University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
September 22, 2026

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 Harry Hagerty and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:
Harry Hagerty, Chair (via Teams)
Bill Noonan
Christian Haase (via Teams)
Mary Lynn Palenik (via Teams)

Absent:
None

Others Present:
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Deb Fox, Chief Nursing Officer
Kendrick Russell, Chief Human Resources Officer
Doug Metzger, Controller
Chris Jones, Executive Director of Support Service
Susan Pitz – General Counsel
Lia Allen, Assistant General Counsel – Contracts
Stephanie Ceccarelli, Governing Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair Hagerty 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 held on August 19, 2026. *(For possible action)*

A motion was made by Member Haase to approve the minutes as presented. Motion carried by a majority vote.

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

DRAFT

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive monthly and year-to-date financial report for August FY27; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- August FY27 Financial Report

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

Key indicators for the month were reviewed and compared to budget and prior year. Admissions for August were below budget 6%. Average daily census was 366. Lenth of stay continues to remain high, at 6.30. Hospital CMI was 1.84 and Medicare CMI was 1.81. Ms. Wakem noted that the key driver was due to the high number of observation cases. The conversion rate of patients was 8.69%, up from prior year of 6.90%; noting that this is an area for improvement.

Inpatient surgery cases were strong for the month, and outpatient cases were 34 cases above budget. There were 13 transplants.

ER visits were 339 cases above budget. Quick care and primary care initiatives are in place to increase growth in those settings. Ortho clinic visits were down 491 cases and there were 99 deliveries. The Crisis Stabilization Center saw a record high at 535 cases. A brief discussion ensued regarding the increase in COVID cases in the valley.

In payor mix trended, commercial dropped 2%, and self-pay was up 2.45%. There has been a significant increase in presumptive eligibility applications for those applying for Medicaid.

The August income statement showed net patient revenue, $2.1 million above budget. Other revenue was over budget $77K. Total operating revenue was above budget $2.2 million. Operating expenses were above budget $920K. EBITDA was $1.4 million on a budget of $300K. Year to date EBITDA was $4.8 million on a budget of $800K.

In SWB, labor was over budget by $1.7 million. Paid FTEs were up by department; the key driver was in pediatrics. Overtime was over budget $350K. A slide highlighting progress of the FY27 goals will be presented beginning next month.

All other expenses were below budget $726K due to surgical supplies.

Key financial indicators were reviewed across profitability, labor, liquidity, and cash collections. Profitability and labor were in the red. Ms. Wakem noted challenges in coding accounts due to a change in software, which has impacted cash collections. Days cash on hand was just under 2 months. Cash

collections in the business office and point-of-service collections fell short of reaching their goals.

Organizational goals were reviewed. Only one of the three goals were met. Management has initiated initiatives that will help to improve the surgery volumes. Ms. Wakem commented on the challenges related to the SWB goal. Chair Hagerty commented on the nationwide trend of how labor and salary expenses are outpacing revenue for hospitals.

The cash flow statement showed that approximately $53million was received during the month. Approximately $31 million is outstanding in supplemental payments.

Next, the capital investment trend over a 10-year period was presented as informational.

Lastly, Ms. Wakem briefly reviewed the balance sheet highlights.

Member Noonan asked if the county would continue to provide supplemental funding related to the Crisis Stabilization Center. Ms. Wakem affirmed that the county will still provide supplemental funding and it will be used as needed.

Member Palenik inquired about the trend of the SWB being above budget despite admissions being below budget. Ms. Wakem explained that length of stay drove the need for additional labor. Ms. Fox added that approximately 14 beds were unavailable due to construction, as well as staff call-offs, and FMLA. The discussion continued regarding tracking absenteeism and other behaviors that contribute to staffing shortages.

Member Noonan inquired of the progress of the 24/7 Quick Care Clinic. Mr. Marinello responded that the target opening date is November 2nd.

A discussion ensued regarding a real-time productivity management tool that will assist in managing labor.

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:
Ms. Wakem provided the following updates:

FY26 Financial Statement Audit:
The audit is anticipated to be complete in August. Adjustments are coming in $5 million favorable.

UCLA Designation:

UMC is going to submit an application to change its designation from urban to rural. This could create an increase to IME payments. There was a brief conversation regarding the qualifications.

Misc.:
In August, the Raiders announced that they will be donating $25 million to Intermountain to help build the Children's Hospital.

FINAL ACTION TAKEN:
None taken

ITEM NO. 6 Review and recommend for approval by the Governing Board the Amendment Twelve to Participating Provider Agreement with SilverSummit Healthplan, Inc. for Managed Care Services; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Provider Agreement – Amendment 12
- Disclosure of Ownership

DISCUSSION:
This amendment updates the compensation plan, charge master language, and incorporates Battle Born provisions to the current agreement.

FINAL ACTION TAKEN:

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

ITEM NO. 7 Review and recommend for approval by the Governing Board the Amendment 2 to RFP No. 2022-01 Service Agreement for Early Out Self-Pay Pre-Collection Services with CMRE Financial Services, Inc. d/b/a Healthcare Revenue Management Group (HRMG); or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Service Agreement - Amendment Two

DISCUSSION:

This request is to exercise the 2nd of two renewal options to extend the term of the agreement and add additional funds. The vendor has 90-120 days to work self-pay and pre-collection balances before accounts are referred to bad debt.

Member Noonan asked if this vendor is used by other hospitals. Ms. Allen responded that they are commonly used.

FINAL ACTION TAKEN:
A motion was made by Member Noonan to approve the amendment and to 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 Surgical Assist Services Agreement with EVH Network; authorize the Chief Executive Officer to execute extensions and amendments; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Surgical Assist Services Agreement
- Disclosure of Ownership

DISCUSSION:
EVH Network will provide first-assist services during surgeries performed at UMC. This new agreement will have a 3-year term and termination upon 90 days' notice.

There was a brief discussion regarding the staff who will assist in performing surgeries. Ms. Fox responded that this is a niche area with highly specialized staff who cover CVT and other complex surgeries, as well as provide training to UMC staff for surgical first assist. They are nationally board-certified.

FINAL ACTION TAKEN:
A motion was made by Member Noonan to approve the agreement and to 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 LOGIQ E10 Ultrasound Agreement with GE Healthcare; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Agreement for LOGIQ E10 Ultrasound Machines - Redacted
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

UMC will purchase four new GE ultrasound machines. The current ultrasound machines are outdated and approaching the end of their life cycle. It is essential to replace these machines to ensure compliance with the Radiology Resident Program. HealthTrust GPO pricing was obtained.

A discussion ensued regarding the quantity of machines requested and if that was adequate. Ms. Allen responded that these are the machines that have been identified as needing immediate replacement.

FINAL ACTION TAKEN:
A motion was made by Member Noonan to approve the agreement and to 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 Third Amendment to Master Services Agreement with HealthCare Inspired,

LLC for Coding Support Services; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Audit Services Agreement
- Disclosure of Ownership

DISCUSSION:

This is the 3rd amendment with the vendor to expand the scope of services to include coding support and auditing services. This is a 3-year, with termination upon 15 days' notice.

Member Palenik asked if this service should be competitively bid out. Staff responded that this vendor is familiar with UMC's needs, but in future there may be opportunity to bid out for this service.

Ms. Wakem added that this is one of many coding companies used by UMC, but this vendor is used for more specialized and more complex coding. A discussion ensued regarding the opportunity to ensure accuracy in coding with AI technology.

The Committee asked whether there is a medical exception allowing qualified remote workers to provide this coding service. The Committee would like to collaborate with staff on the requirements for allowing employees to work outside Clark County. The discussion continued on the pros and cons of remote work opportunities. They would like to discuss this topic and related opportunities in more detail with staff.

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

ITEM NO. 11 Review and recommend for approval by the Governing Board, the Agreement with Intero Group HIM Services, LLC for CDI Services; authorize the Chief Executive Officer to execute any extension options; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- CDIS Agreement
- Disclosure of Ownership

DISCUSSION:
This is an agreement for the vendor to provide a review of clinical documentation and medical record reviews. This is a 3-year agreement with termination upon 30 days without cause.

A discussion ensued about whether there could be cost savings if we employed in-house rather than contracting out for this service. Staff explained the FTE and the benefits that would be provided to employees. Ms. Wakem

will provide an analysis to determine cost savings if the service were performed by UMC employees rather than contracted out.

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

ITEM NO. 12 Review and recommend for approval by the Governing Board the Service Agreement Addendum with Philips Healthcare, a division of Philips North America LLC; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Quote Addendum
- Disclosure of Ownership

DISCUSSION:

This is a new 5-year agreement for the Azurion 7 M12 machines, essential for use in the Cath Lab. This agreement will ensure continued required maintenance and repairs. Termination for convenience is allowed with 60 days' notice.

FINAL ACTION TAKEN:
A motion was made by Member Noonan to approve the agreement and to 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 Amendment 1 to Agreement for 340B Recovery Services with Par8o, LLC; authorize the Chief Executive Officer to execute any extension options and future amendments within the not-to-exceed yearly amount of this Agreement; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment 1 to Agreement for 340B Recovery Services

DISCUSSION:

This amendment will extend the term of the agreement for 3 years. The software core functions are to track outside referrals by matching prescriptions issued by outside doctors/prescribers with the prescriptions dispensed to UMC's 340B eligible patients, proves compliance by handling complex documentation needed to verify those outside prescriptions qualify for 340B savings under strict government rules and automates the process to cut down on manual paperwork by connecting electronic health records with pharmacies. This is a contingency agreement with a not-to-exceed amount.

FINAL ACTION TAKEN:

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

ITEM NO. 14 Review and recommend for award by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the RFP No. 2026-02 for Clinical Engineering, Equipment Distribution Management and Project Management Services to Intelas Health, Inc.; authorize the Chief Executive Officer to sign the RFP No. 2026-02 Service Agreement, and execute any extension options and future amendments that address the addition or deletion of equipment and needed services for all hospital locations; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Service Agreement

DISCUSSION:

UMC issued a request for proposal and received 4 respondents. After a review of the proposals, the ad hoc review committee recommends award to Intelas Health, LLC as the lowest responsive bidder for approval of the new 5-year agreement. Intelas will manage repairs and provide support and training at the hospital campus and at satellite clinics. Termination is available with 90 days without cause.

Member Palenik inquired about the cushion for equipment additions or deletions, and who advises whether this is necessary. Ms. Allen responded that the 25% cushion allows for additional purchases in the event of new clinic locations. This is tracked by UMC and determined by the need to purchase equipment. Mr. Marinello added that UMC will inform the vendor whether new equipment is needed.

A brief discussion continued regarding how cost savings are validated and any performance-based incentives.

FINAL ACTION TAKEN:
A motion was made by Member Noonan to approve the award and recommend for approval by the Board of Hospital Trustees. Motion carried by a majority vote.

ITEM NO. 15 Receive a presentation on the Lease Agreement with Verlaine, LLC for real property at 10195 W. Twain Ave, Las Vegas, NV 89149; review and recommend the Lease Agreement for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Lease Agreement
- Disclosure of Ownership

DISCUSSION:

Mr. Marinello presented a business overview of the Ambulatory Surgery Center. This is a strategic growth initiative designed to improve patient access, increase outpatient surgical capacity, and free hospital operating room resources for higher-acuity inpatient procedures. The ASC will support the organization's objective to transition appropriate outpatient procedures to an ASC while backfilling hospital capacity with inpatient surgical growth.

UMC currently operates 18 OR suites and 3 Endo suites. He reiterated that moving these cases will create capacity in the hospital OR and will generate greater reimbursement and improve efficiency. The targeted cases include ENT, orthopedic, general surgery, plastic surgery, and GI procedures. An image of the proposed location was shown. The center would house 3 OR suites, 3 exam rooms, sterile processing, preoperative and recovery areas.

The lease is 10 years with two 5-year renewal options.

A review of the operations plan of projected volume, hours of operation and average case volume per day was reviewed. The target opening date for the ASC would be in April 2027. The Committee reviewed the financial assessment for the next 5-year period.

There was continued discussion regarding the 6-month rent lease abatement payments. Mr. Jones stated that the lease abatement was negotiated into the agreement, as the building will need to be inspected, licensed, and the equipment move in. There was clarification regarding the year-one lease amount.

Member Noonan asked if there is an opportunity to purchase the building in year 2 or 3. Mr. Jones responded that UMC has the first right of refusal.

The Committee would like the financial assessment to include hospital operations financials for a clearer picture of overall financial benefits. Chair Hagerty added that the Committee will closely monitor inpatient surgery forecasts for FY28.

FINAL ACTION TAKEN:
A motion was made by Member Noonan to approve the lease agreement and to make a recommendation to the Board of Hospital Trustees to approve the lease 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)*

The Committee would like a review of the following:

Future presentation on UMC's coding and payor reimbursement processes

FINAL ACTION TAKEN:
None

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

COMMENTS BY THE GENERAL PUBLIC:

SPEAKERS(S): None

FINAL ACTION TAKEN:
At the hour of 3:32 p.m., the meeting was adjourned.

MINUTES APPROVED: October 21, 2026
Minutes Prepared by: Stephanie Ceccarelli