

**University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
June 20, 2024**

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 2:04 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
Jeff Ellis (via webex)
Mary Lynn Palenik (via webex)

Absent:

Christian Haase (Excused)

Others Present:

Mason Van Houweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Doug Metzger, Controller
Deb Fox, Chief Nursing Officer
Frederick Lippmann, Chief Medical Officer
Chris Jones, Executive Dir. Of Support Services
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 May 22, 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*)

Items 14 and 15 were removed from the agenda.

FINAL ACTION:

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive the monthly financial report for May FY24; and direct staff accordingly. (*For possible action*)

DOCUMENTS SUBMITTED:

- May FY24 Financials

DISCUSSION:

Jennifer Wakem, Chief Financial Officer presented the financials for the month of May.

Admissions were below budget 10%. There were 927 observation cases. AADC was 557. Length of stay was 6.22 Hospital acuity was 1.93 and Medicare CMI was 2.19. Inpatient surgeries were 12% below budget and outpatient surgeries were 15% above budget. ER visits were 14% below budget and there were 16 transplants for the month. ED to obs was at 22%. Quick care volume was down 16% and primary care was below budget. Ms. Wakem added that volumes were actually up when compared to prior year.

Ortho clinic volumes were 16% below budget. Deliveries were at 82 for the month.

Trended stats showed admissions were 34 higher than the 12-month average. LOS increased slightly. Inpatient surgeries were up 43 cases and outpatient cases were up by 95 cases. There were 16 implants. Quick care volumes were down due to the closure of the Rancho location. Primary care volumes continues to increase. A brief update was provided on the number of infectious disease cases in the valley.

Payor mix trended for inpatient showed an increase in Medicare and decrease in Medicaid. The ED statistics reflected a decrease in Medicaid, an increase in Medicare and self-pay was up 1%.

Inpatient surgical payor mix trends showed commercial up 1%, government went down 2% Medicaid dropped 1% and self-pay was up 2%. Outpatient

surgical cases were up 2% in commercial, Medicaid was down 4% and Medicare was up 2%.

Summary income statement showed net patient revenue was \$1.7 million above budget. Other revenue was above budget \$700K. Revenue was above budget \$2.4 million. Total operating revenue was \$3.2 million above budget, leaving us \$120K above budget for the month. The year to date income statement showed overall revenue was below budget \$2.5 million. Income statement trended was presented as informational.

Salaries, wages and benefits look good. Overtime was slightly over budget \$139K, but is being managed well. Contract labor is over budget \$1.5 million, primarily due to radiology, which was unbudgeted. There was continued discussion regarding challenges with radiology services and the eventual decrease in costs associated with radiology labor cost, as UMC is now employing radiologists.

Expenses for the month were approximately \$2.5 million over budget primarily due to supply costs.

Key financial indicators were reviewed in profitability, labor, liquidity and cash collections. Profitability was mostly in the green. Labor is in the red due to radiology. Liquidity and cash collections were in the green. Days cash on hand is in the green at over 3 months. Cash collections were strong for the month.

Cash flow statement for May shows \$64 million was received from patients and payors. Approximately \$12.1 million was received in supplemental payments and GME payments. There was continued discussion regarding process when delayed GME payments are received.

The balance sheet shows a slight decrease in cash from prior month.

A discussion ensued regarding the capital spending plan for FY24.

FINAL ACTION TAKEN:

None taken.

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

DOCUMENTS SUBMITTED:

- None

DISCUSSION:

1. An update was provided regarding the \$1.1 million Medicare Cost Report pickup received from 2019, which stems from a recent federal ruling on GME. A limit has been set on the number of years for funding residents.
2. DSH update – There are audits that are still outstanding. The FY2021 DSH audits will begin soon.

3. Introduced Kimberly Carroll as the new Director of Managed Care.
4. Proposed FY25 Operational goals were briefly reviewed. The following 5 goals were discussed:
 - Exceed fiscal year budgeted income from operations plus depreciation and amortization.
 - 4.5 day target for discharged to home ALOS. (FY24 YTD May was 4.45)
 - Final Phase of façade project on time on budget.
 - Emergency Severity Index (ESI) Level 4 & 5 LOS: Target 120 min, currently 180 min
 - Status accuracy for Obs in the ED: Target is 8.31%, currently 10.31%

Ms. Wakem proposed that the first three goals for FY24 would be carried over to FY25.

The team feels that there are opportunities for improvement with the average length of stay.

Chair Caspersen asked what the targeted amount should be for ALOS.

Member Hagerty commented that if ALOS to home is a goal, it should be added to the trended stats.

There was a discussion regarding the level 4 and 5 triage goal. Ms. Deb Fox, Chief Nursing Officer, explained the meaning behind the numeric hospital triage acute levels and how these compare to the wait times seen in telehealth. The Committee asked how the time listed in the goal could be reduced and measured. The Committee would also like to see more ED statistics related to this goal.

After brief discussion, the Committee suggested considering the following:

1. Exceed fiscal year budgeted income from operations plus depreciation and amortization.
2. Salaries Wages and Benefits, with a focus on managing labor utilization. Member Hagerty stated that this is our largest expense.
3. 4.5 day target for discharged to home ALOS. (FY24 YTD May was 4.45) - Reducing length of stay
4. Status accuracy for Obs in the ED: Target is 8.31%, currently 10.31%
5. First Case On Time Start

Member Caspersen suggested adding data for all of the goals to the trended stats so that they can be tracked.

The Committee will review the proposed goals at the July meeting.

Discussion continued regarding revenue per OR hour. The team will provide an update at a future meeting.

FINAL ACTION TAKEN:
None taken

ITEM NO. 6 **Review and recommend for approval by the Governing Board the Agreement to Provide Auditing Services with BDO USA, P.C.; authorize the Chief Executive Officer to exercise any extension options and execute future amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:
- Agreement to Provide Auditing Services

DISCUSSION:

New agreement with BDO USA. It is a 1-year term with four 1-year options to renew. They will provide auditing services for the next fiscal year, to include the financial statement audit and uniform guidance audit.

A discussion ensued regarding the costs related to the services provided by this vendor, as well as the risks and quality of the audit performed.

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. 7 **Review and recommend for approval by the Governing Board the Master Service Agreement with Clarity Healthcare Solutions, LLC d/b/a Brundage Workforce Solutions for Clinical Documentation Integrity Services; authorize the Chief Executive Officer to execute the extension options and future amendments within the not-to-exceed yearly amount of this Agreement; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:
- Master Service Agreement

DISCUSSION:

This company will provide clinical documentation services, reviewing medical record documentation, for completeness and accuracy, as well as provide staff training. This is a 1-year agreement with four 1-year options and a 30-day out clause.

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. 8 Review and recommend for approval by the Governing Board the Agreement with EV&A Architects for UMC’s elevator modernization project; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:

- Agreement for Elevator Modernization – Redacted
- Disclosure of Ownership

DISCUSSION:

EV&A will provide architectural services for the modernization of seven elevators across the UMC campus. The term of the agreement is one year from the effective date of the agreement. The scope of work will allow UMC to develop a comprehensive public solicitation summary.

Chair Caspersen asked if part of the modernization will includes the parking elevators. There was continued discussion regarding future projects with the elevators.

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. 9 Review and recommend for approval by the Governing Board the Primary Commitment Agreement and Exhibit D Commitment Acknowledgement with Medline Industries, Inc.; authorize the Chief Executive Officer to execute extension and amendments; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:

- Master and Reprocessing Agreement – Redacted
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

This is a primary purchasing agreement for the purchase of medical/surgical products. This has approved HPG pricing. The term is 1-year and four 1-year renewals and a 90-day out clause.

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. 10 Review and recommend for approval by the Governing Board the Agreement with Medline Industries, LP, for air blowers and related disposables; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Contract - Redacted
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

The vendor will provide ComfortGlide Air Blower equipment in the OR for use with related disposables. This allows staff to safely move and transfer patients and reduces the risk of injury to both the health professional and the patient. This is a three year agreement with two 1-year options for renewal not to exceed 2 years. Termination is upon written notice.

FINAL ACTION TAKEN:

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

ITEM NO. 11 Review and recommend for approval by the Governing Board the OEC C-Arm MiniView and 3D Imaging System Agreement with GE Healthcare; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Quotation Summary
- Disclosure of Ownership

DISCUSSION:

This is a purchase agreement with GE Healthcare for the purchase of three C-arm imaging systems in the radiology department. This will enable surgeons to capture clear and fast images in the surgical suite. Pricing is through HPG.

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. 12 Review and recommend for approval by the Governing Board the Laboratory Services Agreement and Patient Specimen Collection Services Agreement with Laboratory Corporation of America; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Laboratory Services Agreement

- Patient Specimen Collection Service
- Disclosure of Ownership

DISCUSSION:

LabCorp will serve as a reference lab to provide economic lab testing services. The vendor will also provide patient specimen collection services at clinic locations. This is a one-year agreement with termination at any time with 30-days written notice.

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. 13 Review and recommend for approval by the Governing Board the Contract Closing Reconciliation with Sound Physicians Emergency Medicine of Nevada (Bessler), PLLC; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:

- Closeout Acknowledgement

DISCUSSION:

The current agreement will terminate July 1st. This request is to approve the Contract Closing Reconciliation which closes out payment amounts due under Agreement.

FINAL ACTION TAKEN:

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

ITEM NO. 14 Review and recommend for approval by the Governing Board the First Amendment to Master Affiliation Agreement for Graduate Medical Education with the Board of Regents of the Nevada System of Higher Education on behalf of the Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:

- None

DISCUSSION:

This item was removed from the agenda.

FINAL ACTION TAKEN:

None

ITEM NO. 15 Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Fifth Amendment to Interlocal Medical Office Lease with the Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Las Vegas, Kirk Kerkorian School of Medicine for rentable space at the Lied Building located at 1524 Pinto Lane; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- None

DISCUSSION:

This item was removed from the agenda.

FINAL ACTION TAKEN:

None

SECTION 3: EMERGING ISSUES

ITEM NO. 16 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)

1. Receive an update from Tiffanie Fleming at a future meeting agenda for an update on ACO incentive payments in ambulatory.
2. Explore the valuation of how well the 5-year plan is capitalized and look for opportunities to work with the county for leverage.
3. Consider lessons learned from the Formula One Races last year and planning for future events.

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 the hour of 3:38 pm., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: July 24, 2024
Minutes Prepared by: Stephanie Ceccarelli