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# Minutes of 08/07/2015 HSC Board of Directors Mtg

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**Minutes of the Meeting of the  
UNM Health Sciences Center Board of Directors  
August 7, 2015**

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, Ryan Berryman, Ann Rhoades.

UNM Board of Regents present: Lt. Gen. Brad Hosmer

UNM Leadership present: Bob Frank, PhD

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 faculty and staff

Chair Robert Doughty called the meeting of the Board to order at 8:05 a.m. The meeting was held at the UNM Cancer Center. 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 July 17, 2015 meeting of the Board. The motion was seconded. There was no discussion. The motion passed with a vote of 6-0-0.

Public Comment

There was no public comment.

Action Items

Request for the Approval of the UNM HSC FY 2017 Legislative Request

Ms. Connie Beimer presented the UNM Health Sciences Center legislative request priorities to include the funding formula, School of Medicine I&G, compensation package, lottery scholarship, GO Bond and Capital Outlay, endowment match, deferred maintenance and photonics project. She provided background information on the HSC legislative requests: Graduate Medical Education Residency, Center for Childhood Maltreatment, New Mexico Connect, utilities at the Office of the Medical Investigator,

Project ECHO, and UNM Pain Center. She briefly included requests for UNM Main Campus and the UNM School of Law. Discussion on the team effort of groups on both Health Sciences Center and Main campuses in coordination of UNM legislative requests. A motion was made to approve the HSC legislative requests. The motion was seconded. The motion passed with a vote of 6-0-0.

#### Request for the Approval of the Revised HSC Five Year Capital Plan

Ms. Ava Lovell provided a summary of the Revised HSC Five Year Capital Plan that included information on an explanation of the revisions, that this is a process from the New Mexico Higher Education Department (HED) who oversees the HSC and all other educational entities throughout the state, request for funding for Education Bldg.-Phase III, request for UNM HSC West Health Care Education Building in Rio Rancho in order to expand health care programs on that campus (approximately \$28 million), work to coordinate with the City of Rio Rancho with regard to partial funding, edit to replacement hospital line and the recent presentation of this item to the HED, and the fact that this Five Year Plan can change each year. She emphasized that the HSC Board of Directors would not be approving any particular project but that this is just a plan for the HED for the next five years. Discussion included Child Psychiatric facility and clarification on bed capacity. Dr. Roth noted that UNM Health Sciences Center has the only children's psychiatric hospital in the state and that the facility is dramatically outdated and not adequate and explained rationale and different scenarios for future remedy (*i.e.*, backfill to current hospital). Mr. Steve McKernan provided further detail including the history of the existing Children's Psychiatric Hospital facility and the difference in requirements for a residential treatment center versus requirements for an acute care hospital, emphasizing that the current facility does not qualify as an acute care facility, contingency plan versus preferred plan, timing and coordination with the HSC Master Facility Plan. Discussion continued regarding the increasing need for an acute care hospital, the ability to diagnose children with psychiatric illnesses earlier and to render treatment, and issues with insurance companies. A motion was made to approve the Revised HSC Five Year Capital Plan. The motion was seconded. The motion passed with a vote of 6-0-0.

#### Request for the Approval of the UNM HSC Health Education Building, Phase III

Mr. Chris Vallejos presented background on the proposed buildout of Phase III of the UNM HSC Health Education Building as consistent with the 2010 HSC Master Plan, for a 75,000 square foot, three story, steel frame building at the corner of Marble and Stanford to connect to the existing building. This building will provide 10 classrooms for Nursing, Pharmacy and Medicine. The funding for this capital project is approximately \$27 million from various sources. Discussion on the three phases of this project. A motion was made to approve the request for capital project approval of the UNM Health Sciences Center Health Education Building Phase III. The motion was seconded. The motion passed with a vote of 6-0-0.

### Request for the Approval of the Nomination of Michelle Coons to the UNM Hospitals Board of Trustees

Mr. Steve McKernan provided rationale and background on the request for the approval of the nomination of Michelle Coons as a member of the UNM Hospitals Board of Trustees. A motion was made to approve the nomination of Michelle Coons to the UNM Hospitals Board of Trustees. The motion was seconded. There was no discussion except the comment that Ms. Coons "is terrific." The motion passed with a vote of 6-0-0.

### Request for the Approval of the UNM Cancer Center Contract with Elekta, Inc.

Mr. Bruce Cherrin introduced David Hopper, a representative from Elekta, Inc., and they provided background on this request for the approval of the UNM Cancer Center contract with Elekta, Inc. that includes a five year maintenance agreement for two linear accelerators located at the UNM Cancer Center that is utilized in the treatment of approximately 30 patients per day for each accelerator. A motion was made to approve the UNM Cancer Center contract with Elekta, Inc. The motion was seconded. There was no discussion. The motion passed with a vote of 6-0-0.

### Information Items

#### HSC Financial Update

Ms. Ava Lovell clarified that a full financial update would not be provided at today's meeting. Dr. Roth clarified that due to Medicaid not having mechanisms in place to reimburse providers for care for patients enrolled there was a dramatic rise in Accounts Receivable but that over the past several months the HSC has been catching up with reimbursements for care delivered roughly eight months in the past. Due to this phenomenon, in the month of June, the HSC received an additional \$32 million above budget. Those funds have gone into the Capital Initiative Fund for UNM Hospitals. Mr. McKernan added explanation on the very significant delay in getting patients who were eligible for Medicaid in the expanded categories enrolled, further delays due to patient confusion, the Health System's response in establishing a successful process to monitor patient eligibility for Medicaid, etc. Dr. Roth added that because of the HSC's relationship with the Indian Health Service and Bernalillo County, when the hospital places those one-time funds in Reserve accounts, they are dedicated for only the Clinical functions and facilities and cannot be used elsewhere. Discussion included plans for preparing the 2016-2017 budget and a request that five-year projections be provided at the September HSC Board of Directors meeting.

Regent Doughty noted that the UNM Hospitals Board of Trustees Meeting Minutes for June 26, 2015, the SRMC Board of Directors Meeting Minutes for May 27, 2015 and June 24, 2015, and the Carrie Tingley

Hospital Advisory Board Meeting Minutes for May 18, 2015 were included as information items. No discussion.

#### 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 6-0-0 in favor.

#### Return to Open Session

The HSC Board of Directors and HSC leadership discussed the Open Meetings Act and reviewed the proposed agenda items for executive session. A motion was made for the Board to reconvene in open session. Discussion. The motion was seconded. The motion passed with a vote of 6-0-0 in favor.

#### UNM HSC Board of Directors Orientation

Dr. Paul Roth opened with describing the goals of the orientation -- to share a broad overview of the direction of the UNM Health Sciences Center and to briefly review the previously adopted HSC Strategic Plan. He noted that general initiatives such as the HSC Strategic Plan and Master Facility Plan are understood to be 'living documents' and are subject to change as issues and circumstances evolve. He emphasized that the intent on the HSC Master Facility Plan discussion today was to share with the Board a very preliminary rough draft and to seek the Board's input. He highlighted that the purpose of the institution is defined in the HSC Vision, Mission and Values Statements. The HSC consists of the Academic enterprise and the UNM Health System which encompasses the entire clinical enterprise of the Health Sciences Center. Discussion was held on the UNM School of Medicine that has separate units that includes Occupational Therapy (a division of the Department of Orthopaedics), Physical Therapy, Med Lab Sciences, Dental Hygiene, etc.

#### Academic Health Centers

Dr. Paul Roth presented that the Academic Health Center (there are approximately 100 academic health centers in the USA) provides a unique form of delivery of health care as an academic institution. Education is spread throughout the institution in daily activities in an apprenticeship model and simultaneously human subject research is performed (early discovery in Basic Sciences in the labs but a large effort in clinical trials and volunteer human subjects who are enrolled in these trials). The academic health center is a relatively rare but essential part of the health care delivery system as well as essential part of the country's higher education. Regarding education, the HSC is driven by a perception of the needs of New Mexico. The UNM School of Medicine graduates represent 40% of all our practicing

physicians in New Mexico and the College of Pharmacy and College of Nursing are much the same in the current workforce in the state. In a response to a request by the Legislature approximately three years ago, we assumed responsibility for analyzing the health care workforce needs of the state. Dr. Roth discussed some of the work performed, in this regard, by Dr. Richard Larson and Dr. Arthur Kaufman, in collecting viable data on assessing the physician workforce in New Mexico. Discussion on physician shortage and residency program constraints with accrediting agencies regarding Family Medicine and Internal Medicine physicians. The preference is to expand Family Medicine that will address primary care. Discussion on national incentive programs to encourage physicians to practice in areas of the state where there is a need, loan forgiveness program, other incentives provided by communities, lack of support structure in rural areas, the importance of a physician in a rural area having a connection to the UNM HSC, stress of rural providers, etc. Dr. Roth continued that this then drives class size increases in an effort to address the workforce needs for New Mexico. Discussion was then held regarding the improvement of communication to the community, Governor's office, the Legislature, etc. Dr. Roth provided information on the BA/MD program and the requirement that two-thirds of those admitted to the program must come from rural New Mexico areas. UNM Health is the product that the HSC developed and is currently one of the options UNM employees can select for insurance for health care and Dr. Roth commented that plans are underway to expand the capabilities with Third Party Administrators.

#### Research Park Corporations

Mr. Scot Sauder presented an overview (with a more details contained in the handouts) information on the Research Park and Economic Development Act that included background on the law adopted in the early 1990s that enabled universities to create Research Parks and Research Park Corporations to assist in carrying out some of the business of the university in a much more classical way. In 1998 the Act was amended to include health care and health care facilities; in 2006 the Act was further amended to include economic develop as one of the purposes and that was the precursor to the development of Lobo Development Corporation. The Act authorizes a university to form one or more Research Park Corporations which are to be separate and apart from the state and separate from the university to promote, develop and administer research parks or technological innovations for scientific education and economic development opportunity. Mr. Sauder described that it allows for non-profit corporations, for profit corporations, and partnerships or limited liability companies. He discussed whether or not a university can share ownership with another entity in a research park corporation and still attain benefits, in the past the three research universities in New Mexico have formed a joint powers entity (regarding the bid for operating Los Alamos National Labs several years ago), permitted purposes, legal advantages, relationship to parent university, relationship to Board of Regents an the HSC Board of Directors, etc. Discussion included a list of some of the companies formed under this Act and examples are UNM Medical Group, Inc., UNM Sandoval Regional Medical Center, Inc., Lobo Development Corporation, Lobo Energy.

### HSC Strategic Plan Overview

Dr. Richard Larson presented an overview of the HSC Strategic Plan that included information on how the strategic plan was developed for not only the Health Sciences Center but all entities within it (Health System and all academic units), and the HSC vision, mission and values. Vice Chair/Regent Fortner interjected on whether or not this should be discussed in closed session and asked for clarification. After discussion, it was decided to proceed in open session. Dr. Larson continued his presentation with information on the process on arriving at the overall strategic goals, how that is put together with all the various entities within the Health Sciences Center, substantial environmental challenges that impact all the HSC missions (*i.e.*, Research mission and changes in research), education needs to expand to address shortages and develop new programs that target to the new needs in health care, delivering the educational platform in a new way (*i.e.*, interprofessional education, distance learning), an academic health center has the same challenges as other health care providers regarding the Affordable Care Act but provides a unique role in its tertiary and specialty care, and academic health centers are different in most regards from other health care providers and other universities in many key ways. In the process, several consulting groups were employed as well as many internal processes where a wide variety of environmental assessments were conducted, where many changes and their significance were recognized during the process. This was the first time that an integrated analysis of the entire Health Sciences Center was studied as a whole. Dr. Larson reviewed the HSC strategic plan and he noted that Dr. Richards will be providing an overview of the Health System strategic plan. Dr. Roth interjected that the HSC had fully participated in the University's strategic planning process and that the goals presented today are all embedded within the University's Strategic Plan. Dr. Larson continued his presentation discussing definition, processes, the six strategic overall goals and their respective strategies that represent a five year objectives and measures of success, tactics/metrics, summary of goals and strategies, and highlight of each goal -- improve public health and health care throughout New Mexico, building the New Mexico workforce, translate our Research into Clinical or Educational practice, environment of excellence, and environment of diversity, integrity and transparency. Discussion was held on disease management.

### Health System Strategic Plan Overview

Dr. Mike Richards presented on connecting the material on vision/mission/strategic goals to the development of the Clinical Enterprise, the process, recent drivers (value-based purchasing, continuum of care, etc.), and framework of the current Health System strategy and the nine top level performance metrics. He reviewed the vision and mission, need to address all elements of overall health, health equity, social determinants, etc. while simultaneously building and run a very complex clinical delivery system in a highly competitive environment. He continued regarding the academic health center, building clinical enterprise and our uniqueness of delivering highly complex care within the state as

opposed to others in the state who are also building a clinical delivery system, academic component (teaching hospital), unlike many other academic health centers we also occupy a unique role as a safety net facility, our legacy of Indian Health Services connection, etc. UNM Health System provides the state's only Level One Trauma Center, only comprehensive Cancer Center, only Pediatric Hospital, only center that can do time sensitive Neurological emergencies, etc. Dr. Richards discussed how these unique elements influence the way the clinical delivery system should be built – we have a state-wide mission involves all New Mexicans not just patients who are enrolled in our health plan, for example. We are the backup hospital for all other delivery systems. As such, we are part of all the patient population and a key component of everyone else's delivery system. He discussed social determinants of health care, challenges in being proactive to strengthen improvements to keep the state's citizens healthy, continuum of care, FFS versus Capitation, etc. Discussion was held on what will happen if Obama Care is repealed, capacity issues, valued-based purchasing, purpose of today's orientation, the history of the past discussions/presentations to the HSC Board of Directors and the UNM Regents for the past many years, concerns on why the request for a new hospital is not moving forward, how we are now in a serious crisis, and how a new hospital will be good for New Mexico, need for educating the public and appropriate communication to the Legislature, etc. Dr. Richards continued with the high level metrics on community engagement, patient experience, culture of excellence, operations, strategic growth and partnerships; guiding principles for measures of success, operational efficiency, positive clinical growth, quality and safety, University Hospital Consortium. Discussion was held on population health, greatest health needs.

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 8 were discussed in executive session. The motion was seconded. The motion passed with a vote of 6-0-0 in favor.

Adjournment

A motion was made to adjourn the meeting. The motion was seconded. No discussion; with a vote of 6-0-0 in favor. Motion passed.

Minutes were prepared by Patrice Martin and finalized on August 28, 2015.

Approval of Minutes:

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Regent Robert Doughty, III, Chair

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Date