

**University Medical Center of Southern Nevada  
Governing Board Audit and Finance Committee Meeting  
September 18, 2024**

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UMC ProVidence Suite  
Trauma Building, 5<sup>th</sup> 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 2:00 p.m. The meeting was called to order at the hour of 2:04 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

**CALL TO ORDER**

**Board Members:**

**Present:**

Robyn Caspersen  
Dr. Donald Mackay  
Harry Hagerty (via WebEx)  
Jeff Ellis (via WebEx)  
Mary Lynn Palenik (via webex)  
Christian Haase (via WebEx)

**Absent:**

None

**Others Present:**

Mason Van Houweling, Chief Executive Officer (WebEx)  
Tony Marinello, Chief Operating Officer  
Jennifer Wakem, Chief Financial Officer  
Kendrick Russell, Chief Human Resource Officer  
Doug Metzger, Controller  
Shaunda Philips, Risk Manager  
Chris Jones, Executive Dir. 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 21, 2024. (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 presented. Motion carried by unanimous vote.

**SECTION 2. BUSINESS ITEMS**

**ITEM NO. 4    Receive a presentation regarding insurance coverage at UMC for FY2025 from Shaunda Philips, Director of Administrative Services; and direct staff accordingly. (For possible action)**

DOCUMENTS SUBMITTED:

- PowerPoint Presentation

DISCUSSION:

Shaunda Philips, Director of Administrative Services, provided a high level overview of the insurance coverage at UMC.

UMC is responsible for ensuring we have all business related coverages, including liability, property coverage, cyber liability insurance and crime coverage. UMC participates in the Clark County self-funded workers' compensation program.

UMC uses a tiered approach for reaching coverage goals and utilizes services of brokers for the development of appropriate coverage programs, to facilitate the purchasing and negotiation of coverages, as well as capturing changes that occur during the coverage year.

The structure of the program may change each year depending of adjustments in coverage needs, such as organizational changes or catastrophic events. Ms. Philips briefly reviewed the causes of increases in coverages. A breakdown of the tiered liability programs for the healthcare facility, cyber and public officials were shown and discussed. Property, crime and military provider programs, which are not tiered, were also discussed.

UMC maintains a Self-Insured Retention (SIR) Program. The SIR acts as the initial layer of coverage for:

- Healthcare Facility General Liability
- Healthcare Facility Professional Liability
- Employee Benefits Liability

- Cyber
- Directors & Officers

Although insurance coverages for UMC renew annually, renewal dates vary. The process for the renewing programs were discussed. In total, UMC expects to spend \$2.1 million for insurance coverage in FY25.

There was continued discussion regarding insurance risks, the level of insurance coverage needed at UMC and our insurance tort cap.

FINAL ACTION TAKEN:

None taken.

**ITEM NO. 5    Receive the monthly financial report for August FY25; and direct staff accordingly. (For possible action)**

DOCUMENTS SUBMITTED:

- August FY25 Financials

DISCUSSION:

Jennifer Wakem, Chief Financial Officer presented the financials for the month of August.

Admissions were below budget 7.5%. AADC was 603. Length of stay was 6.24. Hospital acuity was 1.90 and Medicare CMI was 2.64. Inpatient surgeries were below budget, the key driver being cardio vascular. Outpatient surgeries were 2.5% above budget. There were 17 transplants for the month.

ER visits were 5% below budget; adult ED showed the largest decrease in volumes, followed by pediatrics and trauma. ED to admission/observation was at 22.7%. Two full-time hospitalists' screeners have been implemented to assist in the emergency room. A clinical decision unit has been opened in the observation area to assist with monitoring patient discharges.

Quick care volume was down 9%. The key drivers were the Nellis, Blue Diamond and Peccole locations. Primary care was above budget 11%; key drivers were Peccole, Aliante and the Medical District locations.

There were 490 telehealth visits in the month and Ortho volume has increased significantly. There were 119 deliveries for the month.

Trended stats showed admissions up slightly for the month. Observation cases were down 60 cases against the 12-month average. Medicare CMI was a record high against the 12-month average. Inpatient surgical cases up 60 cases and outpatient had 79 above the 12-month average. ER cases were down by 29 visits and primary care had a record high. Ortho had a slight decline of 110 visits. There was continued discussion regarding the significant

volume decrease in quick cares over the 12-month average. Ms. Wakem stated that the Rancho quick care closed and the issues at the Nellis location. Mr. Marinello added that the Southern Highlands location was budgeted to open, but there was a delay due to construction. The team will adjust the statistics to normalize.

Payor mix trended for inpatient showed a governmental was up 1% and Medicare was down. ED showed government was up 1% Medicaid was down 2% and Medicare was up 1%. Inpatient surgical showed, Medicaid was down 3% and Medicare was up over 2.5%. Outpatient surgical cases were varied against the 12-month average.

Summary income statement showed total net revenue was \$2.1 million above budget. Other revenue was above budget \$1 million. Total operating revenue was \$3.1 million above budget and operating expenses were above budget \$1.7 million. Earnings before depreciation and amortization was \$4.4 million on a budget of \$3.1 million. For the month, we were \$1.2 million above budget. Trended stats were shown as informational.

Salaries, wages and benefits for August showed labor was above budget \$1.5 million. Paid FTEs were above budget 66 FTEs. SWB as a percent of net was higher than expected.

Trended salaries, wages and benefits showed overtime up slightly. Contract labor dropped in total for the month; the key driver was radiology. Medicus is still being used currently. Overnight coverage in radiology continues to be a challenge. Overtime as a percent of productive is 3%.

All other expenses for August were discussed briefly.

Key financial indicators were reviewed in profitability, labor, liquidity and cash collections. Profitability and labor was in the red. Liquidity and cash collections were in the green. Day's cash on hand was in the green, at 91.3 days. Net days in A/R was at 55.3 days and candidate for bill was up slightly. Point of service collection goal was exceeded.

A new slide highlighting the trends in the organizational goals was reviewed and opportunities for improvement were discussed briefly. The team will continue to provide regular monthly updates on the status of the goals.

Cash flow statement for August shows an increase of cash received of \$25.4 million for the month. Approximately \$48 million was received in supplemental payments were received related to FY24.

The balance sheet cash remains strong. Member Hagerty asked when a report would be received regarding cash flow and the appropriate capital structure.

**FINAL ACTION TAKEN:**

None taken

**ITEM NO. 6    Receive an update report from the Chief Financial Officer; and direct staff accordingly. *(For possible action)***

DOCUMENTS SUBMITTED:

- None

DISCUSSION:

- A tentative settlement agreement has been reached with SEIU. This will be a 4-year agreement, in effect until 2028.
- BDO is onsite this week doing testing for the financial audit.
- Update on Strata – this is the data warehouse system which will replace Kauffman Hall.
  - Management reporting is slated to go-live December 2024.
  - Operating budget reporting anticipated go-live in January 2025.
  - Productivity will go-live May 2025 and,
  - Contracts analytics will go-live in January 2026, as well as strategic planning.

Member Hagerty asked if the team could provide a report of the top five issues in SEIU contract negotiations at a future meeting.

FINAL ACTION TAKEN:

None taken

**ITEM NO. 7    Review and recommend for approval by the Governing Board the Seventh Amendment to Provider Services Agreement with Intermountain IPA, LLC for Managed Care Services; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Provider Agreement
- Disclosure of Ownership

DISCUSSION:

This amendment will add the Medicare Advantage plans to the agreement. The term remains the same.

FINAL ACTION TAKEN:

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

**ITEM NO. 8    Review and recommend for approval by the Governing Board the Ninth Amendment to Memorandum of Understanding with Intermountain IPA, LLC for Managed Care Services; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Ninth Amendment to Hospital Services Agreement
- Disclosure of Ownership

DISCUSSION:

This amendment will also add Medicare Advantage Plans to the agreement. The terms of the agreement remain the same. The amendment will extend the agreement through May 2026.

FINAL ACTION TAKEN:

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

**ITEM NO. 9    Review and recommend for approval by the Governing Board the Participating Addendum Agreement with Hamilton Medical, Inc. for the purchase of replacement ventilators; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Medical Agreement
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

This is a request to purchase and replace the current respiratory ventilators with new, up to date equipment. The agreement includes clinical training for staff members on the use of the equipment. This is a one-time purchase through HPG purchasing. The agreement has a standard 1-year warranty.

There was continued discussion regarding a secondary market for this type of equipment and the turn-around time of shipping and implementation of using the new equipment.

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. 10    Review and recommend for approval by the Governing Board the Second Amendment to the Master Services Agreement with Savista, LLC for Coding and Auditing Services; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:

- Master Services Agreement – 2<sup>nd</sup> Amendment
- Disclosure of Ownership

DISCUSSION:

This request to amend the agreement for remote coding and professional auditing. The amendment will increase funding to accommodate staffing increases. The term remains the same.

FINAL ACTION TAKEN:

A motion was made by Member Mackay 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 award by the Governing Board the RFI No. 2024-12 Non-Emergent Patient Transport Services to multiple transportation providers; approve the RFI No. 2024-12 Service Agreements; authorize the Chief Executive Officer to execute any extension options and future amendments within the not-to-exceed amount of the Agreements; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Carevans – Service Agreement
- GMTCare – Service Agreement
- Medlife Transportation – Service Agreement
- MTC – Service Agreement
- Disclosure of Ownership

DISCUSSION:

A notice of interest was posted in August for non-emergent patient transport services. Service would require 24/7 service for pick-up and transport to other medical facilities throughout the Las Vegas valley. Five responders were received. Four of the five were accepted.

These vendors will be use on an as needed basis.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to approve the awards and make a recommendation to the Governing Board to approve award of the agreements. Carried by unanimous vote.

**ITEM NO. 12 Review and recommend for approval by the Governing Board the BACTEC FX Blood Culture System Acquisition Agreement with Becton, Dickinson & Company; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Acquisition Agreement – Redacted
- Business Associate Agreement
- Disclosure of Ownership

DISCUSSION:

This is an agreement that will allow UMC to purchase blood culture bottles/disposables and utilize the equipment for lab testing in the pathology department. This is a purchase agreement commitment to purchase annually. This is a 5-year term and termination upon 90-days' notice.

FINAL ACTION TAKEN:

A motion was made by Member Haase 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 3M V.A.C. ULTA Therapy Units Master Usage Agreement with First American Bancorp, Inc. and the Facility Agreement to Terms and Conditions for use of 3M V.A.C. Therapy Units with KCI USA Inc.; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Master Usage Agreement and Addendum
- Facility Agreement
- Disclosure of Ownership

DISCUSSION:

This is to replace the 12 negative pressure wound therapy machines that are at end-of-life and to replace the high rental usage machines of an average of 15 negative pressure wound therapy machines per day. The agreement includes a five year extended warranty for the products.

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. 14 Review and recommend for approval by the Governing Board the Da Vinci Surgical System Sales, License, and Service Agreement with Intuitive Surgical, Inc.; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Sales, License, Service Agreement

DISCUSSION:

This agreement will allow UMC to replace the current Da Vinci Xi System with the IS5000 Da Vinci System and Da Vinci 5 Console. This is a five-year warranty. This new surgical robot will improve clinical outcomes, reduce length of stay and increase operating room volumes in the service line. A five-year



warranty will also be included. Mr. Marinello and Member Mackay provided more details regarding the equipment and its improved features.

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 majority vote. Member Hagerty abstained.

- ITEM NO. 15 Review and recommend for approval by the Governing Board the Agreement with Ascend, Inc. for Implementation Services of UKG Dimensions Pro Workforce Management Software; authorize the Chief Executive Officer to execute future change orders or amendments within his delegation of authority; or take action as deemed appropriate. (For possible action)**

DOCUMENTS SUBMITTED:

- Statement of Work – Redacted
- Disclosure of Ownership

DISCUSSION:

This agreement is for the implementation services for the new Pro Workforce Management software system. The implementation will take approximately 39-weeks and termination can be any time upon 10-days' notice.

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. 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)**

Chair Caspersen asked Ms. Wakem to check status of the previous emerging issues requested.

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.

There were none.

**COMMENTS BY THE GENERAL PUBLIC:**

SPEAKERS(S): None

There being no further business to come before the Committee at this time, at the hour of 3:20 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED: October 23, 2024  
Minutes Prepared by: Stephanie Ceccarelli