

<i>Agenda Item</i>	<i>Subject/Discussion</i>	<i>Action/Responsible Person</i>
Voting Members Present	Terry Horn, Erik Lujan, Joseph Alarid, and Nick Estes	
Other Participants Present	Dr. Michael Chicarelli, Ella Watt, Dr. Sara Frasch, Ava Lovell, Jennifer James, Bonnie White, Julie Knight, Purvi Mody, Julie Alliman, and Rodney McNease	
I. Call to Order	Mr. Terry Horn, Chair, called the meeting to order at 10:07 AM, a quorum was established	
II. Adoption of Agenda	Mr. Terry Horn, Chairman, requested a motion to adopt the Agenda as submitted	Mr. Joseph Alarid moved to adopt the Agenda as submitted. Mr. Nick Estes seconded the motion. The motion carried with no objections.
III. Public Input	No Public Input	
IV. Approval of Meeting Minutes	Mr. Terry Horn, Chairman, requested a motion to approve the May 23, 2018 Finance Committee Meeting Minutes	Mr. Joseph Alarid moved to approve the minutes from the May 23, 2018 meeting. Mr. Terry Horn seconded the motion. The motion carried with no objections.
V. Consent Items, Disposition of Assets and Repair, Renewal and Replacement Items for approval	<p>Ms. Ella Watt presented the consent items for recommendation to the full Board of Trustees. It was asked if a primer on the various purchasing processes could be presented at the next meeting. Consent items discussed:</p> <ul style="list-style-type: none"> a. Ricoh Printers (Approval) <ul style="list-style-type: none"> - Estimated \$475,065 annual spend, contract term 60 months b. UNMPC Inpatient Pharmacy Renewal (Approval) <ul style="list-style-type: none"> - Estimated \$488,000 budget to change existing office space into pharmacy space 	<p>Mr. Nick Estes moved to recommend the consent items presented for approval to the full Board of Trustees. Mr. Joe Alarid seconded the motion. The motion carried with no objections.</p> <p>Ms. Watt to provide a primer on the various purchasing processes</p>
VI. Informational Items	<p>Ms. Ella Watt presented the informational items for information to the full Board of Trustees.</p> <ul style="list-style-type: none"> • UNMH Emergency Room Ligature Abatement (Informational) <ul style="list-style-type: none"> - Estimated \$540,000 budget to update Emergency department to lessen risk of patient suicide. <p>There was a discussion in regards to the difference between informational items and items for approval</p> <ul style="list-style-type: none"> • Purchasing contracts greater than \$1 Million need to be approved by the Board of Regents • Construction amounts greater than \$300,000 in which there is an addition of square footage or construction of new building; alterations or major project ie. change in the purpose of the space or increase greater than 10% of previously approved project need to be approved by the Board of Regents • Construction amounts greater than \$300,000 where the purpose is for repair, renewal or replacement are to be presented to the local governing body for 	

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	informational purposes.	
VII. Financial update for the eleven months ended May 31, 2018	<p>Ms. Ella Watt provided financial update for the eleven months ended May 31, 2018 including a CFO Summary.</p> <ul style="list-style-type: none"> • Increased occupancy and equipment costs associated with preparing for the future Joint Commission survey • Mission Support costs \$2 million above budget • Impact of Specialty Pharmacy patients including Spinraza patients are already built into next year's budget • Case Mix Index dropped during the fiscal year due to a shift from surgical to medical ratios associated with loss of surgeons and flu season <p>Implemented Specialty Pharmacy Program, which generated \$9.4 million, \$4.9 million on core 304b contract pharmacy revenue over expected.</p> <p>Behavioral Health Operations had an 8% increase in inpatient volume driving a positive margin of \$2.5 million. This is great news.</p> <p>Limited revenue opportunity due to lack of capacity and recent contract reductions (Humana and BCBS Medicare).</p> <p>Single Path Coding / Elimination of Manual Charge Entry – one clinic live with rollout beginning in July 2018.</p> <p>Compensation Study RFP nearly complete</p> <p>Hospital is at capacity for adult beds (most recent activity showing the census decreased)</p> <p>Possible threats – Decreased enrollment due to potential changes in Affordability Care Act may create spike in those without insurance; in contract negotiations with several payers; pressure from payers on level of care and bundling as well as payer push to classify patient care as observation versus inpatient admission.</p> <p>Balance Sheet stable; have some payables to UNM; received payment of the Mill Levy from Bernalillo County</p> <p>Trustee Estes requested a quarterly report of the materials reported to Bernalillo County for uncompensated care as part of the financials</p>	Accepted as information

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/III. Revenue Cycle Update	Ella Watt reported she would be meeting with Huron representatives June 28 and will discuss the transition phase, cost, impacts and deliverables. Additionally, there is a question as to whether Huron's fees should be paid on a flat fee or contingency basis. With the contingency fees, they would charge a percentage of the savings obtained. Ms. Watt stated a team of medical directors would be assigned to do peer-to-peer discussions with the MCOs who have been denying claims based on level of care. We are currently working on several areas of focus within the revenue cycle and have already began single path coding, computer assisted coding, and CDI efforts. It has been identified that we may an extra level of in house review when we find out the insurance companies will not pay for certain procedures.	Accepted as information
IX. Benchmarking	Ms. Ella Watt discussed the Vizient benchmarking presentation (in BoardVantage). Each year the HSC Consortium conducts a Funds Flow survey and Ella will be on the UHC CFO Committee this fiscal year for the funds flow process. It was questioned how items are classified as we will need a deep understanding since we have university, state and county counterparts. Our hospital appears to be an outlier since we are the only level one trauma center in the state, only safety net hospital and provide high tertiary care. Ella will provide an update as the annual survey is completed. Mr. Horn asked for a drill down of the next steps at the November meeting.	Accepted as information. Ms. Watt to provided an update as the annual survey is completed and provide a drill down of the next steps at the November committee meeting.
X. Patient Financial Advisory Committee Report	Mr. Rodney McNease provided an update on the current state of patient financial assistance. Total Medicaid enrollment in New Mexico is trending down with Medicaid costs well contained with expenditures per member down slightly from the prior fiscal year. Three MCOs to be in effect for Medicaid as of January 2019: Presbyterian, BlueCross Blue Shield and Centene. The NMHI Risk Pool is usually a better deal for the patient with few out of pocket expenses. Trustee Estes asked if the Board of Trustees receives the information UNMH sends to Bernalillo County including information on patient financial assistance. Ms. Watt will add a monthly slide to her financial report for payer mix. Trustee Estes also questioned if there was a financial impact for the true self pay patients, those who do not meet the criteria for discount policy as he noticed that the copayment matrix for the Patient payment Policy for true self pay patients was removed from the policy. Ms. Purvi Mody is currently auditing the process and management will discuss the policy for possible inclusion at an upcoming Board of Trustee meeting.	Accepted as information. Ms. Watt to add monthly slide to financial report regarding how the payer mix has changed over the month. Management to discuss the policy after the meeting to take to the August Board of Trustee meeting
XI. HR Update	Dr. Sara Fransch provided the following updates: <ul style="list-style-type: none"> • Sick Leave sellback and annual leave conversion is in progress • Bargaining update • Benefits open enrollment • Compensation study RFP and status of award 	Accepted as information
XII. Closed Session	Mr. Terry Horn, Chairman, requested a motion to close the Open Session of the meeting and move to the Closed Session	Mr. Nick Estes moved to close the Open Session and move to the Closed Session. Mr. Joseph Alarid seconded

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	a. Discussion of matters involving strategic and long-range business plans or trade secrets of UNMH pursuant to Section 10-15-1.H (9), NMSA. b. Vote to re-open the meeting Mr. Terry Horn, Chairman, requested a motion to move back to the Open Session	the motion. The motion carried with no objections. Mr. Nick Estes moved to move back the Open Session and move to the Closed Session. Mr. Joseph Alarid seconded the motion. The motion carried with no objections.
XIII. Certification	After discussion and determination where appropriate, of limited personnel matters per Section 10-15-1.H (2); and discussion and determination, where appropriate of matters subject to the attorney-client privilege regarding pending or threatened litigation in which UNMH is or may become a participant, pursuant to Section 10-15-1.H (7); and discussion of matters involving strategic and long-range business plans or trade secrets of UNMH pursuant to Section 10-15-1.H (9), NMSA, the Board certified that no other items were discussed, nor were actions taken.	Mr. Nick Estes moved to certify that only those matters described in Agenda Item XII were discussed in Closed Session, and if necessary ratification of action, if any, taken in Closed Session. Mr. Erik Lujan seconded the motion. The motion carried with no objections.
	The meeting adjourned at 1:04 p.m.	

Action Items Captured

Item	Person Responsible
Primer on the procurement process	Ms. Ella Watt will bring back procurement process at a future meeting.
Difference between items submitted for consent to be further referred to Board of Trustees, HSC Committee and Board of Regents and those submitted for informational purposes.	Ms. Ella Watt
Quarterly reporting of the uncompensated care reported in the Bernalillo County quarterly report	Ms. Ella Watt
For November 2018 meeting – drilldown of next steps on the	Ms. Ella Watt

Vizient Fall funds flow survey	
Monthly slide to be added to the financials with the payer mix chart.	Ms. Ella Watt
Information to be forwarded to the Board of Trustees if there is a change to the outlier issue passed by the State of New Mexico.	Dr. Michael Chicarelli
Discussion of the 50% down payment policy for those with self-pay but not qualified for self pay discount.	Dr. Michael Chicarelli