University Medical Center of Southern Nevada
Governing Board Strategic Planning Committee
June 7, 2023

UMC Providence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Thursday, June 7, 2023
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 (Via WebEx)
Renee Franklin (Via WebEx)
Christian Haase (Via WebEx)
Mary Lynn Palenik (Via WebEx)

Absent:
None

Also Present:
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Chris Jones, Executive Director of Support Services
Shana Tello, Academic and External Affairs Administrator
Dr. Frederick Lippmann, Chief Medical Officer
Dr. Marc Kahn, Dean of Kirk Kerkorian School of Medicine
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 April 6, 2022. *(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 a report regarding UMC Service Line Performance Overview; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- Service Line Update

DISCUSSION:

Mr. Marinello began the discussion regarding the service line. He commented that cost differences seen in the presentation were due to payments for anesthesia. He noted that there will also be a change to how supplemental payments will be presented moving forward.

Chris Jones next reviewed the Service Line Updates for general surgery, orthopedics, cardiology, oncology and ambulatory.

Inpatient service line payor mix was led by Medicaid, followed by Medicare. The percentage of cases were highest in general medicine, Children's Hospital and Women's services. The percentage by net revenue was led by general surgery at 22.8%, followed by general medicine at 21.47%, orthopedics at 11% and cardiac services at 10.4%.

All outpatient service lines are being led by Commercial, followed by Medicaid and Medicare. The number of cases and net revenue are being led by the quick care and primary care locations. A summary of the data from each service line was presented.

Although surgery has been impacted by anesthesia, volumes have increased in the 2nd and 3rd quarters by 23%. There was discussion regarding what volumes need to get to in order to overcome the cost increases. Management will provide this information at a future meeting.

In general surgery, volumes have been down year over year, total charges are up and net revenue is up. Costs are up 14% on a case by case basis and the contribution margin has dropped significantly. The first quarter of the new DSH supplemental payment has been received.

Transplant volumes, as well as costs are up, due to increased kidney costs. Mr. Marinello shared the operational updates, strategic next steps and the technology strategy. He highlighted the changes in First Case On-Time Start to improve the start times.

Orthopedics is doing very well. Year over year, volumes showed an increase of 14% volumes. Chair Hagerty asked how Ortho can overcome the anesthesia problem. Mr. Marinello responded that there were more rooms dedicated to Ortho due to the backlog.

There are many growth opportunities. The Orthopedic and Spine Institute has seen over 8,000 patients since November 1st. Ortho now has a dedicated call center that has been very successful, as well as the pilot program for a dedicated Case Manager. There was continued discussion regarding expansion opportunities.

There was a 2% overall increase in Medicare CMI. To date, there have been 69 procedures completed with the Rosa orthopedic robot and the Ortho Grid software has been used in approximately 138 cases. HPG met with key stakeholders to review current pricing compared to others and to develop a strategy to go back to vendors for better/fair pricing.

Volumes are up in cardiac services, cases are up 10% year over year. The contribution margin is up 32% on a case by case basis. The Cardiology Symposium was held on June 3rd and Dr. Anthony Marlon was honored at the Fellowship Graduation dinner. In revenue enhancement, TAVRs have been moved from the OR to the Cath Lab. Strategic next steps highlighted the kick off meeting for the new Cath Lab is June 14th, marketing for new minimally invasive CT surgery and bloodless medicine and development plans for a hybrid room for prep and recovery.

Chair Hagerty asked if we are working on getting appropriate reimbursement on EP. Ms. Wakem responded that this was addressed with the state, but was told it is not budgeted at this time.

Dr. Ali Namazi is now the new EP Clinical Director. Mr. Marinello added that the first Guardian Implant Procedure was done at UMC and this is the first in the state.

Primary care volumes and charges are good, but there is still a struggle in the contribution margin, due to delayed supplemental payments. Quick care volumes are good, although there was a slight decrease in the last quarter.

Ambulatory Yelp and Google scores have increased year over year. HCAHPS scores in Q1 improved in 90% of the categories. The UMC Primary Care at the Medical District is set to open in July 10th. This clinic will assist with post follow-up care and discharges from the hospital. Point-of-service collections have increased 3%. Strategic next steps were next reviewed, highlighting marketing campaigns, a virtual quick care model and school based clinics. The infusion clinic is scheduled to open July 1st.

The Children's Hospital volume has continued to increase year over year. Peds volume dropped slightly in the last quarter. Women's services volumes continue to climb. Charges and revenue are up; costs are up slightly and there is a positive contribution margin. Operational updates highlighted the re-certification as a Level

3 NICU, updates to the pediatric units, system updates to the security system and the Car Seat program with HLI. The discussion continued with revenue enhancements and strategic next steps.

Dean Kahn added the school is in the process of hiring a Chair of Ob/Gyn.

Ms. Wakem next provided a breakdown of the the new federal supplemental payment program and the affect it will have on the hospital's directed payment program.

Telehealth has had over 9,000 visits, 5 star reviews and 98% patient satisfaction. The average wait time is 7 minutes and visit duration is approximately 8 minutes. An upgrade for primary care was competed in March. Expense opportunities were listed. Telemedicine booths and development of Virtual First clinics were among the strategic future plans. Lastly, a slide of statistics for telehealth was shown.

FINAL ACTION TAKEN:

None taken.

ITEM NO. 5 Receive an update regarding pending real estate acquisitions; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
-PowerPoint Presentation

DISCUSSION:

Mr. Jones provided an update on the strategies regarding real estate properties acquisition.

The strategy has been to expand access to care within the Medical District and maintain UMC as one of the anchor tenants in the area. UMC has increased specialty services, planned opening of an outpatient pharmacy with 340B pricing, infusion clinic, primary care follow-up care clinic and outpatient surgery center. Physician employment in Ortho and Anesthesia has had positive results. Plans are in process to move non-clinical staff offsite. Discussion continued regarding the initiatives to eliminate lease expenses and the thought process behind this action.

A map of the properties of interest was shown. Mr. Jones provided an update on three properties:

1. 710 South Tonopah – This property has been purchased and is set to close on June 21st and will have office use for non-clinical services.
2. 820 Rancho Lane – An offer has been made and may be used for non-clinical staff to support UMC operations.
3. 2101 West Charleston Blvd. – This property would be used for parking for the main campus and Ortho Clinic staff.

A slide was shown of all UMC Quick Care and Primary Care locations. The Southern Highlands Quick Care property has been purchased and will expand service in the area.

There was continued discussion regarding the need of a Children's Hospital in the area. It was suggested that this be a topic for future discussion.

FINAL ACTION TAKEN:

None taken.

ITEM NO. 6 Receive an update regarding Medical District and Façade progress; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- PowerPoint Presentation

DISCUSSION:

Shana Tello provided a brief update on the progress with the Medical District and Façade projects.

A timeline and images of where we are with the façade project was shared with the Committee. Demolition has started at the Trauma building, the 7th story tower, removal of Trauma building signage, as well as the north visitor and employee parking lot. There are approximately 5 offsite parking locations that employees are able to use. Other construction updates for Phase 1 were discussed. Ms. Tello highlighted the IT Fiber project that is interfacing with the façade project. Potential funding updates were discussed. The project is on track.

Next, Ms. Tello provided a high level overview of the Medical District progress. The final consultant report has been received. A map depicting boundaries of the LVMD was shown, including the areas currently owned by LVMD stakeholders and additional areas where stakeholders believe there may be additional opportunity for healthcare services. A SWOT analysis was reviewed. There was brief discussion regarding the workforce housing and concerns about security and lighting in the area.

The migration trends assessment, which could determine the inpatient and outpatient service area gaps for residents within the Las Vegas city codes, was next reviewed. Ophthalmology, orthopedics, and cancer outpatient services are service lines of opportunity for the LVMD to keep care in the area. She added that only 30% of primary care is provided in the medical district and 66% is provided in the surrounding area, representing an opportunity to offer more services within the medical district. There was continued discussion regarding medical office and ambulatory surgery centers needs in the area.

The current capacity assessment for outpatient specialties was next discussed. A breakdown of the demographics and migration trends and service area gaps were reviewed.

Ms. Tello pointed out three strategic actions health systems are contemplating in the near term, intermediate term and long term. Telemedicine and virtual access is the way the future is headed for the generation. Challenges with office space and parking is an example of why we need to partner better within the medical district and share resources.

Lastly, the Committee briefly discussed upcoming projects in the medical district and the strategic alignment that has been established.

FINAL ACTION TAKEN:

No action taken

ITEM NO. 7 Receive an update regarding UMC/UNLV business strategy; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:

Dean Kahn commented on the priority areas that UMC and UNLV share.

He commented on three areas that the school is aligned with UMC. A proposal submitted during the legislative session was approved for additional funding, which will allow an increase in class size by hiring new faculty.

One area we should lead in the community is in stroke. With the additional funding, the desire is to hire national/international stroke expert and team. UMC and UNLV should be the leader in stroke care in the community.

The second priority would be an ambulatory surgery center and third would be an anesthesia residency program. He emphasized the need for an anesthesia training program and expand it with other area facilities. Initial priorities should be in cancer care and urology.

FINAL ACTION TAKEN:

No action taken

ITEM NO. 8 Receive an update on the FY23 Organizational Performance Goals related to the UMC Governing Board Strategic Planning Committee; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- None

Mr. Marinello gave a verbal update on the status of the organizational performance goals. We are on track to meet all of the organizational goals. The final goals will be reviewed at the Strategic Planning meeting in August.

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:

1. Desert Radiologist has served a 180-day term notice effective December 15th. The plan is to bring this service in-house.

2. Laboratory services

FINAL ACTION TAKEN:

No action taken

COMMENTS BY THE GENERAL PUBLIC:

Comments from the general public were called for prior to going into closed session. No such comments were heard.

A motion was made by Member Mackay that the go into closed session pursuant to NRS450.140 (3). Motion carried by unanimous vote.

At the hour of 10:23 a.m., the Committee went into closed session.

SECTION 4. CLOSED SESSION

ITEM NO. 10 Go into closed session pursuant to NRS 450.140(3) to discuss new or material expansion of UMC's health care services and hospital facilities.

There being no further business to come before the committee this time, at the hour of 10:43 a.m.

APPROVED: August 10, 2023

MINUTES PREPARED BY: Stephanie Ceccarelli, Board Secretary