University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
September 17, 2025

Emerald Conference Room
Delta Point Building, 1st Floor
901 Rancho Lane
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 2:00 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:
Robyn Caspersen
Bill Noonan
Mary Lynn Palenik (via WebEx)
Christian Haase (via WebEx)

Absent:
Harry Hagerty(Excused)

Others Present:
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Deb Fox, Chief Nursing Officer
Doug Metzger, Controller
Bud Shawl, Executive Director of Continuum of Care
Chris Jones, Executive Director of Support Services
Susan Pitz, General Counsel
Lia Allen, Assistant General Counsel - Contracts
Stephanie Ceccarelli, 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 August 20, 2025. *(For possible action)*

A motion was made by Member Palenik to approve the minutes as presented. Motion carried by unanimous vote.

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

A motion was made by Member Haase to approve the agenda as presented. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive the monthly financial reports for August FY26; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- PowerPoint Presentation

DISCUSSION:

Jennifer Wakem, Chief Financial Officer, presented the financials for August FY2026, the second month of the new fiscal year.

Volumes were good for the month. Admissions were slightly below budget. ADC was 366 and length of stay was 5.69 days. Hospital acuity was 1.90 and Medicare CMI was 2.22.

Inpatient surgeries were below budget by 18 cases. Outpatient surgeries were 39 cases below budget. There were 15 transplants. The overall ER visits were above budget 654 visits; the ED to observation/admission was 21%. Ms. Wakem noted that Renown Hospital in northern Nevada now has a kidney transplant program.

Quick care and primary care volumes were slightly below budget but higher than the previous year. There were 654 telehealth visits. Ortho clinic visits were strong, nearly 500 cases above budget, and there were 145 deliveries for the month, setting a record. The Crisis Stabilization Center was significantly under budget but increased compared to the previous month.

Deb Fox made a brief comment regarding the transplant program at Renown Hospital.

Member Noonan asked if there was a reason for the decline in volume at the quick care locations. Mr. Marinello mentioned the challenges at quick care locations and the operational strategies that have been implemented to improve volumes at several locations.

Compared to the 12-month average, trended stats show a slight increase in length of stay, attributed to high-acuity patients during the month. Inpatient and outpatient surgical cases were below the 12-month average. Quick care volumes declined and are being monitored closely. Orthopedic cases increased by 356 visits. Deliveries reached a record level against the 12-month average. The volume at the Crisis Stabilization Center is rising. The team is working on obtaining approval for the site to be designated as a location for behavioral health.

The payor mix trend was briefly reviewed and aligned with the 12-month average. Payor mix by type was provided for informational purposes. There was ongoing discussion about the causes of the month-over-month volume shift in outpatient surgical cases.

The income statement for August showed net patient revenue down $3 million, due to the lower-than-expected impact of the supplemental payment program. Supplemental payments were $2 million less than anticipated. Other revenue was below budget $1.3 million due to losses from the Crisis Stabilization Center. The county is working with the hospital to help equalize lost revenue and the team is reviewing opportunities to reduce cost. Expenses were down $4.3 million. EBIDTA was $3 million on a budget of $1.9 million.

Year to date, net patient revenue was down $5.25 million; other revenue was down $900K. Total operating revenue was $6.1 million below budget. Operating expenses were $5.9 below budget. EBIDTA was $2.5 million on a budget of $3.6 million.

Ms. Wakem briefly reviewed the budget for the Crisis Stabilization slide. She noted that although an expected volume of 1,500 was planned, only a small portion has been observed so far, revenue is significantly lower than anticipated, and operating expenses are high. Total losses were $752K for the month. She informed the Committee that the County will reimburse UMC a total of $5 million, in an effort to reduce the losses incurred.

Mr. Shawl mentioned that the volume has increased slightly so far for September, but it will not reach the targeted budget. The CSC has been approved as a destination for L2K patients by the Southern Nevada Health District, but the volumes will not be realized for approximately 60-90 days. Currently, 13-14 patients are seen per day, which is below the expected 24-28 patients daily.

The Committee inquired whether the hospital would be closer to on-budget status after the 60–90-day period. Mr. Shawl responded that geography significantly affects the volumes at the CSC, but the team is implementing strategies to manage expenses. There was ongoing discussion regarding patient volume and staffing challenges.

Salaries were $580K below budget. Ms. Wakem observed that SWB per FTE exceeded expectations. Mr. Marinello briefly mentioned staffing restructuring currently taking place.

All other expenses were $3.7 million under budget due to Cath lab, surgical supplies, and 340B revenue. Purchased services was also lower.

Key financial indicators were reviewed for profitability, labor, liquidity, and cash collections. Net to gross was lower than budget. Labor was in the green, with the exception of SWB as a percentage of net revenue. Liquidity was in the green, with the exception of the candidate for bill. Ms. Wakem commented that there are still outstanding supplemental payments. The cash collection goals were met. except for the point of service goal, which was just short of the target.

Cash flow for August balance sheet highlights were reviewed briefly. Supplemental payments were received in the month.

Period 13 remains open until the audit is complete with the BDO auditors.

FINAL ACTION TAKEN:
None

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

DOCUMENTS SUBMITTED:
- None

DISCUSSION:

BDO Audit:
Ms. Wakem informed the Committee that the audit is in the testing phase. Period 13 entries are expected to be finalized in October. BDO will provide a presentation to the Committee in November.

Internal Audit:
An offer has been extended to a candidate and accepted. The new internal auditor will start on October 14th and will be introduced to the Committee at a future meeting.

Medicaid Cyber Security Breach:
Ms. Wakem reminded the Committee that the State of Medicaid had a cyber security breach, which will delay the start of the new supplemental payment program.

Legislative Session Update:
Anticipating that there will be a special session at the State.

FINAL ACTION TAKEN:
None taken

ITEM NO. 6 Review and recommend for approval by the Governing Board the Amendment to Facility Agreement with Anthem Blue Cross and Blue Shield and HMO Colorado, Inc. for Managed Care Services; or take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Anthem BCBS Medicaid Amendment - redact
- Disclosure of Ownership

DISCUSSION:

This Amendment will add the Crisis Stabilization Center as a location and updates the rates performed.

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

ITEM NO. 7 Review and recommend for ratification by the Governing Board the Third Amendment to Preferred Provider Agreements with Culinary

Health Fund Administrative Services, LLC for Managed Care Services; or take action as deemed appropriate. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Preferred Provider Agreement – Amendment 3 - Redacted
- Disclosure of Ownership

DISCUSSION:

The amendment was entered into to be effective as of September 1, 2025. allowing UMC to realize the increased reimbursement rate for Urgent Care Services.

FINAL ACTION TAKEN:
A motion was made by Member Noonan to ratify the amendment and make a recommendation to the Governing Board to ratify the amendment. Motion carried by unanimous vote.

ITEM NO. 8 **Review and recommend for approval by the Governing Board the Network Provider Agreement with Nomi Health, Inc. for Managed Care Services; or take action as deemed appropriate.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- Provider Agreement – Redacted
- Disclosure of Ownership

DISCUSSION:

This new agreement establishes rates and reimbursements for covered services for a term of 3 years.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to approve the agreement 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 Amendment Ten to the Primary Care Physician Participation Agreement with Optum Health Networks, Inc. for Managed Care Services; or take action as deemed appropriate.** ***(For possible action)***

DOCUMENTS SUBMITTED:
- Participation Agreement – Amendment 10
- Disclosure of Ownership

DISCUSSION:

This is a request to approve the amendment to the agreement which will update and add Performance Incentive Program details to the existing agreement.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to approve the amendment 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 Letter of Understanding with P3 Health Partners-Nevada, LLC for Managed Care Services; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:
- Letter of Understanding
- Disclosure of Ownership

DISCUSSION:

UMC is currently in negotiations with P3. This Letter of Understanding extends the termination date of the agreement through the end of the year. Ratification was necessary as the agreement was due to terminate in August, and the parties needed additional time for negotiation of a new agreement.

FINAL ACTION TAKEN:

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

ITEM NO. 11 Review and recommend for approval by the Governing Board the Amendment to Individual/Group Provider Agreement with Sierra Health and Life Insurance Company, Inc. and Sierra Healthcare Options, Inc. for Managed Care Services; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment to Service Agreement - Redacted
- Disclosure of Ownership

DISCUSSION:

This amendment will add a customized compensation fee schedule for primary care covered services to Teacher Health Trust insureds.

FINAL ACTION TAKEN:

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

ITEM NO. 12 Review and recommend for approval by the Governing Board the Services Agreement with Comprehensive Care Services, Inc. for Perfusion Services and Equipment; authorize the Chief Executive Officer to execute extension options or amendments; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Profusion Service Agreement
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

This is a new agreement with GPO pricing. Rates will remain the same. The agreement will provide profusion equipment, technicians, and services on an as needed basis.

FINAL ACTION TAKEN:
A motion was made by Member Palenik to approve the agreement 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 Second Amendment to Master Services Agreement with HealthCare Inspired, LLC for Coding Support Services; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Master Service Agreement – Amendment 2
- Disclosure of Ownership

DISCUSSION:
This amendment will provide UMC with remote specialty coding services. This amendment is a one-year term.

FINAL ACTION TAKEN:

A motion was made by Member Noonan to approve the amendment 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 by the Governing Board the Professional Services Agreement for Teleradiology Clinical Services with Real Radiology, LLC; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Professional Service Agreement
- Disclosure of Ownership

DISCUSSION:

The Provider will offer UMC board-eligible teleradiology clinical coverage. This is a one-year agreement with an automatic renewal for another year and a 90-day cancellation clause before the anniversary date to prevent auto-renewal.

FINAL ACTION TAKEN:
A motion was made by Member Noonan to approve the agreement 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 Board of Hospital Trustees for University Medical Center of Southern Nevada, the Amendment Five to Master Professional Services Agreement and its Statement of Work with Medicus Healthcare Solutions, LLC for locum tenens and advanced practitioners staffing services; authorize the Chief Executive Officer to execute future amendments within the not-to-exceed amount of this Agreement; or take action as deemed appropriate. (For possible action)

DOCUMENTS SUBMITTED:
- Master Professional Service Agreement/SOW – Amendment 5
- Disclosure of Ownership

DISCUSSION:
This 5th Amendment requests to extend the term for one year through 2026 and increase the funding.

Chair Caspersen asked how many radiologists are still needed at UMC. Chris Jones, Executive Director of Support Services, responded that it is a challenge nationwide for radiologists; there is a need for approximately 8 overnight radiologists.

Member Noonan recalled a presentation about the use of AI-assisted radiology services. Mr. Jones responded that AI is a tool used by radiologists to prioritize critical cases, but it does not interpret the images.

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

SECTION 3: EMERGING ISSUES

ITEM NO. 16 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)*

1. Presentation at a future Governing Board meeting regarding IT and AI service providers.

At this time, Chair Caspersen asked if there were any public comment received to be heard on any items not listed on the posted agenda.

COMMENTS BY THE GENERAL PUBLIC:

SPEAKERS(S): None

There being no further business to come before the Committee at this time, at 2:53 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: October 22, 2025
Minutes Prepared by: Stephanie Ceccarelli