

Agenda Item	Subject/Discussion	Action/Responsible Person
Voting Members Present	Terry Horn, Erik Lujan, Joseph Alarid, and Nick Estes	
Other Participants Present	Kate Becker, Ella Watt, Dr. Sara Frasch, Dr. Michael Chicarelli, Ava Lovell, Jennifer James, Julie Alliman, Julie Knight, Purvi Mody, Manu Patel, Rodney McNease and Dr. Jonathan Bolton	
I. Call to Order	Mr. Terry Horn, Chair, called the meeting to order at 10:02 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 June 27, 2018 Finance Committee Meeting Minutes	Mr. Joseph Alarid moved to approve the minutes from the May 23, 2018 meeting. Mr. Erik Lujan seconded the motion. The motion carried with no objections.
V. Consent Items, Disposition of Assets and Repair, Renewal and Replacement Items for approval	<p>Dr. Sara Frasch and Ms. Ella Watt presented the consent items for recommendation to the full Board of Trustees. Consent items discussed:</p> <ul style="list-style-type: none"> <li>a. 401(a) resolution (Approval)– Sara Frasch           <ul style="list-style-type: none"> <li>- Discretionary profit sharing contributions separate from performance incentives totaling \$598,000 (list attached)</li> <li>- Discussion regarding which metrics were used to control the distribution. Dr. Frasch explained amounts are the maximum allocation allowed by the plan</li> <li>- Discussion to increase the amount contributed for Dr. Michael Chicarelli to match that of the CEO since he had served as interim CEO for the plan year.</li> </ul> </li>   <li>b. Disposition of Assets (Approval) – Ella Watt           <ul style="list-style-type: none"> <li>- Property disposal request for equipment that is obsolete, not repairable or has been replaced</li> <li>- Income statement impact of \$18,254.38</li> </ul> </li> </ul>	<p>Mr. Nick Estes moved increase the allotment for Dr. Michael Chicareilli. Mr. Erik Lujan seconded the motion. The motion carried with no objections.</p> <p>Mr. Nick Estes moved to recommend the resolution to the full Board of Trustees. Mr. Erik Lujan seconded the motion. The motion carried with no objections.</p> <p>Mr. Nick Estes moved to recommend the disposition of assets for approval to the full Board of Trustees. Mr. Joe Alarid seconded the motion. The motion carried with no objections.</p>
VI. Management Plan to report MOU requirements to Bernalillo County	<p>Mr. Rodney McNease presented information regarding the memorandum of understanding between Bernalillo County and UNM Hospitals</p> <ul style="list-style-type: none"> <li>• Bernalillo County notified UNM Regents of intent to re-open the UNM Hospital lease in 2014           <ul style="list-style-type: none"> <li>- Lease task force created by county to include ten community members</li> <li>- Task force made recommendation related to:</li> </ul> </li> </ul>	Accepted as information.

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	<ul style="list-style-type: none"> <li>○ Access to care for all residents</li> <li>○ Native American healthcare obligations</li> <li>○ Increased access to behavioral health services</li> <li>○ Integrated primary care system and navigational support</li> <li>○ Continuity of care for incarcerated people</li> <li>○ Increased oversight and accountability for Mil levy funds by Bernalillo County</li> <li>● 2018 Final MOU is signed between UNMH and Bernalillo County with IHS consent MOU Deliverables/Covenants               <ul style="list-style-type: none"> <li>● UNMH will allocate at least 15% of the Mill Levy for behavioral health</li> <li>● UNMH will fund one or more navigational services and a transition planning and case management service (Re-entry Center) at \$2,060,000 adjusted annually</li> <li>● UNMH will provide efforts in compliance with Exhibit A and B to the Lease MOU</li> </ul> </li> </ul> <p>Rodney reviewed the action items that were in process and those that need to be completed most notable</p> <ul style="list-style-type: none"> <li>● Accountability and Transparency               <ul style="list-style-type: none"> <li>- Providing financial information to the County Commission and IHS on the expenditure of MIL Levy funding by UNMH department – this will require extensive resources and time to develop at the department level. County is expecting us to show what gaps it is filling. Ella to bring schedule back to the committee.</li> <li>- Adding grievance information regarding payment policies and financial assistance programs to reporting to the County and IHS on a quarterly basis – this information is collected however has not been added to the reporting</li> </ul> </li> <li>● Primary Care               <ul style="list-style-type: none"> <li>- Many items are to be determined such as having secure parking/entry available for patients from the Metropolitan Detention Center (MDC), the use of telemedicine for consultation between UNMH and MDC, and school-based health programs</li> </ul> </li> <li>● Financial Assistance               <ul style="list-style-type: none"> <li>- UNMH will be subject to CMS regulations to assure that no indigent patient is sent to collections which is in place but we are checking to ensure compliance and actions toward consolidating billing for services obtained within all areas of the UNM Health System</li> </ul> </li> <li>● Native Americans               <ul style="list-style-type: none"> <li>- Access to specialty care consistent with the Federal contract, improving access to specialty clinics and improvement of services in primary and specialty care clinics</li> </ul> </li> <li>● Behavioral Health               <ul style="list-style-type: none"> <li>- Expansion of behavioral health services, engaging the county and IHS on the programming and design of future space for behavioral health services including crisis services, exploring the viability of expanding the behavioral health services in school based clinics, and data sharing.</li> </ul> </li> </ul>	

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	<p>It was suggested that Rodney revisit the action items with the city to prioritize and address going forward. Mr. Horn is working to set up a meeting with the county with Mr. Nick Estes and Ms. Christine Glidden. Ms. Glidden has been out of the country which has impeded the meeting set up.</p>	
<p>VII. Status update on the change in Financial Assistance and Self-Pay discount policies</p>	<p>Mr. Rodney McNease shared an audit of the financial assistance process is currently underway.</p>	<p>Mr. McNease will bring drafts of the policy revisions to the next meeting.</p>
<p>III. Financial update for the twelve months ended June 30, 2018</p>	<p>Ms. Ella Watt provided financial update for the twelve months ended June 30, 2018 including an overview of the debt covenants.</p> <ul style="list-style-type: none"> <li>• Inpatient payer mix – increase in Medicare and additional dollars received for IME</li> <li>• IP vs. Observation Discharges – UNMH has a number of observation discharges compared to peer hospitals within the state</li> <li>• Outpatient payer mix – Medicare pays \$.30 on the dollar; commercial insurance coverage provides better payment however many elective surgeries are difficult to schedule and patients may go elsewhere</li> <li>• Operations ended a little down for the year while births were up</li> <li>• Balance sheet stable</li> <li>• Mill levy was higher than anticipated</li> <li>• Debt Service coverage ratio is at a higher rate than required by debt covenants</li> <li>• Days Cash on Hand at higher ratio than required by debt covenants             <ul style="list-style-type: none"> <li>○ Hospital cannot have other debt with other payers</li> <li>○ HUD has the first position on property and equipment</li> <li>○ Hospital cannot have lines of credit or short term borrowing</li> </ul> </li> <li>• Days in Accounts Payable lower that required</li> <li>• Days in Accounts Receivable – covenant very generous and we are within benchmark</li> </ul> <p>Received dividend of over \$300K through the vendor payment program</p>	<p>Accepted as information</p> <p>Debbie to forward Dr. Collins' March 2018 Inpatient and Outpatient Observation presentation to the group.</p>

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IX. Council of Teaching Hospitals (COH) Benchmarking	<p>Ella Watt provided information regarding the Council of Teaching Hospitals (COH) Benchmarking based on the survey sent out by AAMC.</p> <ul style="list-style-type: none"> <li>• Occupancy Rate – Around 75<sup>th</sup> percentile</li> <li>• Discharge Rate – Around the 25<sup>th</sup> percentile</li> <li>• Average Length of Stay – Increase in 2017 to greater than the 75<sup>th</sup> percentile</li> <li>• Total Case Mix Index – Around 75<sup>th</sup> percentile with a recent decrease</li> <li>• Charity Care Cost Share – At or above 75<sup>th</sup> percentile               <ul style="list-style-type: none"> <li>○ To qualify must be at 0 – 300% below the Federal poverty level</li> <li>○ 0-138% Medicaid</li> <li>○ 139-300% Charity Care</li> </ul> </li> </ul> <p>Opportunities:</p> <ul style="list-style-type: none"> <li>• Length of stay</li> <li>• Case Mix Index</li> </ul>	Accepted as information
X. Revenue Cycle Update	<p>Ella Watt reported she met with the Huron representatives June 28.</p> <ul style="list-style-type: none"> <li>• Recent IT assessment of Cerner and Dynamic Documentation</li> <li>• Emergency Department - E – power note not being used correctly and all notes regarding the visit are not being captured which could be corrected with physician training</li> <li>• Expecting \$3 million in Huron revenue improvements               <ul style="list-style-type: none"> <li>○ No improvements planned within the first three months</li> <li>○ Opportunity of higher amounts in the October revenue cycle</li> </ul> </li> </ul>	Accepted as information
XI. HR Update	<p>Dr. Sara Frasch provided the following updates:</p> <ul style="list-style-type: none"> <li>• Turnover rates</li> <li>• New class of Project Search interns</li> <li>• Healthy Neighborhood NM</li> <li>• Pilot of new nurse scheduling program</li> </ul>	Accepted as information
XII. Closed Session	<p>Mr. Terry Horn, Chairman, requested a motion to close the Open Session of the meeting and move to the Closed Session</p>	<p>Mr. Joseph Alarid moved to close the Open Session and move to the Closed Session. Mr. Erik Lujan seconded the</p>

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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	motion. The motion carried with no objections.  Roll Call T. Horn X                      N. Estes X E. Lujan X                      J. Alarid X  Mr. Erik Lujan moved to move back the Open Session and move to the Closed Session. Mr. Nick Estes seconded the motion. The motion carried with no objections.  Roll Call T. Horn X                      N. Estes X E. Lujan X                      J. Alarid X
XIII. Certification	<b>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.</b>	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. Joseph Alarid seconded the motion. The motion carried with no objections.
Adjournment	Mr. Terry Horn, Chairman, requested a motion to adjourn the meeting.	Mr. Erik Lujan moved to adjourn the meeting. Mr. Nick Estes second the motion. The motion carried with no objections.  The meeting adjourned at 1:07 p.m.

**Action Items Captured**

Item	Person Responsible
Draft of policy revisions of the 50% down payment policy for those with self-pay but not qualified for self pay discount.	Mr. Rodney McNease
Bring Mill Levy schedule back to the committee	Ms. Ella Watt
Forward the Observation presentation presented by Dr. Perryman Collins at the March 2018 meeting	Ms. Debbie Owens

Add budget column on Income Statement	Ms. Ella Watt
Presentation on compensation/incentives/total compensation structure	Dr. Sara Frasch