

**Regular Meeting of the Board of Directors  
Minutes  
August 12, 2020  
8:00am – 10:00am**

MEMBERS PRESENT: Michael Richards, M.D. (Chair)  
Martha McGrew, M.D. (Vice-Chair)  
Steve McLaughlin, M.D.  
Robert Schenck, M.D.  
Gary Mlady, M.D.  
Eve Espey, M.D.  
David Rakel, M.D.  
Selina Silva, M.D.  
Robert DeFelice, M.P.H.  
Karen Hawley, M.D.

MEMBERS ABSENT: Chris Pacheco

OFFICERS PRESENT: Jill Klar, COO  
Robb McLean, Interim President & CEO  
Marjorie Goldstein, CFO  
Donna Sigl, M.D. (Secretary)  
Melissa Ivers, M.D.  
Jennifer Phillips, M.D.

OFFICERS ABSENT:

OTHERS PRESENT: Andy Baatz  
Cory McDowell  
Erica Richards  
Diana Heider  
Dina Ortiz  
Quinn Mander  
Erika Condrey  
Kathleen Cahill  
John-Paul Montoya  
Renee Ayala  
Jared Udall

GUESTS:

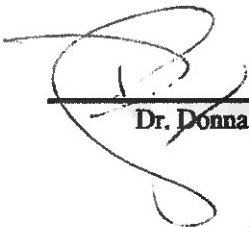
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| <b>I.</b>   | <b>Called To Order and Confirmation of Quorum</b>   | <b>Action</b>   |
|             | Chairman Dr. Michael Richards called the meeting to order and a quorum was established at 8:03am.   |   |
| <b>II.</b>  | <b>Opening Comments</b>   | <b>Action</b>   |
|             | Dr. Michael Richards acknowledged this will be his last Board meeting as Chair. He thanked the Board members and the Medical Group leadership team. Dr. Richards stated it's been an honor and pleasure to serve on the Board. Dr. Richards is proud of the work the executive team did especially during this COVID crisis.  |   |
| <b>III.</b> | <b>Recognitions</b>   | <b>Action</b>   |
|             | <p>Dr. Robb McLean recognized the following:</p> <ul style="list-style-type: none"> <li>• Thanked Dr. Richards for his many years of service to the Board and looks forward to working with Dr. Martha McGrew as the new Chair</li> <li>• Clinic Operations Group – improving patient access, improving revenue cycles for our clinics</li> <li>• Finance Team – Revenue Cycle improvements are significant for both the SOM &amp; MG</li> <li>• Truman URAC Accreditation Survey for Specialty Pharmacy – Informal feedback received, they have passed unconditionally</li> <li>• Jill Klar – Completed her Masters in Healthcare Administration with distinguished scholar honors from Colorado State University.</li> </ul>  |   |
| <b>IV.</b>  | <b>Approval of Meeting Minutes</b>  | <b>Action</b>   |
|             | Chairman Michael Richards made a motion to approve the minutes from the June 10, 2020 & July 1, 2020 Board of Directors meetings.   | Dr. Eve Espey made a motion to approve the minutes and Dr. Steve McLaughlin 2 <sup>nd</sup> the motion. Motion carried.   |
| <b>V.</b>   | <b>Public Comment</b>   | <b>Action</b>   |
|             | There is no public comment  |   |
| <b>VI.</b>  | <b>Board Administration</b>   |   |
|             | <p>Dr. Michael Richards requested a motion to change the order of today's meeting agenda and move the Board Administration discussion to follow the Public Comment agenda item.</p> <p>Dr. Michael Richards brought forth the Resolution to appoint Dr. Martha McGrew, Chair of the UNMMG Board of Directors in accordance with Article 5, Section 5 of the 5<sup>th</sup> Amended By-Laws of the UNM Medical Group Board of Directors of the Corporation.</p> <p>Dr. Martha McGrew accepted Chair position and thanked Dr. Michael Richards for serving as Chair of the Board. She thanked him for his very successful strategic work that's been done, i.e. Lovelace. Dr. McGrew is excited to work with the Board on all work going forward. She also thanked all of the Medical Group leaders and the admin support for all of their hard work.</p> | <p>Dr. Steve McLaughlin made the motion to change the order of today's agenda &amp; Dr. Eve Espey 2<sup>nd</sup> the motion. Motion carried.</p> <p>Dr. Karen Hawley made the motion to approve the</p> |

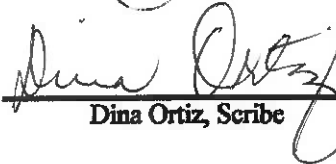
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|             |  | appointment of Dr. Martha McGrew as Chairperson and Dr. Robert Schenck 2 <sup>nd</sup> the motion. Motion carried.   |
| <b>VII.</b> | <b>Committee &amp; Advisory Group Reports</b>  | <b>Action</b>  |
|             | <ul style="list-style-type: none"> <li>○ Finance Committee (<i>Dr. Steve McLaughlin</i>) <ul style="list-style-type: none"> <li>Dr. Steve McLaughlin stated the August 5<sup>th</sup> Finance Committee meeting discussion included the Grande Clinic renovations, action on the investment policy, June financials, Revenue Cycle and Primary Care incentives.</li> <li>Request made by Dr. Steve McLaughlin for the acceptance of minutes from the August 5, 2020 meeting.</li> <li>Dr. Steve McLaughlin also recognized the great work the Finance Team has done.</li> </ul> </li> <li>○ <i>Investments</i> <ul style="list-style-type: none"> <li>Marjorie Goldstein provided information regarding the Medical Group investments. Investments for the Medical Group, \$29M with Morgan Stanley. Medical Group two represents our department reserves, Medical Group one represents all other investments. One year returns are running ~4.5%, exceeds the benchmark which is 4.12%.</li> <li>Investment policy as written allows for investing up to 15% in corporate bonds rated BBB/Baa2 or higher. Our investment consultant advised for future purchases MG should revise the minimum credit to BBB+/Baa1. The rationale is due to continued economic uncertainty, preservation of capital, liquidity &amp; safety and income &amp; yield.</li> <li>Ms. Goldstein requested a motion from the Board to revise the current investment policy to revise minimum credit rating to BBB+/Baa1.</li> </ul> </li> <li>○ <i>Financial Highlights</i> <ul style="list-style-type: none"> <li>Distributions to School of Medicine: 81.5% of revenues (vs budget of 80.5%)</li> <li>Clinic losses of \$2.8 million (improved from April): <ul style="list-style-type: none"> <li>Truman loss of \$1.5 million is \$139k better than budget</li> <li>Overall \$670k better than budget</li> </ul> </li> <li>UNMMG management company costs: \$27.7 million (compared to budget of \$30.8 million)</li> <li>YTD loss of \$9.0 million results primarily from distribution of Dean’s discretionary reserves (using balances generated in FY 2019)</li> <li>Lovelace Joint Venture earnings \$6.1M</li> </ul> </li> <li>○ <i>Primary Care Incentive</i> <ul style="list-style-type: none"> <li>Primary Care Incentive 1.0 (FY 2020): <ul style="list-style-type: none"> <li>The model</li> <li>Summary data</li> </ul> </li> <li>Overview for Primary Care Incentive 2.0</li> <li>Restructure of PCI – objective to improve access (FY21) <ul style="list-style-type: none"> <li>• Gateway: Stewardship (training 1x per quarter) – SAME</li> <li>• 2<sup>nd</sup> Gateway: wRVUs at 25<sup>th</sup> percentile of benchmark</li> <li>• Clinical Service (50%): <ol style="list-style-type: none"> <li>1. Bonus for paneled FTE: Up to \$3,000 per 1.0 FTE per quarter or \$300 per ½ day panel <ul style="list-style-type: none"> <li>• (e.g. 0.5 paneled FTE = \$1,500)</li> <li>• wRVUs must meet 25<sup>th</sup> percentile of benchmark</li> </ul> </li> <li>2. wRVUs in excess of benchmark: <ul style="list-style-type: none"> <li>• \$6.00 per wRVU for wRVUs between 25<sup>th</sup> percentile and 50<sup>th</sup> percentile</li> <li>• \$18.00 per wRVU for wRVUs above 50<sup>th</sup> percentile</li> </ul> </li> <li>3. Benchmarks based upon paneled FTE</li> <li>4. wRVUs: ambulatory wRVUs for paneled patients</li> </ol> </li> </ul> </li> </ul> </li> </ul> | <p>Dr. Martha McGrew requested a motion to approve the August 5, 2020 Finance Committee minutes. Motion made by Dr. Robert Schenck and Dr. Selina Silva 2<sup>nd</sup> motion. Motion carried.</p> <p>Dr. Martha McGrew requested a motion to revise the investment policy. Motion made by Dr. Robert Schenck &amp; 2<sup>nd</sup> by Dr. Karen Hawley. Motion carried.</p> <p>Dr. Martha McGrew requested a motion to approve the financials report. Dr. Robert Schenck made the motion and Dr. Karen Hawley 2<sup>nd</sup> motion. Motion carried.</p> <p>Dr. Martha McGrew requested a motion to approve \$500K</p> |

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|            | <ul style="list-style-type: none"> <li>• Additional incentive</li> </ul> <p>Request for use of Quality Reserves to Subsidize Incentive Subsidy from Quality Reserves (SAME AS PCI 1.0)</p> <ul style="list-style-type: none"> <li>• In full when wRVUs fell short of budgeted wRVUs, or</li> <li>• Partially when wRVUs did not exceed budgeted wRVUs to adequately cover the incentive cost</li> </ul> <p>Estimates using FY 20 3<sup>rd</sup> quarter data:</p> <ul style="list-style-type: none"> <li>• Estimated Q3 incentives under PCI 2.0: \$121,000</li> <li>• 8% higher than FY20</li> </ul> <p>If FY21 performance is similar to FY20, total subsidy required = \$229,000<br/>Request: \$500,000 subsidy from Quality Reserves in FY21</p> <ul style="list-style-type: none"> <li>○ <i>Revenue Cycle</i><br/>JP Montoya presented. RVUs down year-over-year, 4.6%. Outpatient activity has increased. Schedule reconciliations will help to capture activity. Non-billable activities, we are where we are supposed to be. Collections, looks great due to the Huron tool. Days in AR, significant change from 37 days last year to 47 days this year. Denials are also down.</li> <li>○ <i>Operations Committee</i><br/>Operations Committee report deferred to the October 14<sup>th</sup> Board meeting.</li> <li>○ <i>Physicians Advisory Group Committee</i><br/>Dr. Selina Silva presented. Meeting tomorrow will focus on outpatient &amp; Huron update. Dr. Anderson and Dr. Bentler will present the outpatient segment. PAG meetings attendance has been great.</li> <li>○ <i>Audit &amp; Compliance Committee</i><br/>Dr. Robert Schenck presented in the absence of Mr. Chris Pacheco. Angela Vigil replaced Purvy Mody on the Committee. Dr. Schenck congratulated Chris Pacheco as the new CEO of Titan Development.<br/>Dr. Jennifer Phillips requested a correction to the July 29<sup>th</sup> minutes as she was not present.<br/>Dr. Schenck requested a motion to approve the minutes of the July 29, 2020 with corrections.<br/>Dina Ortiz requested approval from the Board to approve the Audit &amp; Compliance Work Plan for 2021.</li> </ul> | <p>for Primary Care Incentive. Dr. Karen Hawley made the motion &amp; Dr. Robert Schenck 2<sup>nd</sup> the motion. Motion carried.</p> <p>Dr. Martha McGrew requested a motion to accept the Audit &amp; Compliance meeting minutes of July 29<sup>th</sup> pending corrections. Motion made by Dr. Selina Silva and 2<sup>nd</sup> by Dr. Eve Espey. Motion carried.</p> <p>Dr. Martha McGrew requested a motion to approve the Audit &amp; Compliance Work Plan for 2021. Motion made by Dr. Robert Schenck &amp; 2<sup>nd</sup> by Dr. Selina Silva. Motion carried.</p> |
| <b>IX.</b> | <b>Administrative Reports</b>  |  |
|            | <p>A. Chief Executive Officer Report<br/>Dr. Robb McLean reported on the following:</p> <ul style="list-style-type: none"> <li>○ COVID Update – great rebound in the month of June across the clinical enterprise. Down in July relative to June. This is based on data received August 11<sup>th</sup>. Volumes are down in the MG clinics. Collections looking strong. MG is looking at staff &amp; provider wellness with Studer coaching, revised work from home policy and IT resources. MG is also working on diversity.</li> <li>○ Telehealth Update – Volume in 2020 is 57K as compared to 642 in 2019, a significant increase.</li> <li>○ Unified Operating Plan (UOP) and Big 8 <ul style="list-style-type: none"> <li>• FY20 – primary, pediatric &amp; value based care composites. Updated Tableau dashboard presented with all data that will be captured.</li> <li>• FY21 – provider productivity, quality, service, staff/faculty engagement</li> </ul> </li> </ul>  | <p>Dr. Martha McGrew requested a motion to approve the CEO Report. Dr. Robert Schenck made the motion and Dr. Selina Silva 2<sup>nd</sup> the motion. Motion carried.</p>  |

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|            | <ul style="list-style-type: none"> <li>o First Choice Community Health Update – we will be resuming the steering committee meetings with First Choice. Held first quarterly Humana meeting with First Choice. Mr. Robert DeFllice spoke on behalf of First Choice Community Health. Mr. DeFelice stated FCCH is a not for profit federally qualified health center located throughout the Mid-Rio Grande Valley of Central New Mexico. FCCH employees 460 FTEs, 81 are providers. COVID 19 experience has been a high priority for FCCH with 97% patient visits have been conducted remotely.</li> </ul> <p>B. Chief Operating Officer Report presented by Jill Klar. Ms. Klar presented the following:</p> <ul style="list-style-type: none"> <li>o Thank you for identifying the next Medical Director for CFL. Recognized Dr. David Rakel, Dr. Jennifer Phillips, Dr. Alisha Parada, Surya Pierce &amp; Dan Shank.</li> <li>o Thank you Dr. Elizabeth Lawrence &amp; team for coordinating the listening sessions &amp; wellness programs.</li> <li>o Welcome to Helen Nielsen as our new Executive Director for Human Resources.</li> <li>o Recognized all of the clinics for their incredible work during this pandemic.</li> <li>o Athletics Department collections are up 114%. MG also established a billing practice for all of the trainers.</li> <li>o Revenue &amp; performance improvements, which are reflected in the numbers.</li> <li>o Acquired the Grande Primary Care clinic.</li> <li>o Secured new Vizient GPO Contract – savings of 70% in supplies &amp; medication costs.</li> <li>o Secured Kincentric for third party assessment. Work will restart this week.</li> </ul> <p>C. Interim Chief Medical Officer Report</p> <ul style="list-style-type: none"> <li>o Reviewed &amp; updated policies for approval. They are: <ul style="list-style-type: none"> <li>a. 11220 – Professional License/Certification Reimbursement</li> <li>b. Additions &amp; Deletions to South Campus Athletics Formulary</li> </ul> </li> <li>o New Policies and Procedures: <ul style="list-style-type: none"> <li>11006 POCT Clintek Status Connect</li> <li>11007 POCT Roche cobas LIAT System</li> <li>Infection Control Risk Assessment FY2020-2021</li> <li>UNM THS SOP Transcranial Magnetic Stimulation for Treatment – Resistant Depression</li> <li>Addendum to UNM THS Quality Management Plan 2010-2020</li> <li>SOP Process for Prescriptions Sent to Truman Pharmacy</li> </ul> </li> </ul> | <p>Dr. Martha McGrew requested a motion to approve the COO report. Dr. Robert Schenck made the motion and Dr. Selina Silva 2<sup>nd</sup> the motion. Motion carried.</p> <p>Dr. Martha McGrew requested a motion to approve the CMO report. Dr. Robert Schenck made the motion and Dr. Silva 2<sup>nd</sup> the motion. Motion carried.</p> <p>Dr. Martha McGrew requested a motion to approve the Policies &amp; Procedures presented. Dr. Robert Schenck made the motion and Dr. Karen Hawley 2<sup>nd</sup> motion. Motion carried.</p> |
| <b>X.</b>  | <b>Vote to Go Into Executive Session</b>   | <b>Action</b>   |
|            | Dr. Martha McGrew requested a motion to move into the Executive Session of the meeting.  | Motion to go into Executive Session made by _____ Motion carried.   |
| <b>XI.</b> | <b>Vote to Reconvene in Open Session</b>   | <b>Action</b>   |
|            | Dr. Michael Richards requested a motion to reconvene into Open Session.  | Motion to reconvene into open session made by Dr. Steve McLaughlin and 2 <sup>nd</sup> by Dr. Martha  |

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|           |   | Steve McLaughlin and 2 <sup>nd</sup> by Dr. Martha McGrew. Motion carried.                                  |
| <b>X.</b> | <b>Meeting Adjourned</b>  | <b>Action</b>   |
|           | There being no further business, Chairman Dr. Michael Richards requested a motion to adjourn the Regular Session of the Board of Directors at 10:13 am. | Dr. Robert Schenck made the motion adjourn and Dr. Steve McLaughlin 2 <sup>nd</sup> motion. Motion carried. |

  
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 Dr. Donna Sigl, Secretary

  
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 Dina Ortiz, Scribe