

**University Medical Center of Southern Nevada**  
**Governing Board Audit and Finance Committee Meeting**  
May 20, 2026

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Emerald Conference Room  
Delta Point Building, 1<sup>st</sup> 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  
Donald Mackay, M.D. (via Teams)  
Christian Haase (via Teams)

**Absent:**

Mary Lynn Palenik (Excused)

**Others Present:**

Mason Van Houweling, Chief Executive Officer  
Tony Marinello, Chief Operating Officer  
Jennifer Wakem, Chief Financial Officer  
Doug Metzger, Controller  
Lia Allen, Assistant General Counsel - Contracts  
Stephanie Ceccarelli, Board Secretary

**SECTION 1. OPENING CEREMONIES**

**ITEM NO. 1 PUBLIC COMMENT**

Committee Chair Hagerty 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 special meeting of the UMC Governing Board Audit and Finance Committee meeting on April 15, 2026 and the regular meeting of the UMC Governing Board Audit and Finance Committee held on April 22, 2026. (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 amended. Motion carried by unanimous vote.

**SECTION 2. BUSINESS ITEMS**

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

DOCUMENTS SUBMITTED:

- April FY26 Financial Report

DISCUSSION:

Jennifer Wakem, Chief Financial Officer, presented the financials for April.

Admissions were 22 cases above budget. Length of stay was 5.39. Hospital acuity was 1.81, and Medicare CMI was 1.76. Ms. Wakem commented that there were not many high-acuity Medicare cases during the month.

Inpatient surgeries were 46 cases above budget. Outpatient surgeries were up by 111 cases. Chair Hagerty would like the team to develop a capacity utilization statistic to help staff monitor the ratio of surgical cases that could be performed each week. Mr. Marinello responded that the team is working to rewrite Epic to extract the data.

There were 672 additional ER cases reported for the month. The overall ER conversion rate was consistent with the prior month. Quick care volumes were down, and primary care locations were 20% below budget. Ms. Wakem added that the 24/7 quick care location, scheduled to open in April, is still under construction, contributing to the below-budget statistic. The 24/7 quick care location is now on track to open in October.

Telehealth had 349 visits for the month. Ortho volumes were up by 983 cases, which was a record high. There were 104 deliveries. The Crisis Stabilization Clinic (CSC) saw 377 visits. The OP Infusion Clinic saw 646 patients.

In trended stats, admissions were up as compared with the 12-month average. ALOS was down slightly at 5.39. Medicare CMI was down. Inpatient surgeries were above the 12-month average by 47 patients, and outpatient cases were up 94 cases. The ER had 424 more cases. Ortho was a record high.

In payor mix trends, Medicare was down 2.5%, but commercial was up 2.56%. Payor mix by type was shown as informational.

The April income statement showed net patient revenue \$700K above budget. Other revenue was down approximately \$1.2 million. Ms. Wakem added that this is the first month that the county subsidy for the CSC was not received to supplement the operation of the CSC, because the \$5 million was exhausted. A discussion ensued regarding assistance in FY2027. Ms. Wakem responded that the County would like to continue with the CSC, and the \$5 million should be sufficient moving forward.

Total operating revenue was \$500K below budget. Operating expenses were down and EBITDA was \$2.6 million on a budget of \$1.8 million, leaving the month \$700K above budget. There was a brief discussion regarding net-to-gross charge variance, and the impact of it being down.

The year-to-date income statement showed net patient revenue down \$11.5 million and other revenue down \$8 million. Total operating revenue was \$19 million below budget, and operating expenses were \$35 million below budget. EBITDA was \$33 million on a budget of \$20 million, which was approximately \$13.8 million over budget, year-to-date.

Salaries were strong for the month. Labor was \$1.4 million under budget. Contract labor was slightly over budget. All other expenses were \$500K over budget, driven primarily by purchased services. Ms. Wakem is hopeful that the State will secure the new supplemental payment program, with an effective date of April 1st.

Key financial indicators were reviewed for profitability, labor, liquidity, and cash collections. Net-to-gross was below budget. Ms. Wakem is working on a revenue capture plan to present in the future. Cost to collect was in the red and cash collections were also in the red. Labor was in the green.

Organizational goals were reviewed. Currently, three of the four goals are being met. Ms. Wakem addressed the challenges associated with the goal to reduce denials. She asked the Committee to consider an improvement in rates due to improved contract negotiations, which in turn increased net patient revenue. Chair Hagerty responded that the goal is to address payment of claims.

Finally, Ms. Wakem reviewed the cash flow statement. Approximately \$116 million was received during the month, including supplemental payments. About \$23 million in supplemental payments remains outstanding.

Chair Hagerty asked whether the trend in capital expenditures over the last 10 years has reflected the depreciation of all assets. Ms. Wakem responded that she would provide visibility into that line next month. The FY26 balance sheet highlights were shown.

Lastly, Ms. Wakem reviewed the expense savings related to Iron Mountain storage and document destruction between 2023 and 2026. She added that the MIT team is reviewing other opportunities for cost savings.

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:

Strata Update:

UMC has purchased six modules in Strata. Ms. Wakem reviewed the six different modules and opportunities to retrieve meaningful reporting. The modules that are being used are as follows:

- Decision Support – A Strata expert is coming on board to assist the team in optimization of this module.
- Management Reporting
- Productivity
- Budget
- Strategic Planning – This tool will put the strategic plan in an electronic format.
- Contract Module

Member Noonan asked whether there was an AI component in the module to generate reports. Ms. Wakem responded that there was none in this module, but the team is exploring the use of AI for revenue cycle.

Meeting with the County:

A follow-up meeting is scheduled with the County regarding budget talks. UMC is exploring the option of paying their own IGT.

FINAL ACTION TAKEN:

None taken

**ITEM NO. 6 Review and receive recommend for approval by the Governing Board the Amendment Eleven to the Physician Participation Agreement with Optum Health Networks, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Primary Care Agreement – Amendment 11
- Disclosure of Ownership

DISCUSSION:

This request is to amend the agreement, which will update the Medicare Advantage Quality Incentive Program for 2026 and update rates.

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. 7 Review and recommend for approval by the Governing Board the Second 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:

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

DISCUSSION:

This request amends the agreement to extend the term through March of 2027, and increase reimbursement rates for a variety of services, including kidney transplant, anesthesiology, and urgent care visits.

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. 8 Review and recommend for approval by the Governing Board the Customer Orders for Pyxis Products for the Med Station Enterprise System with CareFusion Solutions, LLC; and take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Customer Orders - Redacted
- Disclosure of Ownership

DISCUSSION:

This is a request to replace end-of-life machines and to extend the rental and support term for an additional 5 years.

Chair Hagerty asked why UMC would not buy the machines. Mr. Marinello explained the cost savings in leasing the machines.

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. 9 Review and recommend for approval by the Governing Board the Master Services Agreement with Commure, Inc. for its AI technology platform; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Master Services Agreement
- Disclosure of Ownership

DISCUSSION:

This platform includes three key features:

- Ambient AI - which transcribes clinical notes;
- Call Center Agent – which efficiently manages inbound and outbound calls and appointment bookings; and
- Intake, an AI-powered workflow platform that streamlines the referral intake process.

This is a 36-month agreement. Mr. Marinello shared some of the platform's features and the benefits for physicians and patient care. The agreement comes with a 30-day out clause.

Ms. Wakem added that the vendor will be able to provide usage statistics, and staff will monitor the performance and benefits of this technology tool.

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. 10 Review and recommend for approval by the Governing Board the Rider to Product Supply Agreement with Linde Gas & Equipment Inc., F/K/A Praxair Distribution, Inc., for bulk oxygen and associated delivery services; authorize the Chief Executive Officer to sign the Rider, and execute any extension options and future amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Rider and Original Product Supply Agreement – Redacted
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

This agreement extends the vendor's service to provide bulk oxygen for an additional 5 years at a set GPO price through HPG.

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. 11 Review and recommend for approval by the Governing Board the Telemetry Agreement with Philips Healthcare; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- PIC4 MX SES Agreement – Redacted
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

This request will allow upgrades to the current telemetry system at UMC, which has reached its end-of-life status. The upgrade will involve replacing servers and adding new monitors. This is a one-time purchase of the equipment, which includes a 5-year service agreement.

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. 12 Review and recommend for approval by the Governing Board the Master Agreement with Zimmer Biomet; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Orthogrid Master Agreement
- Disclosure of Ownership

DISCUSSION:

This request is for the Orthogrid system software agreement with Zimmer Biomet, which our orthopedic team uses. The system features three AI-powered orthopedic applications: hip AI, hip preservation, and trauma AI. It uses artificial intelligence to address limitations in orthopedic surgery. The fee is charged per case and per surgery. UMC will receive support and maintenance for the software.

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. 13 Review and recommend for award by the Governing Board RFP No. 2025-14 Workers' Compensation Billing and Collection Services to Medical Reimbursements of America, Inc. d/b/a Revecore; approve the RFP No. 2025-14 Service Agreement; authorize the Chief Executive Officer to exercise any extension options and execute future amendments within his yearly delegation of authority; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Service Agreement

DISCUSSION:

In November, a notice of interest was issued in NGEM allowing companies to express their interest in participating in RFP No. 2025-14 for Workers' Compensation Billing and Collection Services. Four responses were received.

Staff recommends awarding the workers' compensation, billing, and collections contract to Revecore. The vendor will identify billing accounts that were denied or underpaid, or provide additional reimbursement. Cost savings will be realized.

FINAL ACTION TAKEN:

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

**ITEM NO. 14 Discuss preliminary performance objectives for FY2027; and direct staff accordingly. (For possible action)**

DOCUMENTS SUBMITTED:

- None

DISCUSSION:

Chair Hagerty noted that goals are generally set in July or August. This year's objective should be more aggressive in driving revenue and managing labor. He commented that the team should find ways to outperform the budget. He focused on two specific objectives:

1. A ten percent year-over-year increase in surgery, and
2. SWB in absolute dollars should not be higher in 2027 than it was in 2026

He asked if the team could compare statistics from other hospitals. The topic of goals will be discussed in the June meeting. The goals should be more aggressive.

Mr. Marinello asked if the goal could be set as a minimum 7% and maximum 10%.

Member Noonan complimented the staff on the margin improvement plan and would like to see a goal focused on what the MIT Committee can achieve during the year to improve expenses and margins. Chair Hagerty agreed and suggested that the team identify five to ten million dollars in revenue expense opportunities and measure itself against that target.

Chair Hagerty returned to discuss labor noted the improvement as a percent of APD. Ms. Wakem reminded the Committee that the goal for 2026 was to review SWB per APD, excluding physicians.

Member Noonan asked how the costs for supplies could be reduced. Ms. Wakem responded that the MIT team is tasked with finding cost savings in contracts.

Chair Hagerty suggested reviewing upcoming contracts to find opportunities for better pricing.

Mr. Van Houweling appreciated the suggestion and noted that the MIT team meets weekly and will remain a sustained group that continues to identify savings opportunities.

A discussion ensued regarding marketing for targeted services. The team is working with the Experience Team to target specific service lines. Mr. Van Houweling suggested providing education on marketing and advertising related to artificial intelligence. Chair Hagerty suggested that the team develop a more targeted, focused advertising approach.

The Chair asked which other areas are considered part of the employed physician model. Mr. Marinello responded that other services, such as urology, neurosurgery, and pain management, have been considered.

Member Noonan would like a follow-up on the possibility of using external advertising from vendors to reduce costs.

FINAL ACTION TAKEN:

None

**SECTION 3: EMERGING ISSUES**

**ITEM NO. 15 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*)**

FINAL ACTION TAKEN:

None

At this time, Chair Hagerty asked if there were any public comments 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 3:25 p.m., the meeting was adjourned.

MINUTES APPROVED: June 17, 2026  
Minutes Prepared by: Stephanie Ceccarelli