University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
September 18, 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 3:00 p.m. by Acting Chair Mary Lynn Palenik and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:
Mary Lynn Palenik – Acting Chair
Harry Hagerty
Robyn Caspersen – Via phone, joined at 3:19 pm
Jeff Ellis – Via phone
Dr. Donald Mackay - Via phone
Christian Haase - Via phone

Absent:
None

Others Present:
Mason VanHouweling, Chief Executive Officer
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Lonnie Richardson, Chief Information Officer
Susan Pitz, General Counsel
Emelia Allen, Attorney
Terra Lovelin, Administrative Assistant

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Acting Chair Palenik 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 August 21, 2019. *(For possible action)*

Member Hagerty commented that he is referred to as, "Chair" and the minutes should reflect, "Member".

FINAL ACTION: A motion was made by Member Hagerty that the minutes be approved as amended. Motion carried by unanimous vote.

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

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive a general overview from Rhonda Hamilton and Larry Preston with Silver State Accountable Care Organization (ACO), on potential savings associated with the ACO; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- Silver State ACO

DISCUSSION: Mr. Preston, CEO of Silver State explained a bit of history with how Silver State was formed. Silver State ACO was formed in 2013 and was approved by CMS as a Medicare Shared Savings Program in 2014. 75% of the board is made up of physicians and they are on Track 1, with no downside risk.

The ACO is state wide and serves Medicare fee for service patients in all of Nevada.

Historical trends from 2014 through 2017 were shown as well as original benchmarks and actual spends.

As of 2019, the group has over 460 primary care physicians and other healthcare providers included in over 44 different practices. There are approximately 41,000 attributed lives with 70,000 beneficiaries to be actively seen.

There is a new CMS contract for 2020-2024 and no risk for ACO participants.

Five groups have been added including University of Reno. Mr. Preston feels good with the direction the group is going.

Mr. VanHouweling asked how many lives are attributed to UMC Primary care physicians.

Mr. Preston replied that there are 3,600 lives and trending up. Medicare's estimate for UMC is 3,986 lives and they are estimating 4,012 lives for the year 2020.

Dr. Mackay asked if Silver state is able to track success?

Mr. Preston replied that they are able to do so.

Dr. Mackay asked if greatest growth is expected within Clark County?

Mr. Preston replied that year over year there has been significant growth.

Mr. Hagerty asked where someone could go for some basic information on the ACO.

Mr. Preston directed him to the CMS website for more information.

FINAL ACTION TAKEN: No action taken

ITEM NO. 5 **Review and recommend for approval by the Governing Board the Master Services Agreement and Project Service Addendums between EDCO Health Information Systems, Inc. and University Medical Center of Southern Nevada; authorize the Chief Executive Officer to exercise any extension options; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Master Services Agreement
- Business Associate Agreement
- Addendum 4492
- Addendum 4482
- Addendum 4489
- DOO

DISCUSSION: Jacqueline Saites explained that this agreement is for software that will allow for technology to get our patient information indexed and available at point of service.

Teresa Costa, Director of HIM explained that managing paper at all points of care is extremely challenging. This product has its own intelligence to match patients and automate patient information to go directly to a patient's medical record without having to print and rescan documents. The return on investment will be captured when this is up and running; it is expected to be a cost saving item.

The cost has a not to exceed amount of $3 million and a term length through 2024.

This is also expected to be implemented hospital wide to help decrease paper in all departments.

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. 6 **Review and recommend for approval by the Governing Board the Master Agreement and Service Orders between Bottomline Technologies Inc., and University Medical Center of Southern Nevada; authorize the CEO to sign future extensions or orders within his delegation; and take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Bottomline Master License Agreement
- Bottomline Patient Authentication with Services
- Bottomline Services Estimate
- Bottomline Professional Services Estimate
- Bottomline Project Summary
- Bottomline BAA
- CDWG IT Sourcing Letter
- 4 Quotes
- CDWG DOO

DISCUSSION: This contract has a NTE amount of $1,131,070 through 2023.

This technology provides for indexing of our forms and support automation of forms management, e-signature capability and streamline registration and other processes

Ms. Costa said this will change the patient experience at registration. Patients will be able to electronically fill out forms and have them post directly to Epic.

Dr. Mackay asked what hardware we are buying.

Ms. Saites replied that we are purchasing 200 iPads and touch screen monitors.

Chair Caspersen was under the impression that we purchased IPads already.

Mr. Marinello replied that we purchased iPads for UMC connect, perhaps this is what she was remembering.

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. 7 Review and recommend for approval by the Governing Board the Fifth Amendment to the Master Services Agreement and Services Agreement for Perfusion and Related Services with SpecialtyCare, Inc.; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Fifth Amendment
- DOO

DISCUSSION: This Amendment 5 corrects two errors that were previously made in the prior agreement. We need an additional eleven months of funding from the previous agreement.

The total funding request covers all the additional items.

The total amount of contract is $1,602,384.33 and terms May of 2023.

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

ITEM NO. 8 Receive the monthly financial report for August FY20; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- August FY20

DISCUSSION: Jennifer Wakem, Chief Financial Officer presented the financials for August FY20.

Total admissions were 1,927, an additional 137 visits
In-patient surgery cases were 826, more than prior month
Out-patient surgery cases were at 552, above budget by 5.3%
Quick cares visits were at 14,074, above budget 4.7%
Primary Care visit were at 5,003, below budget by 15%

Member Hagerty asked what we are doing to drive relationships in Primary care.

Mr. Marinello replied that we have hired Nurse Practitioners to get the patients seen when the doctors aren't available.

Dr. Mackay asked if there was any negative feedback from the doctors who left.

Mr. Marinello replied that two of the doctors retired, one moved and one went into another practice. There was no negative reason as to why they left UMC.

Chair Caspersen asked if in-patient surgery doctors make up the numbers of surgeries they miss or they just miss those cases altogether.

Mr. Marinello replied that a few doctors do make up the cases and when some doctors are out on vacation or for other reasons, we back fill those positions to get the surgeries done.

Deliveries were high in August with 190 deliveries

Total patient revenue was up 10.3%
Total net revenue was up 5.6%
Total operating expenses were above budget

Salaries, benefits, overtime and contract labor were all over budget by $1.1 million

ITEM NO. 9 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 DSH cuts were expected to take place in October but the cuts are being delayed.

BDO is onsite currently and they will be presenting their findings on November 13, 2019. We are ahead of schedule with the audit and almost through period 13 adjustments.

Chair Caspersen brought up the audit reports and asked to make sure the committee gets the complete set of the reports prior to the meeting.

ITEM NO. 10. Discuss and establish goals for CEO performance for FY 2020;

DOCUMENTS SUBMITTED:
- FY 2020 Goals

DISCUSSION:

1. **Meet or exceed fiscal year budgeted income from operations less depreciation and amortization**

The committee felt this goal was good as stated

2. **Implement new federal/state directed payment program to assist in UMC's supplemental reimbursement**

   A discussion ensued about ways to go after funds.

   The committee felt this goal was good as stated.

3. **Budgeted SWB as a percentage of net revenue is 61.9%. Actual SWB as a percentage of net revenue is equal to or less than 61.4%**

   Member Hagerty wanted to see an effort to address SWB as a percentage of net revenue.

   Acting Chair Palenik agreed and would like to see that verbiage as well.

4. **Decrease cost to collect .5% and bad debt expense .5% over prior year.**

The committee decided that the goals will not be weighted. The committee also decided that the goals will not be ranked by priority.

<u>FINAL ACTION TAKEN:</u> All goals will be submitted to the HR Committee as accepted as presented except goal number three, which will be revamped prior to sending to the HR Committee for final review and approval.

<u>SECTION 3: EMERGING ISSUES</u>

ITEM NO. 11 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)*

Acting Chair Palenik mentioned the morning television news report on the shooting threat at Spring Valley Hospital here in Las Vegas.

Member Hagerty asked commented that we should figure out what is most important to a Medicare payor, cost, convenience, etc.?

Member Hagerty would like to have an agenda item on a future agenda regarding UMC's response and action plan for a hospital shooting.

COMMENTS BY THE GENERAL PUBLIC: None

At this time, Acting Chair Palenik 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 5:28 p.m., Acting Chair Palenik adjourned the meeting.

MINUTES APPROVED: October 23, 2019
Minutes Prepared by: Terra Lovelin