



**Regular Meeting of the Board of Directors
Minutes
July 01, 2020
7:30am – 8:30am**

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

MEMBERS ABSENT: Robert DeFelice, M.P.H.
Karen Hawley, M.D.

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

OFFICERS ABSENT:

OTHERS PRESENT: Andy Baatz
Cory McDowell
Diana Heider
Erica Richards
Dina Ortiz
Erika Condrey
Kathleen Cahill
John-Paul Montoya
Dr. Arthur Culpepper

GUESTS:

I.	Called To Order and Confirmation of Quorum	Action
	Chairman Dr. Michael Richards called the meeting to order and a quorum was established at 7:32am.	
II.	Opening Comments	Action
	<p>Dr. Michael Richards welcomed Dr. Martha McGrew as the interim Dean of Medicine. We will be advancing a recommendation to the Regents as Medical Group Board Chair, which requires Regents approval.</p> <p>Dr. Martha McGrew is honored to be named the Chair of the UNMMG Board of Directors and as the interim Dean of Medicine. Dr. McGrew announced effective today Ophthalmology becomes an official Department.</p> <p>Dr. Michael Richards recognized we have an international COVID crisis and has made the work that we do exceedingly demanding. We are still in the first wave and appears we are experiencing a second peak, which requires significant demands. Now more than ever we need to think about wellness and resiliency for ourselves and everyone around us.</p>	
III.	Public Comment	Action
	There is no public comment	
IV.	Financials	Action
	<p>Marjorie Goldstein presented. Ms. Goldstein recognized the Finance Team for all of their hard work during this COVID pandemic.</p> <p>End of April 2020 RVUs are 6% below budget. We continue to see deterioration the last few months. Collections are running 4% below budget.</p> <p>Distributions to School of Medicine (SOM): 81.7% of revenues (vs budget of 80.5%) Clinic losses of \$3.1 million (improved from April!): Truman loss of \$1.7 million is \$186k worse than budget Overall \$100k better than budget</p> <p>UNMMG management company costs: \$24.0 million (compared to budget of \$25.7 million) YTD loss of \$6.7 million results from distribution of Dean's discretionary reserves (using balances generated in FY 2019).</p> <p>Cash collections had a very significant drop in May but should increase in the month of June.</p> <p>Balance sheet continues to be very strong. This is related to the Medicaid UPL.</p>	<p>Dr. Michael Richards requested a motion to approve the May 6, 2020 and the June 3, 2020 Finance Committee minutes. Motion made by Dr. Robert Schenck and Chris Pacheco 2nd motion. Motion carried.</p>
V.	FY21 Budget	
	<p>Marjorie Goldstein presented. Significant changes to assumptions from original budget: 3% reduction in Medicaid FFS: \$1.6 million Medicaid managed care UPL: Updated projections based on data provided by HSD Retain UPL for UNMMG-employed providers (estimate of \$500K):</p>	<p>Dr. Michael Richards requested a motion to approve the Financial Highlights. Motion made by</p>

	<p style="text-align: center;">By keeping these monies, it will primarily benefit School Based Health Centers and Truman Assumes remaining funds are distributed to SOM as “mission support”</p> <p>UPL Projections have changed from \$39.5M in FY20, we are now looking at \$53.2M as we catch up with all of the accounting for the revised numbers. FY21 looking at \$44M, \$32M for mission support and \$500K for Medical Group Employed Providers. This is 35% better than expected.</p> <p>Salaries and benefits: Eliminated 2% COLA (approx. \$700k) Assuming Mercer comp recommendations implemented effective Oct 1: Total estimated cost \$840k Portion absorbed by UNMMG (not a pass thru) \$510k Deferred mgmt. company hires by two months from planned hire date</p> <p>Other costs: Added consulting costs deferred in FY20: \$350k Eliminated travel cost in first half of FY21: \$125k</p>	<p>Dr. Robert Schenck & 2nd by Dr. Gary Mlady. Motion carried.</p> <p>Dr. Michael Richards requested a motion to approve the minutes of the April 15, 2020 Operations Committee meeting. Dr. Gary Mlady made the motion and Dr. Eve Espey 2nd motion. Motion carried.</p> <p>Dr. Michael Richards requested a motion to approve the minutes of the May 28, 2020 meeting. Dr. Jennifer Phillips requested a change to the minutes noting Dr. Rakel’s first name changed from John to David. Dr. Robert Schenck made the motion and Dr. Steve McLaughlin 2nd the motion with the correction. Motion carried.</p> <p>Dr. Michael Richards requested a motion to accept the Financial Report through May 2020. Motion made by</p>
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		<p>Dr. Robert Schenck and 2nd by Dr. David Rakel. Motion carried.</p> <p>Dr. Michael Richards requested a motion to accept the Re-Budget for FY21. Motion made by Dr. Eve Espey and 2nd by Chris Pacheco. Motion carried.</p>						
VI.	Center for Life – New Building Lease							
	<p>Jill Klar presented. Ms. Klar recognized Dr. Martha McGrew and welcomed her to her new role. Dr. Michael Richards was also recognized and thanked him for his leadership with the MG Board and looked forward to supporting him in his new role.</p> <p>New Center for Life Clinic will be safer for patients and employees and located at 6500 Jefferson Street NE. Details are as follows:</p> <ul style="list-style-type: none"> • The building size is 6,036 square feet, and its’ use is defined as Medical Office space. • 12 exam rooms, activity room, meditation room, small classroom, triage, lab, employee break room, office space • Rate per square foot is \$18.50 (List RSF \$20.50) • The lease term is 10 years • Lease Commencement: November 1, 2020 (2 month’s rent abatement) • Rent Commencement: January 1, 2021 • Tenant will have a one-time option to terminate this lease at the end of the 60th full month of rent paid • Lease Renewal Options: 2 options at 5 years each; 1) 2% above existing Annual Rent, 2) 95% of the prevailing fair market rental for similar class medical office space • Tenant Improvements: Identified by Tenant and estimated by Landlord to be \$48.00/RSF (\$289,728). Landlord and Tenant must agree on competitive bid/contractor. Test fit based on our needs has been approved by Tenant. Landlord assumes 100% responsibility for ensuring all improvements meet Tenant’s medical certification and regulation requirements. • Building will be ADA compliant as of Commencement date • Tenant has right to assign and sublet to subsidiaries or affiliates • Parking: 5:1,000 parking ratio with surface and parking structure • The location of the property is highly desirable with easy access • Lease cost is: <table border="1" data-bbox="293 1745 1023 1856"> <tr> <td>Year 1</td> <td>\$111,666.00</td> </tr> <tr> <td>Year 10</td> <td>\$139,404.28</td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td>\$1,232,378.47</td> </tr> </table>	Year 1	\$111,666.00	Year 10	\$139,404.28	TOTAL	\$1,232,378.47	<p>Dr. Michael Richards requested a motion to approve the lease for Center for Life. Dr. Robert Schenck made the motion and Dr. Martha McGrew 2nd the motion. Motion carried.</p>
Year 1	\$111,666.00							
Year 10	\$139,404.28							
TOTAL	\$1,232,378.47							

	VII. Meeting Adjourned	Action
	There being no further business, Chairman Dr. Michael Richards requested a motion to adjourn the Regular Session of the Board of Directors at 8:29am.	Dr. Martha McGrew made the motion to adjourn and Dr. Robert Schenck 2 nd motion. Motion carried.



Dr. Donna Sigl, Secretary



Dina Ortiz, Scribe