

**UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA  
BOARD OF HOSPITAL TRUSTEES  
AGENDA ITEM**

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**Petitioner:** Mason Van Houweling, Chief Executive Officer

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**Recommendation:**

**Approve and authorize the Chief Executive Officer to sign the Agreements with ICU Medical Sales, Inc. and Smiths Medical ASD, Inc. for Infusion Pumps and related products; or take other action as appropriate. (For possible action)**

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**FISCAL IMPACT:**

Fund #:	5420.000	Fund Name:	UMC Operating Fund
Fund Center:	3000705000	Funded PGM/Grant:	N/A
Amount:	\$8,476,887.20		
Description:	Infusion Pumps Bid/RFP/CBE: NRS 450.525 & NRS 450.530 – GPO		
Additional Comments:	84 months from the Ordering Document 1 Effective Date Out Clause: Budget Act and Fiscal Fund Out; Termination without Cause upon payment of fee		

**BACKGROUND:**

This request is to enter into a new Addendum and Transaction Documents, including Ordering Document #1, Ordering Document #2, Place Equipment Agreement, and Purchaser Agreement (collectively the “Agreement”) between ICU Medical Sales, Inc. and Smiths Medical ASD, Inc. (collectively “ICU”) and University Medical Center of Southern Nevada (“UMC”) for infusion pumps and related products. This purchase is necessary due to patient safety concerns and will eliminate human factors with UMC’s current gravity-driven pumps. Based upon current usage, UMC will compensate ICU in the amount of \$8,476,887.20 for seven (7) years from the effective date. This Agreement has an estimated Tier Supply Cost Savings of \$992,964.31 annually, and an estimated Capital Equipment Cost Savings of \$1,465,900.00. Total estimated Cost Savings over the life of the Agreement is \$8,416,650.17.

There is an estimated Return on Investment/Charge Capture with interoperability with Plum 360 from automated capture of precise, to the second, start/stop times and pauses for infusions. This provides a significant revenue opportunity where infusion is billable (e.g. in areas like ED and outpatient infusion clinics). Please see table below:

ROI/Charge Capture with Interoperability with Plum 360 means automated capture of precise, to the second, start/stop times and pauses for infusions. In areas like ED and any outpatient infusion clinics, where infusion time is billable, this drives a significant revenue opportunity.

**Five-Year Outlook**

**Potential Financial**

Impact by Module	Year 1	Year 2	Year 3	Year 4	Year 5	Five-year Total
Reimbursement	\$1,103,540	\$1,103,540	\$1,103,540	\$1,103,540	\$1,103,540	\$5,517,700

Cleared for Agenda

**03/19/2024**

File ID#

**24-337**

Reimbursement-CMS	\$668,865	\$668,865	\$668,865	\$668,865	\$668,865	\$3,344,327
Reimbursement-Private and Others	\$434,675	\$434,675	\$434,675	\$434,675	\$434,675	\$2,173,373
New Impact of Reimbursement Enhancement	\$1,103,540	\$1,103,540	\$1,103,540	\$1,103,540	\$1,103,540	\$5,517,700

\*\*Per Definitive Healthcare the following key assumptions were made: 95,220 ED patients/year; 38.1% CMS; 10% receiving only hydration; 30% receiving infusions; 50% >90 minutes duration; and assuming 50% of the time the billable infusions are completely and accurately coded.

There is a provision allowing for early termination of all agreements upon payment of a termination fee with a potential liability of up to \$2,945,730.00.

There is also a provision to upgrade the equipment once available pursuant to an HPG agreement at a total cost not to exceed \$3,132,150.00.

These Agreements are being entered into pursuant to UMC's Agreement with HealthTrust Purchasing Group ("HPG"). HPG is a Group Purchasing Organization of which UMC is a member. This request is in compliance with NRS 450.525 and NRS 450.530; attached is the bid summary sheet and a sworn statement from an HPG executive verifying that the pricing was obtained through a competitive bid process.

UMC's Director of Materials Management has reviewed and recommends approval of the Agreements. The Agreements have been approved as to form by UMC's Office of General Counsel.

These Agreements were reviewed by the Governing Board at their February 28, 2024 meeting and recommended for approval by the Board of Hospital Trustees.