

**ROSWELL PARK CANCER INSTITUTE CORPORATION  
FINANCE COMMITTEE  
OF THE  
BOARD OF DIRECTORS**

A meeting of the Finance Committee of the Board of Directors of Roswell Park Cancer Institute Corporation was held on Wednesday, September 2, 2020 at 8:30 a.m. in the Scott Bieler Clinical Science Center, 9<sup>th</sup> Floor, Patrick P. Lee Board Room.

**Present:** R. Buford Sears, Committee Chairman (via WebEx)  
Candace S. Johnson, Ph.D., President & CEO  
Kenneth Manning, Esq.  
Elyse NeMoyer (via WebEx)  
Dennis Szefel (via WebEx)

**Excused:** Michael Joseph, Board Chairman  
Steven J. Weiss, Esq.

**Present by**

**Invitation:** Laurel DiBrog, Vice President of Marketing & Communications (via WebEx)  
Betsy Doty-Lampson, Board Administrator  
Thomas Furlani, PhD, Chief Information Officer (via WebEx)  
Pamela D. Giesie, MSN, RN, Chief Nursing Officer (via WebEx)  
Ryan Grady, Vice President of Finance  
Kathryn Hineman, Deputy General Counsel (via WebEx)  
Shirley Johnson, Senior Vice President/Chief Clinical Operations Officer  
James C. Kennedy, Director, Government & Community Relations  
Boris Kuvshinoff, II, MD, Chief Medical Officer (via WebEx)  
MaryAnn Long, Senior Vice President (via WebEx)  
Gregory A. McDonald, Chief Financial Officer  
Kunle Odunsi, MD, PhD, Deputy Director  
Raghu Ram, MD, Vice President of Value-Based Care Optimization &  
Community Clinical Collaboration (via WebEx)  
Thomas Schwaab, MD, PhD, Chief of Strategy, Bus Dev & Outreach (via WebEx)  
Michael B. Sexton, Esq., Chief Administrative Officer, General Counsel  
and Secretary

**OPENING/MINUTES**

Mr. Sears opened the meeting and asked for a review of the draft Minutes from the Finance Committee meeting held on Wednesday, June 17, 2020. There were no comments and *on motion by Mr. Manning, seconded by Ms. NeMoyer, those Minutes were unanimously approved.*

## CONTRACTS/CAPITAL EXPENDITURE PROJECTS

Mr. Sears then turned to the review and approval for contracts and capital expenditures submitted this quarter:

1. *Clinical Flow Cytometry Analyzers Replacement.*

Ms. Shirley Johnson presented on the need for replacement of four (4) clinical flow cytometry analyzers. After an RFP, the contract was awarded to Beckman Coulter with a cost of \$3.5 million over five (5) years, including supplies. The equipment will be placed at no cost, with all of the cost being for the supplies and reagents. The current machines are at the end of life. Beckman Coulter's cost was the lowest over a five (5) year period. Ms. Johnson also reviewed the other five (5) bidders. *On motion by Mr. Manning, seconded by Ms. NeMoyer this contract was unanimously approved.*

2. *Temporary Professional Nurse Staffing.*

This is a five (5) year contract with two- one (1) year extensions, and the total cost will not exceed \$23.1 million in expenditure over seven (7) years. These are temporary nursing assignments to fill-in for vacancies and allow for flexing for volume fluctuations. Currently the organization utilizes twenty-five (25) agency nurses which represents four percent (4%) of staff, usually at any given time. There were thirteen (13) responses to the RFP and the RFP required staff expertise as well as total onboarding services. Ms. Johnson reviewed the scoring measures. Supplemental Healthcare was the successful vendor. The low bidder did not receive the contract as it had little nursing placement presence in Western New York. Mr. Manning asked about MWBE scoring for the various vendors. Ms. Johnson responded and also recommended the award to Supplemental Healthcare. *A motion was made for approval of this contract by Mr. Szeffel, seconded by Ms. NeMoyer and unanimously approved.*

3. *Davita Dialysis Services.*

This is an award of a three (3) month contract to the current vendor, Davita Services to bridge the current contract which is expiring. The three (3) month extension will cost \$210,000 and is an extension of an original 2015 contract. An RFP is being developed for the next contract. Ms. Johnson noted that there has been an increase in the number of acute care patients requiring dialysis. *A motion for approval was made by Mr. Szeffel, seconded by Mr. Manning and unanimously carried.*

4. *Hemepath Molecular Testing.*

This is a capital equipment procurement of \$1.52 million to allow for the re-establishment of hemepath molecular testing at Roswell Park. This service was previously transferred to OmniSeq a number of years ago. OmniSeq has exited that market and it is important for the cancer center to have this availability in-house. Timeliness has been a significant problem particularly in the Leukemia service. A molecular testing taskforce was established to evaluate the proposal and that taskforce recommends re-establishment of the in-house capability. An RFP process will be done unless the needed equipment can be obtained using GPO or New York State contracts. *A motion for approval was made by Ms. Szeffel, seconded by Ms. NeMoyer, and was approved, with Mr. Sears and Mr. Manning abstaining due to their status as Board members of OmniSeq.*



5. **Electrical Term Contracts.**

Mr. Sexton then reviewed a contract for electrical engineering services. An RFP was conducted for term electrician services for five (5) year terms and a total project spend between \$450,750 per year for an overall total of \$4.5 million over five (5) years. Five vendors responded to the RFP and the proposal is for all five (5) to be given signed term contracts. *There was a motion for approval, which was seconded and unanimously carried.*

6. **Electricity Supplier.**

Mr. Sexton reviewed the proposed term contract for electricity supply. This will be a two (2) year electricity supply contract to Constellation New Energy, which was the successful vendor on the RFP. There is an annual spend of \$4-5 million, with a total spend of \$8-10 million over two (2) years. This is a brokerage arrangement which allows a purchase on wholesale not retail which presents a 30-50% discount off of retail. Constellation New Energy was the lowest bid. *A motion was made for approval which was seconded and unanimously carried.*

7. **Natural Gas Supplier.**

Mr. Sexton then presented on the natural gas supplier contract. This is to award a two (2) year supply contract to Direct Energy Business Marketing which was the successful bidder on the RFP. The annual spend is \$1.25 million to \$1.5 million. Again, a broker is used so that wholesale prices are obtained instead of retail. *A motion was made for approval which was seconded and unanimously carried.*

8. **Managed Security Services Provider.**

Mr. Sexton then presented on the managed security services provider. This will be a three (3) year contract award with two (2), one (1) year renewals to Presidio for outsourced IT Network security operations center and managed security services. The annual spend will be \$328,000 with the five (5) year contract not to exceed \$1.45 million. This is to provide monitoring, detecting, analyzing, escalating, remediation and incident response for cybersecurity issues. This contract is of critical importance to the security platform for the institution. There were three (3) responding firms to the RFP process and Presidio was chosen based upon a subjective evaluation of its skill set, experience in healthcare, large national presence and strategically broad view of the cybersecurity landscape. A detailed writeup was reviewed. *A motion was made for approval, which was seconded and unanimously carried.*

**Sole Sources**

Both the 1) ASP Sterilizer Service Contract and 2) PulmonX Zephyr Valve System were in the materials, reviewed by the Committee and will be submitted to the Board for approval.

**POST IMPLEMENTATION REVIEW**

The post implementation review of the 8W IMCU construction project was in the materials as information only. There were no questions.

*Mr. Manning made a motion to move the meeting to Executive Session for reports on government relations; managed care and payor negotiations; a Fiscal Year '20 financial performance review; Business Development activities and an update on the transformation project, all of which involve discussion of the strategic and financial position of the organization. The motion was seconded by Ms. NeMoyer and was unanimously approved.*

## **GOVERNMENT RELATIONS UPDATE**

Mr. Kennedy gave the government relations report. He noted that the state appropriation is down \$3.5 million from the already reduced New York State support contained in the budget. This is attributable to the huge deficit caused to the State by the Covid-19 pandemic. He remains hopeful that Roswell Park will have this support restored if the Federal government provides assistance to the States. The Federal government is considering relief bills but there is no clear outcome. He expects that there will be a continuing resolution to continue the Federal budget through the election in November.

Mr. Kennedy also reported on price transparency regulations enacted by the Trump Administration. He and Mr. Sexton commented on how the price transparency requirements will be implemented in calendar year 2021. Dr. Johnson complimented Mr. Kennedy on his work.

Mr. Grady reviewed the impact of the Covid-19 pandemic on Roswell Park's current year budget and the assistance provided under the Federal Relief packages. Roswell Park received \$22 million of Federal funding. Some of this requires repayment. Roswell Park is also looking to FEMA for reimbursement for excess PPE costs as a result of the pandemic. Mr. Grady also updated on the wind-up of the New Market Tax Credit program. This was the Federal Tax Credits program that provided \$6.2 million in funding towards the overall cost of the Clinical Sciences Center.

## **MANAGED CARE UPDATE: Payor Negotiations**

Dr. Ram gave a managed care report. He reviewed the transparency rule in detail noting that it is being challenged on an appeal to the District of Columbia Federal circuit court. A hearing is scheduled for October of 2020. He explained the concerns with the rule, the rule's current version, which requires the disclosure of negotiated payor rates and will confuse, not inform the public. He also noted that it does not apply to private practitioners but only to hospital facilities and so it is competitively unfair to Roswell Park.

Roswell Park is in year 2 of the Univera contract and there is an Addendum being negotiated proposing to add a fourth year to this contract. He also reported on the relationship with the Ontario



Ministry of Health. Roswell Park has been selected as a preferred provider for ongoing CAR-T business until Ontario gets its own capability.

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### **TRANSFORMATION PROJECT UPDATE**

Mr. Szeffel reviewed the current status of the transformation project with Mr. Grady. Mr. Grady reviewed initiatives continuing in Pharmacy, IT life cycle, reimbursement denials and ambulatory design. Fiscal Year 21 goals for the cost savings projects were reviewed.

Mr. Szeffel congratulated the management team on the savings achieved as part of the transformation program.

### **1st Quarter Financial Combined Financial Statements**

Mr. McDonald gave a report on the 1<sup>st</sup> quarter financial statements. He reviewed the impact on inpatient days and outpatient data from the Covid-19 pandemic from April to June. Roswell Park's budget had to be revised as a result. Volumes have ramped up in last few months to approximately 93% of occupancy currently. He noted that volumes have come back in a positive way.

Again, ramping up has brought the numbers much closer to the original budget.

He also noted that New York State support is now \$1.9 million under the actual revised allocation. He's hoping this gets restored if and when the Federal Relief is accorded to the States.

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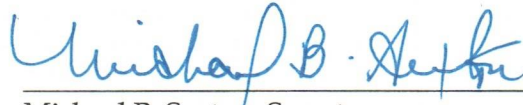
*A motion was made by Mr. Manning to return the meeting to Open Session, which was seconded by Mr. Sears and unanimously carried.*

## 1<sup>st</sup> Quarter Investment Activity

### Investment Activity Report

Mr. Grady gave the investment activity report noting a return of 19 basis points for the 1<sup>st</sup> quarter resulting in a 1.39% annualized rate. Wilmington has exceeded its benchmark by .21% for the quarter. He also reviewed other fund activities. Mr. Sears questioned whether the changes to the investment policy enacted in the past have helped with the rate of return. Mr. Grady noted a definite improvement in results. *A motion was made by Ms. NeMoyer to approve the investment activity report, which was seconded by Mr. Szefel and approved, with Mr. Sears and Mr. Manning abstaining.*

There being no further business, *a motion to adjourn the meeting was made by Ms. NeMoyer, which was seconded by Mr. Manning and unanimously approved.*



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Michael B. Sexton, Secretary