



BOARD OF TRUSTEES - OPEN SESSION AGENDA

February 25, 2022 @ 9:30 AM

Join Zoom Meeting

<https://hsc-unm.zoom.us/j/99446166537>

Meeting ID: 994 4616 6537 / Passcode: 333268

+1-253-215-8782, 99446166537# *333268# US (Tacoma) or +1-346-248-7799, 99446166537# *333268# US (Houston)

- I. **CALL TO ORDER – Mr. Del Archuleta, Chair, UNM Hospital Board of Trustees**
- II. **ANNOUNCEMENTS (Informational – 10 Minutes)**
 - COVID-19/High Census Update – Mrs. Kate Becker, UNM Hospital CEO
- III. **ADOPTION OF AGENDA – Mr. Del Archuleta, Chair, UNM Hospital Board of Trustees (Approval/Action - 5 Minutes)**
- IV. **PUBLIC INPUT (Informational)**
- V. **APPROVAL OF THE MINUTES – Mr. Del Archuleta, Chair, UNM Hospital Board of Trustees**
 - January 28, 2022 UNM Hospital Board of Trustees Meeting Minutes (Approval/Action – 5 Minutes)
- VI. **MISSION MOMENT – Mrs. Kate Becker to Introduce Joyce Pang, MD, Resident Physician, GME (Informational – 10 Minutes)**
- VII. **COMMUNITY ENGAGEMENT REPORT – Mr. Fabian Armijo, Executive Director (Informational – 15 Minutes)**
- VIII. **GUARDIANSHIP AND PATIENTS AT UNM HOSPITAL – Mr. Rodney McNease, Executive Director Behavioral Health and Mrs. Monica Zamora, UNM Hospital Board of Trustees Member (Informational – 15 Minutes)**
- IX. **ITEMS FOR APPROVAL – Mrs. Bonnie White, UNM Hospital CFO (Approval/Action – 20 Minutes)**
 - **Recommend for Approval by UNMH Board of Trustees**
 - Capital Project: New Hospital Tower – Extension of Program Management Services (\$2,576,296 increase)
 - **Recommend for Approval by UNMH Board of Trustees and Advancement to HSC Committee and Board of Regents**
 - Capital Project: Behavioral Health Crisis System of Care (\$40,000,000)
- X. **FINANCIAL UPDATE – Mrs. Bonnie White, UNM Hospital CFO (30 Minutes)**
 - Certification of Board Review of December 2021 year to date Financial Statements / Board Report to HUD and Lender on Actions to Improve Financial Operations (Approval/Action)
 - Financial Update Through January 2022 – January 2022 (Informational)
 - FY2023 Budget Assumptions and Preliminary Statistics (Approval/Action)
- XI. **UNM HOSPITAL TOWER PROJECT – Dr. Michael Chicarelli, UNM Hospital COO (Informational – 15 Minutes)**
- XII. **ADMINISTRATIVE REPORTS (Informational – 20 Minutes)**
 - Executive Vice President Update – Dr. Douglas Ziedonis
 - HSC Committee Update – Dr. Michael Richards
 - UNMH CEO Report – Mrs. Kate Becker
 - UNMH CMO Report – Dr. Irene Agostini
 - Chief of Staff Update – Dr. Nathan Boyd
- XIII. **UNM HOSPITAL BOT COMMITTEE REPORTS (Informational – 10 Minutes)**
 - Finance Committee – Mr. Terry Horn
 - Audit & Compliance Committee – Dr. Tamra Mason
 - Quality and Safety Committee – Mr. Kurt Riley
 - Native American Services Committee – Mr. Erik Lujan
- XIV. **CLOSED SESSION:**
 - **Roll Call Vote to close the meeting and to proceed in Closed Session – Mr. Del Archuleta, Chair, UNM Hospital Board of Trustees (Approval/Action – Roll Call Vote)**
 - a. Discussion of limited personnel matters pursuant to Section 10-15-1.H (2), NMSA pertaining to the appointment and reappointment of medical providers to the medical staff of UNM Hospital and expansion of medical staff privileges for certain UNM Hospital medical staff providers, including the discussion of matters deemed confidential under the New Mexico Review Organization Immunity Act, Sections 41-9-1E(7) and 41-9-5, NMSA.
 - 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.
- XV. **Certification that only those matters described in Agenda Item XII were discussed in Closed Session; consideration of, and final action on the specific limited personnel matters discussed in Closed Session – Mr. Del Archuleta, Chair, UNM Hospital Board of Trustee (Approval/Action)**
- XVI. **Adjourn Meeting – Mr. Del Archuleta, Chair, UNM Hospital Board of Trustee (Approval/Action)**

UNMH Board of Trustees Meeting Minutes 01 28 2022

<i>Agenda Item</i>	<i>Subject/Discussion</i>	<i>Action/Responsible Person</i>
UNM Hospital Board of Trustee Voting Members Present	Terry Horn, Del Archuleta, Erik Lujan, Kurt Riley, Tamra Mason, Trey Hammond, Michael Brasher, Monica Zamora, and Davin Quinn	
Ex-Officio Members Present	Kate Becker, Michael Richards, and Nathan Boyd	
Staff Members Present	Mike Chicarelli, Sara Frasch, Dawn Harrington, Steve Nuanez, Rachel Rivera, Ryan Randall, Rohini McKee, Jennifer James, Doug Brooks, Irene Agostini, Eileen Sanchez, Kori Beech, Bonnie White, Rodney McNease, Sharon Rollins, Birnie Turnbough, and Fontaine Whitney	
County Officials Present	Julie Morgas-Baca and Clay Campbell	
I. Call to Order	A quorum being established, Mr. Del Archuleta, Chair, called the meeting to order at 9:30 AM	
II. Announcements	Mrs. Kate Becker, UNM Hospital CEO, gave a COVID-19/High Census Update; today the hospital has 100 COVID positive adult inpatients (140% capacity) and 15 COVID positive pediatric inpatients (97% capacity).	
III. Adoption of Agenda	Mr. Del Archuleta, Chair, asked for any revisions to the Agenda, hearing none, he requested a motion to adopt the Agenda.	Mr. Michael Brasher made a motion to adopt the agenda. Mr. Trey Hammond seconded the motion. Motion passed with no objections.
IV. Public Input	N/A	
V. Approval of Minutes	Mr. Del Archuleta, Chair, asked for any revisions to November 19, 2021 UNM Hospital Board of Trustees Meeting Minutes. Hearing no revisions, Chair Archuleta requested a motion to approve the November 19, 2021 UNM Hospital Board of Trustees Meeting Minutes.	Mr. Terry Horn made a motion to approve the November 19, 2021 UNM Hospital Board of Trustees Meeting Minutes. Dr. Tamra Mason seconded the motion. The motion passed with no objections.
VI. Mission Moment	Mrs. Kate Becker, UNM Hospital Chief Executive Officer, introduced Rachel Rivera, MSN, RN, CPN, CCRN, Unit Director, who presented the Mission Moment. The Mission Moment was a letter of appreciation from the mom of the youngest COVID positive patient on ECMO at UNM Hospital (presentation included in BoardBook). Board Members and staff expressed their appreciation to Rachel Rivera and the staff on ECMO.	
VII. Employee Well-Being	Mrs. Kate Becker, UNM Hospital Chief Executive Officer, introduced Mr. Steve Nuanez, Director Employee Well-Being, who presented an employee well-being update. Mr. Nuanez stated that UNM Hospital has several resources available to support the well-being of staff and are the Employee Well-	

	<p>Being team is available for consultations, suggest resources, strategies and approaches that may help, including, but not limited to, Peer Support, Spiritual Care Team, Outcomes, Employee Well-Being 1:1 and Healthcare Worker and First Responder Support Line (presentation included in BoardBook). The Well-Being Team conducts periodically Rounding with staff members and offers snacks and are available for 1:1 or team discussions. They have a theme each month that is presented to staff. Board Members and staff expressed their appreciation to Mr. Nuanez and his staff.</p>	
VIII. Approval of CTH Advisory Board Nomination	<p>Mrs. Kate Becker, UNM Hospital Chief Executive Officer, stated that Carrie Tingley Hospital Advisory Board (CTH) has approved the nomination of Mr. Michael Shannon to join the Advisory Board as a Parent Member (write-up included in BoardBook). Dr. Tamra Mason stated that she supports Mr. Shannon and supervised him for six years at CNM in Nursing School; he is upstanding member of community.</p>	<p>Mr. Trey Hammond made a motion to approve Mr. Shannon as a Parent Member to the Carrie Tingley Hospital Advisory Board. Dr. Tamra Mason seconded the motion. The motion passed with no objections.</p>
IX. Items for Approval	<p>Mrs. Bonnie White, UNM Hospital Chief Financial Officer, presented the Regents Form RFP P435-21 Healthcare Staffing and Technology (\$70M maximum annual spend) for review and approval by the Committee which will then advance to the UNM Hospital Board of Trustees for review and approval (write-up in BoardBook). Mrs. White stated that Aya Healthcare provides traveler nurses and allied health professionals. Aya Healthcare is a strategic workforce solution provider that will assist UNM Hospital in identifying and hiring needed traveler staff. An RFP was posted and 16 companies bid; scoring team reviewed and narrowed down to two finalists who presented demos and Q&A for scoring team; final score resulted in Aya Healthcare being high scorer; final award pending mutual agreement on terms and conditions. Mr. Terry Horn stated that the UNMH BOT Finance Committee unanimously approved recommendation for approval. After discussion, Mr. Del Archuleta, Chair, requested a motion to approve recommendation as presented and discussed to move forward to the UNM Hospital Board of Trustees for review/approval.</p> <p>Mrs. Bonnie White, UNM Hospital Chief Financial Officer, presented the Disposition of Assets for review and approval by the Committee which will then advance to the UNM Hospital Board of Trustees for review and approval (write-up in BoardBook). Mrs. White stated there is a total of 128 items; sum of acquisition cost = \$2,245,187.39; sum of book value = \$178,722.59; 53 for auction, 13 electronics recycling, 61 unable to inventory, and 1 UNM automotive. Disposition of Assets will then advance to HSC Committee and then the Board of Regents for review and approval. After discussion, Mr. Del Archuleta, Chair, requested a motion to recommend approval of the Disposition of Assets as presented and discussed to move forward to the UNM Hospital Board of Trustees with advancement for approval to the HSC Committee and Board of Regents.</p>	<p>Mr. Terry Horn made a motion to approve Regents Form RFP P435-21 Healthcare Staffing and Technology as presented by Mrs. Bonnie White. Mr. Michael Brasher seconded the motion. The motion passed with no objections.</p> <p>Mr. Michael Brasher made a motion to approve the Disposition of Assets as presented by Mrs. Bonnie White with advancement to HSC Committee and Board of Regents for review and approval. Mr. Terry Horn seconded the motions. Motions passed with no objections.</p>
X. Financial Update	<p>Mrs. Bonnie White, UNM Hospital CFO, presented the financial update through December 2021 (presentation in BoardBook).</p>	
XI. UNM Hospital Tower Project	<p>Dr. Michael Chicarelli, UNM Hospital COO, presented the New Hospital Tower Financial update (presentation in BoardBook). Dr. Chicarelli show streaming of the last 30 days of construction. Highlights included:</p>	

	<ul style="list-style-type: none"> • Phase II Parking Structure exterior is complete • Crews continue to work on the internal infrastructure of the building • New Hospital Tower progressing rapidly; HED recommended we advance 2nd floor vertical expansion to the State Board of Finance (February 15th) • Basement floor of the NHT is about 50% complete 	
<p>XII. Administrative Reports</p>	<p>Dr. Michael Richards presented the Executive Vice President Update (report BoardBook).</p> <p>Dr. Michael Richards presented the HSC Committee Update (report in BoardBook)</p> <p>Mrs. Kate Becker presented the UNM Hospital CEO Update (report in BoardBook).</p> <p>Dr. Irene Agostini presented the UNM Hospital CMO update (report in BoardBook).</p> <p>Dr. Nathan Boyd gave a Chief of Staff update and discussed the Peer Review process.</p>	
<p>XIII. UNMH BOT Committee Reports</p>	<p>Mr. Terry Horn gave a brief summary of the UNMH BOT Finance Committee Meeting.</p> <p>Dr. Tamra Mason gave a brief summary of the UNMH BOT Audit & Compliance Committee Meeting.</p> <p>Mr. Kurt Riley gave a brief summary of the UNMH BOT Quality and Safety Committee Meeting.</p> <p>Mr. Erik Lujan gave a brief summary of the UNMH BOT Native American Services Committee Meeting.</p>	
<p>XIV. Closed Session</p>	<p>At 11:33 AM Mr. Del Archuleta, Chair, requested a motion to close the Open Session of the meeting and move into Closed Session.</p>	<p>Mr. Kurt Riley made a motion to close the Open Session and move to the Closed Session. Mr. Trey Hammond seconded the motion. Per Roll Call, the motion passed.</p> <p>Roll Call: Mr. Del Archuleta – Yes Kurt Riley – Yes Dr. Tamra Mason – Yes Mr. Terry Horn – Yes Mrs. Monica Zamora – Yes Mr. Michael Brasher – Yes Mr. Erik Lujan – Yes Mr. Trey Hammond – Yes Dr. Davin Quinn – Yes</p>

Vote to Re-Open Meeting	At 11:57 AM Mr. Del Archuleta, Chair, requested a roll call motion be made to close the Closed Session and return the meeting to the Open Session.	<p>Mr. Michael Brasher made a motion to close the Closed Session and return to the Open Session. Mrs. Monica Zamora seconded the motion. Per Roll Call, the motion passed.</p> <p>Roll Call: Mr. Del Archuleta – Yes Kurt Riley – Yes Dr. Tamra Mason – Yes Mr. Terry Horn – Yes Mrs. Monica Zamora – Yes Mr. Michael Brasher – Yes Mr. Erik Lujan – Yes Mr. Trey Hammond – Yes Dr. Davin Quinn – Not Present</p>
XIV. Certification	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.	Mr. Kurt Riley made a motion to approve the Certification. Mr. Terry Horn seconded the motion. The motion passed with no objections.
XV. Adjournment	The next scheduled Board of Trustees Meeting will take place Friday, February 25, 2022 at 9:30 AM, via Zoom Conference Call. There being no further business, Mr. Del Archuleta, Chair, requested a motion to adjourn the meeting.	Mr. Michael Brasher made a motion to adjourn the meeting. Mr. Trey Hammond seconded the motion. The motion passed unanimously. The meeting was adjourned at 12:04 PM.

Dr. Tamra Mason, Secretary
UNM Hospital Board of Trustees

MissionMoment_022522



Community Engagement Update FINAL



PRESENTED BY: UNMH OFFICE OF DIVERSITY, EQUITY & INCLUSION

Community Engagement Update

FABIÁN J ARMIJO, EXECUTIVE DIRECTOR

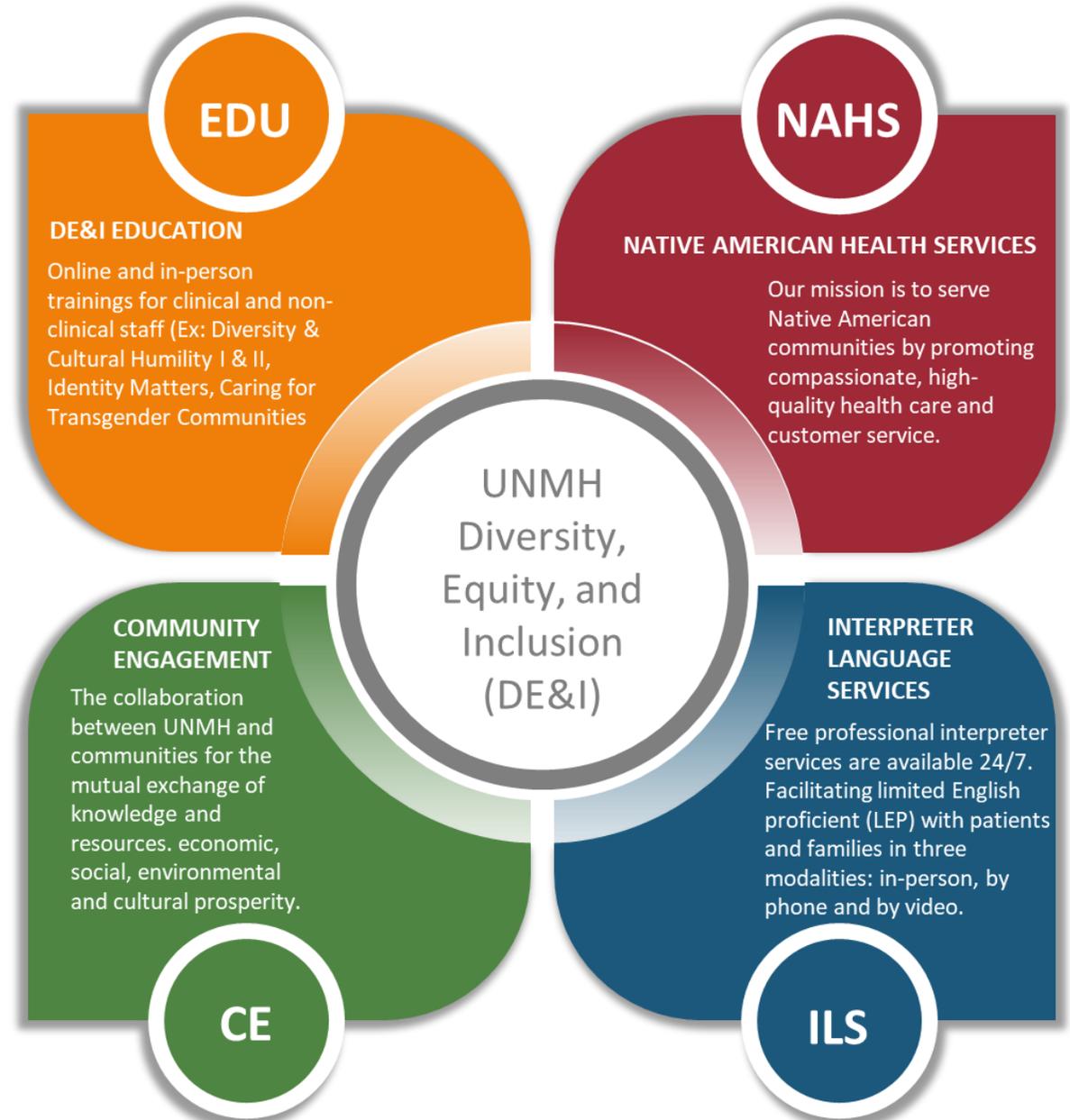
MILLY CASTAÑEDA-LEDWITH, DIRECTOR

TAHNEE PECOS, MANAGER

Healthcare equality is essential for every member of our community, regardless of race, ethnicity, or group identity.

Every day, UNM Health System's Office of Diversity, Equity, and Inclusion (DEI) collaborates with community members and leaders to:

- Identify and address patient care disparities in our hospitals and clinics
- Provide health information to every patient regardless of education, experience or skill level
- Offer a safe, inclusive, and caring environment for all patients, visitors and staff
- Serve as consultants and advocates
- Collect and analyze data to formulate action plans and inform hospital strategy and policy
- Train groups and organizations in diversity and cultural awareness



Community Engagement

Vision: The Office of Community Engagement seeks to contribute to the overall well-being of the communities we serve in achieving an improvement in positive health impact and outcomes.

Community Engagement Team



Milly Castañeda-Ledwith
Director



Sally Acosta
Community Engagement Liaison



Chad Chavez
Community Engagement Liaison

Community Health Needs Assessment

- Increase Access to Behavioral Health Services
- Increase Access to Medical Services
- Increase Access to Medical Coverage and Financial Assistance
- Reduce Inequities that lead to Disparities in Health Outcomes

Community Outreach



 **MÉXICO** 
CONSULADO EN ALBUQUERQUE **Semana Binacional de Salud**
Binational Health Week

 **Feria de salud en el Consulado**
Vacunas contra la influenza y Covid-19 J&J y Pfizer

Sábado 30 de octubre **9:00 am a 1:00 pm**

1610 4th St NW, Albuquerque, NM 87102

  **Enlace Comunitario**

 **New Mexico Community Health Worker Association**

 **BlueCross BlueShield of New Mexico** 

 **compassion & choices**  **ONE HOPE**
Centro De Vida Health Center

 **VSS** Valencia Shelter Services

 **East Central Ministries**



5000 Emergency Blankets Donated



**HEADING
HOME**



Albuquerque
HEALTHCARE
for the homeless



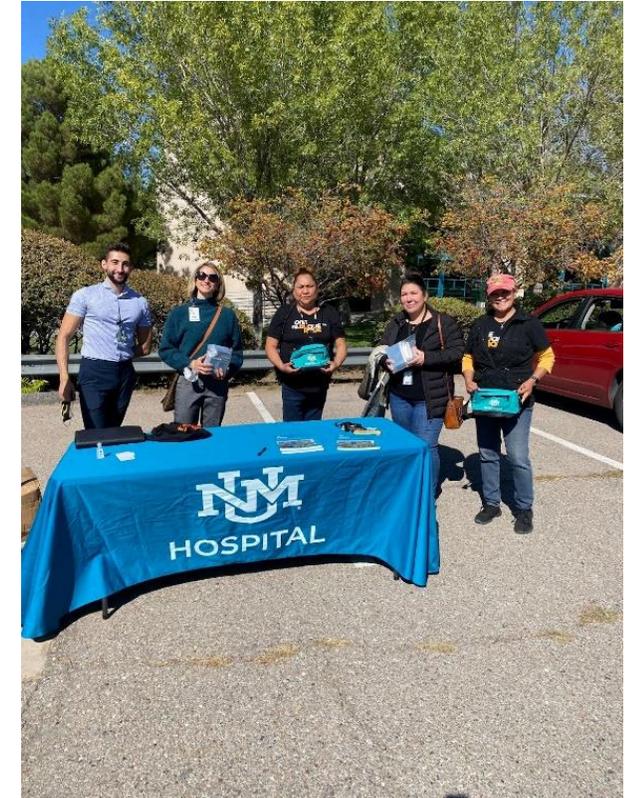
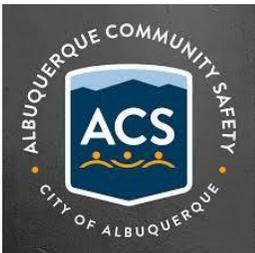
casa de salud

**ONE
ALBUQUE
ROQUE** family & community services

**WESTSIDE EMERGENCY
HOUSING CENTER**



hopeworks
ending homelessness since 1985



Creating and developing partnerships to improve the well-being of our community

- City of Albuquerque – Albuquerque Community Safety
- City of Albuquerque – Equity and Inclusion
- Partnership for Community Action
- Albuquerque Health Care for the Homeless
- ABC Community School Partnership
- One Hope Centro de Vida
- CHI St. Joseph's Children
- McKinney-Vento Homeless Education
- Hawthorn Hotel – Albuquerque City wellness hotel for families
- NM Health Councils Alliance

Community Engagement 2022

CE is partnering with the New Mexico Commission for the Deaf and Hard of Hearing (NMCDHH) for 3 community forums for people who use ASL, deaf and blind and hard of hearing.



We are planning around 15 community forums with a variety of stakeholders in Bernalillo County to listen to our community about how can we help.

Community Engagement will collaborate with Employee Engagement to create a volunteer and donation system to be able to sync the community outreach and impact that UNMH has in the community.

We are working to update the Community Engagement webpage to have an external face with our contact information, programs and projects so we will have direct access for the community.

2022 community outreach planning for annual events.

Native American Health Services



NAHS Community Outreach

- Quarterly Newsletter – Sharing UNM Hospital updates with Pueblos, Tribes, and Nations
- Greeting Cards – Acknowledging new and returning leadership
- Professional Video – “UNM Hospitals Unique History and Relationship with Native American Communities, patients, and families”
- Ceremonial Space in New Tower
- Daily Census of Inpatients UH and SRMC
- Gathering of Nations Powwow 2022
- NM State Fair Indian Village 2022
- Celebrate Native American Heritage Months and Indigenous Peoples’ Day!

UNMH Gardianship Presentation to the BOT

Guardianship and Patients at UNMH

- ❖ Temporary Guardians- based on an allegation of immediate and irreparable harm if a guardian is not appointed for an alleged incapacitated person. Currently temporary guardianship is limited to 60 days.
- ❖ Mental Health Treatment Guardian- A form of guardianship tailored to grant the guardian authority to make substituted decisions regarding mental health treatment including psychotropic medications. The individual must be determined by the court to lack capacity to provide informed consent. In place for a specific period of time not to exceed a year.

- ❖ Limited Guardian - appointed by the court to exercise limited authority and decision making for the protected person if it is determined the person is unable to manage some but not all aspects of their personal care. The rights to act on the behalf of the protected person must be specifically granted by the court.
- ❖ Full or Plenary Guardian- Means a guardian appointed by the court to exercise all legal rights and powers of the protected person after the court has found the person lacks capacity to carry out all the tasks necessary to care for their self or property.

UNMH Inpatient

- ❖ UNMH patients admitted to the Main Hospital may be identified by staff or providers to be considered for guardianship needs.
- ❖ Normally for adult patients New Mexico Adult Protective Services (APS) is contacted by filing a report for patients of concern.
- ❖ If APS is not able to assist with the patient then UNMH staff will file a an application for guardianship with the NM Developmental Disabilities Council Office of Guardianship
- ❖ UNMH Inpatient volume with these patients is low averaging less than 10 patients a year.

- ❖ UNM Psychiatric Center (UNMPC) utilizes Treatment Guardians Extensively.
- ❖ Mental Health Court operates during the work week onsite at the UNMPC.
- ❖ The court holds competency hearings for patients not only from UNM but from other providers in the community.
- ❖ The court volume of competency hearings at UNMPC is high at normally four or five hearings each day.

- ❖ There are significant issues with finding people willing to serve as treatment guardians
- ❖ This lack of access to guardians can delay decision making related to discharge planning resulting in patients staying longer in the hospital.

- ❖ Revises procedures for the Appointment of Temporary Guardians and Temporary Conservators
- ❖ Requires the court to schedule and hold a hearing within ten business days of the motion being filed.
- ❖ If a finding of immediate serious harm to the incapacitated person is found to exist the court shall appoint a temporary guardian and specify the powers of the temporary guardian
- ❖ Reduces the duration of the temporary guardianship arrangement from 60 days to 30 days.
- ❖ Allows for extension of no more than an additional 60 days after proving cause.

- ❖ Prohibits the temporary guardian from selling or disposing of any property belonging to the alleged incapacitated person without specific authorization from the court.
- ❖ A temporary guardian may be removed by the court at any time.
- ❖ Requires enhanced reporting from the temporary guardian to the court.

UNMH NHT Extension Program Management Services



UNM Hospital Board of Trustees

February 2022

RECOMMENDED ACTION:

As required NM Hospital Purchase Approval policy, approval for the **extension of program management services by Broaddus & Associates, Program Manager for the New Hospital Tower (NHT) project** is requested as follows:

- Board of Trustee Finance committee approval of and recommendation of approval to the UNM Hospital Board of Trustees
- UNM Hospital Board of Trustees approval

PROJECT DESCRIPTION:

The UNMH New Hospital Tower Project, including vertical expansion, includes development of a new 9-level hospital tower comprising approximately 683,562 GSF. The hospital structure includes 5 podium levels with 2 patient floors of 96 total beds and 2 patient floors for future expansion on top of the podium.

RATIONALE:

In 2019, UNMH contracted with Broaddus & Associates for professional program management services on the New Hospital Tower. The existing program manager contract is based on a smaller project and a shorter period of construction and occupancy. Since 2019, the New Hospital Tower program and schedule has grown. The amended services will include:

- Base services to account for extension of original 57-month duration, originally ending in 2023, through current Substantial Completion of June 2024
- Adjusts Move/Activation services to align with revised Substantial Completion and Occupancy ending in December 2024
- Staffing for program scope additions and growth
- Provides for proposed vertical expansion
- Schedule Management consulting
- Includes NMGRS and reimbursable expenses

PURCHASING PROCESS:

Broaddus & Associates was selected using a competitive sealed RFP process completed in 2018. The program management contract permits extension of services based upon changes in scope and schedule.

FUNDING:

The Board previously approved program management services for the NHT at \$6,789,262 in January 2019. The extension of program management service requested is \$2,576,296. The total \$9,365,558 program management costs are to be included in the NHT project costs. The NHT is funded through a combination of HUD-insured financing and equity (cash) contribution by UNM Hospital.

November 22, 2021

Mr. Douglas Brooks, AIA
 Executive Director Campus Development
 1301 Lomas Blvd N.E.
 Albuquerque, NM 87102
 (Delivered via email)

Re: UNMH NHT – Extension of Program Management Services

Dear Doug,

Per our earlier discussions, this letter requests additional fee to account for the extension of the New Hospital Program, Expansion of Program Scope, and the addition of two shelled floors. We also include an extension of the recommended Proactive Schedule Management after our demonstration concludes.

The attached spreadsheet details our assumptions and calculations, with a summary provided below.

Estimate Summary	Fee	Est. NMGRT	Total
Extended Program Duration	\$ 1,267,874	\$ 67,055	\$ 1,334,929
Program Growth	\$ 655,622	\$ 38,723	\$ 694,345
Vertical Expansion	\$ 434,120	\$ 27,942	\$ 462,062
Subtotal	\$ 2,357,616	\$ 133,720	\$ 2,491,336
Proactive Schedule Mgmt	\$ 84,960	\$ -	\$ 84,960
Grand Total	\$ 2,442,576	\$ 133,720	\$ 2,576,296
Reimbursable Expenses			\$ 35,000.00

Our fee compared to original Total Program Cost was 1.59% and calculates to 1.29% with the above adjustments. Thanks for your continued support and for the opportunity to be of service in this important program.

Sincerely,



Steven E. Niskanen, CCM, PMP®, LEED AP
 Program Manager - Vice President

Acceptance of Proposal

 Signature Date

 Printed Name Title

Attachment:
 ASR Fee Calculations

Copies:
 Rocky Kearney - UNMH
 Scott Broaddus – B&A
 Scot Sanders – B&A

BOT Crisis System of Care (Crisis Triage) Request Feb 2022 FINAL



CAPITAL PROJECT RE-APPROVAL

PROJECT NAME: BEHAVIORAL HEALTH CRISIS SYSTEM OF CARE

PREVIOUS PROJECT NAME: CRISIS TRIAGE CENTER

DATE: March 2022

RECOMMENDED ACTION:

As required by Section 7.12 of Board of Regents Policy Manual, the New Mexico Higher Education Department and the New Mexico State Board of Finance, capital project approval is requested for the **Behavioral Health Crisis System of Care**. For the project described below, UNM Hospital requests the following actions, with action requested only upon requisite sequential approval and recommendation by any and all committees and bodies:

- Board of Trustee Finance Committee approval of and recommendation of approval to the UNMH Board of Trustees.
- UNMH Board of Trustees approval of and recommendation of approval to the UNM Board of Regents HSC Committee.
- UNM Board of Regents HSC Committee approval and recommendation of approval to the UNM Board of Regents.
- UNM Board of Regents approval

PROJECT DESCRIPTION:

UNM Hospital is requesting approval for construction of the UNM Crisis System of Care. This project will combine the Crisis Triage Center and the Psychiatric Emergency Services (PES). Design, professional services and indirect costs for these projects were previously approved for a total of \$4,650,000 as follows:

- Feb 2021 – Crisis Triage - \$1,300,000
- October 2021 – Crisis Triage - \$1,600,000 increase
- October 2021 – PES - \$1,750,000

The Crisis System of Care project is funded evenly between UNM Hospital and Bernalillo County. Consolidation of the two projects reflects a mutual agreement to create a comprehensive facility for behavioral health crisis services and combine funding between UNMH and Bernalillo County into one single project plan. The combined project will be referred to as Behavioral Health Crisis System of Care.

Construction and Total Project Cost (New Request):

UNMH is requesting an increase in the Behavioral Health Crisis System of Care from \$4,650,000 to a total of \$40,000,000. The increase is requested to fund the construction of the facility. Bernalillo County and UNMH are collaborating and jointly funding the project. Bernalillo County will be contributing \$20,000,000 and UNMH will contribute the remaining \$20,000,000 comprising the total project budget of \$40,000,000.

Bernalillo County and UNM Hospital plan to design and construct a new building on the University Psychiatric Center (UPC) campus for use as a Behavioral Health Crisis System of Care. This includes demolition of the building currently at this site. Program for Children and Adolescents (PFCA) and Physician Access Line Service (PALS) are currently located in this building and will be relocated during the early summer of 2022. The Behavioral Health Crisis System of Care is intended to provide a comprehensive approach to crisis services in Bernalillo County with three distinct programs that provide a physical connection to existing resources co-located on the University Psychiatric Center campus.

- Crisis Triage Center (CTC): Programmatic component includes, but is not limited to: Two patient wings with eight patient beds each, support services areas, offices, therapeutic spaces, outdoor courtyard, law enforcement areas, and modifications required to meet the most current code requirements.
- Peer-Based “Living Room” (PLR) Model: Programmatic component includes but is not limited to: Respite area, living room space, nourishment area, and client work room to meet the most current code requirements.
- Psychiatric Emergency Services (PES): Programmatic component includes, but is not limited to, the following: ten patient rooms with flexibility to serve both pediatric and adult patients, seclusion suite with two patient rooms, observation area for up to ten patients, utilization of the same law enforcement areas with entrances, and required support service areas to meet the most current code requirements. The request further includes a second floor cold-shell space to facilitate a future programmatic build out to meet expansion of behavioral health services on the University Psychiatric Campus.

RATIONALE:

The Crisis Triage Center (CTC) component addresses significant gaps, which exist in the crisis continuum of care in Bernalillo County. Although crisis services exist, access to existing crisis services is limited. Currently, there is lack of community resources for patients that do not meet criteria for Acute Psychiatric admission but do need much more support than general outpatient treatment. This results in return visits to PES or the Main ED. In addition to the need for continued stabilization, there is high demand for centralized triage, observation, and triage services in order to facilitate a full continuum of crisis services.

The Peer-Based “Living Room” (PLR) Model expands the crisis continuum with a program which has demonstrated efficacy in the use of certified peer support workers and peer volunteers. The services provided include: de-escalation during crises, short-term goal setting, safety plan development, teaching coping skills, connecting with community and hospital resources, medical and behavioral health system navigation, job search and employment preparation, supportive coaching, etc. within a drop-in setting.

Psychiatric Emergency Services (PES) is the only 24-hour a day, 7-days a week Psychiatric Emergency Room in New Mexico and serves clients who present acute psychiatric care levels and are identified as at risk to self and/or others. The PES primarily services the Albuquerque Metropolitan area and draws patients from Bernalillo, Sandoval and Valencia counties. PES has experienced a higher demand for its



services, especially as it relates to pediatric patients, than had been projected during the 2019 consideration of PES renovations. The current PES capacity constraints and associated overflow results in a burden on the existing UNMH Emergency Department. Patients treated in the Emergency Room with an acute psychiatric need require additional staffing for 1:1 supervision. The inclusion of PES within the Crisis System of Care would allow expansion of services to accommodate patient care demand. Currently, PES contains six patient rooms without providing separation of adult and pediatric patient rooms or restrooms. Proposed separation of patient populations with centralized staff increases safety and provides necessary support areas that are not currently included in the space. The co-location of this service provides a synergy between services with a consistent level of care that better serves our community. This streamlines the intake process minimizing significant gaps existing in the crisis continuum to provide a more robust level of care in Bernalillo County.

The second-floor cold shell facilitates possible future expansion at the UNM Psychiatric Center campus. The ability to pursue a cold shell concurrent with the requested design is advantageous as it utilizes structural efficiencies inherent in the design to support vertical construction, creates a continuous building envelope with decreased total roof area, which reduces energy demands, and requires minimal utility upsizing compared to a standalone facility. This approach allows for rapid programmatic growth while reducing construction costs. This consideration allows flexibility to meet future facility needs on a constrained site that aligns with UNMH's long term planning approach for the campus.

The total area for this project including all programmatic components is 48,710 (BGSF).

PURCHASING PROCESS:

Professional Services- UNMH Request for Proposals

Construction Services- UNMH Request for Proposals

FUNDING:

The total indirect costs with consolidation of projects (CIP 2995-Psychiatric Emergency Services (PES) into the CIP 3180-UNMH Behavioral Health Crisis - Care System) shall not to exceed \$4,650,000 from the Capital Renovation Fund and Bernalillo County based on amounts in the October 19, 2021 Consent Dockets.

The requested increase for this project includes associated construction costs not to exceed \$35,350,000 for a total project budget of \$40,000,000 funded evenly between the UNMH Capital Renovation Fund and Bernalillo County. Contracts related to this project will be entered into by UNM Hospital. UNMH will seek reimbursement from Bernalillo Count for half of expenditures made.

Certification of Board Review

UNM Hospital (UNMH) Board of Trustees

Report of Financial Operations and Loss Mitigation Efforts

February 22, 2022

The financial statements of UNMH for the six-months ended December 31, 2021, were reviewed by the UNMH Board of Trustees on January 28, 2022. Those financial statements reflected a net loss of approximately \$5.9 million. This report is being provided to HUD's Office of Hospital Facilities, PGIM Real Estate Finance (formerly Prudential Huntoon Paige Associates, LLC) and Wells Fargo Bank in satisfaction of the provisions of Section 29 of the Regulatory Agreement, dated September 9, 2021 between the Regents of the University of New Mexico's public operation known as the University of New Mexico Hospitals and HUD which requires the UNMH Board of Trustees ("Board") to review the financial statements of UNMH and submit a written report to HUD and the lenders if there is a net loss.

Respectfully submitted,

Signature

December Year to Date Financial Position

For the six months ended December 31, 2021, the Hospital has posted a loss of \$5.9 million. Two factors are the major contributors to this loss: lower than anticipated revenues and higher than anticipated labor costs.

The Hospital has been experiencing capacity of up to 140% of licensed beds for several months. The late fall increase in COVID admissions, particularly related to the OMICRON variant, threatened to push capacity even further to unsustainable levels. In response, UNMH and four other New Mexico hospitals declared they were operating under crisis standards of care in November 2021. As a result, UNMH temporarily suspended non-medically necessary procedures as defined by the New Mexico Public Health Order issued on October 25, 2021. This negatively impacted surgical volumes at the Hospital, as procedures that could be delayed without undue risk to the patient's health were put on hold to try to manage inpatient capacity. On average, surgical inpatients have close to three times the revenue associated with them that non-surgical patients do. UNMH immediately experienced a decline in revenues with the shift of patients to proportionately more non-surgical.

In addition, the combination of the high inpatient volume with the tight nursing labor market meant that UNMH had to engage a historically high number of traveler (contract) nurses to meet the capacity demands, and at historically high rates. Over the early 2021 summer months, UNMH was paying approximately \$130 per hour for traveler nurses (over three times the rate for an employed nurse). In August/September, as Omicron surged across the country, the rates for traveler nurses dramatically increased to over \$190 per hour. These very high rates encouraged more nurses to leave hospital employment and pursue travel opportunities, which created additional vacancies the hospital needed to fill. With this double impact and the extremely high census at UNMH, the Hospital had 500+ travelers in-house in the fall, resulting in extremely high compensation expenses in the second quarter of the fiscal year.

Mitigation Efforts

The number of COVID and other non-surgical admissions has now decreased and is expected to continue to decline as positivity rates in the community decrease. Surgeries are key to the financial success of UNMH. Beginning February 14, 2022, we began rescheduling full utilization of the Hospital's surgical rooms, including newly added weekend capacity. Traditionally, UNMH only performed emergent and trauma surgeries over the weekend. On February 19, 2022, the Hospital began scheduled surgeries during weekend hours. We expect surgical volumes to return to levels seen prior to declaration of crisis standards of care. Our surgical physician partners are eager to ramp these volumes back up very quickly and to reduce the backlog of procedures that were put on hold.

We have also put into action a plan to reduce contract labor. To respond to the high census, we had opened additional patient beds. Some of these units were staffed completely using traveler nurses. Effective mid-February, two of these units have been demobilized and closed. Our ICU's have also been heavily staffed with travelers. Those ICU units are on a plan to decrease staffed beds from 140% of licensed capacity to 108% by the end of February. Contracts for travelers in these areas will not be renewed or have been canceled to accommodate the decrease in beds and associated decrease in need for staff.

We have also been provided 23 FEMA and 63 State-funded nurse personnel to augment our staffing. This staff is provided to UNMH at no expense through mid-March 2022 and is allowing us to meet our needs of patient care with reduced labor cost expenditures.

We have recently concluded a request for proposal for a contract labor agency. To date, we have been utilizing close to 100 contract labor agencies to meet our staffing. Management of the processes around this labor expense have been cumbersome and has not allowed us to take full advantage of pricing agreements with the vendors. We are currently in negotiations with the selected vendor to consolidate our traveler contracts and to establish pricing agreements that are more sustainable for our organization. We expect to see a decline in the contract labor rates in the last quarter of this fiscal year.

UNMH Management has put in place several initiatives to increase recruitment and retention of nursing staff. We have paid extra shift bonuses for staff that take on extra shifts during four-week intervals. This is paid on top of any overtime that is earned for those shifts. We have recently negotiated an increase in that extra shift bonus and will be offering that to nurses and other key clinical positions starting at the end of February. We anticipate an increase in the number of shifts covered by employees, further reducing the need for contract labor.

The Hospital has traditionally offered a referral bonus to employees that refer successful hires to UNMH. We have recently expanded the payment of that bonus to include certain positions that have to date been excluded from eligibility. We have also shortened the rehire time for payment of sign-on bonuses to returning nurses. Returning nurses have not been eligible for the sign-on bonus unless they were separated from employment for more than one year. That time has been decreased to six months. We have also declared that we will no longer hire "local" travelers. These are nurses who live within New Mexico and even within Albuquerque but have elected to leave direct employment to take advantage of traveler pay rates. Other local hospitals are considering taking similar action and we anticipate that many of these nurses will return to direct employment by the hospitals.

Pending Revenue Actions

UNMH is working on and anticipating several revenue actions that may benefit the Hospital. The New Mexico legislature recently passed an appropriation bill that included relief to hospitals for labor costs incurred in response to COVID-19. The bill also includes additional funding to the Human Service Department (HSD) for increases in Medicaid rates paid to hospitals and healthcare providers. These items are included in the legislatively approved State budget, which has now been advanced to the Governor for her consideration and signature by mid-March. We are optimistic that both of these items will remain in the final signed State budget.

The Hospital has also been working with HSD to increase our Medicaid directed payment by \$36 million. The request for this funding has been submitted to CMS for approval for the calendar year 2022. Again, we are optimistic that the directed payment will be approved by CMS over the coming weeks.

UNMH is working closely with FEMA personnel to submit reimbursements for expenditures made in response to the COVID public health emergency. We have submitted a claim to FEMA for approximately \$55 million of contract labor specifically related to COVID patient care areas during the first 6 months of fiscal year 2022. The claim is currently under review by FEMA.

Conclusion

We expect that our financial operations will be at a loss for the months of January and February as we continue to have decreased surgical volumes and many of the actions to decrease contract labor have been put in place in February. However, we expect that the loss mitigation actions detailed above will return the Hospital to a positive margin for the remaining months of the fiscal year. Any of the additional pending revenue actions that come to fruition will further help to offset the losses from the first half of the fiscal year.

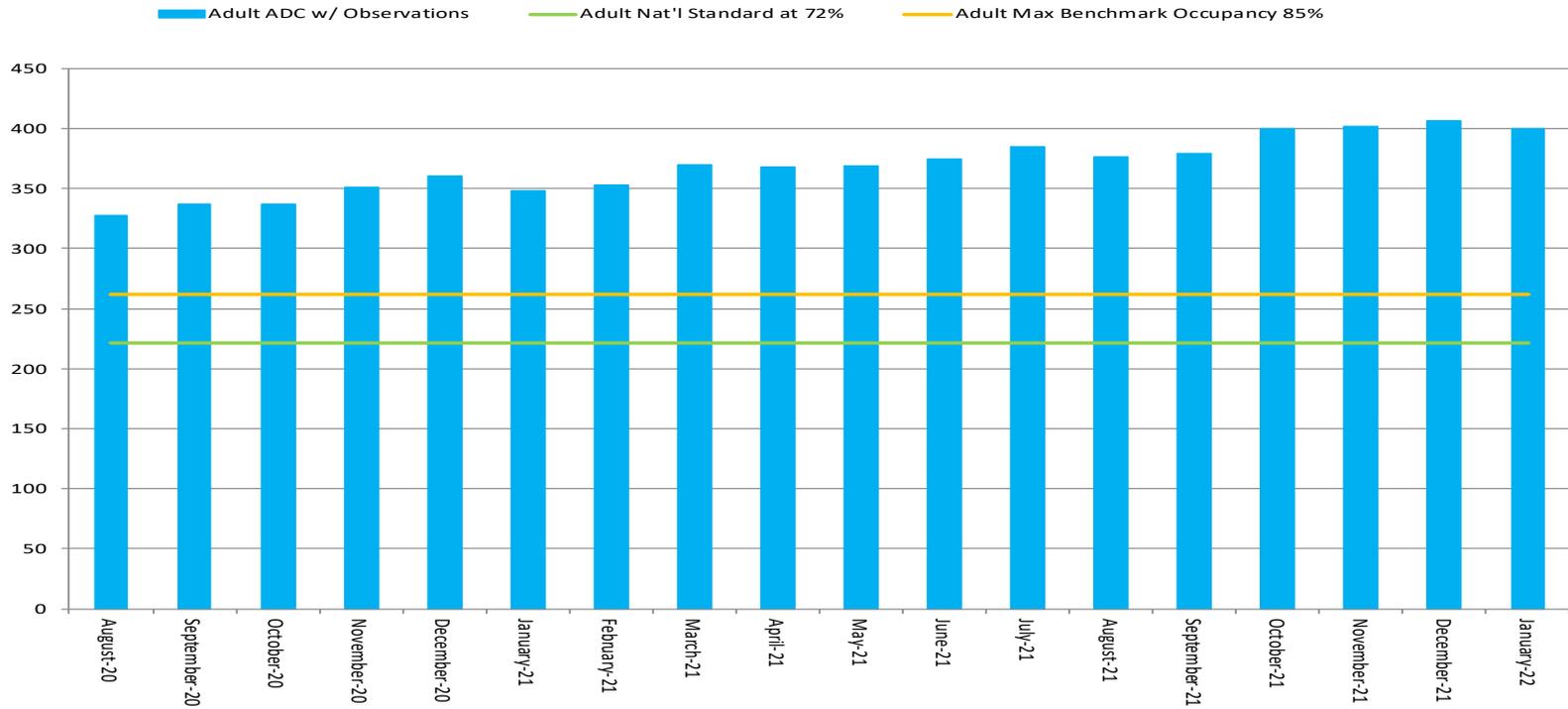
	Dec YTD Actual	Jan-Jun Projected	FY2022 Projected *
Operating Revenues	\$636,360,097	\$633,201,254	\$1,269,561,351
Total expenses	<u>639,911,220</u>	<u>641,574,002</u>	<u>1,281,485,222</u>
Operating Loss	\$(3,551,123)	\$(8,372,748)	\$(11,923,871)
Net Nonoperating	<u>(2,355,224)</u>	<u>(153,843)</u>	<u>(2,509,067)</u>
Increase (Decrease) in Net	<u>\$(5,906,347)</u>	<u>\$(8,526,591)</u>	<u>\$(14,432,938)</u>
* Does not include additional revenue actions that are pending approval by CMS, FEMA and New Mexico Governor:			
FEMA Reimbursement Requests			\$55,000,000
Medicaid Rate Increases (estimated based on historical COVID increases)			\$8,000,000
State Appropriated Relief Funds (estimated)			\$20,000,000
Increase in Directed Payment (6 month impact, effective 1/1/2022)			\$18,000,000

PD 7 BoT Finance Presentation 2-25-2022

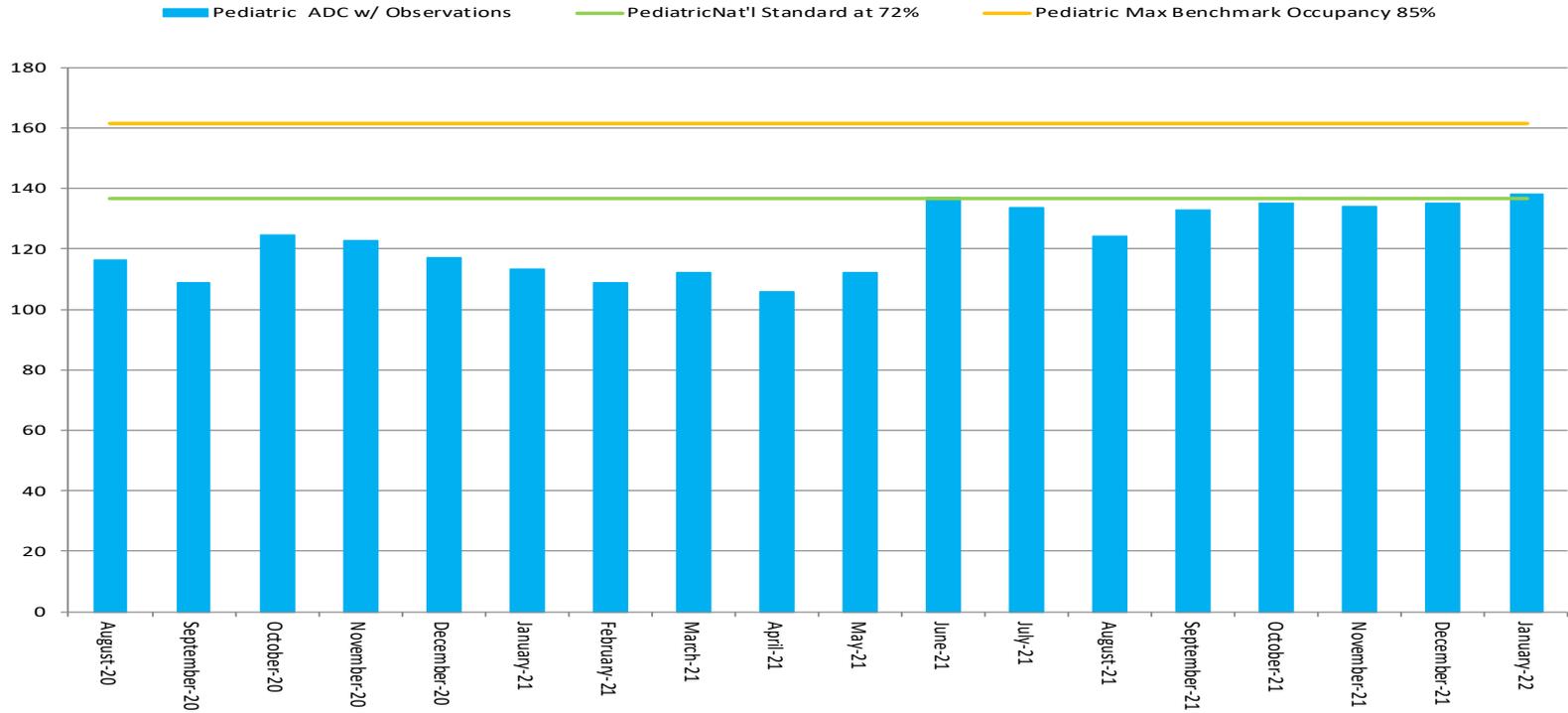
UNM Hospital

Financial Update
Through January 2022

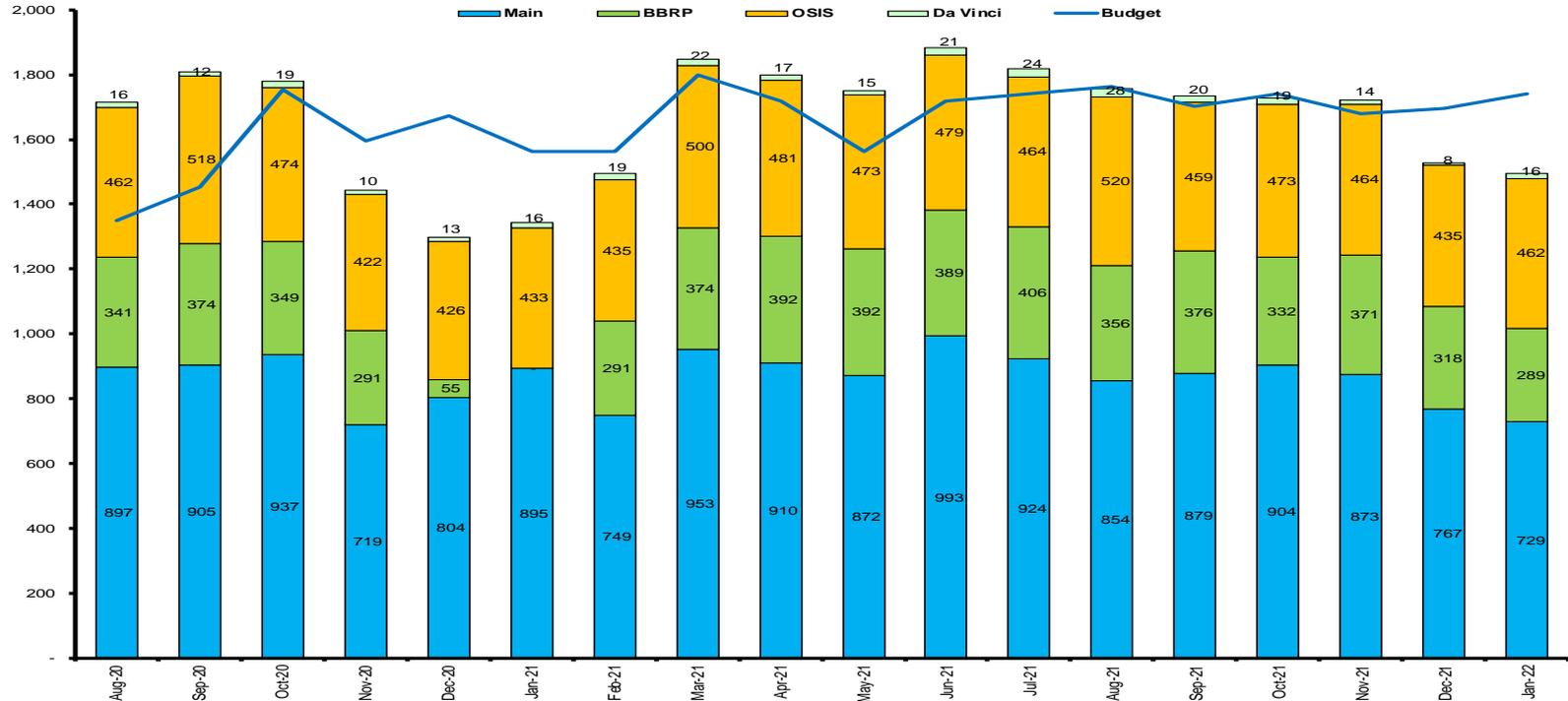
UNM Hospital Adult Capacity Through January 2022



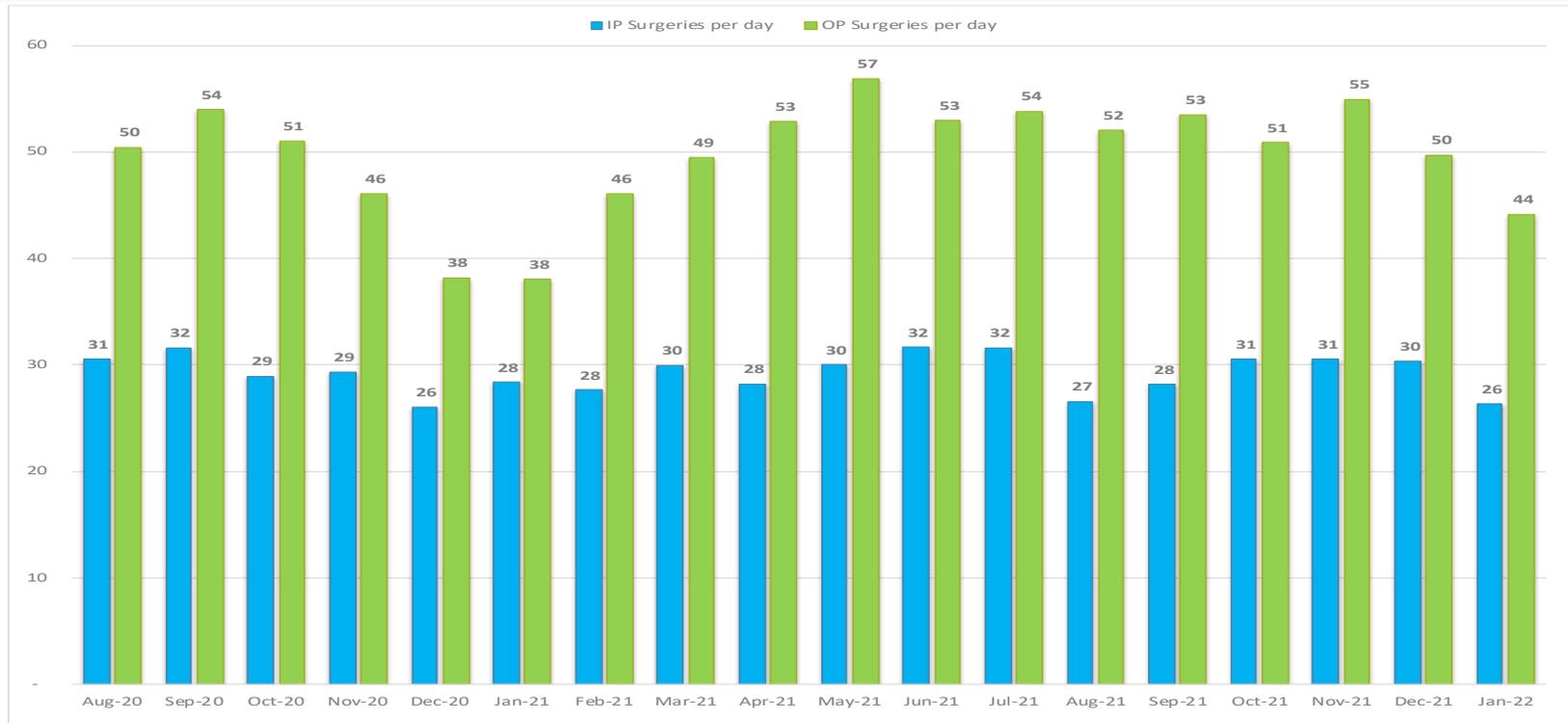
UNM Hospital Pediatric Capacity Through January 2022



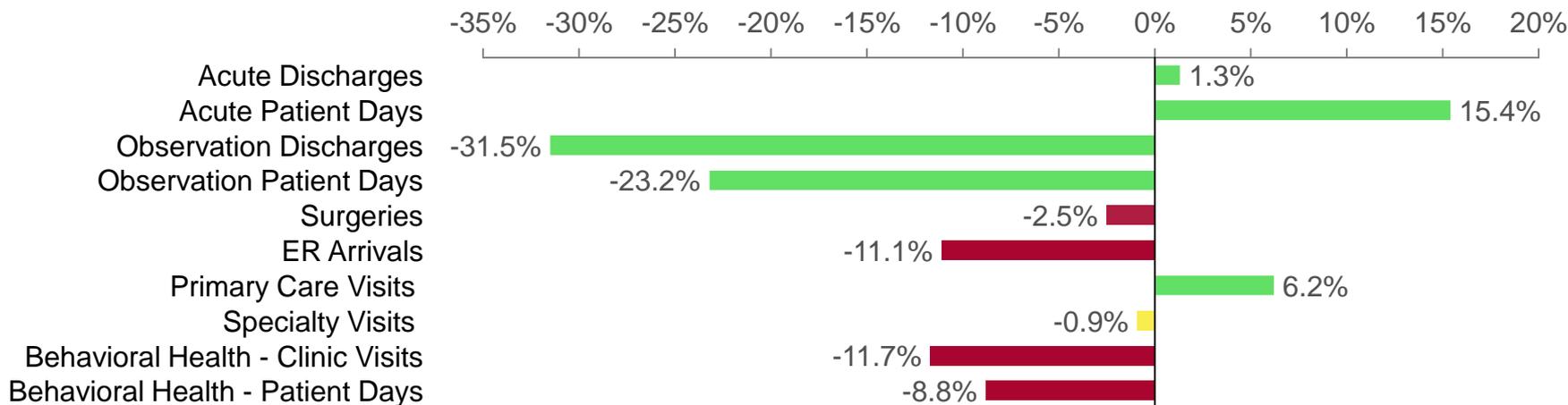
UNM Hospital Surgical Cases Through January 2022



UNM Hospital Inpatient & Outpatient Surgical Cases per Business Day Through January 2022

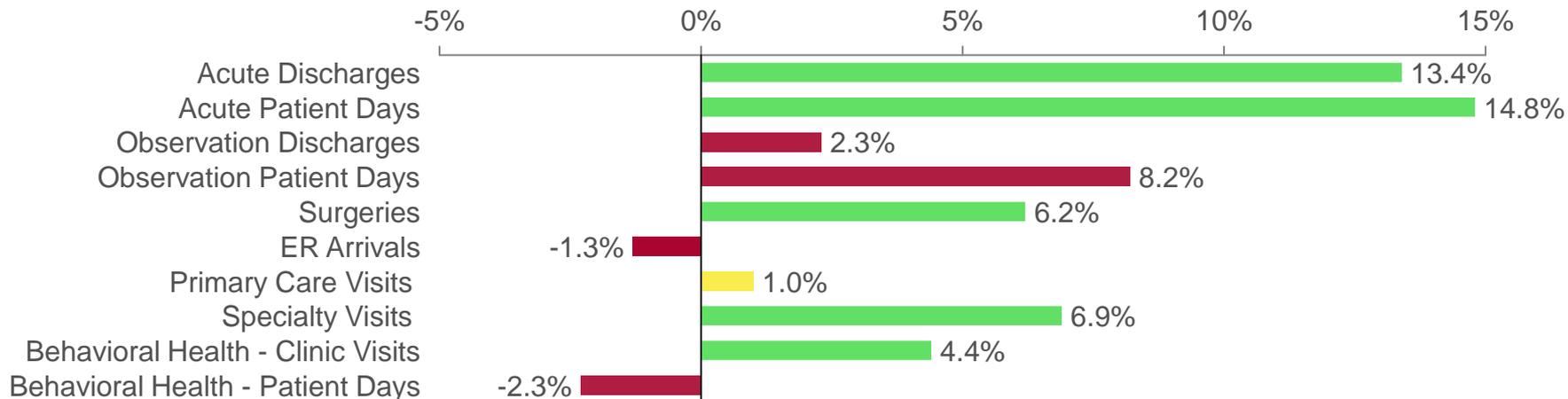


UNM Hospital YTD Stats Variance to Budget Through January 2022



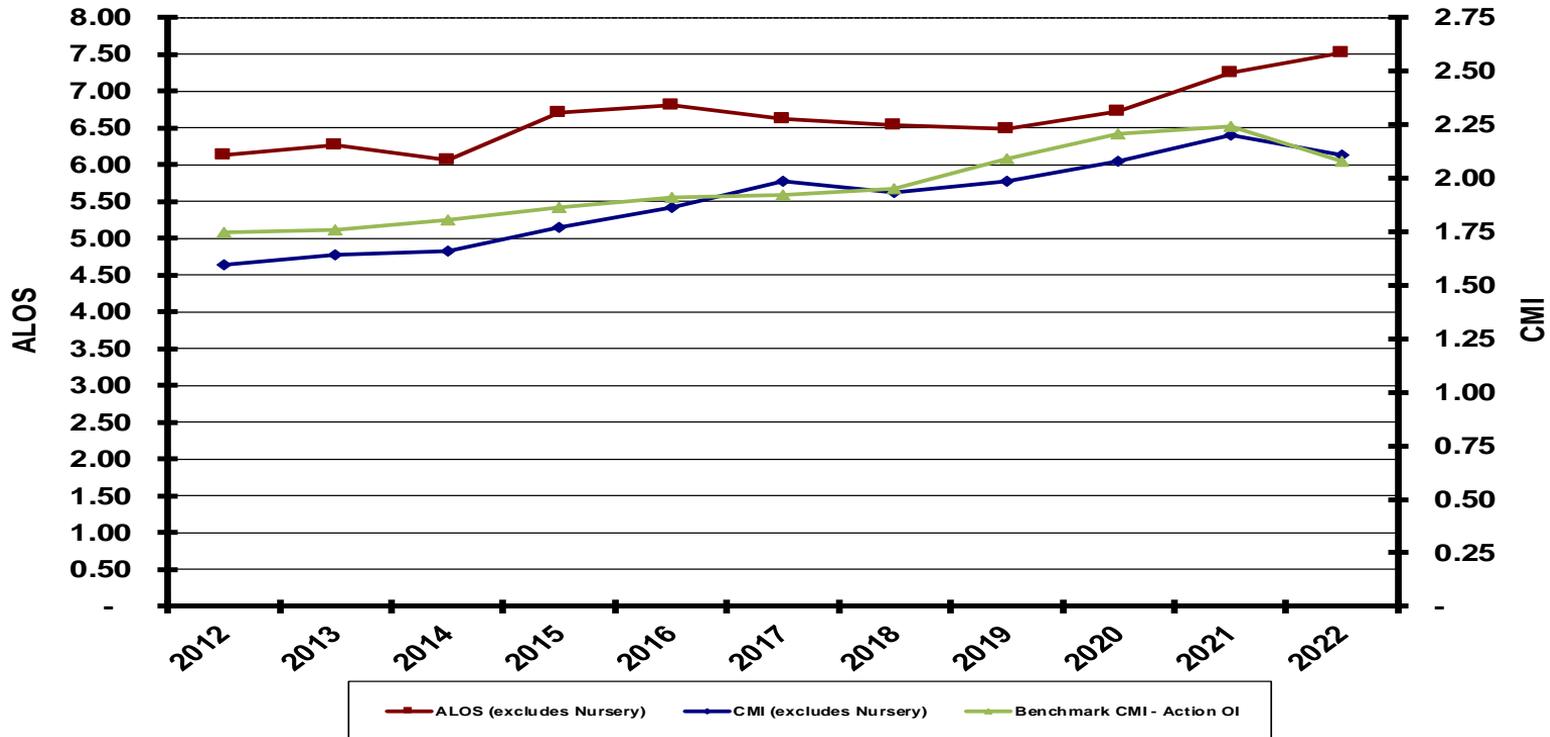
	MTD Actual	MTD Budget	MTD Variance	MTD % Variance	YTD Actual	YTD Budget	YTD Variance	YTD % Variance
Acute Discharges	1,987	2,100	(113)	-5.4%	14,747	14,565	183	1.3%
Acute Patient Days	16,539	13,874	2,665	19.2%	111,047	96,225	14,822	15.4%
Observation Discharges	633	1,095	(462)	-42.2%	5,249	7,665	(2,416)	-31.5%
Observation Patient Days	903	1,389	(486)	-35.0%	7,404	9,635	(2,231)	-23.2%
Surgeries	1,480	1,726	(246)	-14.2%	11,655	11,955	(300)	-2.5%
ER Arrivals	6,776	8,252	(1,476)	-17.9%	50,885	57,231	(6,346)	-11.1%
Primary Care Visits	18,357	15,933	2,424	15.2%	116,972	110,145	6,827	6.2%
Specialty Visits	27,895	30,312	(2,417)	-8.0%	207,516	209,400	(1,884)	-0.9%
Behavioral Health - Clinic Visits	18,487	19,441	(955)	-4.9%	118,482	134,257	(15,775)	-11.7%
Behavioral Health - Patient Days	1,852	2,061	(209)	-10.1%	13,017	14,269	(1,252)	-8.8%

UNM Hospital YTD Stats Variance to Prior YTD Through January 2022

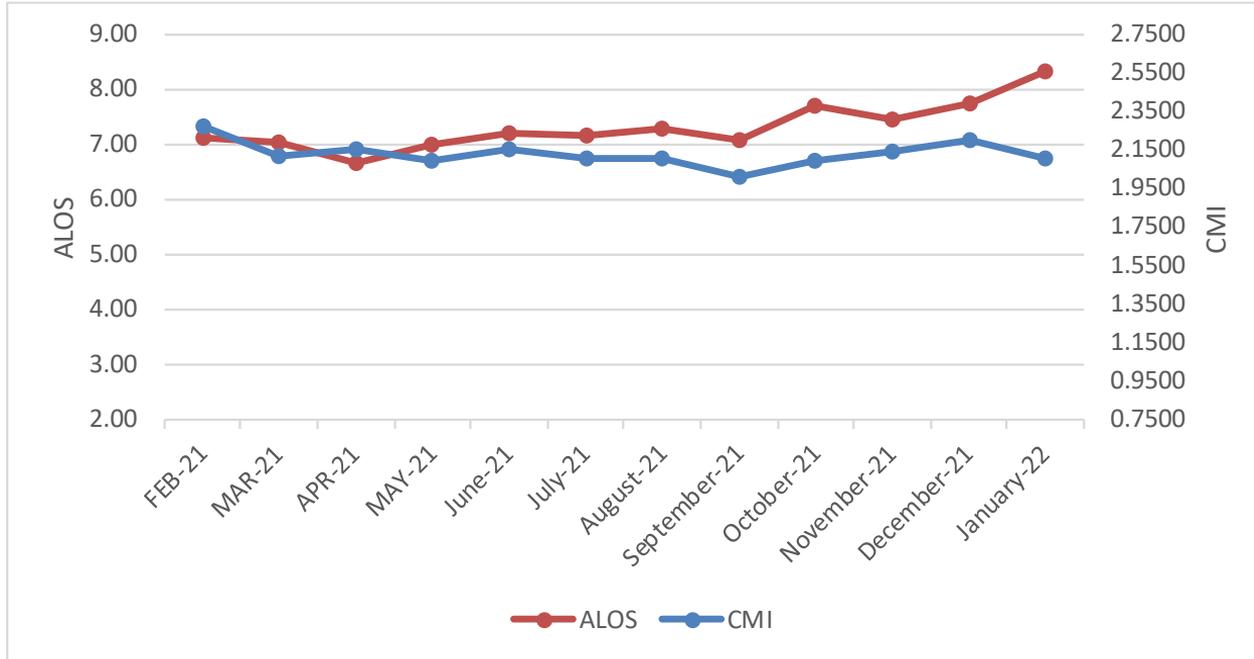


	MTD Actual	Prior MTD	MTD Variance	MTD % Variance	YTD Actual	Prior YTD	YTD Variance	YTD % Variance
Acute Discharges	1,987	1,833	154	8.4%	14,747	13,006	1,741	13.4%
Acute Patient Days	16,539	14,102	2,437	17.3%	111,047	96,772	14,275	14.8%
Observation Discharges	633	706	(73)	-10.3%	5,249	5,131	118	2.3%
Observation Patient Days	903	958	(55)	-5.7%	7,404	6,843	560	8.2%
Surgeries	1,480	1,328	152	11.4%	11,655	10,978	677	6.2%
ER Arrivals	6,776	5,300	1,476	27.8%	50,885	51,544	(659)	-1.3%
Primary Care Visits	18,357	19,323	(966)	-5.0%	116,972	115,826	1,146	1.0%
Specialty Visits	27,895	25,321	2,574	10.2%	207,516	194,153	13,363	6.9%
Behavioral Health - Clinic Visits	18,487	15,634	2,853	18.2%	118,482	113,478	5,004	4.4%
Behavioral Health - Patient Days	1,852	2,117	(265)	-12.5%	13,017	13,320	(303)	-2.3%

UNM Hospital CMI and ALOS Through January 2022



UNM Hospital CMI and ALOS Monthly Trend Through January 2022



UNM Hospital Executive Summary Through January 2022

UNM Hospitals	Action OI Benchmark	Jan-22	YTD	YTD Budget	% Budget YTD	Prior YTD	% Growth
ALOS		8.32	7.53	6.61	-13.98%	7.44	-1.20%
Case Mix Index		2.11	2.11	2.20	-4.13%	2.24	-5.70%
CMI Adjusted Patient Days *	58,667	69,495	472,425	436,653	8.19%	438,475	7.74%
Net Core Patient Revenues (\$ in thousands)		\$ 82,056	\$ 613,451	\$ 619,380	-0.96%	\$ 614,941	-0.24%
Total Operating Expenses** (\$ in thousands)		\$ 132,489	\$ 849,338	\$ 757,629	-12.10%	\$ 788,174	-7.76%
Total Operating Expenses*** (\$ in thousands)		\$ 131,990	\$ 846,445	\$ 755,729	-12.00%	\$ 785,193	-7.80%
Net Operating Income (\$ in thousands)		\$ (23,747)	\$ (88,574)	\$ (33,902)	-161.27%	\$ (51,833)	-70.89%
Net Income (\$ in thousands)		\$ (10,252)	\$ (14,803)	\$ 28,288		\$ 68,491	
Net Core Revenue/CMI Adj Patient Day		\$ 1,181	\$ 1,299	\$ 1,418	-8.46%	\$ 1,402	-7.41%
Cost**/CMI Adj Patient Day	\$ 1,917	\$ 1,906	\$ 1,798	\$ 1,735	-3.62%	\$ 1,798	-0.02%
Cost***/CMI Adj Patient Day	\$ 1,917	\$ 1,899	\$ 1,792	\$ 1,731	-3.52%	\$ 1,791	-0.05%
FTEs		7,105	7,085	7,154	0.96%	6,826	-3.79%

* CMI Adjusted Patient Days (Adjusted Patient Days X CMI) is to account for the outpatient activities in the hospital and the relative acuity of the patients. CMI is a relative value assigned to a diagnosis-related group. Adjusted patient days (Patient Days X (Gross Patient Revenue/Gross Inpatient Revenue)) is to account for outpatient and other non-inpatient activities in the Hospital. Action OI benchmark is a quarterly report and for July - September 2021 the 50th percentile is 176,002. The metric above divided by three months for comparative purposes.

** Operating expenses exclude Contract Retail Pharmacy Expense

*** Operating expenses exclude Contract Retail Pharmacy & HS Exec Initiatives

UNMH_Budget Assumptions FY23_Finance Comittee_2.14.22 (2)



UNM HOSPITAL
FY23 BUDGET ASSUMPTIONS
FEBRUARY 14, 2022

FY23 Budget Assumptions

Budget Guiding Principles

Inpatient & observation days are budgeted at 115% of pre-covid (Apr19 – Mar20) capacity

- Use of hall beds and ED overflow beds will continue
- COVID uncertainties remain
 - Impact of COVID variants and additional surges
 - What is “new normal”?
 - Continuing capacity issues

Length of Stay (LOS) is expected to remain flat

Surgeries expected to remain flat

CMI is expected to remain flat to the FY22

Implement telehealth system

Contract labor is expected to decrease

Inflation – 2% include in budget for supplies and purchased services

- the impact of higher inflation is reflected in FY22 actual spend which is the basis for FY23 budgeted amounts

Supply chain issues resulting in early ordering and longer hold time in storage areas

Overview of Budget Process

Statistics

- 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

- Current year as base line
- Incorporates changes in projected statistics
- Includes assumptions on payer reimbursement (Medicare, Medicaid, contracted payers)

Expenses

- FTEs in alignment with volume changes
- Contract labor – expected reduction based on decline in volumes
- Standard inflation assumptions
- Incorporate known changes to line items

Non operating revenues/expenses

- Current year as base line
- Mil Levy increased based on historical increases
- Interest Expense based on amortization schedule
- Donations based on historical trend

FY23 Preliminary Budget Statistics

	FY2020 Actual	FY2021 Actual	Rolling 12 - Jan22 YTD FY2022	FY2023 Budget	FY22 to FY23 Change	% Change
Nursing Division						
Inpatient Days	156,128	171,600	186,177	184,658	(1,519)	-1%
Inpatient Discharges	24,661	25,127	26,966	27,492	526	2%
Emergency Visits	80,100	101,494	77,136	84,693	7,557	10%
Urgent Care Visits	17,681	10,404	16,957	16,900	(57)	0%
Operations	18,198	19,661	20,338	20,356	18	0%
Births	2,894	2,749	2,870	2,910	40	1%
Ambulatory						
Primary Care Clinics	154,588	180,594	181,836	182,212	376	0%
Specialty Clinics	350,013	354,369	367,636	376,298	8,662	2%

FY23 Preliminary Budget Statistics – supplement variance analysis

Apr 20 - Mar21 Baseline	FY22 Budget	FY23 Budget	FY22 budget to Apr20 - Mar21 Baseline Change	% Change	FY23 Budget to FY22 Budget Change	% Change
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Nursing Division

Inpatient Days	163,149	168,144	184,658	4,995	3%	16,514	10%
Inpatient Discharges	25,862	26,985	27,492	1,123	4%	507	2%
Emergency Visits	86,069	88,570	84,693	2,501	3%	(3,877)	-4%
Urgent Care Visits	20,972	16,000	16,900	(4,972)	-24%	900	6%
Operations	20,169	20,429	20,356	260	1%	(73)	0%
Births	2,941	2,584	2,910	(357)	-12%	326	13%

Ambulatory

Primary Care Clinics	173,566	178,535	182,212	4,969	3%	3,677	2%
Specialty Clinics	388,371	376,401	376,298	(11,970)	-3%	(103)	0%

FY23 Behavioral Health Preliminary Budget Statistics

	FY2021 Actual	FY2022 Budget	Rolling 12 - Jan22 YTD FY2022	FY2023 Budget	FY22 to FY23 Change	% Change
Patient Days	22,698	24,456	22,395	22,158	(237)	-1%
Other Stats						
Outpatient Visits	70,190	74,596	72,739	77,318	4,580	6%
Midlevel	127,839	158,697	130,294	129,500	(794)	-1%
Methadone & Buprenorphine	171,026	160,505	166,936	167,403	467	0%
Average Patients per day	469		457	459	1	0%

FY23 Behavioral Health Preliminary Budget Statistics

supplement variance analysis

	Apr 19 - Mar 20 Baseline	FY2022 Budget	FY2023 Budget	FY22 Budget to Apr19 Mar20 Baseline Change	% Change	FY23 Budget to FY22 Budget Change	% Change
Patient Days	24,456	24,456	22,158	0	0%	(2,298)	-9%
Other Stats							
Outpatient Visits	62,050	74,596	77,318	12,546	20%	2,722	4%
Midlevel	118,848	158,697	129,500	39,849	34%	(29,197)	-18%
Methadone & Buprenorphine	158,808	160,505	167,403	1,697	1%	6,898	4%
Average Patients per day	435	440	459	5	1%	19	4%

FY23 Revenue Budget

- Inpatient access
 - Inpatient volumes to decline with the OMICRON surge and crisis standards of care winding down prior to the beginning of the fiscal year
 - Discharges to remain consistent with historical length of stay
 - Case Mix Index to remain flat
- Ambulatory access
 - Programs are being developed to identify preventable avoidable admissions, expansion of home care offering and comprehensive navigation services
 - Primary Care clinics are expected to remain flat relative to revised FY22 projections
 - Specialty Care Clinics preliminary increase 2%
- Surgeries are also expected to remain flat to revised FY22 projections

FY23 Contracting & Governmental Impacts

- No known changes in existing Payer contracts
- Medicaid COVID DRG increase – FY2022 legislative action
- Medicare – Expected increase in wage index October 1, 2022
- Commercial payers – no projected increases in payment rates

FY23 Expense Budget

- Compensation and Benefits
 - FTEs in alignment with volume changes
 - Maximum 2% compensation increase
 - Health Insurance increases in line with prior year
 - Contract Labor expected to decline in FY23 as volumes align to normal operating levels
- Housestaff
 - Expansion of programs and residents in psychiatry, infectious disease, surgery, epilepsy, hospice/palliative, neurology and cardiology
- Supplies
 - 2-4% inflation for supplies & pharmaceuticals
- Equipment
 - Ongoing renovations & repairs of existing facilities
 - Continued roll out of laptop workstations

FY23 Non Operating Budget

- Non Operating Revenue & Expense
 - Mill Levy increase – consistent with prior average annual increases
 - State Appropriations expected to remain flat
 - Interest Expense – increases with the new debt acquired for the new hospital tower

BOT DZ Feb MH Dr Ziedonis

Douglas Ziedonis, MD, MPH
Executive Vice President, Health Sciences
CEO, UNM Health System
UNM Hospital Board of Trustees Report
February 25, 2022

Good morning, Board of Trustees members and CEO Becker. Thanks for your ongoing support and feedback. Since our last meeting we have been very busy with the 30-day New Mexico Legislature 2022 Session in addition to all the usual activities. **CEO Becker** and **Drs. Agostini, Chicarelli** and **Boyd** will provide important details in their administrative reports. However, I wanted to touch on a few key items:

COVID Matters: Despite the positive reduction in COVID cases in the community, the Health System and Health Sciences continue to face challenges from the latest wave of infections. We will continue to follow public health order and the measures we do routinely, including our current masking requirements, vaccine mandates and other protections. Our medical and public health specialists continue their ongoing monitoring and review of all the data available to help guide us in making our decisions on these matters. A big thanks to all of them. We are grateful for the assistance we received from the 22-member Navy medical team who provided some respite for our physicians and nurses at UNM Hospital, as well as the state and FEMA-funded staffing at Sandoval Regional Medical Center. We continue to follow measures to protect our patients and staff, and strongly recommend that everyone (clinical and non-clinical staff) working in a clinical setting wear an N95 mask and eye protection. We are requiring faculty, staff, and students in our health sciences academic settings to use at least a procedure mask (no cloth mask).

Black History Month: I hope you have had the chance to engage in the activities that have been organized to celebrate Black History Month at the HSC. A big thanks to all the faculty, staff and students who have been leading these activities and helping us to celebrate the rich and diverse history of our African American community. You can find the list of events and other information on the [HSC Office of Diversity, Equity & Inclusion](#) website.

New Hospital Tower: Thanks to the terrific UNMH team, we continue on schedule for October 2024. I wanted to share my enthusiasm that on Feb. 15 the State Board of Finance gave final approval to the vertical expansion of the New Hospital Tower at UNM Hospital. Thanks for all your support. I know that others will provide more details on this today, but having two additional floors added to our initial plan will be so helpful in the future.

New Mexico Legislature 2022 Session: The New Mexico Legislature wrapped up its 30-day session on Thursday, February 17th. We are pleased that state policymakers supported a number of initiatives that will help us here at the Health Sciences Center (including the Health System and Health Sciences), although we should bear in mind that the governor still has until March 9th to sign or veto bills. The highlights include increased state contributions for compensation and retirement, \$40 million for the Children's Psychiatric Center replacement, \$10 million for two years of funding for a School of Public Health (including funds to support planning for a building in the future), \$7.5 million in "new

money” for HSC Research and Public Service Projects, restoration of the Tobacco Settlement Program Fund allocations to FY21 levels, and \$2.5 million to complete the College of Nursing-College of Population Health building. Additional statewide initiatives include funding for hospital COVID-19 labor costs, increasing nursing faculty and program enrollment, a one-time \$1,000 tax credit for full-time RNs and LPNs working at hospitals, and improving access to behavioral health services.

I want to especially thank Stevie Olson, associate director in UNM Government Relations for the Health Sciences Center for his skill and dedication throughout the session, as well as the rest of the terrific GR team, including Nathan Bush, Bridgette Noonan, Vanessa Garcia and Joe Thompson. We are already beginning to plan for next year, and in April will be sharing our plans and also opportunities for faculty, staff and students to be more involved in these processes, if they are interested. There is so much information to share with our great legislative and executive branch elected and appointed leaders.

UNM 2040: *UNM 2040: Opportunity Defined*, is [a long-range strategic planning process to guide the future of The University of New Mexico, including Health Sciences and the Health System](#). I want to thank all of you who provided input into this process through the steering committee, workgroups, focus groups, online survey and the new online IdeaScale crowdsourcing opportunity online. Five key goals were identified as part of the UNM 2040 process. They are: (1) **Advance New Mexico**; (2) **Student Experience and Educational Innovation**; (3) **Inclusive Excellence**; (4) **Sustainability**; and (5) **One University**. With UNM 2040 nearing completion, the HSC Leadership Group is discussing starting a strategic planning process in April/May for the Health System and Health Sciences that builds on the UNM 2040 plan and our other existing strategic plans to provide an integrated and refreshed plan. More will be shared at future meetings, including opportunities for how to become involved and how we will reach out to you for input.

Pre-Health Certificate Program: We have many initiatives to increase the pipeline of health care workers for UNM and across the state. The UNM Faculty Senate has approved the Pre-Health Scholars Program developed by Dr. Laura Burton, associate director of the UNM Health Sciences Rio Rancho campus. The 15-credit hour program targets undergraduates and post-baccalaureates who are planning to apply to professional health programs. The courses in this certificate program will include: Meanings and Culture in Health and Illness; Integrating Psychology and Medicine; Critical Thinking, Learning and Problem-Solving for Health Professions; Communication in Action for Health Professions and Pre-Health Observational Learning. The proposal next goes to the UNM Board of Regents Student Success, Teaching and Research Committee. If approved, the program will launch this fall.

Child Care Workgroup: I wanted to assure you that our UNM Health Sciences and Health System leaders are very aware of the importance of child care support for faculty, staff and students. The primary services have been with the UNM Child Care Center; however, we realize the need to provide additional services beyond this terrific service, including extended hours, availability in inclement weather, etc. I’ve asked Chief of Staff Gina Urias-Sandoval to lead a new workgroup that is focused on finding an outside agency to help us

address the child care needs. This workgroup has reviewed prior plans and needs assessments, engaged the UNM Child Care Center for their input, and has been meeting with Health System and Health Sciences CEOs, deans, vice presidents, School of Medicine chairs and other faculty, staff and student leaders. We are finalizing a request for proposals that will help us secure an outside vendor to help us better address the unmet needs. If you have interest in joining the workgroup or providing information, [please contact Gina](#). We plan to discuss this issue at upcoming town hall meetings.

Updates on Leadership Role Hires and Transitions:

School of Medicine Dean Search: Four finalists for the School of Medicine deanship were interviewed on campus, including many forums for faculty, staff, students and community leaders. We received extensive feedback from those who met the candidates, as well as input from the School of Medicine faculty broadly. I have begun negotiating with the lead candidate and will have more information in the near future. Thanks to the search advisory committee for their great work. Thanks to **Dr. Mike Richards** for his great leadership as interim dean in addition to his service as Senior Vice President for Clinical Affairs.

Comprehensive Cancer Center Leadership Search: We have engaged a national search firm as we begin the process of hiring a new director and CEO for the UNM Comprehensive Cancer Center. **Dr. Mark Unruh**, chair of the Department of Internal Medicine, is chairing the committee that will begin the process in March.

Ava Lovell, HSC's Senior Executive Officer for Finance & Administration, has announced that she will retire from UNM at the end of this calendar year. Ava will stay in her role as Senior Executive Officer through June 2022, and then transition to serving as a Special Assistant to the Executive Vice President during July through December 2022. I am very grateful for all the amazing contributions, leadership and teamwork that Ava has provided for HSC and for the support she has provided me in my first year at UNM. During the next few months, we will be doing an initial internal search process to identify the transition leadership for July 1st. In addition, we are in the process of identifying a search firm that will help us with a national search for Ava's replacement. Ava has been at UNM since 1994, and I invite you to join in celebration of her terrific career and congratulate her. I appreciate that Ava will be providing outstanding advice for me in navigating the transitioning of her many and wide-ranging responsibilities while continuing to provide the exceptional level of services that she and her teams are known for. We will also be working closely with the outstanding team that Ava has cultivated and mentored to ensure a smooth transition for our financial and administrative operations. Thanks, Ava!

Conclusion – As always, thank you all for your leadership, service and support. I look forward to our next meeting and appreciate your feedback and questions.

Best wishes,

Douglas Ziedonis, MD, MPH
EVP of UNM Health Sciences
CEO of the UNM Health System

January 2022 HS Report for BoT.1 Dr Richards

MEMORANDUM

To: UNMH Board of Trustees

From: Mike Richards, MD
Senior Vice Chancellor Clinical Affairs, UNM Health System

Date: Feb 25, 2022

Subject: Monthly Health System Activity Update

This report represents unaudited year to date January 2022 activity and is compared to unaudited year to date January 2021 activity.

Activity Levels: Health System clinical activity remains exceptionally high, particularly in adult inpatient activity. In comparison to prior year, key clinical measures include:

- Total inpatient days are up 13%
 - UNM adult inpatient days are up 15%
 - SRMC adult inpatient days are up 15%
- Total discharges are up 8%
 - UNM adult discharges are up 6%
 - SRMC adult discharges are up 8%
- Adult length of stay (without obstetrics) is up 9%
- Case Mix Index (CMI) is down 5%
- Total outpatient activity is up 1%
 - Primary care clinic visits are flat
 - Specialty and other clinic visits are up 7%
 - Emergency visits are down 26% over prior year
- Surgical volume is up 8%
- Births are up 8%
- UNM Medical Group RVUs are up 13%

Finances: Health System had total year-to-date operating revenue of \$987 million, representing a 5% increase over prior year. Total non-operating revenue was \$101 million, representing a 22% decrease over prior year. This reduction was primarily driven by overall reduction in CARES Act Funding recognized same time period last year. Total operating expenses were \$1,080 million, representing an 8% increase over prior year. Health System margin was \$8 million as compared to \$72.1 million prior year, driven by decrease in CARES Act funding and increased labor costs above increased operating revenue.

The balance sheet is stable with a current ratio of 2.29 as compared to 2.38 prior year. The cash and cash equivalents for UNM Health System is \$548.5 million as compared to \$606.9 million prior year. Net patient receivables are up 11% and total assets are up 2%. Total liabilities are up 4% over prior year. Total net position is up 1% over prior year.

CEO Board Report Feb 2022

MEMORANDUM

To: Board of Trustees

From: Kate Becker
Chief Executive Officer

Date: February 25, 2022

Subject: UNMH Monthly Activity Update

The Hospital has been involved in a variety of activities and this report will focus on operations through January 2021.

Finance: Inpatient adult volume is better than budget by 18% for the fiscal year to date. Inpatient pediatric volume is better than budget by 7% for the year. Observation days are below budget by 23% year to date. Total inpatient discharges are 1.3% higher than budget year to date. Case mix index is lower than prior year by 4% at 2.11 year to date and average length of stay is at 7.5 days, equivalent to prior year to date. Outpatient clinic visits are 2% greater than budget for the year. Emergency department arrivals are below year to date budget by 11%. Behavioral health patient days are under budget by 8.8% and behavioral health clinic visits are under budget by 11.7% year to date. Net margin year to date is negative at -\$14.8 million with zero set aside for capital investment. Net patient revenues are positive compared to year to date budget and prior year. Operating expenses are over budget by \$94 million, primarily in employee compensation and benefits. Non-operating revenues are over budget by \$11.6 million, including \$4.4 million in Phase IV CARES Act funding received in December.

Native American Liaison: Total Native American inpatient days for January 2022 was 3,121 days with a 5.72 average length of stay (this is down from previous period). Total specialty outpatient encounters for January 2022 was 3,075—the highest monthly number since July 2021. Native American Health Services has reached out to the newly appointed All Pueblo Council of Governor’s to initiate scheduling of the Annual Spring Meeting. A video focused on UNMH’s rich history is being produced in collaboration with HIS, and the selected production company is Native-owned. The next IHS quarterly meeting is scheduled on March 1, 2022 and members of the BOT Native American Services committee have been invited.

Bernalillo County: UNMH Management met with the Bernalillo County Commission and Leadership on February 15 to review the current budget assumptions for the FY 23 hospital budget. We also reviewed the status of the Behavioral Health Crisis Triage Center which is progressing and nearing completion of design development documents. The Mill Levy plan for the 2024 Mill Levy and calendar of events for approval dates was also discussed. UNMH Management will follow up with the County over the next couple of months to begin more detailed planning related to the Mill Levy.

CMO BOT Update February 2022_v1

Date: February 25, 2022
To: UNMH Board of Trustees
From: Irene Agostini, MD
UNMH Chief Medical Officer

Organizational Structure Changes

As you know, we've been working for several years to better align medical staff leadership and hospital administrative leadership. This includes the development of the dyad structure. With the recent retirement of Kori Beech and the change with the Ambulatory Chief Medical Officer role, Patti Kelley, CNO, and I will be working closely together supervising all of inpatient, outpatient and advanced practice providers to create a seamless transition for our patients. UNMH's three-year strategic plan has a large focus on the outpatient setting, which includes preventing hospitalizations and readmissions. Having the CMO and the CNO work collaboratively over all these areas will help us to be successful with our strategic plan.

In addition, to properly focus on certain patient populations, we have created an Executive Medical Director (EMD) for Adult Behavioral Health (position posted) and an Executive Medical Director for Women's Services, Dr. Lisa Hofler.

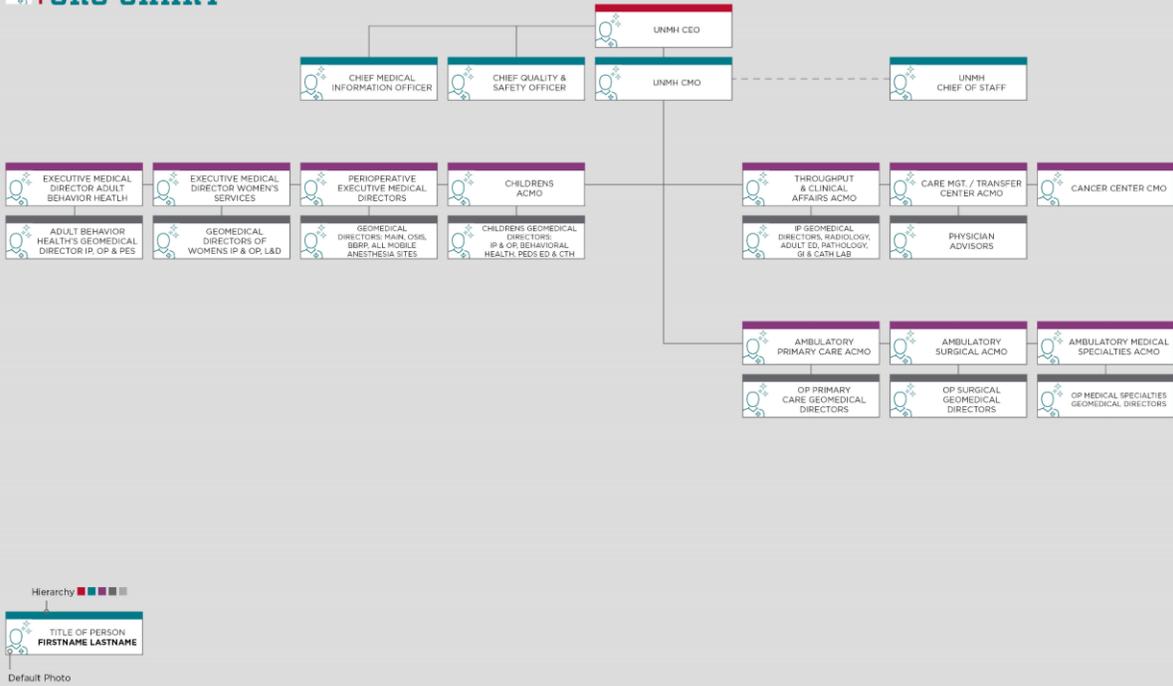
The Executive Director for Adult Behavioral Health will focus on both inpatient and outpatient aspects of adult behavioral health services. This position will report directly to me as the CMO. In addition, the Executive Medical Director for Women's Services will work closely with the pediatric ACMO, Dr. Anna Duran, since we now have a Women & Children's ACNO, Maribeth Thornton. This creates an ability to focus on women and children's both inpatient and ambulatory.

Below is the CMO organizational chart for UNMH. The colors designate reporting structure so all the boxes in purple report directly to me as the CMO. All the geographic medical directors in the organization (more than 80) then report to the Executive Medical Directors (EMD) and Associate Chief Medical Officers (ACMO). The EMDs and ACMOs align with the nursing structure. The ACMOs and EMDs are dyads with the ACNOs and Executive Directors. The geographic medical directors align with the nursing unit directors. This alignment is consistent across inpatient and ambulatory. An example of how these teams are aligned is when hiring new positions, both on the nursing and physician side, we have a combination of physician and nursing presence on the interview and hiring committees.

The first organizational chart below highlights my direct reports as well as the reporting structure of the geographic medical directors. The second organizational chart highlights the nursing/physician dyad structure.

THE UNIVERSITY OF NEW MEXICO HOSPITAL

CHIEF MEDICAL OFFICER (CMO) ORG CHART



THE UNIVERSITY OF NEW MEXICO HOSPITAL

CHIEF MEDICAL OFFICER (CMO) ORG CHART

