



**Regular Meeting of the Board of Directors
Minutes
June 13, 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.
Kendall Rogers, M.D.
Robert Schenck, M.D.
Steve McLaughlin, M.D.
Chris Pacheco

DIRECTORS ABSENT: None

OFFICERS PRESENT: Donna Sigl (Secretary)
Jill Klar, CEO & COO

OFFICERS ABSENT: Marjorie Goldstein, CFO
Robb McLean, M.D.

OTHERS PRESENT: Rebecca Ruddell
Erica Sanchez Hamilton
Catie Russell
Debbie Begay
Dina Ortiz
Kristin Gates
Summer Bloise
Angela Hawthorne

GUEST: Derrick Jones, CEO Lovelace UNM Rehabilitation Hospital

1.0	Called To Order and Confirmation of Quorum	Action
	A quorum being established, Chairman Dr. Michael Richards called the meeting to order at 8:05 a.m.	
2.0	Opening Comments	Action
	None	
3.0	Recognitions	Action
	<p>Jill Klar began the meeting with recognitions. Recognitions included:</p> <ul style="list-style-type: none"> • Truman Health Center recently received their NCQA Patient Center Medical Home recognition effective 5/30/2018 – 5/30/2019. • Dental Medicine scored higher than any other department in the engagement & alignment categories of the Provider Voice Survey in December 2017. Dr. Melissa Ivers, PAG Chair, felt that the leadership, close relationships & constant communications contributed toward attaining this achievement. Jill thanked Dr. Ivers, Dr. Cuttrell and Christine Nathe for leading this effort & being role models in this space. • Dr. M.E. Smith, acupuncturist at the Center for Life Clinic since 2007 was recently recognized by the International Association of Health Care Professionals as a worldwide leader in healthcare and top doctor of oriental medicine. • David Lang, L.M.T. also with the Center for Life, received the humanitarian award from the American Massage Therapist Association, New Mexico Chapter. This award is given to those who demonstrate the heart of massage in their work of practice, which David practices. • The Medical Group, UNM and UNM Hospital were all recognized as a 2018 Family Friendly Business. All three entities received the Gold award. • Dina Ortiz as Jill's new Executive Assistant of the Medical Group. Dina will be replacing Debbie Begay. Jill recognized Debbie for her outstanding job performance as her Executive Assistant. Debbie has accepted a new position with Rebecca Ruddell in Clinic Operations as a Practice Management Specialist. • Special acknowledgement of Derrick Jones, CEO Lovelace UNM Rehabilitation Hospital. <p>Chairman Richards encouraged and recommended that recognitions be formalized by providing certificates or plaques. Recognitions will take place at the Board meetings.</p>	
4.0	Approval of Minutes, Board of Directors Meeting of April 11, 2018	Action
	Chairman Richards made a motion to approve the minutes from the April 11, 2018 Board of Directors meeting.	Dr. Steve McLaughlin made the motion to approve. Dr. Martha McGrew, 2 nd motion. Motion carried.
5.0	Public Comment	Action
	None	
6.0	Lovelace UNM Rehabilitation Hospital Presentation	Action
	Chairman Richards introduced special guest, Mr. Derrick Jones, CEO Lovelace UNM Rehabilitation Hospital.	Add - Lovelace UNM Rehabilitation Hospital

<p>The joint venture with Lovelace occurred one year ago. The joint venture has exceeded expectations from a clinical, financial & creation of academic programs perspective. Due in large part to Derrick Jones' leadership as the CEO of this facility.</p> <p>Derrick Jones provided the following updates:</p> <ul style="list-style-type: none"> • Four governing meetings held YTD. Fifth meeting is scheduled to occur next week. • Working through due diligence process, we identified opportunity for outpatient therapy expansion. New clinic on South Coors (Rio Bravo & Coors) scheduled to open June 11th, which will serve the South Valley region. Ribbon cutting ceremony planned for July 19th, 10:00 AM. Everyone is invited to attend. • Our facility was recently loaded into the electronic medical records to assist in backlog through the UNMH system; this includes electronic referrals directly to our six locations. • We are the second organization in New Mexico to install a Zero Gravity Track System in the gym. St Vincent's in Santa Fe has the other system. This system is a zero gravity harness system for patients to be able to ambulate & sit down without fear of falling. Scheduled to be activated on July 1st. • Made an offer for a residency program director, Dr. Lawrence Horn. Dr. Horn is currently the medical director of the Institute of Michigan's Neuroscience Unit. He is Chairman of the Department of Physical Medicine & Rehab at Wayne State University. Received his medical degree from Northwestern University of Medical School in Chicago. Pleased to see progress toward the residency program. • Research development. We have collaborated with the School of Medicine and School of Engineering. Developed prototype product called the limitless socket for new amputees prior to getting fitted for prosthetics device. • End of 2017 provided best practices regarding our employee engagement to the American Hospital Association. It culminated in being one of the best places to work in healthcare by Modern Healthcare for Lovelace UNM Rehabilitation Hospital. We will find out our ranking on the list on September 27th and will share with this Board. • Hospital financials overall, based on proforma volume assumptions, we are exceeding inpatient assumptions & now starting to exceed some outpatient volume assumptions. In terms of financial performance, in the first 12 months we ran 21% ahead of proforma budget that was expectation for the venture. First financial distribution check will be paid to UNM Medical Group, Inc. shortly and will be voted on at the next Board meeting. <p>Chairman Richards added, from a performance perspective, the accrediting body for the Rehab Hospital is CARF. They cycled through accreditation this year and knocked it out of the ballpark. Mr. Jones added that Lovelace UNM Rehabilitation Hospital is accredited in six different programs, including, spinal cord injuries, comprehensive inpatient programs, outpatient programs for adults and adolescents. Accreditation was received for all six programs for three years, which is the maximum period that you can receive. This was accomplished with the least amount of recommendations, which is the best in the history of the hospital.</p> <p>Chairman Richards stated, additionally there is a separate agreement in place with UNM School of Medicine and the Lovelace UNM Rehabilitation Hospital, of which states that 2% of all net patient revenue, will be paid to the UNM School of Medicine as a mission support payment in support of the development of a residency program. This contribution is in addition to the 21% financial performance. Dr. Richards attributed this success to Mr. Jones' leadership.</p>	<p>performance metrics to our UNM Health System Unified Operating plan for this next year.</p> <p>Add - Derrick Jones will be joining the senior leadership team meetings to provide on-going operations planning & updates.</p>
--	--

	Drs. Schenck & Richards addressed the adhoc referral process to Lovelace. Just need to give patients a UNM Rehab prescription. Dr. Schenck suggested that Mr. Jones come back to our group with a sports medicine physical therapist from one of his outpatient locations.	
7.0	Report from Audit Compliance Committee	Action
	<p>Chairman Richards introduced Chris Pacheco. Mr. Pacheco highlighted items from the April 24th meeting minutes:</p> <ul style="list-style-type: none"> • Presentation from KPMG of the audit plan, very similar to last year. Will focus a little more time this year on the Lovelace UNM relationship. • Internal audit highlights, included documentation, coding and billing in outpatient and some of the controls that they are looking at for controlled and non-controlled substances. 	Chairman Richards introduced a motion to accept the April 24 th meeting minutes for the Audit Compliance Committee. Chris Pacheco made a motion to approve and Dr. Melissa Ivers 2 nd . Motion carried, minutes approved.
8.0	Report from Finance Committee	
8.1	<p>Chairman Richards recognized Dr. Martha McGrew. Dr. McGrew commented Rebecca Ruddell and Marjorie Goldstein are doing a great job monitoring everyone with regard to understanding recoverable and non-recoverable items. Will also be going through each clinic on a rotating basis to evaluate opportunities.</p> <p>Jill Klar recognized JP Montoya to present the financials on behalf of Marjorie Goldstein who is out of town.</p> <p>Mr. Montoya presented April 2018 revenue cycles as follows:</p> <ul style="list-style-type: none"> • wRVUs are up by 2.4%. • School of Medicine, 15 major departments, 64% are positive, year over year. Leading the pack are Neurology, Internal Medicine and Emergency Medicine. • Current year budget we are down 2.2%. Same correlation of the major departments throughout the School of Medicine. 27% are positive. Remaining 73% missing wRVUs are 9,800, average. • Collections, 1% variance from 2017 to 2018. 58% of departments are positive. Radiology is a strong negative. • Collections, 8% of major departments from School of Medicine are positive, primarily Psych and Major Medicine. 92%, primarily negative correlation are UNM Cancer Center and Neurosurgery. • Recoverables, \$1.1M is recoverable, medical present value (MPV), based on the contract. \$2.3M increase in accounts receivable. Payment backlog with BCBS which is 90 to 120 days out. • Non-recoverable items are \$4.7M. \$600K due to increased denials, write-offs, prior authorizations and eligibility. • \$1.1M downfall related to patients who had commercial payers, switched to health insurance exchange, which is paying at Medicaid rates. 	<p>Chairman Richards made a motion to accept the May 2nd and June 6th meeting minutes for the Finance Committee. Dr. Martha McGrew made a motion to approve and Dr. Robert Schenck 2nd motion. Motion carried, minutes approved.</p> <p>Chairman Richards introduced a motion to accept the April financials report. Motion to approve from Loretta Cordova De Ortega, M.D. and 2nd from Chris Pacheco. Motion carried, report approved.</p>
8.2	<p>Angela Hawthorne presented the April Financial Highlights:</p> <ul style="list-style-type: none"> • Received an ACA primary care enhancement payment from BCBS of \$700K. • UPL running ~\$400K better than budget, one more quarter to collect. • Clinic losses are \$264K, \$417K loss from Spine, funded through the department reserves that Neurosurgery holds back. \$153K combined net income for all clinics. • Management company cost for fiscal year, through April, is at \$21.1M –vs- budgeted \$23.4M. 	

	<ul style="list-style-type: none"> • Lovelace Rehab Center, share of joint venture is \$1.2M in current year. • Average dollar per work wRVU's since FY2016 is unknown. Analysis will be completed and brought back to the Board. • Income being recorded right now is 49% of the Lovelace joint venture. We need to book the equity piece for the joint venture on the Medical Group. The Corporation will make to make a decision if there will be asset distribution based upon the increase in equity. Decision will be made by the Board regarding an equity payment back to the owners. Board will decide at that time where they will designate these funds. • Volume Revenue Services. Purchase services came in 7.9% below budget, however we are ~2% above prior year. Collections trend, strong month in March, decrease in April. May strong – anticipate good results. • Statement of revenue expenses, \$1.6M positive budget primarily due to equity in Lovelace Joint Venture. Down \$1.9M to budget. • Balance sheet. Working through MOUs with the hospital to close out yearend & physician activity & support at SRMC. • Net collections better than 2017. \$400K below budget. Provider compensation & benefits \$1.2M better than budget and \$400K better than 2017. Net support at SRMC \$900K better than budget and \$700K better than last year. 	
8.3	<p>Chairman Richards introduced JP Montoya to provide the Revenue Cycle update.</p> <ul style="list-style-type: none"> • Trending – budget comparison perspective, UNMMG is chasing some of the dollars we have. Currently instilling some automatic write-offs, which will help to clear out ARs. Taking advantage of some automated systems, i.e. HDX for insurance verification. 	
9.0	<p>Center for Spine and Physical Medicine Clinic Update</p>	
	<p>Jill Klar introduced Rebecca Ruddell & Erica Hamilton to present the Center for Spine & Clinical Medicine/Quadra Health proforma. Proforma taken to Finance Committee. Finance Committee approved bringing this to the Board.</p> <p>Chairman Richards clarified this is being brought forward to authorize management to execute on the transaction to acquire the physical assets and lease of Quadra Health. Jill Klar stated we will be acquiring 5 employees as well as Dr. Black. No cost to Medical Group. Dr. Howard Yonas, through his department, is assuming 100% of risk for this. Offer is \$227K for Dr. Black's assets. Total cost is \$628K, which includes salaries and benefits. Any losses that come as a result of performance of this clinic will be absorbed by the Neurosurgery department and will not be spread to the School of Medicine Department.</p> <p>Dr. Richards stated that the Board has received a recommendation from the Finance and Operations Committees to advance a resolution to acquire the <i>physical assets</i> of Dr. Black's practice and assume the lease arrangement for that clinic space. Dr. Richards asked for a motion for a recommendation for both Committees. As part of this arrangement, contracts will need to be renegotiated. UNMMG is acquiring the patient base. Functional restorations are our contracts and not Dr. Black's.</p> <p>Dr. Steve McLaughlin asked what is our exit strategy and how long are we tied to the lease?</p> <p>Returned to discussion - Chairman Richards confirmed that this is a five year lease, cost per square foot is a little less than \$9.00/square foot to ~\$12.00 square foot. There are three, three year renewal options. Commitment is for the first five years. Early exit, we will be responsible for the value of the lease until the landlord could once again let the property. This totals out to ~\$96K/year. We would get to year three of the clinic operations and then make the decision to exit the Spine Clinic operation with a two year exposure.</p>	<p>Chairman Richards introduced motion for acceptance to proceed with the Center for Spine and Physical Medicine clinic lease. Chris Pacheco made the motion & Dr. Martha McGrew 2nd. Motion carried.</p>

	\$12.00/square foot is a very good deal. Anticipate we will put another clinic operation into this space. Received Board approval of resolution to proceed with acquisition.	
10.1	<p>Chairman Richards introduced Dr. Steve McLaughlin to provide the update for the Operations Committee. Advanced minutes from April and May meetings. Currently working on two projects: Analysis on the Spine Center and helping the group that's looking at dashboards and interface to help ensure appropriate business intelligence, right data and dashboards are put in the hands of the clinical leaders. These are good long term projects.</p>	<p>Dr. Steve McLaughlin motioned for approval of the April and May meeting minutes. 2nd by Dr. Loretta Cordova De Ortega. Minutes approved, motion carried.</p>
10.2	<p>Chairman Richards introduced Rebecca Ruddell. Ms. Ruddell reported that her group is doing a deep dive into individual clinic operations and future endeavors with the Finance and Operations Committees. On deck:</p> <ul style="list-style-type: none"> • UNM Spine and Physical Medicine. • Allergy & Dermatology. Working to backfill the Wyoming location, may include cosmetics. • Working with the Hospital to transition the management of the south campus athletics clinic to the management of the medical group. Anticipate this taking place in the next month or two. • SRMC Behavioral Health. Looking into bringing their outpatient behavioral health services into UNM West Campus. • SRMC. Bring primary care footprint to a location on the west side, preferably in Rio Rancho. <p>Chairman Richards thanked Rebecca for bringing detailed reports to the Operations Committee group.</p>	
11.0	Chief Executive Officer Report	
	<p>Chairman Richards introduced Jill Klar who will report in the absence of Dr. Robert McLean, interim CEO.</p> <p>Ms. Klar provided an overview of direction Medical Group is heading to ensure we are all connected and to ensure outline the infrastructure we are building out with our governance. Lots of work being done on Health System FY19 UOP. It is at a point where the Medical Group can build its BIG 8. BIG 8 preview coming and it will tie directly into the Health System UOP. Additional major components will include:</p> <ul style="list-style-type: none"> • Focus on margin optimization. • Re-engineering our quality management program to ensure implementation of a comprehensive process. • Revamping of our physician recruitment process. This will be a process that complements the School of Medicine and the faculty hire process. Dr. Martha McGrew and Jeanne Marquardt are supporting to ensure that our processes are complementary. Development of a playbook and structure to accommodate new clinics, new business, and new service line expansion. Medical Group has no formal structure or process presently. Erica Sanchez Hamilton leading this effort. <p>In addition to the build of the FY19 BIG 8, we continue focus on the core operations. JP Montoya will be focused on revenue cycle while Rebecca is focused on clinic operations.</p>	<p>Chairman Richards introduced motion to accept the CEO/CMO report. Motion to approve by Dr. Robert Schenck & 2nd by Dr. Melissa Ivers. Motion carried.</p> <p>Chairman Richards introduced a motion for acceptance of the policies as advanced by the Practice Oversight Committee. Motion to accept by Dr. Steve McLaughlin and 2nd by Dr. Loretta Cordova De Ortega. Motion carried.</p>

We also will continue to remain focused on the data integration and the related tools to support the ease of knowledge of practice. Led by Rich Fortescue, Andy Baatz and Marissa Fermin Hunt & the CPE team, they are pulling together new data decks, presenting to and receiving feedback from department chairs and administrators in terms of tools and digestible information to help the departments with their clinic business operations.

Further, Ms. Klar is beginning to look at strategy for the Medical Group beyond FY19. Most immediately this includes building out primary care, and enhancing our existing platform to support value based payer relationships, which is critically important as we move forward. Dr. Richards has asked Ms. Klar to look at potential primary care strategies to help support our clinical footprint as it sits across the Health System today.

Ms. Klar stated UNMMG is in need of facilities planning around clinics. Our Bradbury location is running out of space.

Clinic Operations deep dive. Recently added the Genesis relationship to the scope of responsibility under Mr. Ruddell, as our Executive Director of Clinic Operations in collaboration with UNMH. Dr. Robb McLean is assisting.

Additional recent highlights:

1. Sellers/Dorsey signed contract effective May 1st. Look for opportunities for expanding our UPL. Dr. Richards met with HSD on two separate occasions. Cautiously optimistic that we can implement expanded UPL payment as a supporting solution in our challenging payor environment. . We still have some work to do and will report out. Ms. Klar thanked Dr. Richards for his leadership in this initiative.

2. Continue to stay focused on the IT operating platform and the GETIX pending changes. GETIX billing system is coming to an end at the end of 2020. Up for renewal for GETIX contract at the beginning of 2019. Matt Braun from Huron is assisting in this effort as we move forward.

3. CPE is building out our Dashboards. Hoping to have the Medical Group FY19 BIG 8 Dashboard available for our next Board meeting. Will also include Medical Group FY18 performance.

4. Launched Operations Committee in 2018, under Dr. McLaughlin's leadership, which is focused on all operational issues. Vision is going to be more robust, including clinic operations, development, revenue cycle, and data support.

CMO highlights: Completed first round of interviews for the CMO. Three candidates have advanced. Additional detail forthcoming.

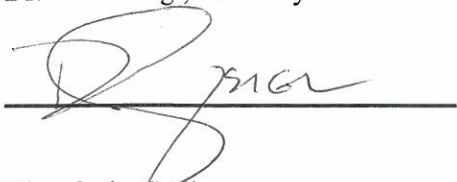
Will begin succession planning for Dr. Bruce Williams who will be retiring beginning 2019.

Additional highlights include:

- Clinical documentation policy – gone in front of Board of Regents Compliance Committee. Working to make adjusts to align our policy with UH and SRMC will go in front of practice oversite committee at our next meeting.
- Number policies outlined in the packets that were handed out today that need to go forward for approval (Policy #11353 – Quality Work Group as the Infection Prevention Committee, Policy #11359 – Bloodborne Pathogens Exposure Control Plan, Policy #11344 – Infection Prevention and Control Plan, Policy #11265 –

	White Bagging and Brown Bagging of Medications, Policy #11502 – Same Day Appointment Scheduling, Policy #11501 – Truman – Providing Telephone Clinical Advice to Patients, Policy #11211 – Documentation of Patient Care Activities by Licenses Professionals, Policy #11519 – Service Animals). Asking for approval to advance these policies.	
13.0	Board Chair Report	
	Report was not provided at the request of Chairman Richards.	
14.0	Physician Advisory Group Report	
	<p>Chairman Richards introduced Dr. Melissa Ivers who will provide the PAG report.</p> <ul style="list-style-type: none"> • CEO's attended the last meeting where they presented the top nine on ease of practice from the White Papers. Copies contained in the packets provided for today's meeting. • Melissa Romine will be attending the upcoming PAG meeting to present on communications. • Financial leaders and Dr. Paul Roth will be presenting at upcoming subsequent meetings. • Will be meeting with Dr. Paul Roth and Mike Chicarelli to discuss the physician lounge, planning and budgeting. • Dr. Martha McGrew will be attending the Committee of Chairs, date & time will be provided. • Will be updating the PAG Charter, and recommendations have been received to add an SRMC representative and also add a wellness provider to the group. 	Chairman Richards requested a motion to accept the PAG report. Motion by Dr. Robert Schenck and 2 nd by Dr. Loretta Cordova De Ortega. Motion carried.
15.0	Vote to Adjourn	
	<p>Chairman Richards called for a motion to adjourn the UNMMG Board of Directors meeting.</p> <p>Next Board meeting will be held on August 8, 2018, at 8:00 a.m. in Domenici Center West, Room 3010.</p>	Motion to adjourn the Board of Directors meeting passed by a unanimous vote (1 st Dr. Loretta Cordova de Ortega & 2 nd Dr. Steve McLaughlin. The meeting was adjourned at 9:41 a.m.

Dr. Donna Sigl, Secretary



Dina Ortiz, Scribe

