



**Regular Meeting of the Board of Directors
Minutes
August 8, 2018
8:00 – 10:00 a.m.**

DIRECTORS PRESENT: Martha McGrew, M.D. (Vice-Chair)
Michael Richards, M.D. (Chair)
Gary Mlady, M.D.
Melissa Ivers, D.M.D.
Loretta Cordova De Ortega, M.D.
Robert Schenck, M.D.
Chris Pacheco (Via Telephone)

DIRECTORS ABSENT: Kendall Rogers, M.D.
Steve McLaughlin, M.D.

OFFICERS PRESENT: Donna Sigl (Secretary)
Marjorie Goldstein, CFO

OFFICERS ABSENT: Jill Klar, CEO & COO
Robb McLean, M.D.

OTHERS PRESENT: Rebecca Ruddell
Erica Sanchez Hamilton
Catie Russell
Debbie Begay
Dina Ortiz
Summer Bloise
Angela Hawthorne
Daniel Astorga
John Paul Montoya
Deborah Stephenson
Andy Baatz

GUESTS: Matt Antush, Huron
Todd Wolk, Huron

1.0	Called To Order and Confirmation of Quorum	Action
	A quorum being established, Chairman Dr. Michael Richards called the meeting to order at 8:08 a.m.	
2.0	Opening Comments	Action
	None	
3.0	Recognitions	Action
	Marjorie Goldstein, on behalf of Jill Klar, began the meeting by recognizing Mike Chicarelli. Ms. Goldstein shared Jill Klar's appreciation for Mr. Chicarelli being such a great partner during the time that he served as the interim CEO for the Hospital. Ms. Klar appreciated Mr. Chicarelli working so collaboratively with Jill and all of the CEOs. Chairman Richards stated additional recognitions are being scheduled for Mr. Chicarelli to honor the work that he did. We are all very grateful for Mike's leadership during this time and also for his continued leadership.	
4.0	Approval of Minutes, Board of Directors Meeting of June 13, 2018	Action
	Chairman Richards made a motion to approve the minutes from the June 13, 2018 Board of Directors meeting.	Dr. Martha McGrew made the motion to approve. Dr. Melissa Ivers, 2 nd motion. Motion carried.
5.0	Public Comment	Action
	None.	
6.0	Report from the Audit & Compliance Committee	Action
	None. Next meeting scheduled for August 28, 2018. An update will be provided at the October Board meeting.	
7.0	Report from the Finance Committee	Action
	Dr. Martha McGrew reported for the Finance Committee. Dr. McGrew introduced the report and minutes for the Finance Committee.	Chairman Richards initiated a motion to accept the August 1, 2018 minutes for the Finance Committee. Dr. Martha McGrew made a motion to approve and Dr. Melissa Ivers 2 nd . Motion carried.
7.1	Revenue Cycle Updates	
	Dr. Martha McGrew introduced JP Montoya. Mr. Montoya provided the following revenue cycle updates through June 2018 broken down by FY17, FY18 and goal: <ul style="list-style-type: none"> wRVUs up 2.4% YOY – down 1.8% to goal. Coders were on OT ~80% of the year. UNMMG was down as many as 11 coders at one time. An offer has been made to an individual who has orthopedic and surgical specialties, which is very much needed 	Chairman Richards asked management to take terminal

in the coding area. If this offer is accepted, UNMMG will only be down one coder, which is a significant improvement.

- Working to improve our charges, which will improve wRVUs. Medical Group is making concerted effort to be able to make changes to the schedule, the documentation and what gets billed. This is a very big initiative, currently in progress.
- Collections – relatively flat year over year and down to goal.
- Self-pay, day one - net collection rate (UCB), our external business office. FY17 had 10.1% collection rate. FY18 currently at 12.7%. Goal is 30%. GETIX is our new vendor and Mr. Montoya is optimistic to see significant improvement in this area.
- Online payment collection is very beneficial for patients and believes this new process will yield significant improvement in our collections. FY17 had zero on-line collections and currently for FY18 on-line collections are \$1.5M.

We are seeing an increase in days in AR, which is not good.

SRMC – this breakout is a subset of total UNMMG.

- Collections are up YOY at .6% and down to budget 6.9%.
- Issues continue with Molina. Total AR for Molina is \$6M which makes up 11%.
- Currently we have \$217K in provider load issues. It was at \$268K, last report.
- BC/BS AR is \$11.3M, 20% of our total AR. Appeal issues at \$719K. Previous report was \$709K, a slight increase.
- BC/BS Medicaid is \$412K, greater than 90 days.
- Indian Health Services, AR at \$5M, which makes up 9.1% of our total AR. Met with Indian Health Services yesterday. Discussed and agreed that we would work together to tackle the account follow up process. Indian Health Services have instituted mandatory overtime this month to reduce their AR prior to the end of their fiscal year, which ends in September.

UNMMG will continue to work with our payors for resolution in this area.

In general, collections per wRVU are down due to the increase from commercial payers going into the health insurance exchange, which pays at Medicaid rates creating a reduced reimbursement YOY.

Revenue Cycle - Bad Debt

Top six categories for FY18 makes up 88%. FY17 makes up 62%. BFL (Beyond Filing Limit), UNMMG can improve BFL. UNMMG is working with the hospital on a weekly basis to improve in this area. Additional bad debt categories include no prior authorization, non-covered, filing limits, other bad debt. Some examples of bad debt are not medically necessary, patient bankruptcy and small balance adjustment.

In April we had \$760K in write-offs, May \$2.6M and June \$4M. Issue is we have not had consistency regarding a write-off process. Currently working to institute regular write-offs, which keeps a healthy AR. Year over year, AR went from \$14.5M to \$15.6M. Our bad debt, as a percentage of total charges, went from 3.3% down to 3.1%. The FPFC standard is 2.51%. UNMMG has room for improvement regarding bad debt. Denial management will be one activity that this group will be focused on. One of the biggest denials is registration. This will be pushed over to Experian or HDX. They will be able to tell us what the patient is qualified for regarding insurance. This activity will be done at the front end, which Mr. Montoya believes will reduce the amount of bad debt write-offs.

Terminal denials were added at the request of Chairman Michael Richards. The FPFC mean is 2.5%, which only includes Medicare and commercial products. This does not include Medicaid. This 2.5% will need to be massaged in order to clearly reflect the correct

denial information back to the Operations and Finance Committees, and explain the decrease in collections. How much of the wRVU are attributed to denials and how much to a change in payor mix.

	percentage. Marjorie Goldstein added that FPFC only tracks the first six months of the year. UNMMG numbers are for a full 12 months.	
7.2	<p>Financials for FY18 – Marjorie Goldstein</p> <p>wRVUs came in 2.4% above last year, 1.6% below budget. Collections were 3.2% below last year and 7.8% below budget. Gap 6.1%, which equates to ~\$11.5M. When you include special billing numbers, collections per wRVU for FY17 is \$55, FY18 is \$52 and the budget was above \$55.</p> <p>Items contributing to the gap, split into two items, recoverable and non-recoverable. Recoverable, under payments from payors, ~\$2.3M. Recently received a check from Humana, \$164K. Accounts Receivable, \$1.3M increase above what we would have expected to have received by the end of June. Non-Recoverables, \$5.1M which include the top two items. BC/BS, commercial rates budgeted too high, \$1.8M gap. Budget adjustments made at the end of the budget process last year, entered as revenue items with no corresponding wRVUs connected, \$1.75M. Shift in payor mix, \$1.2M. Impact of denials is \$359K. These are the same items contributing to the decline in collections per wRVUs.</p> <p>Other financial highlights: Looking at the clinics we had a \$575K loss from the Spine Clinic, which were funded through the Neurosurgery Department reserves. Combined net income for the remaining clinics was \$634K. Malpractice costs came in significantly below budget. Significant change in funds flow for providers working out of SRMC. Impact on our income statement when looking at the budget variance, other revenues \$12M that we had budgeted which did not accrue this year and purchase services, \$11.7M. We did not see this occur in the fiscal year.</p> <p>Medical Group management company costs came in significantly below budget. \$25.4M, overall company costs, compared to the \$28M that were budgeted. The joint venture, UNM/Lovelace Rehab Center, resulted in recorded income of \$1.5M; and we received a cash distribution in June of \$1.4M.</p> <p>Ms. Goldstein continued to review other slides of the finance presentation, including: Volume, Revenue and Purchased Services by Key Area; Collections Trend; Statement of Revenue, Expenses and Changes in Net Assets; and, Comparative Balance Sheet.</p> <p>Chairman Richards initiated discussion about how changes associated with Group 4 might be impacting the terminal denial rate and collections per wRVU. Chairman Richards commented the report regarding the status of the Spine Clinic has been deferred to the Board meeting in October by Jill Klar.</p>	<p>Chairman Michael Richards asked for a motion to accept the financial report. Dr. Martha McGrew made the motion to approve and Dr. Melissa Ivers 2nd motion. Motion carried.</p>
8.0	<p>Operations Committee</p> <p>Dr. Gary Mlady recognized Rebecca Ruddell for her work on operation of the clinics. Ms. Ruddell will be assuming the lead role for the Operations Committee along with Chairman Dr. Steve McLaughlin.</p> <p>Each month there will be a deep dive on a UNMMG clinic alternating with a deep dive on a School of Medicine department.</p> <p>Chairman Richards also recognized the work of Dr. Gary Mlady, Dr. Steve McLaughlin and Rebecca Ruddell. This has demonstrated there is real improvement in the work that is being done, which is also reflected in the metrics provided during the meetings. This will also uncover opportunities for additional improvement. Chairman Richards believes we are asking the right questions and getting to the action plans to get to the level of improvement that we need.</p>	<p>Motion introduced by Chairman Michael Richards to accept meeting minutes for June 20, 2018 and July 18, 2018. Dr. Gary Mlady made a motion and Dr. Martha McGrew 2nd. Motion carried.</p>

9.0	Clinic Operations Update	
	<p>Chairman Michael Richards introduced Rebecca Ruddell to provide the Clinic Operations update.</p> <p>Ms. Ruddell provided a snapshot of the year-end dashboard for FY18.</p> <ul style="list-style-type: none"> • Billed visit goal missed by 1.68% • Next available is 50% above goal – trending downward • Bump rate showing improvement at 66.67% • Cancellations at 16% • No-Show rate at 11% • Visits & Arrivals - significant increase at Truman (22.5%), Center for Reproductive Health (22.58%) and School Based Health (39.6%) • Cardiology is down to budget at 54.1% • CGCAHPS percentile is 41, 958 total surveys received. Goal was 50% 	<p>Motion requested from Chairman Michael Richards to accept the Clinic Operations Report.</p> <p>Motioned by Dr. Robert Schenck and 2nd by Dr. Melissa Ivers.</p> <p>Motion carried.</p>
10.0	CEO Report	
	<p>Marjorie Goldstein presented FY18 Big 8 results on behalf of Jill Klar. The Big 8 goals for the Medical Group align with the Health System’s Unified Operating Plan.</p> <p>Rebecca Ruddell introduced and reviewed the FY19 Big 8 components.</p>	<p>Dr. Michael Richards requested a motion to accept the CEO report.</p> <p>Dr. Martha McGrew made a motion and Dr. Robert Schenck 2nd motion.</p> <p>Motion carried.</p>
11.0	Interim Chief Medical Officer Report	
	<p>Chairman Michael Richards reported in the absence of Dr. Robb McLean.</p> <p>Clinical Policies & Procedures, which are being advanced by the Practice Oversight Committee. Involves updates to 13 medical group policies. Most are relatively minor additions and updates.</p> <ul style="list-style-type: none"> • Advance 13 policies from the Quality Work Group & Pharmacy & Therapeutics Work Group. • Advance two clinical privileges for Fluoroscopy and Orthopedic Clinic. 	<p>Chairman Richards requested a motion to accept the 13 UNM Medical Group policies and procedures from the Practice Oversight Committee.</p> <p>Motion by Dr. Martha McGrew and 2nd by Dr. Melissa Ivers.</p> <p>Motion carried.</p> <p>Chairman Richards requested a motion to accept the clinical privileges for</p>

		Fluoroscopy & Orthopedic Clinic. Motion by Dr. Martha McGrew and 2 nd by Dr. Melissa Ivers. Motion carried.
12.0	Board Chair Report	
	<p>Chairman Michael Richards reported informational items only. Results of the Unified Operating Plan (UOP) and the Big 8, which lines up with the UOP, will be used to complete the CEO evaluation. This will be discussed in closed session at the next Board meeting.</p> <p>Two Board meetings prior, a motion was accepted to delay any changes to the bylaws and membership. Chairman Richards stated we will likely postpone any action on bylaw changes until after the first of the year.</p>	

13.0	Physicians Advisory Group Report	
	<p>Chairman Michael Richards introduced Dr. Melissa Ivers to provide the PAG report.</p> <p>Dr. Ivers communicated that Kate Becker attended the recent PAG meeting. Mrs. Becker spoke about partnering with physicians to take our University to the next level. She is getting connected with the various departments and Chairs.</p> <p>Dr. Irene Agostini and Dr. Bob Avery will be presenting on August 9th regarding the Mission Excellence Quarterly forum.</p> <p>White paper deadlines have been established and connected to our UOP.</p> <p>Dr. Ivers and Dr. Martha McGrew recently met to discuss Mission Excellence to reward/recognize physicians, which is currently under the Quality Improvement Team, led by Dr. Richard Crowell. Dr. Ivers, as well as Dr. McGrew, will be partnering with Dr. Crowell to assist with this initiative. Goal is to bring this to each meeting of PAG to recognize departments and individuals and also ensure that PAG members are involved and hopefully taking this information back to the Chairs and Chiefs to ensure their physicians are recognized at the department level. Melissa Romine from Communications will also play a role to ensure that this is communicated across the organization.</p> <p>Dr. Ivers and Dr. Martha McGrew will be speaking with Dr. Michael Richards regarding more actionable items and accountability to our leaders. PAG would like to promote change and be more involved.</p>	

14.0	Meeting Adjourned	
	<p>There being no further business. Chairman Michael Richards asked for a motion to adjourn the Regular Session of the Board of Directors at 9:07am. Dr. Robert Schenck made the motion and Dr. Gary Mlady 2nd. Motion carried.</p>	

Dr. Donna Sigl, Secretary



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Dina Ortiz, Scribe



A handwritten signature in blue ink, appearing to read "Dina Ortiz", written over a horizontal line.

