University Medical Center of Southern Nevada
Governing Board Strategic Planning Committee
October 7, 2021

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Thursday, October 7, 2021
9:00 a.m.

The University Medical Center Governing Board Strategic Planning Committee met at the time and location listed above. The meeting was called to order at the hour of 9:00 a.m. by Chair Hagerty and the following members were present, which constituted a quorum of the members thereof:

CALL TO ORDER

Board Members:

Present:
Harry Hagerty, Chair
Renee Franklin
Robyn Caspersen
Dr. Don Mackay
Mary Lynn Palenik
Christian Haase

Absent:
None

Also Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Dr. Mark Kahn, Dean of the Kirk Kerkorian School of Medicine at UNLV
Susan Pitz, General Counsel
Christopher Jones, Executive Director of Support Services
Rasitha Kumarasinghe, Principal Financial Analyst
Kayla Hillegass, Management Analyst
Stephanie Ceccarelli, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Chair Hagerty asked if there were any persons present in the audience wishing to be heard on any item on this agenda. No such comments were heard.

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Strategic Planning Committee meeting on August 5, 2021. *(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 Mackay that the agenda be approved as recommended. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive a report regarding UMC Service Line Performance and Market Share Data; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- Service Line Update

DISCUSSION:

Mr. Marinello shared an overview of Service Line data which included a comparison of FY20 versus FY21, service line updates and improvements and transplant data reflected in the cost report. The Intellimed data presented was from the previous quarter. There was a 5% increase in CDM over last year and technology updates include the Intrado notification system. A deep dive in DRG/CPT service line examples was presented.

Chris Jones, Executive Director of Support Services, presented the market share update. He reminded the Committee that the Intellimed data is a quarter behind. The FY 2021 payor mix for all service lines was led by Medicaid at 42%, followed by Medicare at 30% and commercial landed at 18%. Mr. Jones reviewed percentages of inpatient cases by service line and by net revenue.

A new slide showing the outpatient case percentages by service line and payor mix was also presented. He highlighted that the largest percentage of payor mix was commercial at 40%, which was attributed to COVID volume, followed by self-pay at 23.6%, Medicaid at 19.5% and Medicare at 14%. The sacred six are a large part of our net revenue.

Mr. Jones next briefly reviewed the P&L dashboards for overall surgery, inpatient surgery and outpatient surgery. He highlighted that overall volumes for fourth quarter of FY21 were significantly higher over prior year and the contribution margins showed a significant increase. A conversation ensued regarding the structural difference in the contribution margin of inpatient and outpatient cases.

UMC sits third in the market for general surgery, holding 12% of the market share. The P&L shows inpatient surgery volumes are up and the total contribution margin is up. The transplant program is doing very well, with transplants up significantly over FY2021.

Mr. Marinello continued with the general surgery service line update. Operational updates included active initiatives with the Peri-Operative Operations Council to improve efficiencies, flow and cost control. Turnover time is at 24 minutes and the

new goal for on-time start for first cases is 75%. He next reviewed revenue enhancements and expense controls and technology updates with Epic.

Member Franklin stated that there has been great progress, but the goal for on-time start should ultimately be 100%.

In the orthopedic market, UMC is at number 3 with 13% of the market share. The P&L dashboard shows overall volumes in orthopedics dipped slightly due to COVID, but is climbing back up and the contribution margin has improved year over year.

The service line update for orthopedics highlighted the integrative joint program, expense savings, and reimbursement opportunities for outpatient orthopedic procedures. A sample of the IP DRG was presented and discussed.

In cardiac services, UMC remains 7th in the market. The inpatient data showed volumes were good and the contribution margin is up. A sample of the OP CPT sample was reviewed. The operational update highlighted that cath labs are operational and Phase 3 inspection is scheduled for October 14th. Revenue enhancement, strategic next steps and tech updates were briefly discussed.

In ambulatory services, Kayla Hillegass, Management Analyst, stated there has been good growth in recent months and volumes have continued to show growth at the quick care and primary care locations over prior year. The contribution margins have improved. There has been focus on implementing cost saving measures and streamlining the staffing model.

Good news in the ambulatory operational update; the permit has been approved to begin construction on the airport project. This should be a 4-week project. Mr. Van Houweling mentioned that the county is very interested in the airport clinic because of Federal funding grants that may be available. A grant from the state has been received that will fund COVID testing for travelers. This is exclusive to UMC.

Chair Hagerty asked if the competitive dynamics changed in testing at UMC. Ms. Hillegass replied that UMC is in the process of acquiring units to allow the 2-hour turn around process.

In quality incentives, Ms. Hillegass shared that UMC received shared savings with Silver State ACO. Mr. Van Houweling suggested that they be invited to present the check to the Board. Chair Hagerty asked if there could be any marketing to recognize this partnership. The discussion continued with a review of other operational updates, revenue enhancements, strategic next steps and tech strategies with Blue Tree, telemedicine and targeted marketing for UMC service lines.

Mr. Marinello continued with a summary of telemedicine with a breakdown of provider staffing, insurance contracting, specialty care contracting and the equipment to be deployed at the Wellness Center. The telemedicine go-live timeline was provided.

In Oncology, UMC is #4 in the market share. Mr. Marinello provided a review of the P&L dashboard for inpatient and outpatient cases. The operational update and revenue enhancements were highlighted.

In the Children's Hospital market, UMC ranks 3rd in market share. Overall, there was a decrease in volumes YOY, but there was an increase in contribution margin. Mr. Marinello added that UMC has launched a Children's Critical Care Transport Team. Revenue enhancements in NICU, strategic next steps in anesthesia and strategy in telemedicine and E-Consults were reported.

Women's Hospital services showed a slight decrease overall in volumes, but there was a slight increase in contribution margin. UMC has purchased 2 new ultra sound machines. Strategic next steps in marketing, social media and alignment with UNLV were discussed. Highlights in technology included the purchase of Air-Strip technology and NicView Remote live streaming monitor so parents can view their babies in the NICU.

FINAL ACTION TAKEN:

None taken.

ITEM NO. 5 Receive an update regarding UMC/UNLV business strategy; and direct staff accordingly. *(For possible action)*

DOCUMENT SUBMITTED:
- None

DISCUSSION:

Chair Hagerty began by thanking Dean Kahn for joining the Committee meeting and provided a history on how the sacred six service lines were created and laid a foundation for the discussion that followed.

Dean Kahn stated one strategic area that is missing that the partnership with the School of Medicine and UMC could benefit is in stroke care. This care would be complimentary to what is being done in other areas.

Chair Hagerty asked the Dean his thoughts on the emphasis that UMC has placed on current service lines. The discussion continued regarding the difficulties in the pediatrics service line.

The committee asked if there were any strategic plans that the school is focused on that UMC could offer complimentary assistance. The Dean responded that the plan of an Academic Health Center to work in partnership with UMC would be of benefit to the community. This would provide integrated and coordinated care. Areas to focus on and grow in the community include Oncology and funding and support to build a clinic to provide ambulatory surgery.

Dean Kahn concluded by emphasizing the need for the relationship between the School of Medicine and UMC to be a partnership. He added that academic medicine brings value.

Mr. Van Houweling mentioned that there is a planned retreat scheduled for October 21st. The discussion continued regarding the strategic effort to increase the GME cap for Residents in the state.

Chair Hagerty asked if there is anything that can be foreseen as a result of COVID, that we should prepare for. Dean Kahn responded that telehealth would be critical for the future of ambulatory medical care. A discussion ensued regarding telemedicine, the growth in the GME program and clinical trials.

FINAL ACTION TAKEN:

No action taken

SECTION 3: EMERGING ISSUES

ITEM NO. 6 Identify emerging issues to be addressed by staff or by the Board at future meetings; and direct staff accordingly. *(For possible action)*

The following items were provided:

1. Contribution margin in dollars by department and cost center
2. Reminder that the Gift of Hope Walk is on October 16th

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 this time, at the hour of 10:46 a.m. Chair Hagerty adjourned the meeting.

MINUTES PREPARED BY: Stephanie Ceccarelli

APPROVED: December 2, 2021