University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
October 23, 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 3:00 p.m. The meeting was called to order at the hour of 3:02 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 – via phone
Harry Hagerty – via phone
Mary Lynn Palenik
Dr. Donald Mackay
Christian Haase – via phone at 3:06

Absent:

Others Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Lonnie Richardson, Chief Information Officer
Deb Fox, Chief Nursing 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 September 18, 2019. *(For possible action)*

Under “Emerging Issues” Member Hagerty would like a few edits made. He would like the word Medicare to be used instead of Medicaid and the word patient to be deleted and payor to be used instead.

Secretary Lovelin will make the corrections.

<u>FINAL ACTION</u>: A motion was made by Dr. Makay that the minutes be approved as amended. Motion carried by unanimous vote.

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

Item #14 will be removed from the agenda.

<u>FINAL ACTION</u>: A motion was made by Member Palenik that the agenda be approved as amended. Motion carried by unanimous vote.

<u>SECTION 2. BUSINESS ITEMS</u>

ITEM NO. 4 Review the results of the follow up of the Cash Controls Audit dated October 11, 2019; and direct staff accordingly *(For possible action)*

<u>DOCUMENTS SUBMITTED</u>:
- Report

<u>DISCUSSION</u>: Nathan Strohl, Internal Auditor provided the findings of the follow up audit on cash controls.

The team performed a reconciliation of the imprest fund listing to the general ledger as well as a reconciliation of the cash handling policies and procedures. The team found variances with the imprest fund listing and general ledger.

Mr. Strohl determined that the funds uncounted for previously were now adjusted.

A reconciliation of the impress ledger was done and a variance of $1,000 was found.

<u>FINAL ACTION TAKEN:</u> None taken

ITEM NO. 5 Receive the monthly financial report for September FY20; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- September FY20

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

This was not a great volume month due to admissions being down almost 11%. Another key driver is the acuity which is down and which is tied to reimbursement.

In-patient surgery cases were down 22 cases
Out-patient surgery cases were almost even
Quick cares visits were up 10%
Primary Care visits were up 16.48%
Total ER visits were down

Total patient revenue was down 4.3%
Total net revenue was down 5.16%
Total operating expenses were below budget 2.51%

Total Operating Expenses
-Year to date we are still favorable to budget

Salaries are slightly below budget
Benefits are below budget by 3.5%
Overtime is below budget
Contract Labor is 120% over budget

Supplies are below budget

Capital Plan- $236k spent so far and $525k committed of the $31 million

ITEM NO. 6 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 that we are still waiting on the ruling about the DSH cuts and the delay of the payments.

Nevada Medicaid rates – we will see an increase, they will take effect January 1, 2020.

Ms. Wakem announced that Mr. VanHouweling received an award from an organization called FIT, Foundation for Independent Tomorrow. Herself and a few staff members joined him at the Paris Hotel to watch him accept the award.

FINAL ACTION TAKEN: None taken

ITEM NO. 7 Receive a quarterly update on Epic, UMC's Electronic Health Record System; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- EHR Update

DISCUSSION: Lonnie Richardson, Chief Information Officer provided an update on Epic.

M Modal dictation deployment went live on February 2019 and was very popular among physicians.

The Epic CUPID Cardiovascular module went live in June.

Upcoming deployments include an Epic upgrade, Epic Phoenix Transplant, Epic Breaker Laboratory Module and 3M 360 Encompass MD System.

Epic Gold Star Program was explained and UMC is currently rated at 6 stars out of ten stars with how well we have adopted Epic.

Physician usage of the EHR system has improved; we are at 98% with charting.

Over the next quarter the focus will be on patient experience, ease of use for providers, adoption of new features, revenue cycle continuous improvement and telemedicine.

FINAL ACTION TAKEN: No taken

ITEM NO. 8 Review and recommend for award by the Governing Board RFP No. 2019-08 Out-of-State Medicaid Billing and Collections to FIRM Revenue Cycle Management Services, Inc.; approve the RFP No. 2019-08 Service Agreement; authorize the Chief Executive Officer to exercise any extension options; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Service Agreement

DISCUSSION: This is a new contract that will provide out-of-state Medicaid billing and collection services to UMC. It was awarded to a local vendor for three years with two, one year options. The amount has a NTE of $3 million.

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

ITEM NO. 9 **Review and recommend for approval by the Governing Board Amendment Two to Agreement for Physician Professional Services with Quality Care Consultants, LLC for utilization, case management and resource management services; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment Two

DISCUSSION: This amendment for utilization, case management and resources management services extends an existing agreement for another year. The amount of this Amendment Two is for $115,200.00

FINAL ACTION TAKEN: A motion was made by Member Palenik 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 ratification by the Governing Board the First Amendment to Facility Participation Agreement with United Healthcare Insurance Company; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- First Amendment Facility Participation Agreement

DISCUSSION: Rose Coker, Director of Managed Care explained that we have been in negotiations for several months with United Health Care. We are amending the Appendix to the contract. This is a substantial increase across the board and lot of language was cleaned up in this contract. Both sides worked hard to get this in place and this Amendment will go through October 31, 2022.

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

ITEM NO. 11 Review and recommend for approval by the Governing Board the Amendment One to Agreement for Exterior Signage Products with INNERFACE Architectural Signage, Inc.; authorize the Chief Executive Officer to execute future amendments within his delegation of authority; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Innerface Signage – Amendment One

DISCUSSION: This Amendment One is for an increase of $375,000.00 and will provide funding for additional exterior signage for the hospital's façade remodel. The vendor in on our GPO.

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

ITEM NO. 12 Review and recommend for approval by the Governing Board the award of Bid No. 2019-10, Trauma ICU Renovation Project, to CMMCM LLC dba Müller Construction, the lowest responsive and responsible bidder; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Bid 2019 -10 Notice of Intent to Award
- Bid 2019-10 Trauma ICU Renovation
- Bid 2019-10 Letter of Award
- Muller Disclosure of Ownership (Signed)

DISCUSSION: Carissa Rey, Associate Administrator explained that the ICU has had no renovations for many years and this project will make the rooms more modern and include new plumbing and nursing stations. The grand total of this project is estimated at $879,600 and capital dollars will be used for this project.

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

ITEM NO. 13 Review and recommend for approval by the Governing Board the Grant Fund Agreement with the State of Nevada Office of the Attorney General; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- State of Nevada Office of the Attorney General Wyeth HRT Litigation Grand Fund Agreement

DISCUSSION: Marcia Turner explained that UMC will receive grant funding in the amount of $1,711,650.00 which will be used for the remodel of the Labor and Delivery floor.

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

ITEM NO. 14 Review and recommend for approval by the Governing Board the Supply Agreement for Epicel-CEA Skin Grafts between Vericel Corporation and University Medical Center of Southern Nevada; and take action as deemed appropriate. (For possible action)

Removed from Agenda

SECTION 3: EMERGING ISSUES

ITEM NO. 15 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

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 4:18 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: November 13, 2019
Minutes Prepared by: Terra Lovelin