

**University Medical Center of Southern Nevada**  
**Governing Board Audit and Finance Committee Meeting**  
**May 21, 2025**

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UMC ProVidence Suite  
Trauma Building, 5<sup>th</sup> 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 2:03 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

**CALL TO ORDER**

**Board Members:**

**Present:**

Robyn Caspersen  
Harry Hagerty (via WebEx)  
Mary Lynn Palenik (via WebEx)  
Christian Haase (via WebEx)

**Absent:**

Bill Noonan (Excused)

**Others Present:**

Mason Van Houweling, Chief Operating Officer  
Tony Marinello, Chief Operating Officer  
Jennifer Wakem, Chief Financial Officer  
Doug Metzger, Controller  
Ceferino Villafuerte, Business Development Officer  
Susan Pitz, General Counsel  
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 April 23, 2025. *(For possible action)***

A motion was made by Member Hagerty to approve the minutes as presented. Motion carried by unanimous vote.

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

A motion was made by Member Hagerty to approve the agenda as presented. Motion carried by unanimous vote.

## **SECTION 2. BUSINESS ITEMS**

- ITEM NO. 4    Receive an overview of the Proforma related to the Inpatient Rehab Center from Ceferino Villafuerte, UMC Business Development Officer; and direct staff accordingly. *(For possible action)***

**DOCUMENTS SUBMITTED:**

- PowerPoint

**DISCUSSION:**

Ceferino Villafuerte, Business Development Officer, provided an overview of the proforma related to the rehab center. A brief video was shown, depicting what the rehab center would look like.

Inpatient rehabilitation is a hospital-level program that provides intensive therapy and care for patients recovering from serious illness, injuries, or surgeries. It is an intensive type of rehabilitation, designed to help patients regain their independence and return home. In the United States, approximately 48 Level 1 trauma hospitals have an inpatient rehab program. Inpatient rehabilitation is offered in stand-alone settings and specialized wings of acute care hospitals.

UMC discharges approximately 722 patients annually to acute rehab centers, skilled nursing facilities, LTACHs, and home health facilities. Mr. Villafuerte added that these annual discharges to external rehab facilities represent millions in lost revenue to UMC.

UMC's 28-bed facility is anticipated to open in 2027. A market analysis shows the opportunity for growth within the community. The Committee continued the discussion with a review of the estimated costs, to include the conversion of the 4<sup>th</sup> and 5<sup>th</sup> floors of the Trauma building, additional elevators/renovations, contingency allowance, and capital equipment.

The non-financial benefits of inpatient rehab include improved patient outcomes, reduced readmission rates, and enhanced patient and facility satisfaction. The success of the program can enhance the hospital's reputation as a Center of Excellence. The discussion continued regarding the benefits of early and intensive rehabilitation, which can mitigate the risk of ongoing complications that may burden the health system.

Lastly, Mr. Villafuerte reviewed the impacts of construction on hospital operations during and after construction, and the next steps. The two-year project is estimated to break ground in November 2025 and the grand opening is estimated for November 2027.

**FINAL ACTION TAKEN:**

A motion was made by Member Hagerty to direct management to proceed with moving forward with the Rehab Center project, subject to approval of all contracts. Motion carried by unanimous vote.

Chair Caspersen directed staff that contracts that come before the Committee must be identified if it is associated with the rehab project.

*At this time, due to time constraints, the Committee reviewed the contracts on the agenda.*

**ITEM NO. 8    Review and recommend for approval by the Governing Board the Amendment Five to Participating Facility Agreement with SelectHealth, Inc. and SelectHealth Benefit Assurance, Inc. for Managed Care Services; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Participating Facility Agreement - Amendment 5
- Disclosure of Ownership

DISCUSSION:

This request is to extend the term of the agreement, update the revenue codes, and increase the reimbursement rates specified in the compensation schedule. All other terms in the agreement are unchanged.

FINAL ACTION TAKEN:

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

**ITEM NO. 9    Review and recommend for approval by the Governing Board the Amendment No. 4 (Add Product and Delete Product Amendment) to Master Customer Agreement with Experian Health, Inc. for revenue cycle software solutions; 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:

- Master Customer Agreement - Amendment 4
- Disclosure of Ownership

DISCUSSION:

This amendment will add the Patient Access Curator to the software solutions used by UMC and the School of Medicine. The PAC will manage claims effectively by preventing denials and providing accurate medical billing. The term of the agreement will be through June 2027.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve the amendment 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 RFP No. 2025-02 for Out-of-Country Billing and Collection Services to Sunbelt Medical Billings, LLC; authorize the Chief Executive Officer to sign the Service Agreement, and execute any extension options and future amendments within the not-to-exceed amount of this Agreement; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Service Agreement
- Disclosure of Ownership

DISCUSSION:

In March 2025, a request was published seeking proposals for out-of-country billing and collection services. Two proposals were received. The least and most responsive bidder is Sunbelt Medical Billings, LLC. The term of the agreement is 5 years, with a 15-day termination for convenience clause. This agreement is on contingency.

FINAL ACTION TAKEN:

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

- ITEM NO. 11 Review and recommend for approval by the Governing Board the Professional Services Agreement for Group Physician On-Call Coverage with Hand Surgery Specialists of Nevada (Young), LLP for hand surgery services; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Group On-Call PSA – Hand Surgery Specialist of Nevada (Young), LLP
- Disclosure of Ownership

DISCUSSION:

This is an agreement for the vendor to provide 24/7 emergency and on-call hand surgery services for UMC inpatients and outpatients. The term of the agreement is for 3 years with two 1-year options for renewal, and a 30-day out clause with written notice.

FINAL ACTION TAKEN:

A motion was made by Member Haase to approve the agreement 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 Board of Hospital Trustees for University Medical Center of Southern Nevada, the Fifth Amendment to Shopping Center Lease with Spring Valley Town Center Las Vegas, Nv, LLC; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Shopping Center Lease – Amendment 5

DISCUSSION:

This amendment will extend the term of the agreement for an additional five years, through June 30, 2030.

FINAL ACTION TAKEN:

A motion was made by Member Hagerty to approve the amendment and make a recommendation to the Board of Hospital Trustees to approve the amendment. Motion carried by unanimous vote.

*At this time, the Committee returned to hear Items 5, 6, and 7.*

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

DOCUMENTS SUBMITTED:

- April FY25 Financials

DISCUSSION:

Jennifer Wakem, Chief Financial Officer, presented the financials for April 2025.

Admissions were slightly above budget, observation cases below budget 249 cases, and ADC was 381. Length of stay decreased to 5.63 days, down 6.79% compared to prior year. Observation length of stay was .37 below budget. Hospital acuity was 1.88 and Medicare CMI was 1.90.

Inpatient surgeries were forty-six cases below budget. Outpatient surgeries were 106 cases above budget. There were 17 transplants. The overall ER conversion rate was 21%; ED to observation rate was 6.28% and ED to admission was 14.86%.

Quick cares were below budget 17%, and primary cares were over budget by 29%. There were 417 telehealth visits during the month. Ortho clinic visits were above budget by 38.5%, and there were 107 deliveries for the month.

Trended stats were compared to the 12-month average. Admissions were strong for the month. Length of stay was down. Observation cases were down 177 cases as compared to the 12-month average. Inpatient surgeries were below budget for the month, but above the 12-month average. Outpatient surgeries were up by 58 cases. The overall ED to admission was 21% and the ortho clinic had 3,039 visits. Payor mix trended was briefly reviewed. The income statement for the month of April showed net patient revenue was up, and other revenue was down slightly. Total operating revenue was \$88 million. Operating expenses were above budget 3.97%. EBIDTA was \$4.2 million for the month on a budget of \$2.8 million, which was \$1.4 million above budget.

The April YTD income statement was reviewed. EBITDA was \$32.6 million, on a budget of \$31.4 million, approximately \$1.2 million above budget.

Salaries were above budget \$762K. SWB per FTE was up slightly, primarily driven by the employment of physicians. All other expenses were up slightly, primarily due to supplies.

Key financial indicators were reviewed for profitability, labor, liquidity, and cash collections. In profitability, net to gross ratio was 18.3% and labor was up slightly. Liquidity was in the red. Day's cash on hand sits just below 2 months. Net days in AR was 72.2 days. The business office's cash collection goal was missed for the month. The point of service cash goal was met.

Organizational goals were reviewed. Currently, four of the five goals are being met. Action plans are in place to improve the goals that are not currently being met.

Finally, Ms. Wakem reviewed the cash flow statement for April 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:

- State Budget and Projected Revenue: This is done every two years in line with the legislative session. A projection of all estimated income and expenses is based on the forecasted revenues, which is less than anticipated. Due to a deficit in the Clark County budget, the County Commissioners held a special meeting to vote to reallocate capital funds and move them to the general fund.

FINAL ACTION TAKEN:

None taken

**ITEM NO. 7 Review and discuss the annual budget submission package to the County; and discuss any changes; and direct staff accordingly. (For possible action)**

DOCUMENTS SUBMITTED:

- PowerPoint

DISCUSSION:

Ms. Wakem briefly reviewed the annual budget package, which was submitted to the County in April. She highlighted the cash flow and income statement. The capital budget submitted is granular in detail. The total capital budget for FY2026 of \$48.9 million included service line enhancement, technology, patient safety, end of life equipment and the ReVITALize/masterplan.

FINAL ACTION TAKEN:

None taken

**SECTION 3: EMERGING ISSUES**

**ITEM NO. 13 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*)**

None

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 3:24 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: June 18, 2025

Minutes Prepared by: Stephanie Ceccarelli