The University Medical Center Hospital Advisory Board Finance Committee met in regular session, in the Conference Rooms I&J, 800 Rose Street, Las Vegas, Clark County, Nevada, on Wednesday, February 2, at the hour of 4:00 p.m. The meeting was called to order at the hour of 4:11 p.m. by Harry Hagerty, Committee Chair, and the following members were present, constituting all of the members thereof:

CALL TO ORDER

Committee Members:
Harry Hagerty, Chair
Amber Lopez-Lasater,
Ash Mirchandani
Barbara Robinson
Dwayne Murray
Robert McBeath, Joining at 4:24 p.m.

Absent:
Bobbette Bond
Nick Spirtos, M.D.

Ex-Officio Members:
George Stevens, CFO
Brian Brannman, COO
Cindy Charyulu, Director, Revenue Cycle
Floyd Stevens, Controller
Rose Coker, Director, Managed Care & Business Development
Stephanie Merrill, Director, Budget & Financial Planning

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 Approval of Agenda
FINAL ACTION: A motion was made by Amber Lopez-Lasater, and seconded by Dwayne Murray that the agenda be approved as recommended. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO 2. That the Hospital Advisory Board Finance Committee receive a report describing the procedures used in the preparation of the monthly financial reports of the University Medical Center of Southern Nevada, including the definition of specialized terms used therein; and take any action deemed appropriate.

DOCUMENTS SUBMITTED: An information packet which included the hospital organization chart, glossary of terms, balance sheet, income statement and cost center list.

DISCUSSION: Harry Hagerty explained the reason for his request to have this agenda item was to familiarize the committee with the terms and processes required in preparing financials in a hospital setting.

Floyd Stevens provided a brief overview of the various accounting systems and discussed their integration with one another, how the chart of accounts is organized, the month-end closing schedule, how hospital staff is made aware of budget and financial expectations, and the communication of UMC’s financial status to management staff.

Discussion ensued regarding purchasing payment terms with vendors, days in accounts payable, RFPs and group purchasing organizations.

In response to questions from the committee, Cindy Charyulu explained some of the challenges on the accounts receivable side, which includes outdated technology, lack of electronic health records, physician documentation, payers not paying timely, self-pay collections, late charges and improvements in processes that need to be implemented with some involving the School of Medicine. There are benchmarks being tracked, using best practices.

There was lengthy discussion regarding the contractual allowance and bad debt reflected in the financials. It was noted that federal monies coming to the hospital has decreased.
FINAL ACTION: Management is to provide the committee with a presentation outlining the challenges in the revenue cycle. Documentation is to be provided to the committee prior to the committee meeting to allow time for review.

ITEM NO 3.

That the Finance Committee receive a report on University Medical Center of Southern Nevada’s Fiscal Year 2011, Second Quarter Financial Statements for Period Ending December 31, 2010.


DISCUSSION: George Stevens reviewed the financial update with the committee, responding to various questions and pointing out the continued decline in volume. The average loss is around $400 per adjusted patient day. Accounts payable is lower than it has been in eight (8) years. Cash collections have been stable.

Committee members expressed interest in determining what portion of the loss was due to charity care vs. managed care business. Pete Tibone explained the 2010 cost accounting data was received on today’s date, and it would take a month to have it input into the data base; however, data for 2009 is available.

Dr. McBeath and Brian Brannman discussed the possibility of revising the financial presentation to the Hospital Board of Trustees, which the press utilizes, to display uncompensated care on a separate line. Dr. McBeath expressed his concern over his insured patients’ perception of the hospital being bad which results in their not wanting to come to UMC. The social good should be shown separately.

FINAL ACTION: Utilizing 2009 data provide the profit and loss with charity care shown as a separate line item.

ITEM NO 4.

That the Finance Committee receive a report on University Medical Center’s Professional Fees from Fiscal Year 2005 through Fiscal Year 2010.

DOCUMENTS SUBMITTED: Information packet comprised of the following documents:

- Schedule entitled Professional Fees, Actual July 10 – June 2011
- Schedule entitled Actual July 09 – June 2010
- Schedule entitled Professional Fees Actual FYE 6/09, 6/09, 6/07.
DISCUSSION: Floyd Stevens reviewed with the committee the professional fee schedules representing a 5 year trend.

Brian Brannman explained the recent process in renegotiating the professional fee contracts as requested by Commissioner Reid and the need to have specialists on call for the ED and Trauma. Committee members emphasized the need for the selection committee to be concerned about the cost, questioned the need for a trauma center due to the cost of maintaining one, and expressed concern over the public not knowing the difference between the levels of care provided at the different trauma centers.

FINAL ACTION: Harry Hagerty will report the findings to the Hospital Advisory Board.

ITEM NO 5.

That the Finance Committee discuss the timeline for submission of the hospital’s budget for FY12 to the County.

DOCUMENT SUBMITTED: Information sheet entitled University Medical Center, FY2012 Budget Timelines.

DISCUSSION: Stephanie Merrill reviewed the budget timeline with the committee members, informing them that there would not be much time for their review prior to the submission of the budget to the County. This is due to the recent formation of this committee and the set timeline for budget submission required by NRS.

FINAL ACTION: A presentation will be given to the Finance Committee explaining the budget process at a later date.

ITEM NO 6.

That the Finance Committee identify emerging issues to be addressed by staff or by the Committee at future meetings; and direct staff accordingly.

DISCUSSION: Harry Hagerty reviewed the items the committee requested for the next meeting.

- Presentation on collection/bad debt
- The loss shown by payer, e.g., a division of the operations of the hospital separated from what is paid by managed care and other payers
- A schedule showing the least profitable and most profitable departments, or service lines, in the hospital for FY 2010 and the first 6 months of FY2011, e.g., cardiology, surgical services, etc.
FINAL ACTION: The above items are to be presented to the Finance Committee at the next scheduled meeting.

SECTION 3. DISCUSS AND SET NEXT HOSPITAL ADVISORY BOARD FINANCE COMMITTEE MEETING TIME AND LOCATION

The next Hospital Advisory Board Finance Committee meeting is scheduled for March 2, 2011, 4:00 p.m., in the Trauma building, 5th floor, Conference Rooms I&J.

SECTION 4. PUBLIC COMMENT

Not offered.

Speaker(s): None

There being no further business to come before the committee at this time, at the hour of 6:07 p.m. the meeting was adjourned.

DATE MINUTES APPROVED: 03/02/11, with the correction of the name of the committee changed from Patient Care Committee to Finance Committee in Section 3, as reflected above.

UMC HOSPITAL ADVISORY FINANCE COMMITTEE
Harry Hagerty, Chair