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Minutes of 06/07/2013 HSC Board of Directors Mtg

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**Minutes of the Meeting of the
UNM Health Sciences Center Board of Directors
June 7, 2013
Domenici Center for Health Sciences Education Bldg., Room 3010**

Board of Directors present: Regents Suzanne Quillen, Brad Hosmer, and Conrad James, and Directors Michael Olguin, Mel Eaves, and Ann Rhoades

UNM Leaders present: Regent Gene Gallegos, Regent James Koch, Regent Heidi Overton, and President Bob Frank

HSC Leaders present: Chancellor Paul Roth, Executive Vice Chancellor Richard Larson and other members of the HSC senior leadership

Others present: members of the HSC faculty and staff

Regent Suzanne Quillen, Chair, called the meeting of the Health Sciences Center Board of Directors (the "Board") to order at 2:09 p.m. The Chair noted that a quorum of the members of the Board was present and established.

Approval of Agenda

A motion was made to adopt the published agenda. Regent Quillen requested that the agenda be amended to move Section VIII, Information Items, to follow the Chancellor's Administrative Report and that Section VI, Public Comment, be moved to follow the Information Items. A motion was made to adopt the published Agenda, as amended. The motion was seconded. There was no discussion. The Motion passed with a vote of 6-0-0.

Chancellor's Report

Chancellor Roth announced the death of the first dean of the UNM School of Medicine, Dr. Reginald H. Fitz and noted that the School of Medicine will be celebrating its 50th anniversary in 2014 and the School has only had four deans over that time span and therefore the School has had the good fortune of having sustainable leadership throughout. He gave brief background on Dr. Fitz's career and leadership at the School. Working with Dr. Fitz's family, the School will be honoring his memory. Dr. Roth welcomed the new president of the UNM Staff Council Mr. Gene Henley and recognized Ms. Mary Clark's work as the immediate past president of Staff Council. He announced that the UNM Hospital earned Top Ten Diversity ranking in the U.S. In Research, the Patient Centered Outcomes Research Institute recently announced it will be distributing grants from them in the total amount of \$88 million and the Health Sciences Center has received three separate grants focusing on how we can improve outcomes for patient care. Dr. Roth added background on NIH and Translational Research; he noted that the UNM Health Sciences Center has received \$20 million in awards over five years from NIH in support of Translational Research. He announced that with Dr. Richard Larson's leadership, a new

program that created a consortium among western states, partnering to consolidate data bases and collectively be able to understand how the populations that we serve are managed, helping to make statistically significant assumptions based on outcomes. Dr. Roth introduced Ms. Elsa Cole, the new UNM University Counsel. He concluded by asking Mr. Scot Sauder to update the Board on the Supreme Court case *Fisher v. University of Texas*, regarding aspects of and possible upcoming changes to affirmative action; Mr. Sauder provided a summary of the case and the related case law regarding admissions policies and, depending upon the outcome of the case, preparing any necessary changes to the HSC admissions policies. Discussion.

Regent Quillen welcomed Regents Gallegos and Koch to the meeting. Note: Regent Overton did not arrive until later in the meeting.

Approval of Minutes of Prior Meeting

Regent Quillen made an amendment to the Minutes of the May 3, 2013 meeting in that they are inclusive of the Resolutions referred to within the Minutes, copies of which were not originally included but copies of which were added to the Board's agenda books prior to the meeting. A motion was made to approve the Minutes of the May 3, 2013 meeting of the Board, as amended. The motion was seconded. The motion passed with a vote of 6-0-0.

UNM Health System Strategic Plan Rationale

Dr. Richard Larson introduced a representative of Kurt Salmon & Associates (KSA) and outlined how the Strategic Plans for both the Health System and the Health Sciences Center would be presented. Dr. Roth briefly gave a history of what led to the creation of the plan itself, pointing out that the agenda included the report from The Chartis Group that studied the governance structure of the Health Sciences Center in 2010 and subsequent recommendations they made to the President and Regents that led to the current version of the Regents' Policies. He noted that, generally speaking, the point of the evolution of the HSC over the past three years has been to better position the HSC for health care reform in order that the institution not only survives in the new environment but flourishes; the intent also to make sure the HSC remains highly successful in the teaching and research missions and that all three missions are balanced, honoring the HSC's obligation to the State of New Mexico to produce the next generation of the health professional work force; he also noted that the HSC has a strong obligation to understand the health care needs of the New Mexico populations; a huge part of the HSC's mission is the delivery of complex and tertiary care services throughout the State of New Mexico and in the provision of comprehensive health care for central New Mexico – preparing for all the changes associated with health care reform we wanted to have a proper governance structure, proper infrastructure, and specific programs that have been initiated to take advantage of the opportunities that the Affordable Care Act will bring academic health center and to New Mexico. Dr. Larson referred to two documents, the HSC Strategic Plan Draft, and the Measure of Vision 2020 Metrics, and presented an overview of information previously presented to the Board of Regents and HSC Board of Directors

which highlights the reminder that the Health Sciences Center is in an era of potential great change and challenge not only because of the Affordable Care Act but because of the challenges that face us in education and research. He spoke of the extensive strategic planning process in developing a new vision, mission and value statement and goals, strategies and tactics, and incorporating both the Health System and the academics, infrastructure, etc. into one master strategic plan, presented in draft form at today's meeting. Dr. Larson pointed out that with the initiation of President Frank's planning process for the University, the HSC has participated and kept HSC goals aligned with the goals, activities, and planning of that process as well. Dr. Larson mentioned vision, mission and values and strategic plans and goals; a review of those followed. He pointed out that, instead of taking the tack that most institutions take (*i.e.*, be the premiere choice of the communities in New Mexico), the HSC decided it's vision would be to take some of the responsibility for improving the health of our communities and health care in New Mexico and use the HSC's education, research and clinical missions in an integrated manner to accomplish it. He commented that, at the special request of Regent Hosmer, metrics were produced and included in the presentation with five major measures of the HSC vision: 1) address work force needs; 2) advancing care; 3) improve the general health of the New Mexico communities; 4) improving immunization; and 5) improving health; how these metrics tie into the Affordable Care Act requirements and reported to CDC, allowing the HSC to have national metrics; reported on how metrics were designed. Discussion. Dr. Larson highlighted the six HSC goals (and strategies, tactics, indicators) related to the vision and mission success and how selected key priorities produce Dr. Roth's performance plan. He noted that a retreat of HSC leadership is planned for end of June to further finalize.

Mr. Steve McKernan noted that at the last HSC Board of Directors' meeting, the Health System Strategic Plan was presented but today's presentation provided more detail on rationale. He introduced Mr. Farzan Bharucha, representative of Kurt Salmon Associates (KSA) who presented the draft UNM Health System Strategic Plan, concluded in 2012 – process review (KSA's experience, objectives, participation (more than 150 interviews, town halls, meetings with leadership, retreats, focus groups, etc.)); ACA national trends (transition, national trends, New Mexico dynamics); situation assessment summary (conclusions, providers in New Mexico, state's health statistics, state's use rates, future patient demand, UNM Health System patient origin, inpatient focus, bed constraints, practice variation, ambulatory platform); strategic framework (integration with University, overview, guiding principles, vision and goals, high priority strategies, impact); and financial implications (baseline with no interventions, incremental to baseline, payor mix resulting from Reform, incremental to baseline). Discussion on the rapid increase in Diabetes, obesity, contributing factors, etc. Dr. Roth commented on the need to concentrating on lowering childhood obesity and the resulting benefits derived from addressing childhood obesity (lowering cases of heart disease, stroke, cancer, Diabetes, etc.); the HSC will be paying special attention to this in the future. Discussion on uncompensated care and how New Mexico compares to other states – New Mexico rates 'high;' mil levy in 2016, communicating to the state's population the dollar amount of how much uncompensated care UNM provides. President Frank recommended a strategy that looks more at compensated care, adding that "Presbyterian seems to be doing well in the compensated care market..." Discussion on data on uncompensated care – access to specialists, ability of service, facilities, and other components are critical, along with the insurance piece.

Mr. Bharucha stated, “Most academic medical centers do not exist in markets in which the competitor institutions all have their own health plans and, therefore, have a relatively locked-in base of commercially insured patients.” Discussion. Need a proactive public diplomacy/communication/media effort to make community aware of the costs associated with providing uncompensated care. Discussion on patient access, ability of compensated patients to penetrate the system due to volume of uncompensated care patients; KSA stated that being the “safety net” hospital for the state’s patients who cannot pay yet still providing access to patients who can pay is difficult but not impossible. Mr. McKernan added that competitiveness and uncompensated care goals are included in the strategic plan, just not shown in the depth of today’s high level overview.

Reports from HSC Board of Directors Committees

Finance, Audit, and Compliance Committee (FACC)

Regent Conrad James, FACC Chair provided an introduction.

FACC Information Items

Ms. Ava Lovell presented metrics on the financial status of the Health Sciences Center through the end of April 2013 on Net Income, Uncompensated Care, Days Cash on Hand, Accounts Receivable Greater Than 90 Days as of March 31, 2013.

Update on Sandoval Regional Medical Center, Inc.

Mr. Steve McKernan provided an update on the recovery plan, adding that a detailed update had been provided at the FACC meeting; moving in positive direction.

Due to time constraints and with regrets extended, Regent Quillen tabled the SEARCH Project information item, of great personal interest to Regent Koch, until the next meeting.

FACC Action Items

Regent James, Chair, provided an introduction on the two action items coming forward from FACC.

Request for Capital Project Approval for UNMH Main – Safety – Pharmacy Ordering and Picking Area

Mr. McKernan provided rationale on the request for the Capital Project approval of the UNMH Main – Safety – Pharmacy Ordering and Picking Area (in an older portion of the Hospital); approximately \$655,000 and necessary to bring the Hospital up to Code; Resolution provided. A Motion was made to approve; second; Motion passed with a vote of 6-0-0.

Request for Approval for UNMH Contracts with Covidien, Healthcare Laundry, Inc., United Parcel Service, City of Albuquerque, and Ricoh USA, Inc.

Mr. McKernan provided rationale on the contracts with Covidien, Healthcare Laundry, Inc., United Parcel Service, City of Albuquerque, and Ricoh USA, Inc. A Resolution provided. A motion was made to approve; second; Motion passed with a vote of 6-0-0.

Public Comment

Two members of the community gave public comment on the topics of UNMH negotiations with medical transcriptionists, UNMH as a business in the community, UNMH budget and wages/benefits.

The HSC Board of Directors gathered for a group photo.

A motion was made to close the open session and move into executive session; second; with a vote of 5-0-0 in favor. Note: Director Olguin was not in the room and did not vote. Motion passed and the open meeting was adjourned.

The HSC Board of Directors then met in Executive Session.

Following the Executive Session, a motion was made to reconvene in open meeting session and certification that only those items described in X of the agenda were discussed in Executive Session; second; with a vote of 6-0-0 in favor.

Minutes were prepared by Patrice Martin on June 12, 2013.

Approval of Minutes:

Regent Suzanne Quillen, Chair

Date

Attachments:

1. Resolution Recommending Approval of UNM Hospitals' Capital Project Approval for Main Hospital – Safety – Pharmacy Order & Picking Area.
2. Resolutions Recommending Approval of UNM Hospitals' Proposed Purchase Transactions.