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Minutes of 11/07/2014 HSC Board of Directors Mtg

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**Minutes of the Meeting of the
UNM Health Sciences Center Board of Directors
November 7, 2014
Domenici Center for Health Sciences Education Bldg., Room 3010**

UNM Health Sciences Center Board of Directors (the “Board”) members present: Suzanne Quillen, Chair, Ann Rhoades, Michael Olguin, Lt. Gen. Brad Hosmer, John “Mel” Eaves, Conrad James
UNM Health Sciences Center (“HSC”) Leaders present: Chancellor Paul Roth and other members of the Health System and Health Sciences Center leadership
Others present: members of the HSC faculty and staff; community members

Chair Suzanne Quillen called the meeting of the Board to order at 9:08 a.m. The Chair established that a quorum of the members of the Board was present.

Approval of Agenda

A motion was made to adopt the published agenda. The motion was seconded. The motion passed with a vote of 5-0-0.

Approval of Minutes of Prior Meetings

A motion was made to approve the minutes of the August 1, 2014, September 5, 2014, and October 9, 2014 meetings of the Board. The motion was seconded. There was no discussion. The motion passed with a vote of 5-0-0.

Chancellor’s Report

Dr. Roth announced that Ms. Jamie Silva-Steele received the Governor’s Distinguished Public Service Award, Dr. Howard Yonas was awarded a \$15 million CMS Innovations award for a Telestroke Network, HSC Communication and Marketing won the Gold Medal and two Silver Medals at the Cumbre Awards Dinner, and the UNM School of Medicine received the Aspire Award. He then introduced Dr. Bob Bailey who provided an update on Ebola Preparedness. Discussion.

UNM Health System Update Including a Sandoval Regional Medical Center, Inc. (“SRMC”) Update

Mr. Steve McKernan provided an update announcing that for the first quarter of the year, Sandoval Regional Medical Center, Inc. has a positive net margin, bed management at SRMC, and that SRMC’s focus on specialized programs making SRMC two-thirds a community hospital and one-third specialized services. Discussion. He noted that a strategic planning process is underway and a retreat at the unit level is planned. He provided an ACA update.

Public Comment

There was no public comment.

ACTION ITEMS

Governance and Nominating Committee (GNC)

Consideration of Resolutions Recommending Approval of the Appointment of Joanna Boothe to the Sandoval Regional Medical Center Inc. Board of Directors

Regent Hosmer, GNC Chair, provided an overview of the consideration of the Resolutions approving the appointment of Joanna Boothe to the Sandoval Regional Medical Center, Inc. Board of Directors. A motion was made to approve the Resolutions approving the appointment of Joanna Boothe to the Sandoval Regional Medical Center, Inc. The motion was seconded. Discussion and clarification that this is a Class B appointment. The motion, as amended, passed with a vote of 5-0-0.

GNC Report and Recommendations to Complete The Chartis Group Report Recommendations

Regent Hosmer brought attention to The Chartis Group Report related to the HSC Governance changes recommended and added that, following a GNC sponsored review of how well the goals and objectives have been carried out, determined that there are three areas that still need work to bring the approval and support mechanisms that help the Health Sciences Center operate responsively up to the same standard that the governance itself works. He then read a draft proposal for consideration by the HSC Board of Directors for further consideration: “The GNC proposes the HSC Board of Directors recommend the UNM Board of Regents (Regents) task the leadership of the University, including that of the Health Sciences Center, to convene a task force on HSC responsiveness and support. The goal of the task force will be to recommend actions to fully achieve 1) responsive support infrastructure; 2) Faculty Senate decisions and approvals at least as timely as HSC Governance decisions and approvals; and, 3) HSC Faculty membership on Faculty organizations (the UNM Faculty Senate, the Academic Freedom and Tenure Committee, and the Governance Committee) more nearly representative of HSC Faculty numbers in the whole University. Further, that the UNM Board of Regents receives monthly progress reports from the task force and that notification of completion is provided no later than June 2015.”

Discussion. Dr. Roth asked for elaboration of what is meant by “infrastructure.” A clarification was made that this is not an action item today but it will be returned in the future as an action item when finalized.

Finance, Audit and Compliance Action Items

Consideration of Resolutions Recommending Approval of the Reserve Categorization Report Pursuant to Administrative Policies and Procedures Policy 7000

Ms. Ava Lovell provided background on this annual presentation that is required by UNM Business Policies and Procedures Policy 7000 regarding Reserves and how they were categorized. She clarified that the Policy 7000 does not require this information for UNM Hospitals or component units and the information presented does not include UNM Hospitals Reserves but is solely University HSC Academic and Administrative Reserves. Ms. Lovell discussed I&G balances, Combined Reserves at the HSC for all Unrestricted, Departmental Committed Reserves, Dedicated Reserves, Discretionary Reserves, etc. Discussion included coverage for unexpected business expenses, potential risks to the Clinical Enterprise, the HSC’s efforts to accurately represent the true nature of Reserves and misleading impressions when using the word “Reserves,” costs of hiring a new chair in the U.S. today, Reserves and clarifying accounting notes defining Discretionary versus Dedicated Reserves, make clarifying changes to Financial Reports provided to the State to portray clearly Reserves status, accounting formats the State requires, how even though clarifying Notes are added to the Financial Statements submitted to the State that these Notes are often overlooked (the definition of what is Unrestricted versus what is truly Discretionary), contractual commitments, department dedications, business practice of retaining 3% of total budget to equal about 10 days of Reserves for covering business operations, clarification that the State provides only 6% of the HSC budget, etc. Discussion also included the State’s accounting formats, accounting board standards, and ways in which the HSC can provide a more accurate and transparent portrayal of Discretionary funds so that is more easily understood by the State and public.

A motion was made to approve a modified Resolution to accomplish the clarifying changes in reporting Reserves as discussed. The motion was seconded. The motion passed with a vote of 5-0-0.

Consideration of Resolutions Recommending Approval of the Internal Audits

Ms. Purvi Mody provided an overview of the Department of Internal Audit and Compliance that oversee the Health System internal audit function, the 2014 Audit Plan, and the four audit reports (Audit Period July 1, 2013 to January 31, 2014) presented for approval today: the UNM Hospitals Patient Financial Services Internal Audit Report, the UNM Hospitals Behavioral Health Operations Patient Financial Services Internal Audit Report, the UNM Cancer Center patient Financial Services Internal Audit Report, and the UNM Sandoval Regional Medical Center, Inc. Patient Financial Services Internal Audit Report.

Discussion. A motion was made to approve the Resolutions Recommending Approval of the Internal Audits. The motion was seconded. The motion passed with a vote of 5-0-0.

Consideration of Resolutions Recommending Approval of Contract with the New Mexico Cancer Care Alliance

Mr. Bruce Cherrin and Ms. Teresa Stewart provided background on this cooperative agreement from the National Cancer Institute for a \$7 million grant over a five year period. The New Mexico Cancer Care Alliance (NMCCA) is a statewide, not for profit, organization that is a University-community alliance created 12 years ago by Dr. Cheryl Willman and the new grant from the National Cancer Institute's Community Oncology Research Program. The role of the NMCCA is to facilitate the grant in the community of New Mexico. A motion was made to approve the Resolutions Recommending Approval of the Contract with the New Mexico Cancer Care Alliance. The motion was seconded. Discussion. The motion passed with a vote of 4-0-0. Regent Quillen was not in the room and did not vote.

Consideration of Resolutions Recommending Approval of UNM Hospitals Proposed Purchase of Software from 3M

Ms. Ella Watt provided background on the UNM Hospitals (a Health System solution) proposed purchase of software from 3M and corrected a typographical error on the first line to "eight years." This eight year purchasing agreement with 3M for inpatient coding and some outpatient coding, computer assisted coding capability, assist with much of the quality indicators. The 3M Company was the winning bidder after the RFP procedure ended. Ms. Watt discussed selection criteria of the five bidders. Discussion. A motion was made to approve the Resolutions recommending approval of UNM Hospitals proposed purchase of software from 3M, with the correction from "3 years" to "8 years." The motion was seconded. The motion passed with a vote of 4-0-0. Regent Quillen was not in the room and did not vote.

INFORMATION ITEMS

Regent Quillen rejoined the meeting.

HSC Financial Update

Ms. Ava Lovell provided a summary of the HSC financial metrics through the first quarter including Cash Flow from Operations, Operating Net Margin, Net Income, Uncompensated Care, Uncompensated Care as a Percentage of Total Patient Care, Contractual Adjustments, Days Cash on Hand, Accounts Receivable Greater Than Ninety Days, and Proposals Submitted, Awards, Earned F&A, and Contract & Grant Expense. Discussion on better communicating Uncompensated Care to the State, legislators, and

the New Mexico community as well as efforts to ensure State is using accurate HSC data in various reports.

Recovery Audit Contractors

Ms. Ella Watt noted that the Recovery Audit Contractors (RAC) program (private companies contracted by Centers of Medicare and Medicaid Services (CMS) that identify potential Medicare over and under payments) has been temporarily suspended as of February 21, 2014 but wished to provide an annual update. Her summary included the RAC's review of Medicaid billings from June 2009 – February 2014, Medicare billings reviewed totaled \$24.5 million and reclaimed \$5.8 million, "patient status" primary reason for Complex Denials and Recoupments for UNM Hospitals, in 61% of medical records reviewed by RACs the billing was supported/confirmed as correct, recoupment represents 1% of the annual amount received from Medicare, appeal process, cost of appeals, response to RACs, CMS's settlement, etc. Discussion.

Telemedicine and Telehealth Services Audio Visual Equipment

Dr. Yonas announced a grant that was accepted to develop Telemedicine for Neurological emergencies throughout New Mexico. Mr. Bruce Cherrin provided the cost structure information and emphasized that an approval item will be brought to the HSC Board of Directors in the next month or so.

"Breaking 'Bad' Barriers" Video

Dr. Richard Larson provided background on the "Breaking 'Bad' Barriers" video regarding the Roadmap program, the Clinical and Translational Science Center, Drug Discovery Center and other nationally funded programs by the National Institutes of Health.

Quarterly Strategic Plan Update

Dr. Richard Larson provided an HSC Strategic Plan update on how the HSC ended for FY14 on efforts to attain the strategic goals.

Graduate Medical Education Annual Report

Dr. Betty Chang presented the Annual Report of the Office of Graduate Medical Education (July 1, 2013 – June 30, 2014). Discussion.

Quality and Safety Report

Dr. Rick Crowell provided an update on Quality and Safety as well as answers to the Action Required requests from the HSC Board of Directors at a prior meeting. His presentation included addressing the strategic goal of “establish, monitor, and report ... quality, patient safety, and clinical outcomes metrics...,” the following of three broad areas: mortality (rate and index, quarterly), readmissions, and a core composite. Discussion. Dr. Crowell continued his presentation on the strategic goal to “become the safest health system in New Mexico,” UNMH HCAHPS (Hospital Compare, Oct 2012 – Sept 2013), the 2014 UHC Quality and Accountability Performance Scorecard, improvement initiatives (improved communication systems, patient safety – Risk Management system reorganization, education/training and support system), goals of Patient Centered Care, etc.

Review of Action Required Log

The current Action Required Log was reviewed.

Regent Quillen noted the additional information items contained in the agenda book: UNM Hospitals Board of Trustees August 22, 2014 Meeting Minutes, the Sandoval Regional Medical Center, Inc. Board of Directors June 25, 2014, August 27, 2014, and September 24, 2014 Meeting Minutes, the Carrie Tingley Hospital Advisory Board September 22, 2014 Meeting Minutes, and the Office of the Medical Investigator Board Meeting Minutes of March 11, 2014.

A motion was made to adjourn the open meeting and to convene in executive session. The motion was seconded. The motion passed with a vote of 5-0-0 in favor.

Following the executive session, a motion was made for the Board to reconvene in open session and to certify that only those matters described in agenda item X. were discussed in executive session. The motion was seconded. The motion passed with a vote of 5-0-0 in favor.

A motion was made to adjourn the meeting. The motion was seconded. No discussion; with a vote of 5-0-0 in favor. Motion passed.

Minutes were prepared by Patrice Martin and finalized on November 13, 2014.

Approval of Minutes:

Regent Suzanne Quillen, Chair

Date

Attachments:

“Resolutions Recommending Approval of Joanna Boothe to the UNM Sandoval Regional Medical Center, Inc. Board of Directors”

“Resolutions Recommending Approval of Contract with New Mexico Cancer Care Alliance (NMCCA) for Services in Connection with NCORP Grant Assistance”

“Resolutions Recommending Approval of Purchase of 3M Health Information Systems Software for Upgraded Coding Software”

“Resolutions Recommending Approval of HSC Budget Report per UAP 7000”

“Resolutions Recommending Approval of Certain Internal Audits”