University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
October 20, 2021

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Wednesday, October 20, 2021
2:00 p.m.

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 Robyn Caspersen and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:
Robyn Caspersen
Harry Hagerty (via WebEx)
Dr. Donald Mackay
Jeff Ellis (via WebEx)

Absent:
Mary Lynn Palenik (Excused)
Christian Haase (Excused)
Barb Fraser (Ex-Officio) (Excused)

Others Present:
Mason Van Houweling, Chief Executive Officer (via WebEx)
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Doug Metzger, Controller
Chris Jones, Executive Director of Support Services
Susan Pitz, General Counsel
Lia Allen, Assistant General Counsel – Contracts
Stephanie Ceccarelli, Governing 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 September 22, 2021. *(For possible action)***

FINAL ACTION:

A motion was made by Member Mackay that the minutes be approved as recommended. Motion carried by majority vote.

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

Item 9 was tabled for discussion at a future at a future meeting.

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 report for September FY22; and direct staff accordingly. *(For possible action)***

DOCUMENTS SUBMITTED:
- September FY2022 PowerPoint Presentation

DISCUSSION:

Jennifer Wakem, Chief Financial Officer, presented the financials for September FY22.

Ms. Wakem summarized the key indicators for September. Admissions were strong for the month, 4% above budget. AADC continues to be high at 616. Length of stay sits at 6.72 days. Acuity is high. Overall hospital CMI was 2.02 and Medicare CMI was 2.05.
Inpatient surgeries were almost 5% above budget and outpatient surgeries set a record at 25% above budget. There were 13 transplants.
ER visits were very busy totaling 9,002. The ED to admit conversion rate was 19%.
Quick cares were up 24% above budget; Nellis, Centennial and Summerlin were the key drivers. Primary cares were also strong up 16%, with Peccole, Nellis and Spring Valley as the key driving locations.

Trending stats were compared to FY19. Admissions were only 29 below September of FY19. AADC was 616 and acuity was up significantly. Hospital CMI sits at 2.02 and LOS is up. There were 587 outpatient surgeries. ER visits were 9,002 and the conversion rate was down 1% compared to FY19. Quick cares were up 1300 visits. Deliveries were 114. There was a brief review of the COVID statics.

Payor mix trended on inpatient trends is consistent with the 12-month average. In the ED Medicaid is up 3.5% and inpatient surgeries showed Medicaid up 1.3%, and outpatient surgeries showed Medicaid down 2%.

The summary income statement for September shows net patient revenue is strong. Other revenue is below budget due to the decrease in 340B program contract pharmacy revenue. Total net revenue was up above budget $10.8 million. Operating expenses were over budget $7 million. Income from ops adding depreciation and amortization landed at $1.8 million in positive earnings. Budgeted was a loss of $1.8 million.

The year to date income statement showed net patient revenue over budget for the month and other revenue was under budget almost $5.5 million. Income from ops was positive and volume was the key driver. The income statement trended was briefly reviewed.

Salary, wages and benefits are over budget. The overage in SWB was primarily due to volume. The overage in salaries was driven by the nursing incentives due to nursing shortage. Overtime is declining as compared to prior month. A discussion continued regarding recruitment into the nursing resource pool to assist with staffing shortages.

Other expenses for the month shows supplies are up for the month. An informational slide on COVID expenses was shown.

Key financial indicators shows profitability and labor statistics in the red. Liquidity shows day's cash on hand is in the green, at approximately 4.5 months. Candidate for bill ran 4 days. Cash collection goal was in the green.

The capital plans for FY20, FY21 and FY22 were discussed. The Committee reminded staff that a more detailed project plan is needed in the capital budget plan and this should be a part of the creation of the budget.

The Committee offered suggestions regarding the level of project detail that should be included in the capital plan process.

Ms. Wakem provided a review of the cash flow statement for September, which highlighted the cash received from patients and payors. No supplemental payments were received for the month. There is still a significant amount of federal supplemental payments outstanding.

Lastly, the balance sheet was reviewed and shows cash is strong.

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 reminded the Committee that November is a holiday month. Due to the timing of the next meeting, the financial statement for October will be presented in December. The BDO audit report will be delayed until December, as they will also be auditing the Cares Act Funding this year and are waiting on the County to book Workers' Comp.

UMC met with the state of Medicaid regarding a policy change impacting NICU reimbursement. Ms. Wakem will provide updates on the outcome of that meeting.

The Cares Act funding allocated a 4th tranche of money; the deadline to submit an application for funding is October 26th.

She next provided an update on SB 248 which was passed and effective as of July 1st. Details of the Bill, which requires collection agencies to notify patients that their account has gone to a bad debt agency via certified mail. More information on the financial impact will be provided at the next meeting.

Chair Caspersen asked about the status of the County's American Rescue Fund. The County is currently prioritizing requests and a response can be expected in latter part of December 2021. The expectation is that we also partner with the State for funding requests.

Lastly, we applied for a grant for telemedicine in May. There is no update at this time.

FINAL ACTION TAKEN:

None

ITEM NO. 6 **Review and recommend for approval by the Governing Board the Secondary Commitment Agreement with Cardinal Health 200, LLC for Medical/Surgical Products; authorize the Chief Executive Officer to exercise any extension options; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Secondary Commitment Agreement
- HPG Distribution Sourcing Letter

DISCUSSION:

This is a request to approve a new commitment agreement which will enable UMC to purchase medical and surgical products hospital-wide and ensures primary delivery status.

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. 7 **Review and recommend for approval by the Governing Board the Contract for Services with Patricia Tondorf, Independent Contractor to provide Patient Accounting Services; authorize the Chief Executive Officer to exercise any action within his delegation of authority; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Services Contract
- Business Associate Agreement
- Disclosure of Ownership

DISCUSSION:

This is a request to enter into a new contract agreement. The provider is a consultant who assist in managing and optimizing the cash application process with Epic. She is certified in Epic hospital billing. She serves as a liaison to support the patient accounting department with the electronic remittance process. The term is for one year and includes a not to exceed amount and a 30-day without cause clause.

FINAL ACTION TAKEN:

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

ITEM NO. 8 **Review and recommend for approval by the Governing Board the Agreements with Sophos Limited and ROI-IT for Managed Response IT Services; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Quote
- End User License Agreement
- ROI-IT Standard Terms Conditions
- Disclosure of Ownership

DISCUSSION:

This is a 36-month subscription for IT security services. The agreement will add additional licenses and the service includes IT security, detection and blocking of malicious processes and malware.

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. 9 **Review and recommend for approval by the Governing Board the Master Agreement with Meperia DE, LLC for the Meperia Strategic Sourcing software platform; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- None

DISCUSSION:

This item was tabled.

FINAL ACTION TAKEN:
None

ITEM NO. 10 **Review recommend for approval by the Governing Board the Amendment One to Service Agreement with Cloudmed Solutions LLC for revenue recovery services; authorize the Chief Executive Officer to exercise the extension option and execute future Statements of Work within his yearly delegation of authority; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Service Agreement – Amendment One

DISCUSSION:

This amendment adds a one-year term and additional funding to the existing agreement.

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. 11 **Review and recommend for approval by the Governing Board the Coding Services Agreement with Excite IT Partners, LLC d/b/a Excite Health Partners for remote coder services; 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:
- Coding Services Agreement

DISCUSSION:

This is a new agreement for remote coder services. The term is for 3-years with two 1-year extension options and a 30-day option to term without cause.

Ms. Wakem added that this is contract labor for the coding department.

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. 12 Review and recommend for approval by the Governing Board the Coding Services Agreement with Medovent Solutions LLC for onsite and remote coder services; 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:
- Coding Services Agreement

DISCUSSION:

This is an agreement for remote and onsite coding services to supplement the current coding staff. Coders will be used as needed. The term is for 3 years with two 1-year options to extend and a 30-day option to term without cause.

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. 13 Review and recommend for approval by the Governing Board the Amendment One to SAAS Service Agreement with FrontRunnerHC, Inc. for COVID-Assist software subscription services; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- SAAS Service Agreement

DISCUSSION:

This is an amendment to the current software subscription service which assist and automates COVID test reimbursements by ensuring accurate patient data. This is a 1-year agreement along with two additional 1-year options for renewal, a 60-day out clause and an annual not to exceed amount included.

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. 14 Review and recommend for approval the Service Agreement and Addendum with Philips Healthcare for the Azurion X-Ray Equipment; authorize the Chief Executive Officer to approve future renewals within his delegation of authority; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Quote
- Addendum to Service Terms and Conditions
- Disclosure of Ownership

DISCUSSION:

This is a request for approval of the service agreement for labor and parts coverage for x-ray equipment used for surgical procedures performed in the Cath lab. The term is 60 months with a 60-day out clause.

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. 15 Review and recommend for approval by the Governing Board the Quote with GE Healthcare for the purchase of anesthesia machines; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Quote Summary

DISCUSSION:

This is a one-time HPG purchase for anesthesia machines. This is a replacement of equipment and is a capital purchase.

FINAL ACTION TAKEN:

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

ITEM NO. 16 Review and recommend for award by the Governing Board the Bid No. 2021-02 First Floor Refresh to DM Stanek Corporation, the lowest responsive and responsible bidder; authorize the Chief Executive Officer

to exercise any Change Orders within his delegation of authority; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Bid 2021-02 First Floor Refresh (NGEM)
- Supplier Response
- Disclosure of Ownership

DISCUSSION:

This is a request for award of bid for the first floor trauma refresh, which will include among other things, refresh of flooring, painting, and outfitting restrooms with new finishes and fixtures. Six bids were received in total. The time frame for completion of the project is approximately 8 months.

FINAL ACTION TAKEN:

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

ITEM NO. 17 Review and recommend for approval by the Governing Board the Amendment #1 to the Agreement for Landscaping Services with Brightview Landscape Services; authorize the Chief Executive Officer to exercise any extension options; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment One

DISCUSSION:

This is an amendment to increase the monthly landscaping maintenance and porter services, to include additional work to be performed.

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.

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)*

DISCUSSION:

Member Hagerty suggested a future discussion regarding coding services model to include, cost, competition and opportunities.

A discussion ensued regarding county employment requirements.

FINAL ACTION TAKEN:

None

COMMENTS BY THE GENERAL PUBLIC:

Comments from the general public were called for. No such comments were heard.

There being no further business to come before the Committee at this time, at the hour of 3:03 PM, Chair Caspersen adjourned the meeting.

MINUTES APPROVED: November 10, 2021
Minutes Prepared by: Stephanie Ceccarelli