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Minutes of 10/11/2016 HSC Committee Mtg

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Meeting Minutes
UNM Health Sciences Center Committee
October 11, 2016

UNM Health Sciences Center Committee (the "HSCC") members present:

Marron Lee, Chair

Tom Clifford, Vice Chair

Ryan Berryman, Regent, Substituting for Rob Doughty

Chair Lee called the meeting of the HSC Committee to order at 8:38 a.m. and determined that a quorum was present.

Approval of Agenda

A motion was made to adopt the agenda. The motion was seconded. The motion passed with a vote of 3-0-0.

Approval of Minutes of Prior Meeting

A motion was made to approve the minutes of the September 1, 2016 special meeting of the HSC Committee. The motion was seconded. The motion passed with a vote of 3-0-0.

A motion was made to approve the minutes of the September 6, 2016 meeting of the HSC Committee. The motion was seconded. The motion passed with a vote of 3-0-0.

Comments from Committee Members

There were no comments from Committee Members.

Chancellor's Administrative Report

Dr. Paul Roth reported on the successes of the Advancing Institutional Mentoring Excellence (AIME) Program and recognized the leadership of Dr. Valerie Romero-Leggott as a major influence on this program's success in increasing faculty diversity. He announced that Ms. Jamie Silva-Steele received the Senior-Level Healthcare Executive Regents Award from the American College of Healthcare Executives. He announced that Gary Rosenberg has been awarded a \$1.3 million National Institutes of Health grant to further explore dementia and Alzheimer's disease and that the UNM Clinical and Translational Science Center was awarded a four-year \$1.9 million grant from the National Institutes of Health to lead a network of universities conducting clinical trials on pediatric populations.

Response to Legislative Budget Reductions

Ms. Ava Lovell distributed a handout entitled “HSC Academic Enterprise Budget Strategies” and her presentation included information on framing the Unrestricted HSC Academic Budget, foundational strategies, overarching hiring strategy, strategies to address pending state cuts, Lobo Quality Improvement Process (LQIP), LQIP initiative, strategies at the UNM School of Medicine, College of Nursing, College of Pharmacy, College of Population Health and the HSC Administrative Units. Discussion was held on budget cuts, clinical operations that are impacted by state cuts, Department of Health contracts, reductions in I&G, Medicaid, impact of cuts to Pediatrics totally approximately \$3.5 million, non-state funded departments, and the unpredictability on the Department of Health contracts. The Committee requested a monthly dashboard tracking the academic and clinical initiatives with a panel of metrics at the next HSC Committee meeting. Discussion continued on increasing collections, reserves and quarterly review process for departments balancing budgets, reserves must be budgeted (with approvals) before it can be utilized, hiring and rational business decisions on hires, marketing position eliminations and marketing reductions in expenditures as well as Cancer Center marketing budget reductions, and the Aon recommendations. Dr. Roth added that the HSC is aggressively analyzing all programs and expenditures that do not have a direct hands-on patient care implication or direct impact on educational programs.

UNM Health System Update

Mr. Steve McKernan presented a broad overview of the Health System Operating Budget that is comprised of the UNM Hospitals, UNM Sandoval Regional Medical Center, Inc., and the UNM Medical Group, Inc. as the primary components. His presentation included information on a March projection of revenue at approximately \$1,240,000,000, that the state’s proposals on the reductions in Medicaid had not been issued, no contract notices from Molina and United, subsequent to the end of March the State issued regulation that reduced reimbursement from Medicaid by 5% for inpatient and 3% for outpatient, cut of about \$20 million, and contract negotiations with Molina resulted in a reduction in revenue of about an additional \$20 million. He noted that a plan is in place so that top line revenues for the Health System will be approximately \$1.2 billion, reducing expenses by \$40 million. He discussed the 7,000 Health System employees and efforts for efficiency by 3 – 4% (approximately 240 FTEs); no layoffs, no hiring freeze, vacancies at 5% and decisions are being made. He discussed turnover rate. Dr. Roth added that in comparing FY15 and FY16, with the windfall from Medicaid funding, the hospital invested that money back into programs and hired over 300 new FTEs in FY16 to provide greater access to patients, opened clinics, etc. to meet demand; the hospital is looking critically at any vacancies not yet filled. Discussion was held on total FTE data and clarification. Action Required: Medicaid expansion – how the Health System “digested” it. (Richards)

Mr. McKernan continued with information on the status of the Mil Levy, star ratings on quality and safety, Studer engagement to bring in Best Practices to improve ratings, issue of old data in on-line star rating site, makeup of POC Committee and Regent representation, Activity Summary, managing number of birth rates (currently down), communicating to public that UNM Hospitals is safest place to deliver a baby, the need to maintain “presence” in communicating with general public

regarding what UNM Hospitals can provide in services. Discussion on demand for health care in New Mexico and associated costs, standardizing entire supply chain, Mill Levy, quality and safety and Star ratings, initiatives, adverse findings, age of data, initiatives in place, etc. Action Required: Dashboard requested on Star ratings. (Richards)

Public Comment

There was no public comment.

Action Items

Request for the Approval of the Nomination of Michael F. Shannon to the Carrie Tingley Hospital Advisory Board

A correction was made in the agenda that this nomination was incorrectly shown as a nomination to the UNM Hospitals Board of Trustees when it was a nomination to the Carrie Tingley Hospital Advisory Board. A motion was made to approve the nomination of Michael F. Shannon to the Carrie Tingley Hospital Advisory Board. The motion was seconded. The motion passed with a vote of 3-0-0.

Request for the Approval of HSC Reserve Categorization Report Pursuant to Administrative Policies and Procedures Policy 7000

Ms. Ava Lovell presented on the annual requirement under University Policy 7000 to bring forward reports on the Reserves of the Health Sciences Center for the academic side which are unrestricted; no reserves are carried on the administrative side. The total I&G budget is about 24% of Unrestricted Budget (approximately \$473 million) and the HSC is required to have between 3-5% for I&G Reserves – about \$5.4 million. Total Reserves of the HSC is \$62,578,000; units categorize these funds as either Committed, Dedicated and Discretionary. She explained Dedicated Reserves versus Reserves Approved, etc. Reserves are not allowed to be budgeted unless there is an explanation of what it is for. Remainder is Discretionary Reserves. Discussion included what the nature of these commitments are and reviewing these again, annual contributions to pay down of Cancer Center and OMI debts, legally-bound committed reserves, and examples, *i.e.*, faculty hire packages, Restricted Reserves, Discretionary and Dedicated Funds are malleable, Reserves sit mostly at the Department level. A motion was made to approve the HSC Reserve Categorization Report. The motion was seconded. The motion passed with a vote of 3-0-0.

Information Items

HSC Financial Update

Ms. Ava Lovell provided an HSC financial update that included I&G. Discussion was held on Banner System to control spending. Action Required: prorate data on HSC Total Operations. She continued her presentation with information on Unrestricted Research, Student Activities, Contracts

and Grants, and Clinical Operations. Discussion on best ways to track changes, detail on FY17 reforecast budget, year-to-date detail, Medicaid, line item on compensation, etc.

Update on Healthy Neighborhoods Albuquerque

Dr. Richard Larson presented an overview of “Healthy Neighborhoods Albuquerque” initiative and the collaboration with health care institutions and academic institutions to impact growth, targeting lower income communities, following the Cleveland model. His presentation included information on social determinants of health, anchor institutions, the mission of Healthy Neighborhoods Albuquerque, sources of anchors’ economic impact, hiring and purchasing locally in support of small, local businesses with a vision of community business development, organization structure, and, if successful, expected outcomes. Discussion included concerns on quality of services, federal constitutional parameters to be followed, feedback on workforce needs of employers, New Mexico Workforce October 2016 Annual Report, etc.

Executive Session

A motion was made for the HSC Committee to convene in executive session for the reasons specified in the published agenda. The motion was seconded. The motion passed with a vote of 3-0-0 in favor.

Following the executive session, a motion was made to reconvene in open session and a certification that only those matters described in agenda item XI were discussed in executive session. The motion was seconded. The motion passed with a vote of 3-0-0 in favor.

Adjournment

A motion was made to adjourn the meeting. The motion was seconded. The motion passed with a vote of 3-0-0 in favor.

Approval of Minutes:

Marron Lee
Marron Lee, Chair, HSC Committee

11.08.16
Date