

**University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
May 22, 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 2:03 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:

Robyn Caspersen
Dr. Donald Mackay
Jeff Ellis (via webex)
Harry Hagerty (via webex)
Christian Haase (via webex)

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
Rose Coker, Director of Managed Care
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 17, 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*)

Agenda Item 19 was removed from the agenda.

FINAL ACTION:

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

SECTION 2. BUSINESS ITEMS

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

DOCUMENTS SUBMITTED:

- April FY24 Financials

DISCUSSION:

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

Admissions were below budget 11%, AADC was 581 and average length of stay was at 6 days. Hospital acuity dropped to 1.76 and Medicare CMI was 2.03. Inpatient surgeries were 10% below and outpatient surgeries were 18% above budget. There were 14 transplants. ER visits were 14% below budget; key drivers were adult, pediatrics and trauma. Approximately 23% of patients are going from ED to admission, which is up over prior year.

Quick cares volumes were down 7% and primary cares were below budget 18%.

There were 580 telehealth visits in the month and Ortho Clinic visits were below budget 14%. There were 92 deliveries for the month.

Trended stats showed length of stay moving in the right direction, currently at 6 days. Hospital CMI was a record low at 1.76. Inpatient surgeries were below budget, but 4 above the 12-month average and outpatient surgical cases were strong, 67 above the 12 month average. The Ortho clinic volumes are at a record high.

Inpatient payor mix trended showed Medicaid down 3%, Medicare was up 1%. The ED was consistent with the 12-month average. Inpatient surgical showed commercial up 2.5%, Medicaid was down 2% and Medicare was up 1% and self-pay was down 1%. Outpatient surgical cases were up 3% in commercial, government was down 1%, Medicare dropped 1.86% and Medicaid was down 2.74%.

Summary income statement showed net patient revenue below budget \$2.5 million. Other revenue was up \$730K. Total operating revenue was \$1.8 million below budget. Operating expenses were \$1.6 million above budget. Total income from ops adding depreciation and amortization was \$3.3 million, on a budget of \$6 million; below budget \$2.6 million. Year-to-date totals and the summary income statement was reviewed briefly.

Salaries, wages and benefits was over budget \$900K. Overtime is being managed well. Contract labor is \$1.1 million over budget; the key driver is radiology. The team explained that although the radiology service was not budgeted for this year, they are working on solutions to overcome the variance by the end of the year. Overtime as a percent of productive is less than 3%. All other expenses was over budget approximately \$720K.

Key financial indicators in profitability, labor, liquidity and cash collections for the month of April were reviewed. The rolling 12-month average for profitability was in the red at 18.4%, operating margin was 4.1% and cost to collect was 6.3%. Labor is in the red due to added service lines and labor. Liquidity and cash collections is in the green. Day's cash on hand is in the green at 112.6 days. Candidate for bill was 4 days. Cash collections missed their goal for month. Point of service collection exceeded their goal.

Cash flow for April shows \$109 million received for cash and payors for the month, \$58 million was received in supplemental payments.

The balance sheet shows cash was strong for the month.

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. Ms. Waken announced Rose Coker would be retiring and thanked her for her 16 years of service and dedication to UMC. The Committee also thanked and congratulated Rose.
2. The County will still continue to provide the capital transfer amount of \$5 million to UMC annually.
3. CMS Application for additional GME slots. UMC has submitted a 3rd application for additional slots. An update will be provided in the future.
4. Lastly, Ms. Wakem introduced Janella Green, UMC's new Lean Transformation Specialist, providing training and assisting with process improvements and efficiencies within the organization. Welcome Janella.

FINAL ACTION TAKEN:

None taken

ITEM NO. 6 Receive the quarterly update on the status of the FY24 CEO Performance goals; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:

- CEO Performance Objectives – FY25

DISCUSSION:

Ms. Wakem provided an update regarding the FY24 organizational goals.

1. Exceed fiscal year budgeted income from operations plus depreciation and amortization.
This goal is not being met. Currently UMC is \$2.6 million below budget. There was continued discussion regarding challenges to date, which includes the radiology service line and the delay in receipt of federal supplemental payments.
2. 4.5 day target for discharged to home ALOS.
This goal is currently being met. We are at 4.33, almost 4% below the target.
3. Phase I & Phase II façade project on time on budget.
This goal is being met. The next update will be in July.

FINAL ACTION TAKEN:

None taken

ITEM NO. 7 Review and recommend for approval by the Governing Board the Fourth Amendment to the Hospital Service Agreement with Cigna Health and Life Insurance Company for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

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

DISCUSSION:

This amendment will update the fee schedule and reimbursement rates for Anesthesia. The all other terms remain the same.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to approve and 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 Amendment Number Six to Provider Services Agreement with Intermountain IPA, LLC for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Sixth Amendment to Provider Service Agreement - Redacted
- Disclosure of Ownership

DISCUSSION:

This amendment will update the fee schedule to include payments for emergency medicine and general surgery services. All other terms of the agreement remain the same.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to approve 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 Amendments to Participating Provider Agreement with SilverSummit Healthplan, Inc. for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Amendment 9 – Participating Provider Agreement – Redacted
- Amendment 10 – Participating Provider Agreement - Redacted
- Disclosure of Ownership

DISCUSSION:

Ms. Coker stated that amendment nine will update the list of contracted facilities and ensure all the providers are listed as in-network.

Amendment ten will extend the terms of the agreement through July 30, 2027. All other terms of the agreement will remain the same.

FINAL ACTION TAKEN:

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

ITEM NO. 10 Review and recommend for ratification by the Governing Board the Fourth Amendment to Facility Participation Agreement with United Healthcare Insurance Company for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Fourth Amendment to Facility Participation Agreement – Redacted

DISCUSSION:

This request is for ratification of the Fourth Amendment to update the Urgent Care Payment Appendix which was effective July, 1 2023. This Amendment was entered into immediately to enable the provider to update the rates immediately and reprocess claims.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to approve and make a recommendation to the governing board to ratify the amendment. Motion carried by unanimous vote.

At this time the Committee thanked Rose for her service to UMC.

- ITEM NO. 11 **Review and recommend for award by the Governing Board the Bid No. 2024-02, UMC Infusion Center Improvement Project PWP# CL-2024-298, to Blueprint Construction (NOTAJ0, LLC), the lowest responsive and responsible bidder, contingent upon submission of the required bonds and insurance; authorize the Chief Executive Officer to execute change orders wit in his delegation of authority; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- ITB 2024-02 - UMC Infusion Center Improvement Project PWP# CL-2024-298 Agreement
- Disclosure of Ownership

DISCUSSION:

The bid for remodel was published in March for the location at 701 Shadow Lane. Tenant improvements will be made on the 3rd floor for a new infusion center. Four bids were received and the lowest bid was received from Blueprint construction. UMC is recommending award of the bid to Blueprint Construction.

Chair Caspersen asked when the project would be completed. Mr. Marinello responded that it would be complete by the end of September.

FINAL ACTION TAKEN:

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

- ITEM NO. 12 **Review and recommend for award by the Governing Board RFP No. 2024-01 Documentation Retrieval Services to Claim Services, Inc.;; approve the RFP No. 2024-01 Service Agreement; authorize the Chief Executive Officer to execute any 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:

- Service Agreement - RFP No. 2024-01

DISCUSSION:

A notice of interest was published in February. No proposals were received, therefore UMC is awarding and contracting with the incumbent, Claim Services, Inc. The term is for 2-years with two, 1-year options. Vendor will continue to provide timely 3rd party billing documentation retrieval services to UMC. Termination is upon 30-days' notice.

FINAL ACTION TAKEN:

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

ITEM NO. 13 Review and recommend for award by the Governing Board RFP 2023-05 Courier Services to B2B Delivery, LLC; approve the Agreement for RFP 2023-05 Courier Services; authorize the Chief Executive Officer to execute any extension options and future amendments within the not-to-exceed amount of the Agreement; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Agreement for Courier Services - RFP 202-05 B2B Delivery
- Disclosure of Ownership

DISCUSSION:

In March, a proposal for courier services was published. Five responses were received. B2B Delivery LLC was selected to provide courier services for deliver and pick up of stock and non-stock medical supplies to all existing and future UMC Primary and Quick Care locations, as well as other local hospitals and businesses as deemed appropriate for UMC's business needs.

The term is for a period of three years, with options for two, one year renewals and terminate at any time upon 15 days' notice.

FINAL ACTION TAKEN:

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

ITEM NO. 14 Review and recommend for approval by the Governing Board the First Amendment to Service Agreement for Release of Medical Information

and Copying Services with MRO Corporation; authorize the Chief Executive Officer to execute future amendments within his delegation of authority; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Services Agreement – Amendment 1
- Disclosure of Ownership

DISCUSSION:

MRO is UMC's current vendor who responds to requests for medical records. A change in NRS established and limited fees charged for release of electronic records. Due to this change, UMC is requesting additional funding to allocate for the increase in costs.

FINAL ACTION TAKEN:

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

ITEM NO. 15 Review and recommend for approval by the Governing Board the Fifth Amendment to Agreement for Data Engineering Consultation with Shannon Kane-Saenz; authorize the Chief Executive Officer to execute future amendments within the not-to-exceed amount of this Agreement; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Agreement for Data Engineering Consultation - 5th Amendment
- Disclosure of Ownership

DISCUSSION:

This vendor builds and maintains Epic data models and data engineering for UMC. This Fifth Amendment will exercise the last renewal year for the agreement. This amendment will extend the agreement for one year through June 30, 2025, and add funding. Terminate at any time upon 15-days' notice.

Chair Caspersen asked what the expectation is after the term of this final extension. Maria Sexton, CIO responded that the vendor provides very specific skills and after the term of this agreement, UMC is hopeful to assume the work in-house. UMC will continue to assess the performance of staff to determine if services should be continued in the future.

FINAL ACTION TAKEN:

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

ITEM NO. 16 Review and recommend for approval by the Governing Board the Agreement with Olpin Group, Inc. for the purchase of bed and equipment lift systems; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Contract - Redacted
- Disclosure of Ownership

DISCUSSION:

This request is for UMC to enter into a purchase agreement with Olpin Group, Inc. to provide, deliver, and install hospital bed and equipment lift systems. Bed and equipment storage lifts and capsules help keep corridors free and clear and in compliance with fire codes. The term of the Agreement will be for one year or until the completion of the delivery and installation of the bed and equipment storage systems, whichever occurs earlier.

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. 17 Review and recommend for approval by the Governing Board the Wholesale Product Purchase Agreement with Priority Healthcare Distribution, Inc. d/b/a CuraScript SD Specialty Distribution for the purchase of pharmaceutical and biological products; authorize the Chief Executive Officer to execute future amendments within the not-to-exceed amount of this Agreement; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Wholesale Product Purchase Agreement - Redacted
- Disclosure of Ownership

DISCUSSION:

This request is to enter into a new Wholesale Product Purchase Agreement with CuraScript SD to purchase pharmaceutical and biological products. These medications help treat patients with rare neuromuscular disorder and certain kinds of pulmonary arterial hypertension, respectively. Term is three years with one, 2-year automatic renewal option. Either party may terminate this at any time without cause with a 90-day notice or with a 60-day notice prior to the expiration of the initial term.

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. 18 Review and recommend for approval by the Governing Board the Contract Closing Reconciliation with RABessler, M.D. P.C. d/b/a Sound Physicians of Nevada II; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:

- Reconciliation Letter
- Disclosure of Ownership

DISCUSSION:

The current agreement will terminate July 1, 2024. This request is to approve the Contract Closing Reconciliation which closes out the amounts due under agreement which will result in a payment by UMC to physicians and Allied Health Providers.

FINAL ACTION TAKEN:

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

ITEM NO. 19 Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Ninth Amendment to Preliminary Affiliation Agreement 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

SECTION 3: EMERGING ISSUES

ITEM NO. 20 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 the hour of 2:57 pm., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: June 20, 2024
Minutes Prepared by: Stephanie Ceccarelli