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# Minutes of 11/17/2015 HSC Board of Directors Mtg

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**Minutes of the Meeting of the  
UNM Health Sciences Center Board of Directors  
November 17, 2015**

UNM Health Sciences Center Board of Directors (the “Board”) members present: Robert Doughty, III, Chair, Marron Lee, James Koch, Ryan Berryman, Ann Rhoades, Mel Eaves, Deborah Johnson.

Board members not present: Jack Fortner

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, staff and students

Chair Robert Doughty called the meeting of the Board to order at 12:16 p.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 October 2, 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

Director Eaves requested to defer his comments until after the Chancellor’s Administrative Report.

Chancellor’s Administrative Report

Dr. Paul Roth announced that the UNM College of Pharmacy, in the celebration of its 70<sup>th</sup> anniversary, was recognized as the first health-related professional program created in New Mexico and this occurred right after WWII. A little known fact is that the College of Pharmacy

began in the late 1800s in a building on main campus. The program graduated two classes. After this, the building burned down and the program disappeared until 1945. The College of Pharmacy is the only one of its kind in New Mexico.

Dr. Roth announced that the UNM School of Medicine awarded the fourth Living Legend Award to Dr. Phil Eaton. Dr. Roth provided background on past awardees.

Dr. Roth announced that Dr. Art Kaufman was elected to the National Academies of Science, a level of distinction that only a few in the history of the United States has achieved.

Dr. Roth provided an update on the Health Sciences Center (HSC) Master Facilities Plan (MFP). His comments included clarification between the broader MFP and the project to construct a replacement hospital (identified within the MFP as the top priority), a detailed explanation of the elaborate approval process, recapped the extensive communications regarding the MFP and the replacement hospital to all interested parties, feedback received from these communications, updates on the three working groups established to vet the replacement hospital project, and plans to meet with neighborhood associations. A lengthy dialogue ensued with questions from Directors. This dialogue included reasons on why meetings to discuss the replacement hospital with government officials were cancelled, a review and outcomes from meetings of the three working groups, supplemental information requested, written reports resulting from each of the working group meetings, a report generated by Definitive Healthcare and how reports generated are utilized by investment bankers and consultants comparing data on hospitals, Medicare Cost Report and federal government audits of the report, the hire of Moss Adams who performed an audit at the request of the Regents, delays regarding the replacement hospital project, a timeline for the approval process and possible date for start of construction for a replacement hospital. Directors requested that Dr. Roth review the approval process again. Dr. Roth responded that the approval of the MFP comes first, followed by initial programming and an investigation of options for funding (this segment to take approximately 15 months), approval by the UNM Hospitals Board of Trustees, approval by the HSC Board of Directors, and approval by the Regents. Dr. Roth discussed costs associated with the initial programming. He continued the review of the approval process and stated that there would then be a specific request for the construction approval by vetting this through UNM faculty, internal administration, the UNM Hospital Finance Committee, the UNM Hospital Board of Trustees, the HSC Board of Directors, the UNM Regents, the New Mexico Higher Education Department, and to the New Mexico State Board of Finance – stating that at each step there would be the approval of two, in tandem pieces: the approval of the

construction project and the approval of the acquisition of the associated debt to fund the construction project. Discussion followed on how long the process would take, securing insurance, that after the approval process it would take about three years to construct the replacement hospital (hoping for a 2020 ribbon cutting), due to lengthy timeline the implementation of necessary operational and strategic initiatives to create as much capacity as possible in order to meet the health needs of the State's population; a planned meeting in early December 2015 with governmental officials, identifying the concerns of the Governor's office (*i.e.*, impact of utilizing cash to finance the replacement hospital on the overall bond rating of the University, any obligation of the State if there should be a default on a HUD-backed loan, the population analysis report from KSA, Centennial Care reimbursement, use of cash and borrowing for the replacement hospital project, University's bond rating, the University's security interest in all cash assets and revenue of the UNM Hospitals on the Pavilion bonds, the refinancing of HUD bonds in the last year, analyses from FirstSouthwest advisors on the questions regarding bond rating, feedback on recent internal meetings with President Frank et al, and clarification that the discussion of the Five Year Capital Outlay Plan last May was not an approval of the MFP. Discussion continued regarding a potential vote at the December HSC Board of Directors' meeting, concerns with possible impact to bond rating, possible other scenarios, next steps on investigating financing, review of the timing of the entire process, etc.

#### UNM Health System Update

Mr. Steve McKernan reported that the census remains extraordinarily high at UNM Hospitals and is stable at SRMC. Finances through the first four months are very stable for the Health System. He added that implementation of the ICD-10 project has been launched, as expected this has affected cash flow and billing, and this should level in the next few months. The Joint Commission is on site for UNM Hospitals for the UNM Hospitals' every third year survey and information will be shared on the survey status when available.

Dr. Richards reported on the remaining items in the report that surround strategic planning – the primary issue was the MFP and an additional detailed analysis on post-acute care that will be discussed further in Executive Session.

#### Public Comment

There were no individuals who signed up for public comment. Chair Doughty invited input from GPSA President Texana Martin who introduced Victoria Otero and announced recent student

activities. ASUNM President Jenna Hagengruber introduced herself; later in the meeting she announced a turkey drive to benefit students and asked for cash donations.

### Action Items

#### Request for the Approval of the UNM Hospitals Contract with Cerner (Software for Population Health Management)

Mr. Steve McKernan provided a brief background on software entitled “Population Health” which is a large repository that takes all electronic medical information as well as information and data points from outside organizations and combined that allows us to manage groups of patients; a very important tool that will cost about \$1 million in year one and about \$750,000 per year after the initial year.

A motion was made to approve the UNM Hospitals Contract with Cerner (software for population health management). The motion was seconded. The motion passed with a vote of 6-0-0 in favor.

#### Request for the Construction Approval of Eubank Women’s Health Clinic

Mr. Steve McKernan provided background on the request for the Construction Approval of the Eubank Women’s Health Clinic stating that a number of years ago UNM acquired the property that was known as the old Charter Bank building at Eubank and Menaul (~22,000 SF), a project plan for the building has been underway with a focus on constructing a comprehensive women’s health clinic at that location with good parking and good access.

A motion was made to approve the construction of Eubank Women’s Health Clinic. The motion was seconded. The motion passed with a vote of 6-0-0 in favor.

Dr. Roth interjected that this project is a construction project and as noted in previous discussions today, it will go to the Regents for approval, to HED for approval, and to the State Board of Finance for approval.

## Information Items

### UNM Health Sciences Center Strategic Plan Update

Dr. Richard Larson provided a quarterly briefing on the status of the HSC annual strategic goals. His presentation included a slide on the organization of the plan, the mission, vision and strategic goals, a review of the strategic planning process; the plan includes the highest priorities from all colleges and Health System, etc. He provided a reminder of the terminology, *i.e.*, an overall set of six strategic goals that represents our permanent aspirations, measuring of each through indicators of success, strategies that represent three to five year objectives, tactics (each with a metric) that represents the action plan for the year. He highlighted page 33 in the portal agenda showing the update relative to the HSC's plans in the first quarter of FY16. He highlighted accomplishments such as dramatically to increase community engagement through Telehealth on a number of Telehealth activities throughout the institution not only with Project ECHO but significantly increase the number of outside transfers, approval of the College of Population Health, and the annual presentation (through legislative action) of recommendations relative to the analysis of the health care workforce throughout the state (*i.e.* behavioral health issues). Dr. Larson added that some goals, related to some of the hospital metrics, that we have not yet begun to make progress with but there is a plan for success in these areas. Overall the HSC is off to a strong start.

### Overview: Real Estate Strategy on UNM Master Facilities Plan

The overview of the real estate strategy on the UNM Master Facilities Plan was tabled as Mr. Tom Neale was not available to present.

### UNM West Update

Ms. Jamie Silva-Steele provided an update of UNM West campus and ways to move academic programs related to the Health Sciences Center to the west campus. Her report included background information, clarification on strategy and a status as of this date. Background information included that the University initially developed a four-year program as a main campus extension, the City of Rio Rancho passed a gross receipts tax that established a higher education facilities fund to assist in construction, infrastructure, and development of that campus (approximately ~200 acres), in 2008 voters approved this and then reconfirmed their support in a special election in 2013, and a working group has been studying the HSC providing

programs at the campus including studying streamlining prerequisites, and to continue the expansion of educational opportunities at SRMC. Operational responsibilities fall under the oversight of Chancellor Roth both financially and operationally; all teaching programs at SRMC are part of the UNM HSC campus. She informed that there is a large community support effort in Rio Rancho and in the county, identifying HSC programs as the economic driver within the County and City; a key driver is to continue to develop the future health care workforce. Recommendations from the HSC work group are that courses are provided that enable students to complete a full learning experience in Rio Rancho, maintain and streamline core prerequisites, and set a new standard for the requirements allowing a denser learning experience within the community. Initial programs focused on are pre-Pharmacy, Med Lab Sciences, Nursing, College of Population Health, and Emergency Medicine Services. Possible future programs might be Health Informatics, Occupational Therapy, and Physical Therapy. Implementation requirements include laboratory space for basic and advanced Biology courses for (in tandem with the existing CNM facilities for the basic coursework), faculty offices, and adding simulation space. Ms. Silva-Steele continued that, as part of the Master Facilities Planning effort, the need for a new facility was identified; the site location for this building was shown. Current financing plans included a recap of the lease entered into by the Regents with a local development corporation in 2013; debt service on the bonds is approximately \$600,000 per year. She continued that the extension of the Memorandum of Understanding with the City of Rio Rancho is currently being finalized and that the City is supportive of the further development of the campus and the expanded educational opportunities (additional needed classrooms, labs, offices, simulation space, etc.). The campus core infrastructure, to include roadways, connections between buildings, utility expenses, etc., are also part of the project. Currently there methods of funding being researching through the City, a Legislative GO bond, etc. The campus planning effort will be finalized and brought to the HSC Board of Directors for approval.

#### HSC Financial Update

Ms. Ava Lovell provided an update of the HSC finances that included data on Net Cash Revenues Less Net Expenses for all Units, Net Revenues Less Expenses on all Units, Days Cash on Hand on all Units; she explained reasons for a slowdown in the UNMMG data; Days in Accounts Receivables on all Units, Research data on proposals, awards, earned finance and administrative overhead, etc.

Regent Doughty noted that the UNM Hospitals Board of Trustees Meeting Minutes for September 25, 2015 and the SRMC Board of Directors Meeting Minutes for September 23, 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 specified in the published agenda. The motion was seconded. The motion passed with a vote of 6-0-0 in favor.

Director Johnson joined the meeting during Executive Session.

Following the executive session, a motion was made to reconvene in open session and a certification 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 6-0-0 in favor.

Adjournment

A motion was made to adjourn the meeting. The motion was seconded. The motion passed with a vote of 6-0-0 in favor.

Minutes were prepared by Patrice Martin and finalized on November 23, 2015.

Approval of Minutes:

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Regent Robert Doughty, III, Chair

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Date