

<i>Agenda Item</i>	<i>Subject/Discussion</i>	<i>Action/Responsible Person</i>
Voting Members Present	Terry Horn, Joseph Alarid and Nick Estes	
Other Participants Present	Kate Becker, Dr. Sara Frasch, Bonnie White, Julie Alliman, Julie Knight, Ava Lovell, Paula Williams Guest: Katie DelBene	
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 (Approval/Action)	Mr. 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 (Approval/Action)	Mr. Horn requested a motion to approve the January 23, 2019 Finance Committee Meeting Minutes	Mr. Estes moved to approve the minutes from the January 23, 2019 meeting. Mr. Alarid seconded the motion. The motion carried with no objections.
V. Consent Items, Disposition of Assets and Repair, Renewal and Replacement Items for approval (Approval/Action)	Ms. Bonnie White presented one consent item for recommendation to the full Board of Trustees. : Consent items discussed: <ul style="list-style-type: none"> a. Repair, Renew, Replace Capital Project UH Main UH Main Emergency Generator \$912,000 <ul style="list-style-type: none"> - Replacing the generator will increase the reliability that UNMH will have emergency power when needed, will lower maintenance costs and will reduce emissions - Source of funds: UNM Hospital FY 19 Capital Renovation fund 	Mr. Estes moved to recommend the capital project at full Board of Trustee meeting for recommendation to the Board of Regents. Mr. Alarid seconded the motion. The motion carried with no objections.
VI. Financial update for the seven months ended January 31, 2019 (Informational)	Ms. White presented the financial information for the current fiscal year through January 31, 2019 Financials <ul style="list-style-type: none"> • Clinic visits steady between December and January but down in Neurosciences and Maternal Fetal Medicine due to providers leaving the clinic or being on leave • Nice pick up on surgical cases • Inpatient surgical cases steady but will need more beds to increase the inpatient surgical cases; saw some growth in the outpatient surgical cases • Observations are up; Huron Consulting team is looking at this from a case management perspective 	Accepted as information

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	<ul style="list-style-type: none"> • Discharges are behind budget; surgeries still behind but improved some from January; primary care visits doing well year to date • Observations are up • Cash down slightly due to mid—year payments to School of Medicine • Holding steady on Cash on Hand • Huron Consulting improvements have been launched but benefits have not yet been realized – won't see until FY20 • Risk Items <ul style="list-style-type: none"> ○ Expense Control ○ Inpatient/Outpatient – at capacity; expenses go up but reimbursements go down; initiatives underway to decrease length of stay • Revenue improvements not included into the remainder of this year's budget • Still a lot of reduction requests from payers 	
<p>VII.FY20 Budget Assumptions (Informational)</p>	<p>Ms. Bonnie White presented information regarding assumptions for the FY20 Budget</p> <ul style="list-style-type: none"> • Budget Guiding Principles <ul style="list-style-type: none"> ○ Inpatient beds at capacity ○ Length of stay reductions to increase capacity ○ Increased surgical volumes ○ High level operational improvement assumptions <ul style="list-style-type: none"> ▪ Revenue cycle operations improvements <ul style="list-style-type: none"> ❖ Improved collections ❖ Improved Case Mix Index ❖ Improved charge capture ❖ Specialty Pharmacy ▪ Expense Reductions <ul style="list-style-type: none"> ❖ Workforce management ❖ Supply expense management ❖ Vendor management • Overview of Budget Process <ul style="list-style-type: none"> ○ Statistics <ul style="list-style-type: none"> ▪ Developed from current trends and known changes in providers/programs ▪ Includes assumptions on new recruitments of providers ▪ Includes assumptions on access improvements ▪ Projections coordinated across the Health System (Hospitals, Medical Group, School of Medicine) ○ Revenues <ul style="list-style-type: none"> ▪ Current year as base line ▪ Incorporates changes in projected statistics ▪ Includes assumptions on payer reimbursement (Medicare, 	<p>Accepted as information</p>

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	Medicaid, contracted payers) <ul style="list-style-type: none"> ▪ Operational improvements included ○ Expenses <ul style="list-style-type: none"> ▪ FTEs in alignment with volume changes ▪ Standard inflation assumptions ▪ Incorporate known changes to line items ▪ Operational improvements to be included top level and departmentalized as further identified ○ Non-operating revenues/expenses <ul style="list-style-type: none"> ▪ Current year as base line ▪ Mil Levy increased based on historical increases ▪ Interest expense based on amortization schedule ▪ Donations based on historical trend <ul style="list-style-type: none"> • Review of budget calendar, preliminary statistics for both hospital and behavioral health and revenue and expense budgets 	
VIII. HR Updates (Informational)	Dr. Sara Frasch presented updates for the Human Resource division <ul style="list-style-type: none"> • Health plan design considerations for new plan year • Improvement Team initiatives <ul style="list-style-type: none"> ○ Premium pay ○ Contract labor ○ Productivity and vacancy • Compensation Study <ul style="list-style-type: none"> ○ Study underway 	Accepted as information
IX. Motion to Adjourn (Approval/Action)	Chairman Horn requested a motion to adjourn the meeting.	Mr. Estes moved to adjourn the meeting. Mr Alarid seconded the motion. The motion carried with no objections. Chairman Horn, adjourned the meeting at 12:00 p.m.

Action Items Captured

Item	Person Responsible
Present summary of FY20 Budget Assumptions to full Board of Trustees on February 22, 2019	Bonnie White