University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
November 13, 2019

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 2:02 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:
Robyn Caspersen
Jeff Ellis
Harry Hagerty
Dr. Donald Mackay
Christian Haase
Mary Lynn Palenik – Joined 2:25PM
Barbara Fraser

Absent:

Others Present:
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Deb Fox, Chief Nursing Officer
Marcia Turner, Chief Administrative Officer
Lonnie Richardson, Chief Information Officer
Susan Pitz, General Counsel
Terra Lovelin, Administrative Assistant

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair Caspersen asked if there were any persons present in the audience wishing 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 October 23, 2019. ***(For possible action)***

FINAL ACTION: A motion was made by Member Hagerty 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 Dr. Mackay that the agenda be approved as presented. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive and recommend for acceptance by the Governing Board the Fiscal Year 2019 Audit Report from BDO USA, LLP, Certified Public Accountants for University Medical Center of Southern Nevada; and direct staff accordingly. ***(For possible action)***

DOCUMENTS SUBMITTED:
- BDO Audit Wrap-Up Report and signed management representation letter

DISCUSSION: Kristy VanderMolen and John Barry with BDO were present to brief the committee on the process and findings of the FY2019 audit.

The audit wrap-up letter was explained.

The audit has been completed and all records and information was freely available to them.

Internal controls were reviewed but no opinion is given and no material weaknesses were discovered.

The new government reporting standards were explained.

Member Hagerty asked a question regarding GASB 83 and x-ray machine disposal.

FINAL ACTION TAKEN: A motion was made by Member Hagerty to accept the report and make a recommendation to the Governing Board for acceptance. Motion carried by unanimous vote.

ITEM NO. 5 Receive an update report from the Chief Financial Officer; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- None submitted

DISCUSSION: Ms. Wakem let the committee know income from operations was reported at $4.25 million as of June 30, 2019. The net financial impact of the Period 13 adjustments was insignificant. The Small case, workers comp, and a few other adjustments are the more material Period 13 adjustments. Final income from operations came in at $4 million.

FINAL ACTION TAKEN: None taken

ITEM NO. 6 Review and recommend for approval by the Governing Board the Second Amendment to the Network Participation Agreement between OneHealth, Hometown Health Plan, Inc., and Hometown Health Providers Insurance Company, Inc. (collectively "OneHealth") and University Medical Center of Southern Nevada ("UMC"); and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- OneHealth Second Amendment

DISCUSSION: Rose Coker explained that this agreement is the professional provider agreement for the physicians at our primary care. This is for an extension on the PCP agreement.

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

ITEM NO. 7 Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada ("UMC") Amendment No. 3 to Group Enrollment Agreement with Health Plan of Nevada, Inc. to provide health care coverage to UMC employees, retirees and dependents through a Health Maintenance Organization; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- HPN Third Amendment

DISCUSSION: Aaron Stagg was present to discuss the annual renewal of this agreement. There was an increase again this year and this increase has been requested in the budget.

FINAL ACTION TAKEN: A motion was made by Member Ellis 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 Amendment Seven to the Quality Measures Abstraction Agreement between Primaris Holdings, Inc. and University Medical Center of Southern Nevada; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment Seven
- DOO

DISCUSSION: It was explained that the Trauma registry is being added to this agreement per requirements from the Joint Commission. This is an extension for a six-month period only.

FINAL ACTION TAKEN: A motion was made by Member Hagerty 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 First Amendment and Order Forms for renewal of the Subscription Services Agreement with Kaufman, Hall & Associates, LLC; and take action as deemed appropriate. (*For possible action*)**

DOCUMENTS SUBMITTED:
- Kaufman Hall First Amendment
- Clark County License
- Order Form
- DOO

DISCUSSION: This contract is for seven modules for performance analytics and budgeting software. The amount is just under one million dollars for a term of three years plus two additional one year options.

FINAL ACTION TAKEN: A motion was made by Dr. 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 Amendment the Second Amendment Service Agreement between University Medical Center of Southern Nevada and Compass Group USA,**

Inc.; authorize the Chief Executive Officer to approve the addition or deletion of equipment and/or services for any offsite clinic and satellite locations within the not-to-exceed amount of this Amendment; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Second Amendment to Service Agreement

DISCUSSION: Carissa Rey explained that as we continue to alter the inventory of our clinical equipment, the cost goes up. This amendment has two components, an increase in our annual cost and an additional NTE amount as inventory is altered.

Member Palenik stated that the company she currently works for has a contract with Compass Group and although no conflict exists, she stated she felt more comfortable abstaining.

FINAL ACTION TAKEN: A motion was made by Dr. Mackay to approve and make a recommendation to the Governing Board to approve the Amendment. Motion carried by unanimous vote with one abstention.

ITEM NO. 11 Review and recommend for approval by the Governing Board the Amendment No. 2 to Purchaser Participation Letter to purchase Radiopharmaceutical Products from Cardinal Health 414, LLC at HealthTrust Purchasing Group, LP pricing; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Cardinal Health – Delivery Time and Schedule
- UMCSN Radiopharm Sourcing Letter
- DOO

DISCUSSION: These are time sensitive products that are used in our radiology department and for other services such as x-rays, stress tests, etc.

By us having a letter of participation, UMC will take priority in case there is a nationwide shortage. The cost of this amendment is based on use, estimated at $1,620,000 for three years.

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

SECTION 3: EMERGING ISSUES

ITEM NO. 12 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)*

Member Hagerty suggested staff be mindful of anniversary dates coming up on IT contracts that are mission critical. We need to think of a back-up plan/vendor for when the time comes.

Vick Gill replied that at the next Strategy meeting they can discuss this issue as it relates to the six specialty areas.

COMMENTS BY THE GENERAL PUBLIC: None

At this time, Chair Caspersen asked if there were any persons present in the audience wishing to be heard on any items not listed on the posted agenda.

SPEAKERS(S): None

There being no further business to come before the Committee at this time, at the hour of 2:52 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: December 11, 2019
Minutes Prepared by: Terra Lovelin