

Minutes are intended to note (a) the date, time and place of the meeting; (b) those members of the public body who were present and those who were absent; and (c) the substance of all matters proposed, discussed and/or action was taken on. Minutes are not intended to be a verbatim report of a meeting. An audiotape recording of the meeting is available for inspection by any member of the public interested in a verbatim report of the meeting. These minutes are not final until approved by the Board of Regents at the June 2016, meeting.

**BOARD OF REGENTS* and its
HEALTH SCIENCES SYSTEM COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**

Rogers Student Center, Ballroom
Nevada State College
1021 East Paradise Hills Drive, Henderson
Thursday, March 3, 2016

Video or Telephone Conference Connection from the Meeting Site to:
System Administration, Reno
2601 Enterprise Road
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

Members Present:

Mr. James Dean Leavitt, Chair
Dr. Mark W. Doubrava, Vice Chair
Dr. Jason Geddes
Mr. Kevin C. Melcher

Members Absent:

Mr. Kevin J. Page
Ms. Allison Stephens

Others Present:

Mr. Daniel J. Klaich, Chancellor
Mr. Dean J. Gould, Chief of Staff and Special Counsel to the Board
Mr. Vic Redding, Vice Chancellor for Finance and Administration
Dr. Marcia Turner, Vice Chancellor, Health Sciences System
Mr. Frank Woodbeck, Executive Director,
Nevada College Collaborative
Mr. Nicholas Vaskov, System Counsel and Director of
Real Estate Planning
Ms. Lee Quick, Manager, Health Sciences System
Dr. Len Jessup, President, UNLV
Dr. Marc A. Johnson, President, UNR
Dr. Barbara Atkinson, UNLV School of Medicine
Dr. Thomas L. Schwenk, UNSOM, UNR

No faculty senate chairs were in attendance. Student body presidents in attendance were: Ms. DeMarynee Saili, SGA, GBC; and Ms. Andrea Senda, ASWN, WNC.

For others present, please see the attendance roster on file in the Board office.

Chair James Dean Leavitt called the meeting to order at 4:10 p.m. with all members present except Regents Page and Stephens.

1. Information Only-Public Comment – None.
2. Approved-Minutes – The Committee recommended approval of the minutes from the December 4, 2015, meeting (*Ref. HSS-2 on file in the Board office*).

Regent Geddes moved approval of the minutes from the December 4, 2015, meeting. Regent Melcher seconded. Motion carried. Regents Page and Stephens were absent.

3. Information Only-Chair's Report – Chair James Dean Leavitt provided general remarks and updated the Committee regarding health sciences planning and development efforts including activities and actions of the Board of Regents, the Health Sciences System administration or other Nevada System of Higher Education leaders since the last meeting of the Committee.

Chair Leavitt stated Dr. Thomas L. Schwenk, Dean, UNSOM, and Vice President, Division of Health Sciences, UNR, and Dr. Barbara Atkinson, Founding Dean of the UNLV School of Medicine, are doing a remarkable job, including the credible progress on the practice plan and transition issues.

Chair Leavitt also expressed his appreciation to Vice Chair Doubrava and Vice Chancellor of Health Sciences, Marcia Turner, and others, for their support in this project.

Chair Leavitt requested Agenda Items #4 and #5 be taken together.

4. Information Only-Medical Faculty Practice Plans – Dean Schwenk and Dean Atkinson presented an update on the financial and clinical performance of the southern Nevada component (Medical School Associates, South) of the UNSOM faculty practice plan (Integrated Clinical Services, Inc.), including a task list of billing, scheduling, productivity, compliance, documentation, and electronic medical record issues being addressed. The latest financial performance data was presented. The update also included an overview of the UNLV School of Medicine's efforts to develop a faculty practice plan.
5. Information Only-Medical Education Transition Planning and Activities – Dean Atkinson and Dean Schwenk provided an update on UNSOM to the UNLV School of Medicine transition plans based on the latest deliberations from a group charged with managing the transition. The group includes presidents, provosts, business leaders, and medical deans of UNLV and UNR.

Dean Schwenk said the finances from the practice plan are a great concern and has hampered what was already a difficult process with regard to the transition.

4. Information Only-Medical Faculty Practice Plans – (continued)
5. Information Only-Medical Education Transition Planning and Activities – (continued)

Dean Schwenk continued that the numbers from the second quarter are still unfavorable, but there are some good things to report. He said there are five areas to address:

- 1) Structural – there are many parts about the practice plan that are difficult to make viable because they are primary care and mental health oriented with reimbursement being poor and expenses high. The transition to integrate core hospital based operations with Renown Health is well along. He indicated that in Las Vegas, Family Medicine will recover from some of its heavy investments in faculty recruitment, and the same for Psychiatry – that leads to Mojave, which was split – so there is a component in the north and south attached to Psychiatry. Dean Schwenk reported there have been completed changes in leadership, staffing and structure, and major changes in roles and responsibilities in leadership as well as negotiations with the state. He expects this will do better over time in both locations with improved performance by the end of the fiscal year;
- 2) Electronic Medical Records (EMR) – the launch of the EMR has added another complexity with some significant issues in documentation, physician behavior and compliance, as well as some software and functionality issues. Another round of discussions with GE Centricity has been completed, which will help to advance system productivity. A study will be conducted for a contract costing approximately \$40,000 to identify ways to improve coding and billing productivity;
- 3) Las Vegas Department of Pediatrics – the department faced difficulties particularly in residency accreditation, which was not anticipated. Considerable investments have been made to support this program;
- 4) Billing – there was a significant decline in performance starting approximately 10 months ago which continued into the fall. Consequently, there was a comprehensive review of staffing, performance, coding, and some policies and procedures issues – all of which have been addressed. The staff gave some positive reports regarding the funds they believe will be recovered;
- 5) Staffing – there is a need to address the challenges of staffing and billing operations, especially in anticipation of the transfer of the operations to UNLV. A sizeable scope of work is being created that might lead to a Request for Proposal (RFP) for input from an outside source that might supplement, as well as restructure, the billing and staffing operations along with considerable expertise in specialized areas currently not available.

Dean Schwenk summarized that the north will probably finish in a deficit, but much less than fiscal year 2015. The projections right now for the south indicate that it will recover in all departments except Pediatrics, and all areas except Pediatrics will resume breaking even or become slightly more positive, which will be substantially better than now.

4. Information Only-Medical Faculty Practice Plans – (continued)
5. Information Only-Medical Education Transition Planning and Activities – (continued)

Chair Leavitt asked about progress to replace the open position of the UNSOM Chief Financial Officer (CFO). Dean Schwenk said a national placement company specializing in temporary assignments has been engaged. He said five candidates were interviewed by phone and, of those five, two will be interviewed.

Dean Schwenk hoped the position will be filled temporarily by April 1, 2016, and will be in place for four to six months allowing time to launch a search to have the permanent CFO in position by September 2016.

Dean Atkinson reported that the north and south have been working intently to make real progress on the practice plan and indicated it will be as functional as it should be. She said a five page plan of dates, assignments, goals, and so forth, with 35 items highlighting a variety of issues, has been summarized. Dean Atkinson felt very optimistic about how the year will end and, while there is much to do, everything is on track.

Dean Atkinson explained the plan to set up the structure for the faculty practice plan – not the practice itself, but the 501(c)(3) – will be presented to the Board on March 4, 2016. She said a part of the plan will be to solve some of the problems that have occurred in the south, and try to proactively address them in future plans. Additionally, developing a compensation plan is being worked on. The UNLV compensation plan will have the X-Y-Z factors: X is 10 percent to 20 percent below base; Y is to do enough work to get to the full base; and Z is the incentive above that for clinical practice (but it can be for education or research excellence as well). Dean Atkinson stated that having the incentives is one of the main objectives.

Dean Atkinson noted the governing board would likely be comprised of outside business people, faculty and chairs. She intends to be the president of the practice plan in the south, as Dean Schwenk is in the north. The intention is to outsource billing and collections, and have coding moved to work more closely with the physicians.

Chancellor Klaich asked if the Board of Regents would appoint the original board of the practice plan. Dean Atkinson said that is not the intention, but it could be presented to the Board for approval. She has a list of the chairs, two unspecified community business people, with the dean being the chair. Regent Melcher felt there should be some oversight, similar to the way the foundation boards report to the Board of Regents. Dean Atkinson stated the Board of Regents has the authority as the sole partner of the north and south practice plans. Chancellor Klaich reported that Vice Chancellor for Legal Affairs, Brooke Nielsen, has done research into this issue already.

4. Information Only-Medical Faculty Practice Plans – *(continued)*
5. Information Only-Medical Education Transition Planning and Activities – *(continued)*

Chancellor Klaich thought the medical schools' progress over the last two months have been remarkable – President Johnson and President Jessup have brought together the right people, at the right time, and are moving in the right direction.

Chancellor Klaich felt, at one point, the process was strained a bit until it was realized that a decision made by one dean affected the other. A determination has been made that help is clearly needed in the billing area because of the impact on the practice plan. He is extremely impressed by the decisions made by the “Gang of Eight”: two presidents, two deans, two provosts and the CFO's. Chancellor Klaich cannot overstate the pressure both deans are under. The project is very costly and the stakes have incredible consequences.

Dean Atkinson said the transition planning resulted in the identification of 15 action items assigned to provosts, deans, or CFO's for completion. The items included are developing RFP's, analysis of lease transactions, best practices for billing operations and practice plans to be adopted by both practices, aligning the reporting, asset valuations, analysis of accrued leave, management of the EMR evaluation contract, and some database matters. Dean Atkinson continued there is a fair amount of legal work with over 1,000 contracts that have to be redone, stopped or restarted in the name of UNLV. She said an offer has been made to a healthcare lawyer with hopes of starting at UNLV in two weeks. Dean Schwenk added that UNSOM has general counsel based in Reno and an assistant general counsel based in Las Vegas – both specific to the School of Medicine, but are part of the legal counsel structure of UNR. Chancellor Klaich noted the healthcare legal counsel will report to the institution's legal counsel and to Vice Chancellor Nielsen.

Dean Schwenk said in the transition planning there are issues related to the approach to engage a law firm to develop an opinion letter in order to be very clear about any transfers of assets or liabilities. He felt it would be reassuring to establish a firewall between the two corporate structures. He emphasized with shared governance there has been a fairly explicit approach in which Dean Atkinson is now formally inserted into the e-search process for faculty recruitment. He stated that before new UNSOM faculty members are recruited from this point forward, it will require Dean Atkinson's sign-off because all faculty members will be appointed jointly in order to be involved in the activities of both institutions, still primarily paid and time-devoted to UNSOM, but with connections to UNLV. Beginning July 1, 2017, they will be paid by UNLV, but still with support or involvement from UNSOM with regard to fourth year student electives or any other minor activities. The proportionality flips at the time of transition. Dean Atkinson added that UNLV has already given adjunct appointments to all UNSOM faculty members.

4. Information Only-Medical Faculty Practice Plans – (continued)
5. Information Only-Medical Education Transition Planning and Activities – (continued)

Chair Leavitt stated there will soon be discussions about budgets, capital, and enhancement requests. He wondered, looking at the 2017 biennium, if there were unforeseen costs or needs. He would like to know what is required for both institutions to flourish.

Dean Schwenk thought when the enhancement was put forward during the last legislative session it would become part of the base budget. He said UNSOM does not intend to make further requests in the upcoming session with regard to the budget.

Dean Atkinson said the transition of 120 additional faculties moving to UNLV on July 1, 2017, was not expected. She stated efforts to work with the original budget are being made, but it is not easy, which is why the practice piece is key to fixing the problem by billing at a level that covers the clinical salaries. Dean Atkinson said once that is in place UNLV will only have to worry about the educational piece. She expressed concern about the budget for the next biennium.

Mr. Dean J. Gould, Chief of Staff and Special Counsel to the Board, cautioned not to get too heavily into the details of the budget because it was not agendaized. Chair Leavitt thought it fell under the transition issues, but it can be agendaized for the June 2016 meeting. Chair Leavitt expressed that no one could have possibly understood what all of the costs associated with the transition would be when the budget was created. Vice Chair Doubrava agreed and added that there should be a discussion about requesting funds at the next biennium.

Dean Atkinson introduced Dr. Parvesh Kumar, M.D., who has come to start the research programs at the UNLV School of Medicine. She said Dr. Kumar will be a UNLV School of Medicine professor and Chair of the Department of Radiation/Oncology. Dean Atkinson added that Dr. Tracey Green will be the new Vice Dean for Clinical Affairs at the UNLV School of Medicine.

Dean Schwenk introduced Dr. John Reed. Dr. Reed is an Ear, Nose and Throat Surgeon who was selected as one of five fellows by the Council of Deans of the Association of American Medical Colleges. The fellowship is granted to Fellows who might aspire to be a dean. Dr. Reed spent the past week visiting at UNSOM.

6. New Business – None.
7. Information Only-Public Comment – None.

The meeting adjourned at 5:54 p.m.

Prepared by:

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Submitted for approval by:

Dean J. Gould
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to the Board of Regents