February.
- The FY26 budget process is about to begin. The timeline for the budget process was reviewed with the committee.
- The new Strata software system will be used in the next budget cycle.

FINAL ACTION TAKEN:

None taken

ITEM NO. 7 Review and recommend for ratification by the Governing Board the Amendment to the Hospital Services Agreement with Aetna Health, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Preferred Provider Agreements - Amendment 2
- Disclosure of Ownership

DISCUSSION:

This is a request for ratification of the amendment for transplant services. The amendment will update the compensation schedule and extend the expiration date for transplant services to December 31, 2027. Ratification was necessary, as there are members on the UMC Transplant waitlist, as well as members being evaluated for waitlist placement.

FINAL ACTION TAKEN:

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

ITEM NO. 8 Review and recommend for ratification by the Governing Board the Provider Services Agreement with Hometown Health Plan, Inc. and Hometown Health Providers Insurance Company, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Provider Service Agreement
- Disclosure of Ownership

DISCUSSION:

This is a new agreement with Hometown Health Plan. This new agreement will increase reimbursement rates for primary and urgent care services and to add rates of reimbursement for UMC emergency medicine, hospitalist, and all other hospital based physician services. The agreement needed to be entered into immediately so that physicians could be credentialed as soon as possible. The term of the agreement is for a 3-year term.

FINAL ACTION TAKEN:

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

- ITEM NO. 9 Review and recommend for approval by the Governing Board the Amendment to the Hospital Services Agreement with Health Direct Partners for Managed Care Services; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Amendment to Hospital Service Agreement
- Disclosure of Ownership

DISCUSSION:

This amendment will add a new exhibit to the current agreement, and will incorporate compensation for covered services to Medicaid Members.

FINAL ACTION TAKEN:

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

- ITEM NO. 10 Review and recommend for award by the Governing Board the Dialysis Products Purchase Agreement with Vantive US Healthcare, LLCs; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Dialysis Products Purchase Agreement
- Disclosure of Ownership

DISCUSSION:

This agreement will lock in pricing for five years and allow the vendor to provide dialysis products for use with patients with kidney illnesses. The agreement may be terminated at any time upon 60 days' notice.

FINAL ACTION TAKEN:

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

ITEM NO. 11 Review and recommend for approval by the Governing Board the Purchaser-Specific Agreement and Addendum with CyraCom, LLC for Interpretation and Translation Services; authorize the Chief Executive Officer to exercise any renewal options; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Purchaser Specific Agreement
- Addendum
- Disclosure of Ownership

DISCUSSION:

This request is to enter into a new service agreement with the vendor to provide translation and interpretation services, both via video and onsite, if needed. This is an HPG vendor. The term is three years, with two one-year options for renewal.

FINAL ACTION TAKEN:

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

ITEM NO. 12 Review and recommend for award by the Governing Board the Bid No. 2024-16, UMC 5409 E Lake Mead Blvd Remodel Project PWP# CL-2025-183, 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 2024-16 - UMC 5409 E Lake Mead Remodel Pro
- Disclosure of Ownership

DISCUSSION:

A bid was published in December soliciting proposals for improvements to the UMC-operated building, which is intended to be a crisis stabilization unit, located at 5409 E Lake Mead, Las Vegas, NV 89156. Three responses were received. We request the bid be awarded to Monument Construction, the lowest responsive bidder, who will provide all tenant improvements to the property.

Member Hagerty asked why UMC would enter into a contract for construction services, as the understanding was that this is a county property initiative that UMC would manage. Ms. Allen clarified that, although this is a county property, UMC would still do the bidding process and construction, but UMC will be reimbursed.

FINAL ACTION TAKEN:

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

ITEM NO. 13 Review and recommend for approval by the Governing Board the Order Form with CarePort Health, LLC for CarePort Transition implementation and subscription services; authorize the Chief Executive Officer to execute the extension options and future amendments within his yearly delegation of authority; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Order Form
- Disclosure of Ownership

DISCUSSION:

This new Order Form with CarePort will replace and upgrade the current platform and streamline the management of post-acute referrals and discharge planning, thereby improving efficiency in patient care transition, referrals, and monitoring patient length of stay at the hospital. The project implementation is estimated to take 4 months to complete. The term of the agreement is for three years.

FINAL ACTION TAKEN:

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

SECTION 3: EMERGING ISSUES

ITEM NO. 14 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)

- The meeting date for the April meeting was changed to April 23rd.

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

COMMENTS BY THE GENERAL PUBLIC:

SPEAKERS(S): None

There being no further business to come before the Committee at this time, at 3:04 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: February 19, 2025
Minutes Prepared by: Stephanie Ceccarelli