University Medical Center of Southern Nevada
Governing Board Strategic Planning Committee
June 13, 2024

UMC Providence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Thursday, June 13, 2024
9:00 a.m.

The University Medical Center Governing Board Strategic Planning Committee met at the time and location listed above. The meeting was called to order at the hour of 9:00 a.m. by Chair Hagerty and the following members were present, which constituted a quorum of the members thereof:

CALL TO ORDER

Board Members:

Present:
Harry Hagerty, Chair
Dr. Don Mackay
Robyn Caspersen
Renee Franklin (Via WebEx)
Mary Lynn Palenik (Via WebEx)

Absent:
Chris Haase (Excused)

Also Present:
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Chris Jones, Executive Director of Support Services
Ron Roemer, Director of Clinical Trials Research and Compliance
Shana Tello, Academic and External Affairs Administrator
Jessica Dragna, Academic Affiliation Analyst
Maria Sexton, Chief Information Officer
Susan Pitz, General Counsel
Stephanie Ceccarelli, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Chair Hagerty asked if there were any persons present in the audience wishing to be heard on any item on this agenda. No such comments were heard.

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Strategic Planning Committee meeting on May 2, 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 recommended. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive an update regarding the clinical trials from Ron Roemer, Director of Clinical Trials Research and Compliance; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- Service Line Update

DISCUSSION:

Ron Roemer, Director of Clinical Trials Research and Compliance, reviewed the clinical trials structure and research benefits at UMC.

Mr. Roemer explained the research structure, which includes the Principal Investigator (PI), the institution, engagement and the funded research being conducted.

Chair Hagerty asked who owns the data that comes from a clinical trial study. Mr. Roemer responded that the sponsor owns the data. This means that although UMC may be involved in doing the study, the data ultimately belongs to the sponsor.

Investigator types include employed physicians, contracted employees, privileged employees and UNLV affiliated staff members.

Funding sources come from Industry, Federal, Not-For-Profit, and Investigator Initiated. Grant charges range from 30% - 55% depending on the type of study to support the research. Non-profits charge 10%. Investigator initiated protocols are written by the investigator and is the responsibility of the investigator, not the patient or UMC.

Mr. Roemer explained the benefits of research, which includes reimbursements, incremental business, reputation of the facility, as well as patient access to physicians, which is at no cost to patients and readmission rates are reduced. The discussion continued regarding achieving Center of Excellence status by driving research through clinical trials and attracting specialty physicians.

In recent years, CMS has assumed costs for routine care in research. UMC conducts a reimbursement analysis to determine whether services are paid by Medicare/Medicaid or the sponsor. Budget development comes from the reimbursement analysis and the budget is then negotiated and finalized. Patients are not billed for research procedures. Mr. Roemer reviewed an example of the prospective reimbursement analysis and budget development process related to establishing clinical trials.

Mr. Roemer provided a review of the regulations and compliance associated in performing clinical trials, which includes the Sunshine Act, obtaining a National Clinical Trial Number, CMS Clinical Trial Policy, Stark and Anti-Kickback laws and False Claims Act. He noted there could be hefty fines for non-compliance.

A discussion ensued regarding the clinical and financial benefits of performing clinical trials.

Chairman Hagerty asked if there is a particular service line at UMC that could be a focus for clinical trials. Ms. Roemer responded that the service lines that could provide clinical trial opportunities would be in oncology, cardiology, orthopedics, as well as in the quick care and primary care clinic settings. There was continued discussion regarding establishing more clinical trial opportunities at UMC.

FINAL ACTION TAKEN:

None taken.

ITEM NO. 5 Receive an update regarding Medical District progress; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
-PowerPoint Presentation

DISCUSSION:

Next, Ms. Jessika Dragna, Academic Affiliation Analyst, provided a high level update on the recent activities in the Medical District and UMC's continued leading role in the growth of the Medical District.

Current operating facilities, as well as those in future development, including multi-family housing, hotels, restaurants and more were discussed. UMC attends stakeholder meetings regularly to provide input for new services.

The Las Vegas Medical District is in the process of creating the following projects:

- Southern Nevada's first and only Bioscience Incubator Lab,
- a Civic Plaza Project – Class A office and retail development featuring office space and state of the art technology, and
- Let's Go Maryland Parkway transportation project, which will provide a more efficient bus transit route between the airport and the Las Vegas Medical District. UMC has been involved in route planning and coordination of the bus stops. Expected completion of the transit project is in the fall of 2026.
- The Las Vegas 2050 Master Plan for the Charleston area will address a wide range of topics including housing, parks, amenities, transit, jobs and education. This plan will guide growth in the area for the next 25 years. UMC has been involved in key discussions regarding this project focusing on a life that is equitable, resilient, healthy, livable and innovative to improve quality of life for all residents.

The Las Vegas Medical District Public Art Plan aims to create a connection between the city of Las Vegas and the downtown medical health care community. There are two projects near Wellness Way and the Charleston Underpass that

have been completed or are currently in process. There are 4 more art projects coming soon to the area, which will include a combination of murals, sculptures and signage. These projects will be in the area of Rancho Gateway, Pahor Drive, Wellness Way Gateway and Shadow Lane.

Next, Ms. Dragna provided legislative updates. UMC is a part of the Las Vegas Legislative Committee. Focus areas for the legislative session include physician licensure, "Any Willing Provider" Law, Restrictive Covenants/Non-Competes for providers/physician and Licensure process for healthcare workers. UMC has been a part of the Children Mental Health Action Coalition to focus on mental health. Highlights from recent meetings were provided. Shana Tello provided public comment advocating for the children of Nevada.

The City has been a good partner with the progress in the District.

FINAL ACTION TAKEN:

None taken.

ITEM NO. 6 Receive a report regarding updated UMC 5-Year Financial Plan; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- PowerPoint Presentation

DISCUSSION:

Jennifer Wakem began the update on the 5-Year Financial Plan and reminded the Committee that this is an organizational goal for 2024. She explained what into creating the 5-year plan beginning with the budget for FY25, which is the base year and projections for the next 5-years.

Initiatives and assumptions were discussed. Ms. Wakem noted in supplemental payments that UMC opted out of DSH payments and switched to the Directed Payment program. These are projected out at the program level. She noted that the county will pay the IGTs. These fees will need to increase in FY26.

Initiatives and assumptions built into the budget that affect patient revenue include:

- New Rehab unit in FY26 with 28 beds
- $5M per year estimated Managed Care increase- better contracts
- New OP Pharmacy in FY26
- New Liver Transplant service in FY26
- New QC/PC opening each year starting in 2026

There was continued discussion regarding how the rehab service will affect length of stay and if the bed count is adequate. The goal of the rehab center is to keep patients within the UMC network. Ms. Wakem mentioned that the new director of Managed Care will be starting on Monday.

Chair Hagerty asked what lessons were learned from the quick care and primary care locations that have not met expectations. Mr. Marinello responded about the challenges that the team has experienced and lessons learned to not over promise and under deliver.

Next, the Committee reviewed the cost management moving forward which included the phase out of longevity payments to employees, depreciation of Epic implementation and the Nellis rent will go away.

Key indicators were presented as informational. Length of stay will be going up in FY26 due to the rehab patient stay.

The summary income statement showed an increase of gross and net patient revenue. Net patient revenue as a percent of gross is approximately 18%. Operating revenue will be over $1 billion starting in FY25. Earnings for the budget year is $38.7 million.

Chair Hagerty noted modest improvements in revenue and operating expense can have an impact on profit. Annually there should be a focus on the margin areas that deliver more revenue and less expense.

The cash flow statement shows cash should remain steady. The County will continue to provide $5 million in capital subsidy.

Capital plan was next broken down year over year. The total for FY25 is $76 million. A discussion continued regarding the strategic plans for the round in the south towers and the replacement of rooms. There is continued discussion regarding future building plans, to include a parking garage and additional rooms.

Member Caspersen asked if modernization capital costs are included into the budget. Mr. Marinello responded that the costs are included. There was continued discussion regarding ongoing facilities modernization, capital costs and financing.

Chair Hagerty asked what the process is for the 5-year plan. The hope is that this becomes the roadmap of growth for the organization. The committee would like to review updates to the 5-year plan semi-annually as a tool, and to encourage staff to be proactive and monitor changes regularly.

FINAL ACTION TAKEN:

No action taken

ITEM NO. 7 **Receive an update on the FY25 Proposed Organizational Performance Goals related to the UMC Governing Board Strategic Planning Committee; and direct staff accordingly. *(For possible action)***

DOCUMENT SUBMITTED:
- PowerPoint Presentation

1. **Continue to deliver improved clinical and financial outcomes in the existing 5 service lines.**

2. **Develop business plan and Proforma for the expansion of 4th and 5th floor trauma building, to include specialty services for continuity of care**
3. **Continue to play a leading role in the development of the Las Vegas Medical District**
4. **Enhance Strategic Initiatives in furtherance of the Academic Health Center**
5. **Expand physician employment to eliminate costly PSA coverage contracts**
6. **Achieve Comprehensive Stroke Certification**

The discussion began by determining which goals would be related to strategy and which are financial or operational. Chair Hagerty suggested items related to physician employment contracts are not necessary strategic.

Continue to deliver improved clinical and financial outcomes in the existing 5 service lines would be consistent with the focus of the committee.

The medical district initiative will continue without having it as a strategic priority.

Chair Hagerty would like to see fewer, but more impactful goals and suggests keeping goals 1, 2, 4 and 6 from the above list. The other two goals mentioned would continue to be a priority and should be discussed regularly.

Member Franklin agrees stroke is important from a strategic standpoint, but was not sure if it is just the certification or something else we would strive for.

Chair Hagerty responded that the goal is to be to reach Center of Excellence certification. Mr. Marinello added that the next target level is the Comprehensive Stroke level from the Joint Commission. The goal would be to achieve the highest level.

The wording should be continue on the path by achieving comprehensive stroke certification.

Member Palenik asked if there are qualifiers to achieve this goal.

The team will refine the language of the goals and circulate them to the committee members.

The Committee is in agreement with the four goals as presented subject with finalized language:

1. **Continue to deliver improved clinical and financial outcomes in the existing 5 service lines.**
2. **Develop business plan and Proforma for the expansion of 4th and 5th floor trauma building, to include specialty services for continuity of care**
3. **Enhance Strategic Initiatives in furtherance of the Academic Health Center**
4. **Achieve Comprehensive Stroke Certification *(subject to change in wording)***

FINAL ACTION: A motion was made by Chair Hagerty that the goals be approved as presented, subject to the finalization of the language of the goals. Motion carried by unanimous vote.

SECTION 3: EMERGING ISSUES

ITEM NO. 9 Identify emerging issues to be addressed by staff or by the Board at future meetings; and direct staff accordingly. *(For possible action)*

DISCUSSION:

None

FINAL ACTION TAKEN:

No action taken

COMMENTS BY THE GENERAL PUBLIC:

Comments from the general public were called for. No such comments were heard.

At the hour of 10:34 a.m., the Committee adjourned.

APPROVED: August 15, 2024

MINUTES PREPARED BY: Stephanie Ceccarelli, Board Secretary