

**MINUTES OF THE BOARD OF MANAGERS
OF
UMC HEALTH SYSTEM**

MONDAY, JULY 24, 2023

Mr. Gary Greenstreet, Chairman, called the Board of Managers of University Medical Center to order at 9:09 a.m. on Monday, July 24, 2023. The meeting was held in the board room at University Medical Center, 602 Indiana Avenue, Lubbock, TX.

The Chair confirmed that Helen Morrow from the public registered to comment.

Mr. Greenstreet welcomed the Board Members and guests and thanked them for attending. The following members and guests were present:

BOARD MEMBERS PRESENT

Gary Greenstreet
Curtis Griffith
Mont McClendon

Jason Medina
Laura Vinson

Jolyn Wilkins
Gladys Whitten, D.M.D.

MEMBERS ABSENT

John DeToledo, M.D.

OTHERS PRESENT

Courtney Armstrong
Teresa Barron
Tina Belcher
Scott Bradley
Jeff Dane
Aaron Davis
Dean Diersing (virtual)
Kristi Duske
Bill Eubanks

Mark Funderburk
Bobbye Hrcirik (virtual)
Brent King
John Lowe
Helen Morrow (Guest)
Brian Payne, M.D.
Britt Pharris
Mike Ragain, M.D.
Brent Redford

Greg Roberts (virtual)
Jodene Satterwhite (virtual)
Nick Skeen
Chris Smith (virtual)
Terrell Thrasher (virtual)
Amanda Tijerina
Kala Waits
Phillip Waldmann
Tammy Williams

INVOCATION

Mr. Mark Funderburk voiced the invocation.

QUORUM

With seven voting members present, a quorum was established.

OPEN SESSION

The Board of Managers entered Open Session at 9:10 a.m.

Ms. Helen Morrow, PhD, Licensed Clinical Social Worker, and member of the South Plains Association of Social Workers, presented information to the Board asking that funds from the American Rescue Program Act be used to increase the budget of the Lubbock County Medical Indigent Program. This would allow recipients of the program to earn up to 250% of the poverty level instead of the current 200%.

Chairman Greenstreet thanked Ms. Morrow for the information presented.

CHIEF FINANCIAL OFFICER'S REPORT

Mr. Jeff Dane, Executive Vice President, Administrator and Chief Financial Officer, reviewed the June 2023 financial statements. It was the staff's recommendation to approve as presented.

Following discussion and opportunity for all present to ask questions, the Chairman called for a motion.

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ACTION: Mr. McClendon moved to accept the June financial statements as presented. The motion was seconded by Ms. Wilkins and approved unanimously.

EXECUTIVE SESSION

The Board of Managers went into a Closed Meeting under Government Code Sections 551.071, 551.072, 551.073, 551.074, 551.076 and 551.085 at 9:30 a.m. to consult with attorney concerning pending or contemplated litigation, settlement offers, and confidential legal matters; to deliberate the purchase, exchange, lease or value of real property, deliberate personnel matters; to deliberate financial planning information relating to negotiation for provision of services or product lines; to deliberate proposed new services or product lines and to review Professional Staff credentials (Health and Safety Code Section 161.031 et seq.).

RECESS: Without objection, the Board agreed to recess at 11:36 a.m. to take a brief break before entering Open Session.

OPEN SESSION

The Board of Managers entered Open Session at 11:56 a.m.

APPROVAL OF THE CONSENT AGENDA ITEMS

The following were presented for approval.

- A. Board of Managers Meeting Minutes – June 26, 2023
- B. Performance Improvement Oversight Committee Meeting Minutes – June 26, 2023
- C. Professional Staff Report - The Board was provided a report of recommendations from the Executive Committee Meeting held on July 10, 2023, including Applicants to Staff, Ad Hoc Applicants to Staff, Temporary Privileges, Resignations, Active Reappointments, and Referring Reappointments.
- D. Contract Management Report
The Board was provided a report of UMC's contract management system report. The data is completed for the Det Norske Veritas (DNV) survey and is for information purposes.
- E. UMC Health & Wellness Hospital – Medical Equipment
The Board was provided information on the UMC Health & Wellness Hospital, Medical Equipment needed to supply the UMC Health & Wellness Hospital. Staff recommends the purchase from Medline, Steris, Canon, GE and Philips, for a total cost of \$1,120,813. This will be paid for out of the 2023 budgeted funds.

Chairman Greenstreet called for a motion to approve the Consent Agenda items. At this time, Mr. Greenstreet gave members an opportunity to ask questions or voice objections. With no objections, Mr. Greenstreet asked for a motion for the Consent Agenda items.

ACTION: Mr. McClendon moved to approve the Consent Agenda Items as presented. The motion was seconded by Ms. Vinson and approved unanimously.

UMC FOUNDATION ANNUAL REPORT

Mr. Britt Pharris, Chief Philanthropy Officer, introduced Mr. Brent Redford from Robinson Burdette Martin and Seright, L.L.P. Mr. Redford presented the 2022 UMC Foundation financial audit. The financial statements that were audited included statements of the financial position as of December 31, 2022, along with 2021. The related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements were also presented. It was the auditor's opinion that these financial statements were presented fairly, in all material respects, and that the financial position of the Foundation as of December 31, 2022, and 2021. The changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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It was the staff's recommendation to approve the Foundation Annual Financial Audit as presented.

ACTION: Ms. Wilkins moved to approve the UMC Foundation Annual Report as presented. The motion was seconded by Dr. Whitten and approved unanimously.

PRESIDENT'S REPORT

Mr. Mark Funderburk, President and Chief Executive Officer, reviewed the UMC Strategic Scorecard.

Mr. Funderburk was pleased to announce, UMC Emergency Medical Services earned the American Heart Association's Mission Lifeline Gold Achievement Award for the fifth year in a row.

Mr. Funderburk mentioned that the new Zero Eyes program, being integrated into UMC's digital security cameras around the hospital, will provide an additional level of security for UMC's employees.

Mr. Funderburk discussed new employee recruiting and incentives for UMC Health & Wellness Hospital.

Mr. Funderburk was hopeful about bringing the Sports Medicine Program back to UMC.

Mr. Funderburk was happy to report that the Second Wellness Program is being offered to Lubbock Independent School District Employees.

Mr. Funderburk mentioned the future expansion of adding twenty-six new beds to South Plains Rehabilitation Hospital.

Mr. Funderburk also complemented Tammy Williams for the excellent work on the Nursing Report.

After discussion and opportunity for all present to be heard, the Chairman called for a motion.

ACTION: Dr. Whitten moved to accept the President's report as presented. The motion was seconded by Ms. Wilkins and approved unanimously.

TTUHSC REPORT

This report was deferred.

SERP AMENDMENT

Ms. Kristi Duske, Senior Vice President and Chief Legal Officer, presented the Supplemental Retirement Plan (SERP) Amendment and Resolution as provided in the Board of Managers' packet. The adjustment was an increase for SERP Participants B and C.

After discussion and opportunity for all present to be heard, the Chairman called for a motion.

ACTION: Ms. Wilkins moved to accept the Supplemental Retirement Plan Amendment as presented. The motion was seconded by Dr. Whitten and approved unanimously.

CEO EMPLOYMENT AGREEMENT-RENEWAL

Ms. Kristi Duske, Senior Vice President and Chief Legal Officer, presented the CEO Employment Agreement-Renewal to the Board. This agreement includes renewal through December 31, 2025, an employer contribution to the 403 (b) tied to the annual maximum IRC 415 limit, and a market adjustment.

After discussion and opportunity for all present to be heard, the Chairman called for a motion.

ACTION: Ms. Wilkins moved to accept the CEO Employment Agreement-Renewal as presented. The motion was seconded by Ms. Vinson and approved unanimously.

BID PROPOSALS AND SERVICE AGREEMENTS

The Board considered all of the following bid proposals and service agreements.

A. UMC Health & Wellness Hospital Second and Third Floor Millwork Proposal

Mr. Nick Skeen, Executive Vice President for Service Line Development and Chief Operating Officer, presented the UMC Health & Wellness Hospital, Second and Third Floor GMP Proposal to the Board. Mr. Skeen explained that this request is to award the millwork bid package for the second and third floor clinic spaces at the UMC Health & Wellness Hospital.

Staff recommends the purchase from the lowest compliant vendors, Pioneer and Hunter, for a total cost of \$766,815. This will be paid for out of the 2023 budgeted funds.

B. UMC Health & Wellness Hospital Urgent Care Package

Mr. Nick Skeen, Executive Vice President for Service Line Development and Chief Operating Officer, presented the UMC Health & Wellness Hospital Urgent Care Package to the Board. Mr. Skeen explained that this request is to award the bid package at the Urgent Care Center for the UMC Health & Wellness Hospital.

Staff recommends the purchase from the lowest compliant vendor, Lee Lewis, for a total cost of \$4,708,461. This will be paid out of the 2023 budgeted funds.

C. Cancer Center CMAR Proposal

Mr. Nick Skeen, Executive Vice President for Service Line Development and Chief Operating Officer, presented the Cancer Center CMAR Proposal to the Board. Mr. Skeen explained that this request is to award the CMAR bid package for the Cancer Center construction project.

Staff recommends the purchase from the lowest compliant vendors, Lee Lewis and Whiting-Turnier, for a total cost of \$4,404,339. This will be paid for out of the 2023 budgeted funds.

At this time, Mr. Greenstreet gave members an opportunity to ask questions or voice objections. With no objections, Mr. Greenstreet asked for a motion.

ACTION: Dr. Whitten moved to accept staff's recommendation as presented. The motion was seconded by Ms. Vinson and approved unanimously.

AGREEMENTS, PROPOSALS AND DISCUSSION ITEMS

A. 2024 UMC Health Plan

Mr. Brent King, Senior Vice President and Chief Business Development Officer, presented the 2024 UMC Health Plan to the Board. Mr. King explained that the 2024 proposed changes are to increase the lower premium level that has been locked for employees making eighteen dollars per hour or less, by three percent. All other employee's premiums will increase by six percent. As in years past, we are mirroring the federal limits on out-of-pocket maximums. We are also increasing radiology services to \$300 per day, as well as outpatient surgery to \$500. The inpatient copay will move to \$600, with a \$3,000 max, and the ER copay will increase to \$600.

B. South Plains Bed Expansion

Mr. John Lowe, Vice President of Support Services, presented the South Plains Bed Expansion with Encompass Health to the Board. Mr. Lowe explained that the addition of twenty-six beds to the existing sixty-six bed facility at South Plains Rehabilitation Hospital will allow more patients to be admitted to the facility. The year-to-date average daily census is 64.7. The additional beds will help patient flow within UMC hospital and increase the post-acute options for UMC patients. The project is estimated to begin in the third quarter of 2023 and complete in the fourth quarter of 2024. The current estimated cost of the expansion construction is \$16.5 million. UMC and Encompass Health will each contribute fifty percent of the cost. UMC's contribution would be \$8.2 million.

C. Community Health Needs Assessment

Mr. Jeff Dane, Executive Vice President, Administrator and Chief Financial Officer, presented the

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Community Health Needs Assessment to the Board. Mr. Dane explained that the purpose of the document is to identify health needs and issues that exist in the immediate service area served by the System. Mr. Dane also presented the Strategy to Address Identified Needs, which documents the efforts the System is taking to address the prioritized needs identified in the Needs Assessment. These documents are required by Internal Revenue Code Section 501(r).

At this time, Mr. Greenstreet gave members an opportunity to ask questions or voice objections. With no objections, Mr. Greenstreet asked for a motion.

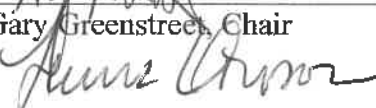
ACTION: Ms. Wilkins moved to accept staff's recommendation as presented. The motion was seconded by Mr. Griffith and approved unanimously.

With no further business to come before the Board, the Chair adjourned the meeting at 12:17 p.m.

APPROVED:

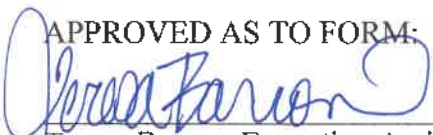


Gary Greenstreet, Chair



Laura Vinson, Secretary

APPROVED AS TO FORM:



Teresa Barron, Executive Assistant
Bid Proposals and Agreements



Tina Belcher, Executive Assistant