The University Medical Center Hospital Advisory Board Finance Committee met in Conference Rooms I&J, 800 Rose Street, Las Vegas, Clark County, Nevada, on Wednesday, February 1, at the hour of 4:00 p.m. The meeting was called to order at the hour of 4:00 p.m. by Harry Hagerty, Committee Chair, and the following members were present, constituting a quorum of the Committee:

SECTION 1. OPENING CEREMONIES

CALL TO ORDER

Present:
Harry Hagerty, Chair
Anthony Marlon, M.D.
Robert McBeath, M.D.
Ash Mirchandani
Dwayne Murray
Barbara Robinson

Absent:
Bobbette Bond
Nick Spirtos, M.D. [Arrived at 4:03, Item No. 9, top of business agenda]

Also Present:
Lisa Logsdon, Deputy District Attorney
Brian Brannman, Chief Executive Officer [arrived 4:42 p.m.]
Vicki Huber, Chief Nursing Officer
Cindi Roehr, Associate Administrator, Professional Services
John Eddy, Associate Administrator, Ambulatory Care
Joan Brookhyser, M.D., Chief Medical Officer
Stephanie Merrill, Director, Budget & Financial Planning
Floyd Stevens, Controller
Pete Tibone, Director, Reimbursement/Cost Reporting

ITEM NO. 1

Approval of Minutes of the Joint Hospital Advisory Board Contracts and Finance Committees’ meeting on January 4, 2012 (for possible action.) [Copies available at the University Medical Center, Administration Office or on UMC’s Internet Website, www.UMCSN.com.]

FINAL ACTION: A motion was made to adopt the minutes as written. The motion carried by the following vote.
ITEM NO. 2  Approval of Agenda (for possible action.)

FINAL ACTION: Harry Hagerty requested that Item No. 9 to be taken at the top of the business agenda. A motion was made by to approve the agenda as recommended. The motion carried by the following vote.

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<th>Voting Aye</th>
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PUBLIC COMMENT:

Harry Hagerty, Committee Chair asked if there was anyone in the audience that would like to be heard on any item on this agenda.

Speaker(s): None.

SECTION 2. BUSINESS ITEMS

ITEM NO. 9  That the Hospital Advisory Board Finance Committee receive a presentation on the duplication of trauma services in the Community, and how this affects UMC's future expansion of trauma services; and take any action deemed appropriate. (For possible action)

[Dr. Spirtos arrived at the beginning of this item]

DISCUSSION: Dr. Fildes, Medical Director, Trauma Services, was invited to make a presentation regarding the affects of the duplication of trauma services on UMC’s trauma center.

UMC was first designated as a Level II trauma center in 1988. In 1999, it was elevated to Level I status, and in 2007 a Level II pediatric trauma center was added. In 2005, Sunrise added a Level II trauma center, and St. Rose added a Level III, resulting in the creation of catchment areas for the three trauma centers. Since the addition of these two trauma centers, UMC trauma patient volume has decreased significantly. From 2006 to 2010, there was a 29.4% decrease in the number of patients in Clark County who met criteria to be treated in trauma centers. During the same
time frame, the number of Trauma Field Triage Criteria (TFTC) transports to UMC decreased by 31.4%, while Sunrise and St. Rose maintained roughly the same volume since they opened.

Not only has UMC’s Trauma Center experienced significant decreases in patient volume, but also in patients with ISS scores greater than 15, patients less than 15 years of age, patients greater than 15 years of age, and operating volumes. These declining volumes are a threat to our training programs. UMC has the only surgery training program in the state of Nevada, and also has an exclusive agreement with the US Air Force to train their physicians and nurses to maintain battle readiness. This specialized training requires an adequate patient volume and appropriate level of severity.

The pediatric trauma center is significantly threatened by declining patient volumes. From 2004 to 2011 there was a 46.7% decrease in pediatric trauma patients. In 2011 UMC saw 146 pediatric patients; the minimum number of pediatric patients required to maintain certification as a pediatric level II trauma center is 100. Children with injury severity scores greater than 15 have decreased by 32% since the addition of the two other trauma centers.

In 2010, the American College of Surgeons (ACS) conducted a site survey at UMC, and noted the declining volume of pediatric patients. UMC was directed by site reviewers to work with the Health District to find ways to concentrate the most badly injured children in the only pediatric trauma designated center (UMC). Staff did that, and in turn the Health District requested a trauma systems analysis by the American College of Surgeons. As a result of that analysis, ACS again recommended that the system concentrate badly injured children in the only pediatric trauma center, and re-evaluate the need for a second pediatric center in the future. That recommendation is on the table, but no action has been taken by the Health District.

In summary, UMC’s trauma center has seen a 34% decrease in total number of patients, 47% decrease in pediatric patients and 30% decrease in adults.

Dr. Fildes answered questions from the Committee regarding out-of-state transfers, legislation, the health department position, and other hospitals’ desires to add trauma centers.

**FINAL ACTION:** No action taken.

**ITEM NO. 3**

That the Hospital Advisory Board Finance Committee review and recommend for award Amendment Three to the Agreement For Physician Medical Directorship Of The Pathology Department And Related Professional Services, to W. Howard Hoffman, M.D., Associated Pathologists, Chartered (APC); and take any action
Deemed appropriate for recommendation of acceptance to the Hospital Advisory Board. *(For possible action)*

**DOCUMENT(S) SUBMITTED:** Contract Executive Summary; Contract Amendment; Disclosure of Ownership/Relationship

**DISCUSSION:** UMC has had a contract with APC for pathology services since 1982. With the contract expiring at the end of February, it was the desire of Administration to conduct an RFP. A one year extension of the existing contract would be required to conduct this RFP. Staff negotiated with APC for a one year extension with a 3-day out clause. APC requested $375,000, a $175,000 increase from the previous rate. Sinaiko determined a fair market range of $327,000 to $453,000.

Discussion ensued regarding combining histology and pathology services, outsourcing histology, and the justification to double the rate for a one year extension.

There was concern expressed with the contract being presented to the Committee with less than a month until the contract expires, as well as the length of time allowed for this RFP. Ms. Roehr explained that the fair market analysis took six weeks, and that staff has been negotiating with APC for several months. Staff resources are limited, and they are just now building the market analysis into the process, which has extended the timeframes. Ms. Roehr also explained that Pathology Services is a huge RFP. The RFP will be circulated for 4-6 weeks and then it will take months to go through the evaluation process, and then negotiations process. It will take a minimum of 6-9 months to complete the process.

The Committee directed staff to expedite the RPF process and to continue negotiations with APC for a 12-month extension at the current rate. The item will be placed on the HAB agenda for discussion.

**FINAL ACTION:** No action taken.

**ITEM NO. 4**

That the Hospital Advisory Board Finance Committee review the Provider Agreement between Alireza Farabi, M.D., PC and University Medical Center of Southern Nevada for primary care and infectious disease medical services to Ryan White participants; and take any action deemed appropriate for recommendation of acceptance to the Hospital Advisory Board. *(For possible action)*

**DOCUMENT(S) SUBMITTED:** Contract Executive Summary; Contract Amendment; Disclosure of Ownership/Relationship

**DISCUSSION:** This contract is to provide primary care and infectious disease medical services to HIV patients in UMC’s Wellness Center. 50% of the expense will be paid by the Ryan White Grant. The remainder will be paid for through funds budgeted for physician positions that are currently vacant.
FINAL ACTION: A motion was made by Ash Mirchandani to recommend approval by the Hospital Advisory Board. The motion carried by unanimous vote.

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ITEM NO. 5

That the Hospital Advisory Board Finance Committee review the Agreement for Physician Professional Services for Urgent Care Services between the University of Nevada School of Medicine Integrated Clinical Services, Inc. and University of Nevada School of Medicine Multispecialty Group Practice South, Inc. d/b/a MedSchool Associates South and the University Medical Center of Southern Nevada; and take any action deemed appropriate for recommendation of acceptance to the Hospital Advisory Board. *(For possible action)*

DOCUMENT(S) SUBMITTED: Contract Executive Summary; Contract Amendment; Disclosure of Ownership/Relationship

DISCUSSION: The Quick Care system is without seven full-time employed physicians, and having difficulty recruiting replacements due to market salary competition. This contract would create a partnership with UNSOM physicians to provide Quick Care coverage when needed.

FINAL ACTION: A motion was made by Anthony Marlon to recommend approval by the Hospital Advisory Board. The motion carried by unanimous vote.

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ITEM NO. 6

That the Hospital Advisory Board Finance Committee review and recommend for award RFP No. 2011-27, Urology Services, to Robert B. McBeath, M.D., PC d/b/a Urology Specialists of Nevada; and take any action deemed appropriate for recommendation of acceptance to the Hospital Advisory Board. *(For possible action)*

DOCUMENT(S) SUBMITTED: Contract Executive Summary; Contract Amendment; Disclosure of Ownership/Relationship, and Power Point presentation “Urology Specialists of Nevada, RFP NO. 2011-27”
DISCUSSION: Two responses to the Urology RFP were received. The Contract Review Committee reviewed proposals and unanimously recommended the selection of Urology Specialists of Nevada.

Dr. McBeath recused himself as a Committee member.

As the respondent, Doctor McBeath gave a presentation on his group's response to the RFP. Highlights included physician practice and clinical expertise, cultural diversity of the group, practice locations, capabilities, accomplishments during previous contract, commitment to the academic medical center, previous contract savings, and collectable charges. In conclusion, Dr. McBeath's group has agreed to accept $800,000, a 23% reduction from previous contract, at a total savings of $1.25 million to the hospital.

Dr. McBeath excused himself from the room for the discussion and vote on this item, and the remainder of the meeting.

Dr. Spirtos expressed his ongoing concern with the RFP process, specifically with the lack of financial data necessary to determine the value of the contract, for example, volume of consults, volume of surgeries, whether consults are done by a physician or physician assistant. Mr. Brannman agreed that staff will develop a matrix for analyzing and presenting the requested data.

FINAL ACTION: A motion was made by Barbara Robinson to recommend approval by the Hospital Advisory Board. The motion carried by unanimous vote.

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[Dwayne Murray left the meeting at 5:30, after the vote on this item]

ITEM NO. 7

That the Hospital Advisory Board Finance Committee review and recommend for ratification RFP No. 2011-30, Medical Coder, to Kforce Healthcare, Inc., Maxim Healthcare Services, Inc. d/b/a Maxim Health Information Services and On Assignment Staffing Services, Inc. d/b/a On Assignment Health Information Management; and take any action deemed appropriate for recommendation of acceptance to the Hospital Advisory Board. (For possible action)

DOCUMENT(S) SUBMITTED: Contract Executive Summary; Contract Amendment; Disclosure of Ownership/Relationship
DISCUSSION: An RFP was issued for Medical Coder Services, to provide back-up for in-house vacancies. Ten responses were received and evaluated. Three vendors were selected to provide the service on an as-needed basis. Budgeted amounts will be based on the anticipated need for each year.

FINAL ACTION: A motion was made by Anthony Marlon to recommend approval by the Hospital Advisory Board. The motion carried by unanimous vote.

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ITEM NO. 8
That the Hospital Advisory Board Finance Committee receive a report of Contracts currently in active preparation by the Contracts Management team which will be presented to the Hospital Advisory Board for approval at a future meeting.

DISCUSSION: List of contracts to come before the Board in the near future was reviewed.

FINAL ACTION: No action taken.

ITEM NO. 9
Taken at the top of the Business Agenda.

ITEM NO. 10
That the Hospital Advisory Board Finance Committee discuss a proposal to internalize the Neonatology Professional Services contract with employed UMC Physicians; and direct staff accordingly.

DISCUSSION: Staff discussed a proposal to internalize the Neonatology Professional Services contract with employed UMC physicians. UMC has contracted with Sheridan for the past 2 ½ years. Last year an audit of the contract was performed, resulting in a recommendation from the HAB that staff consider other options. Formal notice has been given to Sheridan that their contract, which ends April 30, 2012, will not be extended. The favorable impact of internalizing this service is $800,000 annually. Sheridan has agreed to waive the no-compete clause for the physicians, allowing us to employ the same physicians. Staff will be working with the School of Medicine to recruit a fifth physician with academic credentials, to support a neonatal fellowship in the future.

FINAL ACTION: A motion was made by Nick Spirtos to recommend approval by the Hospital Advisory Board. The motion carried by unanimous vote.

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ITEM NO. 11  That the Hospital Advisory Board Finance Committee receive the Fiscal Year 2011 Audit Report of University Medical Center of Southern Nevada.

DISCUSSION:  Floyd Stevens, Controller gave a very brief overview the audit financials for 2011. They were presented to the Board of County Commissioners in December, and then mailed out to all HAB members. There were no audit adjustments from the preliminary report, and the management letter had no significant issues.

FINAL ACTION:  No action taken.

ITEM NO. 12  That the Hospital Advisory Board Finance Committee receive a report on the status of the contract with Nevada Cancer Institute.

DISCUSSION:  Outpatient oncology volume remains unchanged. The Dean and Mr. Brannman have meetings scheduled with the CEO of the University of California San Diego to discuss expectations of their continued involvement. Legal Counsel did not feel there was grounds for UMC to object to the new provider, based on performance of the current contract. Dr. Spirtos disagreed, and will forward a list of breaches to Mr. Brannman, including the lack of on-site outpatient radiation oncology. Ms. Logsdon recommended that Mr. Brannman meet with the new owners and determine whether or not they can perform as the contract requires.

Barbara Robinson requested an explanation of the bankruptcy process by Mary-Anne Miller at the next meeting.

FINAL ACTION:  No action taken.

ITEM NO. 13  That the Hospital Advisory Board Finance Committee receive a report on contracts that include Medical Directorships and related requirements and duties.

DOCUMENT(S) SUBMITTED:  Medical Directors Contract Review February 1, 2012; Medical Directors Contracts Identified as of January 26, 2012

DISCUSSION:  Tabled until March meeting, as Dwayne Murray had requested the item, and was not present for discussion.

FINAL ACTION:  No action taken
ITEM NO. 14  Identify emerging issues to be addressed by staff or by the committee at future meetings; and direct staff accordingly.

DISCUSSION: The following information was requested for the next meeting.

- Report on collections for out-of-state trauma
- Review of NVCI bankruptcy process
- Review Medical Directorship Contracts
- Discuss ongoing review of performance measures (dashboards)
- Discuss fixed Quick Care rates for cash paying patients

SECTION 3. - PUBLIC COMMENT:

Harry Hagerty, Finance Committee Chair asked if there were any persons present in the audience wishing to be heard on any matter.

Speaker(s): None.

There being no further business to come before the committee at this time, at the hour of 6:55 p.m. the meeting was adjourned.

DATE MINUTES APPROVED: March 7, 2012

UMC HOSPITAL ADVISORY BOARD FINANCE COMMITTEE
Harry Hagerty, Chair, Finance Committee