

10-25-2011

# Minutes of 10/25/2011 HSC Board of Directors Mtg

Patrice Martin

Follow this and additional works at: [https://digitalrepository.unm.edu/hsc\\_committee](https://digitalrepository.unm.edu/hsc_committee)



Part of the [Health and Medical Administration Commons](#)

---

## Recommended Citation

Martin, Patrice. "Minutes of 10/25/2011 HSC Board of Directors Mtg." (2011). [https://digitalrepository.unm.edu/hsc\\_committee/](https://digitalrepository.unm.edu/hsc_committee/)  
58

This Other is brought to you for free and open access by the Public Meeting Agendas and Notices at UNM Digital Repository. It has been accepted for inclusion in HSC Committee (A subcommittee of the UNM Board of Regents) by an authorized administrator of UNM Digital Repository. For more information, please contact [disc@unm.edu](mailto:disc@unm.edu).

**Minutes of the Meeting of the  
UNM Health Sciences Center Board of Directors  
October 25, 2011  
UNM Cancer Center Boardroom  
1201 Camino de Salud, NE  
Albuquerque, NM**

Board of Directors present: Carolyn Abeita, Don Chalmers (via phone), Mel Eaves, Lt. Gen. Brad Hosmer, and Jerry Geist

Board of Directors absent: Ron Solimon, Ann Rhoades

HSC Leadership present: Chancellor Paul Roth and a majority of the HSC senior leaders

Others present: Members of the HSC staff, members of Main campus staff

Carolyn Abeita, Chair, called the meeting to order at 9:10 a.m. and a quorum was established.

Motion was made to adopt the agenda with an amendment to move Item VIII.b., Contract Approval for The Broad Institute, to IX. Information Items; second; with a vote of 5-0-0 in favor. Motion passed.

Motion was made to approve the Minutes of the September 27, 2011 HSC Board of Directors' meeting; second; with a vote of 5-0-0 in favor. Motion passed.

Chancellor's Administrative Report

Chancellor Paul Roth and the Board welcomed Dr. Lynda Welage as the new dean of the UNM College of Pharmacy. Dr. Roth and the Board congratulated Dr. Nancy Ridenour, dean, UNM College of Nursing for receiving the Distinguished Nurse of the Year Award by the Center for Nursing Excellence. Dr. Roth announced Research Faculty of Excellence Awardees: Drs. Larry Sklar, David Schade, Johnnye Lewis, and Erin Milligan. Dr. Roth reported on the success of the October 13<sup>th</sup> Administrative Support Professional Conference, co-hosted by the Administrative Support Alliance-UNM and the UNM Office of Employee & Organizational Development, a conference dedicated to the professional growth of administrative support personnel across all UNM campuses.

HSC Faculty Council Update

Dr. Nikki Katalanos, Chair, reported faculty have concerns on a new insurance policy and the lack of advanced knowledge and HSC faculty input on changes (*i.e.*, increase in co-payments, new deductible, co-insurance cost added to each visit, change in early retiree rates, and change in available participating drugstores and increased rates on medications.) She announced that Tim Ross met with HSC Faculty Council on faculty concerns from main campus *i.e.*, per diem issue. The HSC Faculty Council met with the Vice Chancellor for Diversity; faculty support and recognize the important of the Office of Diversity. Dr. Leslie Morrison met with the Council and concerns were raised on the retirement ERB, alternate retirement plan, and the fact that, in the past, incorrect information had been given to faculty over an

extended period of time which resulted in faculty being locked in to a retirement plan. HSC Faculty are satisfied that they have an increased voice in HSC governance, satisfied because they are a unified group, pleased that there is a full-time HSC Registrar, and with the outcome of the per diem issue. The Council continues to move forward, through the approval process, with having its Charge recognized in the UNM *Faculty Handbook*.

#### UNM Staff Council Update

Mary Clark, President, UNM Staff Council, presented an update that included the Council's work on upcoming budgets, the presidential search, and the legislative session (ERB funding concerns, tuition credit). Jan Godwin, Director, ERB, planned to visit campus in November to discuss pending legislation. Staff Council is working with the Veterans Resource Center and the UNM Student Veterans Association to celebrate Veterans' Day. She announced that the HSC Staff Council Committee is sponsoring a North Campus Safety Walk in November and that they will work with the UNM Center for Life on men's health awareness.

Chair Abeita thanked the UNM Cancer Center for hosting the meeting at their facility.

#### Public Comment

There was no public comment.

#### Action Items

##### Approval of Capital Project Approval for the Clinical & Translational Science Center: 3<sup>rd</sup> Floor Lab Renovation, Phase 2

Mary Gauer, Group Manager, Office of Capital Projects, presented background information on the request for Capital Project approval of the Clinical & Translational Science Center Third Floor Lab Renovation, Phase 2. The project will design, construct and equip an operational research laboratory and support space on the third floor of the Clinical & Translational Science Center. It will remodel approximately 4,646 SF to support Pathology and Molecular Genetics and Microbiology. Discussion.

Motion was made to approve the Capital Project Approval for the Clinical & Translational Science Center: 3<sup>rd</sup> Floor Lab Renovation, Phase 2; second. Vote of 5-0-0 in favor. Motion passed.

##### Approval of Capital Project Approval for Classroom Upgrades

Mary Gauer, Group Manager, Office of Capital Projects, presented background information on the request for Capital Project approval of HSC Classroom Upgrades. It will upgrade 19 classrooms in six buildings. Discussion.

Motion was made to approve the Capital Project Approval for Classroom Upgrades; second; with a vote of 5-0-0 in favor. Motion passed.

Approval of Appointment of Frederick C. Sherman, MD, to Carrie Tingley Hospital Board

Motion was made to approve the appointment of Dr. Frederick Sherman as a member of the Carrie Tingley Hospital Board; second; with a vote of 5-0-0 in favor. Motion passed.

Approval of Two UNMH Contracts with Zimmer and Stericycle

Steve McKernan, CEO, UNM Hospitals, presented background on and requested approval for the proposed contracts between UNMH and Zimmer and Stericycle.

Motion was made to approve the UNMH contracts with Zimmer and Stericycle; second; with a vote of 5-0-0 in favor. Motion passed.

Recommendations of HSC BoD *Ad Hoc* Governance Committee

Scot Sauder, Senior Associate University Counsel, presented two documents that were recommended by the HSC Board of Directors *Ad Hoc* Governance Committee (members: Jerry Geist, Mel Eaves, Ron Solimon): “UNM Health Sciences Center Governance Principles” and the “UNM Health Sciences Center Board of Directors Conflict of Interest Policy.” The *ad hoc* Committee was tasked with beginning to develop the principles by which the new HSC Board of Directors will operate. The document creates a statement of the role of Board management, qualifications of Board members, conduct, ethics, and conflicts of interest; discusses the Board’s mission and responsibilities, leadership of the Board including Board succession planning and management succession planning, how the Board will conduct its meetings and how materials will be provided, how the Board will evaluate itself and its effectiveness, and educational programs and communications. It is recommended that the Board currently will have two standing committees: 1) Governance & Nominating Committee and 2) Finance, Audit and Compliance Committee. It is recommended that the Board authorize the Governance & Nominating Committee to write Charters for each committee created by the Board in order that it is clear what those Committees’ charge is, their jurisdiction, and their responsibilities. Mr. Sauder added that the Board is aware of other areas that have not yet been addressed by committee including Strategic Planning and Academic and Research Affairs and that the *ad hoc* Committee recommends that the Board as a Committee of the whole continue to focus on those issues and, when appropriate, create those committees. Also presented was the draft Conflict of Interest Policy that augments the Board of Regents’ Code of Conduct and Conflict of Interest Policy, and sets forth a framework for disclosure of financial interests, and sets forth procedure on what votes and those with financial interests can participate. The Conflict of Interest Policy is substantially identical to the Conflict of Interest Policy adopted by the UNM Medical Group, Inc. and Sandoval Regional Medical Center, Inc.

Discussion included existing language of “arbitrary term” in “HSC Governance Principles,” Section 2, third paragraph: “The HSC Board does not believe that arbitrary term limits on directors’ service are appropriate, nor does it believe that directors should expect to be renominated annually. The HSC Board self-evaluation process described below will be an important determinant for HSC Board tenure.” Discussion of inconsistencies between this language and that in the Board of Regents’ Policy and the HSC Board of Directors Bylaws. Suggested language: “when his or her term expires pursuant to the Bylaws.” Motion made, with amendments as noted above, to approve the “UNM Health Sciences Center Governance Principles” and related document, “UNM Health Sciences Center Board of Directors Conflict of Interest Policy;” second. Discussion of importance of ongoing institutional knowledge on the Board for governance matters, not management matters. Suggestion to remove the word “arbitrary.” Discussion of making certain we are not limiting terms of directors on Board due to need to stagger terms. Mr. Sauder read the proposed amended language: “The HSC Board does not believe that term limits on directors’ service are appropriate, nor does it believe the directors should expect to be renominated when their terms expire pursuant to the Board Bylaws.” Discussion of concern over use of wording “are appropriate.” Need no maximum term but Board members should not believe they have a property interest in staying on the Board. Mr. Sauder re-read the suggested amendment. Further discussion. Motion was made to table this item, allowing Mr. Sauder to wordsmith amended language, and revisit later in the meeting; second.

#### Recommendations for Items to Consent Agenda of the UNM Board of Regents:

The HSC Board of Directors recommended that the following items be forwarded to the UNM Board of Regents’ Consent Agenda:

- Request for Capital Project Approval for Clinical & Translational Science Center: 3<sup>rd</sup> Floor Lab Renovation, Phase 2.
- Request for Capital Project Approval for Classroom Upgrades
- Approval of Appointment of Frederick C. Sherman, MD, to Carrie Tingley Hospital Board
- Approval of UNMH Contracts with Zimmer and Stericycle

#### Resumed Discussion -- Recommendations of HSC BoD Ad Hoc Governance Committee

Discussion on including Recommendations of HSC BoD *Ad Hoc* Committee into the complete package presentation to the HSC Board of Regents at their December 2011 meeting. At the November HSC Board of Directors meeting, a full set of documents will be proposed for approval by the HSC Board and be placed in a complete report for the HSC Board of Regents. Discussion of the *ad hoc* Committee’s lengthy discussions on the HSC Board of Directors’ Finance, Compliance and Audit Committee being recommended and views that the Finance Committee and Audit Committee should not duplicate Finance Committees at the component Board level nor should the Finance Committee do anything to duplicate what Regents currently do. The thought was that the scope of the Finance Committee with regard to the component Boards will mainly be a review and monitor situation without going into the kind of detail that has gone into it at the component Board level and that with regard to the Audit

Committee, it was the understanding of the *ad hoc* Committee that there are not audit committees elsewhere at the present time, thus we felt that there needed to be an Audit Committee at the HSC but that the Audit Committee should not be funded with its own internal audit staff and that the HSC BoD Audit Committee would be designed not necessarily to perform internal audits but to oversee and monitor the internal problems that might arise from time to time. If more action would be required, refer them over to the Board of Regents' Audit Committee. As determined by the *ad hoc* Committee, the primary purpose of the HSC Board of Directors' Finance Committee would be to serve as the Finance Committee of first impression for those parts of the Health Sciences Center who presently have no Finance Committee (*i.e.*, UNM Cancer Center, School of Medicine, College of Nursing, College of Pharmacy). Regent Chalmers, as a member of the Regents' Finance & Facilities Committee was asked his opinion and thoughts. He responded that "the principle that we should not duplicate, the same issues in this committee versus the Finance Committee of the Regents, is proper and ... one of the major reasons for the Health Sciences Center Board is to be able to vet issues a little bit closer in the Health Sciences Center ... and take a little bit off the plate of the Finance Committee.... I think the Regents need to delegate that authority – all the Finance Committee's authority on finance issues having to do with Health Sciences Center to this Committee.... But I speak as one Regent and at some point in time we are going to have to sit down with the full Board of Regents and make sure that all the Regents feel that way.... I personally think it is a very good way to run things. In order to not permanently give up the Regents' authority, and that would be the concern, the [Regents] can always reserve that right...." Director Chalmers added that it might be a good idea to have everything that is passed by the HSC Finance Committee be sent as an Informational Item only to the Regents' Finance Committee, as a courtesy to the Board of Regents. Discussion on establishing as part of the HSC Board of Directors' basic structure, the concept that a member of the HSC Board of Directors will always be the Chairman of the Regents' Finance & Facilities Committee, and that person will be a member of the HSC Board of Directors' Finance Committee for appropriate overlap and continuity there that would facilitate this passing action through the F&F Committee as Information Items only. Additional discussion on flexibility.

Mr. Sauder read the suggested amended language to replace the entire Paragraph 3, Section 2 of the "Governance Principles:" "The HSC Board believes that good governance is best achieved with members who are knowledgeable and committed to service on the Board. To this end, the HSC Board self-evaluation process described below will be an important determinate for HSC Board tenure. At the same time, the HSC Board does not believe that imposing a limit on the number of terms a director may serve on the HSC Board supports the mission and goals of the HSC Board." Mr. Sauder was asked to re-read the amended language and did so.

Motion was made to approve the "UNM Health Sciences Center Governance Principles," as amended; second; vote 5-0-0. Motion passed.

Motion was made to approve the "UNM Health Sciences Center Board of Directors Conflict of Interest Policy;" second; vote 5-0-0. Motion passed.

## Information Items:

### UNMH Contracts with CDWG and Insight Construction

Steve McKernan, CEO, UNM Hospitals, presented briefly on the two contracts.

### The Broad Institute

Bruce Cherrin, UNM Chief Procurement Officer, presented briefly on the contract with The Broad Institute. Discussion on why it was moved from an Action Item to an Information Item – because it was for a dollar amount of \$300,000.

### “Guidelines for Public Input at Meetings”

Scot Sauder, Senior Associate University Counsel presented on the guidelines regarding public input at meetings of the HSC Board of Directors. Discussion.

### HSC FY12 Dashboard Quarterly Update

Pug Burge, HSC Chief Administrative Officer, in response to a request from the Board, presented a quarterly update on the HSC FY12 Dashboard and offered a schedule of dates of future reports to the Board. The Dashboard is the mechanism in which progress will be tracked with Dr. Roth’s FY12 Performance Plan. Discussion.

### HSC First Quarter Financial Results

Ava Lovell, Senior Executive Financial Officer, distributed and presented on reports: UNM HSC Balance Sheet-2012 Fiscal Year as of September 30, 2011, UNMHSC 2012 Fiscal Year-to-Date Summary through September 30, 2011, HSC Benchmark Comparisons Using Peer Institution FY10 Audited Financial Information, Association of Academic Health Centers Ratio Analysis based on FY 2007 Data for Peer Health Centers, and a Glossary of Report Categories. Discussion.

### Renovations and Occupancy Plan for 1650 University Blvd., NE

Kim Murphy, Director, and Tom Neale, Associate Director, UNM Real Estate, presented on the 1650 University Blvd. Project. The office building has approximately 92,500 SF of space. Discussion of possible uses of the building and a recap of an analysis on a budget for renovating the building and occupancy by two primary programs (Center for Development and Disabilities and CASAA to occupy ~ 80-85%). This item will be brought back as an Action item, for project approval, in November. Discussion on the source of funding and comparing with cost of new construction versus renovating.

HSC Communications & Marketing Plan Update

Billy Sparks, Executive Director, HSC Marketing & Communications and Melissa Romine, HSC Public Affairs, presented the current marketing enhancement. Noted that HSC must maintain public support in order to pass mil levies critical to the institution and maintain support within the legislature; recently completed an extensive marketing survey that showed that the community remains supportive of the HSC but we have slipped about three to five points in the past five years. Presentation materials covered current advertising and future plans to better inform the community on the work of the HSC. Discussion.

Overview: UNM Cancer Center

Dr. Cheryl Willman, Director, UNM Cancer Center, distributed packets of information and presented on the UNM Cancer Center that included mission, leadership team, history, goals, research, community partnerships, clinical care, plans and challenges in the future and additional Cancer Center documents.

Motion was made to close the Open Session and enter into Executive Session; second; with a vote of 5-0-0 in favor. Motion passed.

Executive Session commenced at approximately 12:47 p.m.

Motion was made to close the Executive Session and reconvene in Open Session with confirmation that only matters as listed on the Agenda, Item X were discussed during Executive Session; second; with a vote of 5-0-0 in favor. Motion passed.

Motion was made to adjourn the meeting; second; with a vote of 5-0-0 in favor. Motion passed. Meeting adjourned.

\* \* \* \* \*

Minutes were prepared by Patrice Martin on October 28, 2011.

Approval of Minutes:

\_\_\_\_\_  
Carolyn Abeita, Chair

\_\_\_\_\_  
Date