

7-17-2015

# Minutes of 07/17/2015 HSC Board of Directors Mtg

Patrice Martin

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## Recommended Citation

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**Minutes of the Meeting of the  
UNM Health Sciences Center Board of Directors  
July 17, 2015  
Domenici Center, room 3010**

UNM Health Sciences Center Board of Directors (the "Board") members present: Robert Doughty, III, Chair, Jack Fortner, Vice Chair, Marron Lee, John Eaves, James Koch, and Ann Rhoades (by phone).

UNM HSC Leadership present: Paul Roth, MD, MS, Chancellor for Health Sciences, and additional members of the Health System and Health Sciences Center leadership

Others present: members of the UNM and HSC faculty and staff

Chair Robert Doughty called the meeting of the Board to order at 9:10 a.m. The Chair announced that a quorum of the members of the Board was present.

Approval of Agenda

A motion was made to approve the agenda. The motion was seconded. The motion passed with a vote of 6-0-0.

Approval of Minutes of Prior Meeting

A motion was made to approve the minutes of the May 1, 2015 meeting of the Board. The motion was seconded. There was no discussion. The motion passed with a vote of 6-0-0.

Comments from Directors

Chair Doughty commented that Director Berryman was excused due to an internship.

Chancellor's Report

Dr. Paul Roth's reports included a review and request for Directors' comments on the August 7, 2015 orientation schedule. He noted that reference materials are available on the portal on a broad variety of categories. Dr. Roth updated the Directors regarding hospital capacity and noted that this information will be provided monthly as part of the Health System report. He provided current data on Emergency Department waiting times for hospital beds, provided definitions, the difference between a patient's admission to the Emergency Department versus that patient's admission to the hospital, national benchmarks, lack of beds, unpredictable surges, inpatient capacity and capacity of Emergency Department, communicating capacity data (Emergency Department capacity and the Hospital inpatient

capacity), the use of Emergency Department beds as a marker for bed downstream adult hospital bed capacity and resulting throughput issues, review of lengthy patient wait times, inpatient beds and national benchmarks on what is the maximum safe occupancy rate for a hospital (85% is benchmark; the UNM Hospitals has been at or over 90% for a long period of time), clarifications on the Health System's participation in the daily bed reporting system to the Department of Health's "Hospital Available Beds for Disasters and Emergencies" and how this is not an accurate measure of what the day-to-day operations would be at UNM Hospitals, and statewide and local hospital patient transfer demands to UNM Hospitals for access to our specialized care capabilities for which we do not have bed capacity to accept these critically ill patients. UNM Hospitals is the referral hospital for all hospitals in New Mexico.

Dr. Roth announced the successful STEAM-H event as a major advancement for the Health Sciences Center and the state of New Mexico and introduced Dr. Brian Gibbs, Associate Vice Chancellor for Diversity and Inclusion, who personally led a recent STEAM-H event designed to bring in students from New Mexico public schools to visit our campus over a weekend. Dr. Gibbs provided an overview of this event where on June 12-14, 2015 the Health Sciences Center engaged the entire University but primarily on the HSC campus by hosting 1,000 underrepresented students from throughout New Mexico for a STEAM-H event that introduced and inspired these students to hands-on, high-touch experiences with health professions. These students ranged primarily from fifth graders to high school but also included some first-year college students. The business community, corporations were partners. The goal was to inspire young persons to realize they have opportunities at the University of New Mexico and to then track these students. Teachers who attended were involved in establishing a framework for networking and learned more innovative ways to engage the diverse group of students they are educating and introducing them to STEAM-H disciplines. He added that technical assistance will be available to assist teachers to enhance their plans and that a vision is to establish regional hubs of excellence.

Dr. Roth introduced Dr. Cheryl Willman who provided information on the recent announcement that the UNM Cancer Center is the newest National Cancer Institute-designed Comprehensive Cancer Center. A press conference is planned for August 12<sup>th</sup>. Discussion.

#### UNM Health System Update

Dr. Mike Richards presented the Health System report that included information on activity levels, *i.e.* overall increase in Length of Stay, increase in Case Mix Index. His Health System report included information on increases in Clinic Visits, increase in Emergency Department visits, increases in Surgical cases, increases in the amount of Total Clinical Service, increases in Physician Work RVUs, community activities. Discussion included overall population growth as a possible factor, demographics, impact of the growth in the New Mexico elderly population, etc.

## Public Comment

There was no public comment.

## Action Items

### Request for the Approval of Naming the Teleconferencing Center to the “Stephen Easley Telehealth Videoconferencing Center”

Dr. Vanessa Hawker presented background on the request for the approval of naming the Teleconferencing Center the “Stephen Easley Telehealth Videoconferencing Center. She noted that in the most recent Legislative Session, House Bill 567 was passed which requests that the videoconference center within the Center for Telemedicine be named after Representative Stephen Easley. She then introduced Dr. Dale Alverson who commented on the qualities of the late Representative Easley and his strong advocacy for the appropriate use of information and communication technologies in Telehealth and further background on the history of how this request evolved. A motion was made to approve the naming of the Teleconference Center to the “Stephen Easley Telehealth Videoconferencing Center. The motion was seconded. The motion passed with a vote of 6-0-0 in favor.

### Request for the Approval of the Nomination of Deborah Johnson to the UNM Hospitals Board of Trustees

Mr. Bill Lang, UNM Hospitals Board of Trustees, presented background on the nomination of Deborah Johnson. A motion was made to approve the nomination of Deborah Johnson to the UNM Hospitals Board of Trustees. The motion was seconded. The motions passed with a vote of 6-0-0 in favor.

### Request for the Approval of the Nomination of Judge Joseph Alarid (Retired) to the UNM Hospitals Board of Trustees

Mr. Bill Lang, UNM Hospitals Board of Trustees, presented background on the nomination of Retired Judge Joseph Alarid to the UNM Hospitals Board of Trustees. A motion was made to approve the nomination of Retired Judge Joseph Alarid to the UNM Hospitals Board of Trustees. The motion was seconded. The motion passed with a vote of 6-0-0 in favor.

### Request for the Approval of the Nomination of Sandra L. Whisler, MD to the Carrie Tingley Hospital Advisory Board

Mr. Bill Lang, UNM Hospitals Board of Trustees, presented background on the nomination of Dr. Sandra L. Whisler to the Carrie Tingley Hospital Advisory Board. A motion was made to approve the nomination

of Dr. Sandra L. Whisler to the Carrie Tingley Hospital Advisory Board. The motion was seconded. The motion passed with a vote of 6-0-0 in favor.

Chair Doughty thanked Judge Lang for his service on the UNM Hospitals Board of Trustees.

### Information Items

#### HSC Research Update

Dr. Richard Larson presented the annual update on the UNM Health Sciences Center (HSC) Research mission. His presentation emphasized the distinct differences between an academic health center and other health care providers, *i.e.*, research and education directly links to clinical care; the Health Sciences Center Research mission is different than a University's broad research mission because the HSC research is closely linked with a clinical and business function and focuses on health care. He added that HSC Research ended the fiscal year with another record growth year in the Research mission that is attributable to strategy and tactics but primarily to the very hard work of the HSC Research faculty and staff. Dr. Larson highlighted the fiscal model of the Research enterprise and the impact to budget and the resulting continuous effort needed each year to continue to grow the enterprise. The Research mission successfully impacts the science it brings forward but in the creation of jobs. His presentation included the four major strategies utilized, *i.e.*, sequentially investing in very strategic center development (as in the UNM Cancer Center and the Clinical and Translational Science Center (CTSC)), etc. He noted the initiative in building the Brain & Behavioral Health Institute, the renewal of the CTSC award this year (second highest score in the country). Discussion was held on our uniqueness in our success in competing, as a small university, with other CTSCs. Dr. Larson emphasized the hard work of the faculty as well as the faculty collaborations University-wide. He commented on the strategic effort, about 10 years ago, with the formation of Signature Programs in Research to address the changing research landscape as being more disease focused. NIH is the principal provider of grant funding. Dr. Roth added that in 2008-2009, he and Dr. Larson were aware the NIH was having problems with funding and it was anticipated that across the country NIH funding would drop. In an effort to expand the HSC Research portfolio funding we proactively developed mechanisms to bring in other revenue streams. These efforts were successful. Dr. Larson provided information on the formation of formal consortiums with other universities that have established new teams and new collaborations across state boundaries to be competitive for Research grants and to bring new science and discoveries forward. He ended with the fact that many jobs are supported in the public sector as a result of the Research mission and that the Research mission is discovering new things and these are being patented and license those with new company start-ups.

## HSC Financial Update

Discussion was held on the format and design of the financial charts. Ms. Lovell provided an HSC financial update that included information on Cash Revenue Minus Cash Expenses (for all UNM Health System entities) and the fast changes in health care since the inception of Health Care Reform, Cash Flow and Operations, Depreciation, Accruals, Net Revenue Minus Net Expenses, adding that the month of June is very active, Uncompensated Care and the impact as a percentage of total patient care. Discussion on Medicaid expansion for uncompensated care and the lengthy time it took in the state to process those patients for the Health System to receive reimbursement for costs for uncompensated care. Ms. Lovell continued her presentation including information on all of the UNM Health System entities regarding Days Cash on Hand, Research (Awards, Contracts & Grants), Actuals, Budget, Overall Revenues, lag on Expenses and their expected catchup in the month of June, decision to add another column to show full budget and also keep columns to show months. Discussion of positive net income offset by expenses, the question on what happens if there is either a positive or negative bottom line, Fiscal Watch Program, action taken, historically, to financially recover from programs who find themselves in a huge deficit (*i.e.*, *OMI*, *Internal Medicine*, *Cancer Center*), the Mill Levy, and Capital Expenditures (Plant Funds per HED requirements), and that the funds in the amount of ~ \$100 million are shown on the Balance Sheet toward a replacement hospital.

Director Rhoades (by phone) left the meeting at approximately this point of the meeting.

An overview of the Office of the Medical Investigator was requested for a future meeting Ms. Lovell continued her presentation with information on the Balance Sheet, Net Assets/Position, UNM Hospitals Discretionary Reserves (~ \$120 million is Capital Initiative; noted that UNMH has Bond Covenants and potential impact), \$229 million in Reserves but with many high level restrictions applied, etc. Dr. Roth commented regarding the replacement hospital, which will cost approximately \$500 million, what the institution can afford in Debt Service would be approximately \$250 million and this means we must build Reserves in order that Discretionary Capital Reserve is close to the \$250 million and we are currently at approximately \$120 million. He clarified that a replacement hospital would be a transfer of the existing income generating business but that if an expansion of bed capacity was approved there would be additional revenue generated. Discussion was held on growth of programs and the annual process (*i.e.*, new faculty, new equipment, new buildings, etc.) to prioritize those requests. Dr. Roth added that Discretionary Reserves are used in a way that allows us to strategically continue to grow the UNM Health System in ways that meet the mission, addresses the purpose for which the institution exists, and there is a very rigorous process. In order to build up Reserves to allow for cash down on a

potential new hospital and to be able to afford a new hospital, we must minimize the use of the Reserve funds in building new programs.

#### HSC Compliance Update

Mr. Stuart Freedman provided an update of the UNM Health Sciences Center Office of Compliance that included information on regulatory risks, managing risks, Compliance history over the past 25 years, awareness at a national and international level, policies and procedures, designation of a Compliance Officer, training and education, data and predictive modeling, open communication, monitoring and auditing, well publicized discipline, corrective action, finding solutions to problems, the recent self-imposed audit we requested from the AAMC and results, Code of Ethics in easy-to-understand language, implementation of a Health System Provider Compliance Committee, major projects (*i.e.* Compliance Customer Satisfaction Survey, Community engagement), Compliance Metric Report, Resident training to improve documentation on patient records for completeness and accuracy, recommended increase in reporting, and the protection of the organization.

Regent Doughty noted that the UNM Hospitals Board of Trustees Meeting Minutes for March 27, 2015, April 24, 2015, and May 29, 2015, the SRMC Board of Directors Meeting Minutes for March 25, 2015, April 22, 2015, and May 12, 2015, and the Carrie Tingley Hospital Advisory Board Meeting Minutes for March 23, 2015 were included as information items.

#### Executive Session

A motion was made to close the open portion of the meeting and for the Board to convene in executive session for the reasons and to cover those items specified in the published Agenda. The motion was seconded. The motion passed with a vote of 5-0-0 in favor.

#### Return to Open Session

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 10 were discussed in executive session. The motion was seconded. The motion passed with a vote of 5-0-0 in favor.

Adjournment

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 July 30, 2015.

Approval of Minutes:

\_\_\_\_\_  
Regent Robert Doughty, III, Chair

\_\_\_\_\_  
Date