***University Medical Center of Southern Nevada***
***Governing Board Audit and Finance Committee Meeting***
*May 24, 2023*

---

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)
Mary Lynn Palenik (via webex)
Christian Haase (via webex)

Absent:
None

Others Present:
Mason Van Houweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Doug Metzger, Controller
Shana Tello, Academic and External Affairs Administrator
Nate Strohl, Internal Auditor
Ron Roemer, Director of Clinical Research and Compliance
Rose Coker, Director of Managed Care
Susan Pitz, General Counsel
Emelia 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 19, 2023. *(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 Haase that the agenda be approved as presented. Motion carried by unanimous vote.

**SECTION 2. BUSINESS ITEMS**

**ITEM NO. 4 Receive an update from Shana Tello, Academic and External Affairs Administrator and Nate Strohl, Internal Auditor regarding the Façade Project progress; and direct staff accordingly. (For possible action)**

DOCUMENTS SUBMITTED:
- Façade Project PowerPoint

DISCUSSION:
Shana Tello, Academic and External Affairs Administrator and Nate Strohl, Internal Auditor, provided an update on the progress of the façade project.

Mr. Strohl informed the Committee that he is performing an audit of the façade project and thanked Member Palenik for her guidance and support in establishing the risk assessment. Reporting on the façade audit will be provided quarterly, beginning in August.

Ms. Tello shared renderings, project timeline and construction update, adding the first phase of the project is on track and on time. The façade project is being coordinated and aligned with other projects going on in and around the hospital area.

The three major vendors that are contracted for the project are:

1. Martin Harris Construction – General Contractor;
2. Friedmutter Group – Architect; and
3. Grand Canyon Development Partners – Project Manager.

The total cost of the project and spend to date was discussed. A breakdown of the capital expenditures through project completion and financial details of the project, including potential budget needs, were shared with the Committee.

Funding opportunities may potentially be received from multiple sources, including the Visual Improvement Program Inflation Reduction Act, Nevada Clean Energy Fund, the Nevada Grant Lab and other local foundations in Nevada.

Lastly, Ms. Tello reviewed the risk mitigation strategies that are in place for things that could affect employees, patients, finance, safety and property. Chair Caspersen asked if the information that is in the project breakdown slide could be shared with the Committee as it relates to contracts that are being discussed for approval. This will help the Committee members track contracts that are new expenditures. The team responded that they could add a column that would show any new items that are added for approval.

FINAL ACTION TAKEN:
None taken

**ITEM NO. 5 Receive an update from Ron Roemer, Director of Clinical Research and Compliance, on Clinical Research activities at UMC; and direct staff accordingly. (For possible action)**

DOCUMENTS SUBMITTED:
- Clinical Trial Research PowerPoint

DISCUSSION:
Ron Roemer, Director of Clinical Research and Compliance provided a high level overview of the clinical trial process and the financial benefits of conducting clinical trials at UMC.

The process was broken down in 2 categories, pre-award and post-award. The pre-award process determines what study can be done, what is paid by the sponsor or payor source and compliance with reimbursement. Once approved, the post-award process includes the site initiation and study startup, research coordination management, patient enrollment, billing compliance and study close-out. UMC is one of the leading clinical trial sites in the country. A workflow chart of the process for each patient was reviewed.

Mr. Roemer shared the financial benefits associated with conducting clinical trials. An example of the budget summary and payment schedule used to calculate clinical trial budgets was shown. A discussion ensued regarding the protocol for developing the budget analysis and associated costs, as well as reasons that clinical trials have been declined.

The non-financial benefits for the hospital is that there are reduced readmissions and proactive patient care. The benefits for patients include access to cutting-edge medical treatment, health monitoring and medication and devices are provided.

A review of the clinical trial financials for FY22 and FY23 year to date was provided. A lengthy discussion ensued regarding expansion of the clinical trials research provided at UMC and compliance standards and regulations involved in conducting clinical trials research.

FINAL ACTION TAKEN:
None taken

**ITEM NO. 6 Receive the monthly financial reports for April FY2023; and direct staff accordingly.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- April FY23 Financials

DISCUSSION:
Jennifer Wakem, Chief Financial Officer presented the financials for April FY23.

Admissions were below budget 9.5% and AADC was at 628. Hospital CMI was1.84 and Medicare CMI was 1.81. Inpatient and outpatient surgeries were below budget approximately 5.5%. There were 14 transplants and ER visits were flat with budget. Approximately 21.5% of patients are being admitted from the ED.

Quick care visits were strong, but fell below budget 5.7%; Nellis, Centennial and Aliante were the key drivers. Primary cares were 5.5% below budget; Spring Valley, Nellis and Aliante were key drivers.

There were 509 telehealth visits and 1,564 Ortho Clinic visits.

Trended stats showed admissions were 1,951, about 160 below 2019 stats. AADC is high at 628 but is on a downward trend. ALOS continues to be high at 7 days; in 2019 we were at 5 days. Surgical cases continue on an upward trend. Payor mix trends by inpatient, ED and surgical types were briefly reviewed.

The income statement for April showed net patient revenue was almost $3.4 million above budget. Other revenue was $734K above budget. Overall net revenue was $9.1 million over budget and other operating expenses above budget $8.7 million. Income from ops before depreciation was $3.9 on a budget of $3.5 million.

The income statement year to date showed income from ops of $30.5 million on a budget of $33 million. Staff is optimistic that we will land favorable to budget by the end of the fiscal year. The income statement trended was shared as informational.

SWB for April showed labor above budget $7.7 million; $3.7 million of the overage is related to the impact of anesthesia and ortho. SWB trended shows contract labor is on a downward trend. Overtime as a percent of productive was 3.73%; a slight uptick, but still reasonable.

All other expenses were over budget approximately $1 million due to supplies, 340B, implants and purchased services.

Key indicators were reviewed briefly. Labor is in the red, primarily due to unbudgeted anesthesia and ortho services. There was a brief discussion regarding the benefits of employing anesthesia.

Days' cash on hand dropped to 54.1 days. Candidate for bill averaged 3.2 days. The cash collection goal was not met for the month; an action plan is in place to get back on track. Point of service collection goal is in the green.

Cash flow for April showed cash received was $52.7 million; $13 million was related to supplemental payments that were received. We are still awaiting other outstanding supplemental payments. The final bond payment will be paid September 2023.

Lastly, the balance sheet was shown.

Supplemental payments update: $150 million outstanding as of April. We continue to work with the State and County to get these payments settled.

FINAL ACTION TAKEN:
None taken.

**ITEM NO. 7** **Receive an update report from the Chief Financial Officer; and direct staff accordingly.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- None

DISCUSSION:
Ms. Wakem provided a brief update on SB435 regarding the Provider Tax Fee. This bill language was amended to allow the state to collect a provider tax fee. Private hospitals could face a 15% administrative fee that the state could take. There is no impact to UMC.

FINAL ACTION TAKEN:
None taken

**ITEM NO. 8** **Review and recommend for ratification by the Governing Board the Letter of Agreement with Health Plan of Nevada, Inc.; or take action as deemed appropriate.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- Letter of Agreement
- Disclosure of Ownership

DISCUSSION:
This is a request for ratification of the letter of agreement, which will allow reimbursement for anesthesia and orthopedic services rendered in clams occurring prior to the agreement being fully executed.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to ratify and make a recommendation to the Governing Board to ratify the agreement. Motion carried by unanimous vote.

**ITEM NO. 9** **Review and recommend for approval by the Governing Board the Amendment to Hospital Agreement with Community Care Health Plan of Nevada, Inc. d/b/a Anthem Blue Cross and Blue Shield Healthcare Solutions for Managed Care Services; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Hospital Agreement - Amendment
- Disclosure of Ownership

DISCUSSION:
The amendment will add orthopedic and anesthesia professional fees to the Medicaid agreement and will allow reimbursement for anesthesia services rendered in clams that were submitted.

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. 10** **Review and recommend for approval by the Governing Board the Amendment Two to Participating Facility Agreement with SelectHealth, Inc. and SelectHealth Benefit Assurance, Inc.; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Participating Facility Agreement
- Disclosure of Ownership

DISCUSSION:
This amendment extends the term of the agreement for 24 months and update the reimbursement schedules.

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. 11** **Review and recommend for approval by the Governing Board the Amendment Number Three to Provider Agreement with P3 Health Partners-Nevada, LLC for Managed Care Services; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Provider Agreement – Amendment 3 – Redacted
- Disclosure of Ownership

DISCUSSION:
This is the 3rd amendment to the hospital plan to add orthopedic and anesthesia professional services to the agreement.

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. 12 Review and recommend for approval by the Governing Board the Amendment Two to Master Service Agreement with EV&A Architects for Architectural Design and Documentation Services; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Master Agreement – Amendment 2
- Disclosure of Ownership

DISCUSSION:
This amendment will extend the agreement term through March 2024, increase the funding to the NTE amount for renovation projects that are in process and updates the task order design services for UMC.

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. 13 Review and recommend for award by the Governing Board RFQ No. 2023-01, Adult Urology On-Call Services, to Las Vegas Urology, LLP; approve the Professional Services Agreement for Group Physician On-Call Coverage; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Professional Services Agreement

DISCUSSION:
A notice of interest was published in April and Las Vegas Urology was the sole respondent. Upon review of proposal, staff requests award of bid to this vendor to provide emergency and on-call urology service and consultative coverage 24/7 to treat hospital inpatients, outpatients, ER and trauma. The term is for 3-years with two 1-year options for renewal.

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

**ITEM NO. 14 Review and recommend for approval by the Governing Board the Amendment Four to Agreement with Terminix International Company Limited Partnership d/b/a Terminix Commercial for Integrated Pest Management Program; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Integrated Pest Management Program Agreement – Amendment 4

DISCUSSION:
This is an amendment to increase the funding to support on-demand pest control services and provide support at new ambulatory locations.

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 Second Conditional Offer to Purchase Real Property between Clark County Real Property Management and Atomic Cocktail, LLC; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Second Conditional Offer To Purchase Real Property

DISCUSSION:
This request is for approval of the agreement to purchase real property. The UMC Board of Hospital Trustees has tentatively approved sale of this property, however a final closing date is pending. Staff requests the authority to execute final documents necessary to close the transaction and complete the final sale. The purchase will be secured by Clark County on behalf of UMC.

There was continued discussion regarding any other items that may come back before the committee for approval related to this purchase and plans for building occupancy.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the purchase agreement. Motion carried by unanimous vote.

**ITEM NO. 16 Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Amendment One to Agreement for Transplant Services with Nevada Donor Network, Inc. for organ recovery, arrangement and associated transplantation services; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Agreement for Transplant Services - Amendment 1

DISCUSSION:
This amendment adds pancreas organ for transplant recovery and increases the funding for services performed. The additional funding is due to an increase in transplant volumes at UMC and an increase in standard acquisition costs.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Board of Hospital Trustees for University Medical Center of Southern Nevada to approve the amendment. Motion carried by unanimous vote.

**ITEM NO. 17 Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Amendment III to Standard Office Lease Agreement between 701 Medical, LLC and University Medical Center of Southern Nevada for rentable space for the UMC Wellness Center at 701 Shadow Lane; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment 3
- Disclosure of Ownership

DISCUSSION:
This amendment will allow UMC to lease additional space in the medical building and gain additional parking spaces, CAM credit and signage. The lease will extend the term to August of 2028.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Board of Hospital Trustees for University Medical Center of Southern Nevada to approve the amendment. Motion carried by unanimous vote.

**SECTION 3: EMERGING ISSUES**

**ITEM NO. 18 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. Mr. Van Houweling commented that there are thirteen days left in legislative session
2. Future update on the US debt ceiling preparation and possible effect on UMC

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 3:35 pm., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: June 21, 2023
Minutes Prepared by: Stephanie Ceccarelli