REGULAR BI-MONTHLY MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Tuesday, April 19, 2016
2:00 p.m.
Cypress Room
First Floor, University Hospital
4502 Medical Drive
San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Ira Smith, Vice Chair
Dianna M. Burns, M.D., Secretary
Roberto L. Jimenez, M.D., Immediate Past Chair
Robert Engberg
James C. Hasslocher

BOARD MEMBERS ABSENT:

Janie Barrera

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Felix Alvarez, Executive Director, Procurement Services, University Health System
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Ted Day, Senior Vice President/Strategic Planning and Business Development, University Health System
Roe Garrett, Vice President/Controller, University Health System
Sergio Farrell, Senior Vice President/Ambulatory Services, University Health System-Robert B. Green Campus
Don Finley, Director, External Communications/Corporate Communications, University Health System
Brian Gibson, Executive Director, Ambulatory Services, University Health System
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health System
Monika Kapur, M.D., President/Chief Executive Officer, Community Medicine Associates
Bhoja Katipally, M.D., M.P.H., FAAFP, Family Medicine, Community Medicine Associates-Robert G. Green Campus
Amit Mehta, P.T., D.P.T., M.B.A., Executive Director, Ambulatory Rehabilitation Services, University Health System - Robert B. Green Campus
Kristen Plastino, M.D., President/Medical-Dental Staff, University Health System; and Associate Professor, Department of Ob/Gyn, UTHSCSA
CALL TO ORDER AND RECORD OF ATTENDANCE: JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 2:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Norma Garza of Holy Trinity Catholic Church for the invocation, and he led the pledge of allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): TUESDAY, MARCH 22, 2016

SUMMARY: The minutes of the regular bi-monthly meeting of Tuesday, March 22, 2016 were submitted for approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

ACTION: A MOTION to approve the minutes was made by Mr. Engberg, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None

ACTION:

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS RELATED TO THE CAPITAL IMPROVEMENT PROJECT:

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE AN AMENDMENT TO THE DESIGN SERVICES CONTRACT WITH O'CONNELL ROBERTSON FOR THE PEDIATRIC CARDIAC CARE UNIT RENOVATIONS AT UNIVERSITY HOSPITAL 9TH FLOOR, HORIZON TOWER—MARK WEBB

SUMMARY: This is an amendment request for the contract with O'Connell Robertson for design services required for replacement of the HVAC system and increased scope to meet TDSHS requirements, which includes design services to remove and replace existing HVAC system inclusive of air handling units, variable air volume boxes, and controls; and design modifications for additional work required to upgrade the computer room and related utilities in the amount of $448,080. Additional funds are required. From a clinical perspective, renovation of the floors will offer an enhanced and updated look matching the current standards for the health system provided through the Sky Tower project. Capital funds were previously allocated to support the renovation of the Pediatric Cardiac Care Unit on the 9th Floor of the Horizon Tower at University Hospital. Existing funds will be used for this amendment. The original
contract amount with O’Connell Robertson for design services is $109,000, the amount requested with this item is $448,080 and the total revised contract amount is $557,080. Mr. Webb provided a table within his written report indicating the status of each of the various construction and renovation projects at University Hospital and requested funding amounts. O’Connell Robertson is an Austin-based company with an office in San Antonio.

RECOMMENDATION: Staff recommends the Board of Managers’ approval to execute a contract amendment with previously selected O’Connell Robertson in the amount of $448,080.

ACTION: A MOTION to accept staff’s recommendation was submitted was made by Mr. Hasslocher, SECONDED by Dr. Jimenez, and PASSED UNANIMOUSLY.

EVALUATION: In addition to TDHS requirements, staff has encountered unforeseen issues in the Horizon Tower, such as mold, which has been encapsulated in such a way that it is not hazardous, and fortunately, asbestos, has not been located. Mr. Hernandez and staff are now taking a hard look at the other floors to determine the level of renovations required based on what is known thus far. Right now staff does not have a contingency plan in place, and pediatric patients are safely housed on the seventh floor of the Sky Tower, where they will be accommodated as needed. Staff is going to make some value judgements regarding the remaining renovations in the Horizon Tower and bring a recommendation to the Board, since this particular project is almost complete. From a construction standpoint, Mr. Hasslocher reiterated significant costs associated with starting and stopping a project and urged the staff to take that into consideration as well.

FOLLOW-UP: Mr. Adams and other Board members expressed concern and asked Mr. Hernandez to arrange a briefing that includes Mr. Adams, Dr. Burns and Mr. Smith to discuss alternatives and bring some clarity to what the staff is doing in light of the Board’s commitment to the pediatrics service line, and before additional funds are approved.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE REDUCTION OF GUARANTEED MAXIMUM PRICE (GMP) WITH ZACHRY VAUGHN LAYTON FOR THE WEST PARKING GARAGE/SITE DEVELOPMENT/NORTH PARKING GARAGE REVISIONS, ADMINISTRATIVE ALLOWANCES, AND NEW TOWER PROJECTS AT UNIVERSITY HOSPITAL (GMP#S 3, 4, & 13)—MARK WEBB

SUMMARY: There were eleven (11) guaranteed maximum prices (GMPs) developed for the West Parking Garage/Site Development/North Parking Garage Revisions Project (GMP 3), four (4) guaranteed maximum prices (GMPs) developed for Administrative Allowances (GMP 4) and thirty-one (31) guaranteed maximum prices (GMPs) developed for the Sky Tower. A combined credit for GMP 3k ($11,658), GMP 4d ($903,665), and GMP 13ee ($859,896) in the amount of $1,775,219 will be returned to the Health System and allow funding of other needed projects in order to maintain the goals of Triple Aim Plus to improve patient care experience, quality and outcomes, efficiency, and access by continuing the implementation of the long range Master Facility Plan. The participation goal for SMWVBE was 40% and the local participation
goal was 80%. The SMWVBE participation of awarded construction projects was 38% and local participation was 74%. This does not include the dollars associated with the Construction Manager’s Fee or other project administrative costs including this GMP and insurance, bonds, permit fees, etc. Mr. Webb reviewed the SMWVBE numbers achieved for all construction amendments to date with the Board.

RECOMMENDATION: Staff recommends Board of Managers’ approval of an amendment to the existing ZVL Construction Management Agreement in the credit amount of ($1,775,219) for GMPs #8k, 4d and #13ee.

ACTION: A MOTION to accept staff’s recommendation was submitted was made by Mr. Smith, SECONDED by Dr. Burns, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT AMENDMENT WITH HDR ARCHITECTURE FOR DESIGN SERVICES RELATED TO THE REVISED SCOPE FOR THE PEDIATRIC EMERGENCY DEPARTMENT RENOVATION AND SITE DEVELOPMENT AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: This is an amendment request for the contract with HDR for additional design and development of the Pediatric Emergency Department (Pedi ED). The previous intent had been to create the Pedi ED in the old observation unit with limited modifications to accommodate the service. Initial studies determined that this location alone was not suitable for the appropriate program and function of the department. This resulted in the reorientation of the Pedi ED access points and an expanded program to include not only the observation area, but also the adjacent adult infusion area. The adult infusion area has recently moved to renovated facilities on the ground level of the Rio Tower. The additional scope of work for HDR is to provide full architectural/engineering services including information technology, medical equipment, and interior design for the revised scope as follows:

- Complete demolition (as compared to the previously contracted limited demolition) of the project area to enable the design and planning of the Pedi ED;
- Additional space to accommodate the separation of ambulance and walk-in patients while supporting a centralized check-in function;
- Additional space to include pediatric transport services, additional equipment storage and respiratory therapy workroom;
- Revisions to the floor plan to accommodate provisions that will improve the process flow of the department;
- Provision of a separate ambulance entry which resulted in: rework and site development of the current main emergency department parking area to provide separate parking, ambulance access and a walk-in emergency entry identified for the Pedi ED that is visually screened from the existing Emergency Department and ambulance area. The effort includes an ambulance ramp and canopy, entry
canopies, side walk, retaining wall modifications, site graphics, signage; and

- Concept studies for the University Hospital/VA bridge enhancement, Horizon Tower façade enhancement, and south parking garage ramp access.

Capital funds were previously allocated to support the renovation of the Pedi ED. This contract amendment for additional design services is in the amount of $488,798. The revised contract amount is $3,013,986, and incorporates the previously approved contract and amendment in the amount of $2,525,188. Fees for this amendment will be paid from project funds.

**RECOMMENDATION:** Staff recommends Board of Managers' approval of a contract amendment with HDR Architecture, Inc., in the amount of $488,798.

**ACTION:** A **MOTION** to approve staff's recommendation was submitted was made by Mr. Hasslocher, **SECONDED** by Mr. Smith, and **PASSED UNANIMOUSLY**.

**EVALUATION:** Mr. Adams reproached the staff; he does not like this type contract amendment where the work has already been done and the Board has no choice but to approve; it is not appropriate for the Board to be put in this position. The idea of consulting with the physicians while projects are underway is also not the way the staff needs to conduct business. Mr. Adams urged the staff to communicate with end users prior to the start of any project.

**FOLLOW-UP:** As indicated above.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH TEJAS ANESTHESIA, P.A. FOR PROFESSIONAL SERVICES—ALLEN STRICKLAND**

**SUMMARY:** Due to increased pediatric surgical activity, the amount originally estimated to be expended during this three-year contract has been exceeded and additional funds are being requested to fulfill pediatric anesthesia needs and contractual obligations through the term of this agreement. The original contract was approved by the Board of Managers in February, 2014, in the amount of $4,175,000. Estimated surgical case volume for this period was 3,000 cases. However, through February 2016, a total of 4,827 pediatric surgical cases have been performed at University Hospital. As compared to original projections, by the end of the agreement there will be an increase in cost of $3,785,000 over the previously approved amount. This is directly related to the anticipated volume of 4,200 additional pediatric surgical cases over the three year period; an increase of 140 percent. The anesthesia cost per case, however, has dropped from $1,700 per case in 2013 to $1,100 per case for the three year term of this agreement. This is a planned expense and is included in the 2016 operating budget.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval to modify the contract with Tejas Anesthesia, P.A. for the addition of funds in the amount of
$3,785,000 for pediatric anesthesia services through February 28, 2017. The revised contract amount is $4,175,000.

**ACTION:** A MOTION to accept staff’s recommendation was submitted was made by Dr. Burns, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY.

**EVALUATION:** The staff continues to work with UT Anesthesia Department to develop pediatric anesthesia services with the joint goal of limiting the need for outside anesthesia to only the most complex cases such as pediatric hearts and transplants. However, Dr. Burns advised the staff that collaboration would be a better approach to capitalize on existing resources that are available in the community. Mr. Adams agreed in that there are multiple risk-sharing models available and encouraged coordination with both UT Anesthesia and Tejas Anesthesia. Dr. Jimenez asked about the revenue these pediatric cases have generated, to which Mr. Banos replied that the surgical cases alone have generated over $10 million in payments. Board members urged the staff to routinely provide this type of data in their written reports.

**FOLLOW-UP:** As indicated above.

**OPERATIONS AND FINANCIAL REPORT FOR MARCH 2016—REED HURLEY/EDWARD BANOS**

**SUMMARY:** In March clinical activity (as measured by inpatient discharges) was up 5.4% for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was down 0.6% due to lower membership in STAR Medicaid and Health Insurance Exchange (HIE). The bottom line gain (before financing activity) was $1.6 million, $1.2 million better than budget and was due primarily to lower than budgeted depreciation expense below budget by $955,000. Debt Service Revenue was $4.5 million which is equal to the budgeted Debt Service payment of $4.5 million. Mr. Hurley reviewed notable increases and/or decreases from the Consolidated Balance Sheet in detail with the Board. Mr. Banos provided the following operations update:

**Emergency Department**

- First meeting of ER task force with specialists to discuss barriers to workflow for admitted patients, consults, outpatient clinic referrals and admission protocols.

- Started inpatient survey through our television network. Real time responses acted upon by nursing leadership when any question is answered negative. Ability to fix issues in real time.

**Inpatient Discharge Instructions**—Staff has identified several issues with these instructions including multiple handouts provided on day of discharge, confusing and possibly conflicting information, no phone number to call for concerns, instructions provided only in English, and lack of diagnosis on exit hand out. Solutions to these issues include consolidation of most important information, bolding of extremely important information, provided in patient’s preferred language with use of interpreter. Next steps include marketing and education to stop providing existing nursing discharge instruction note, create specifications and edit Physician Discharge Orders and
Nursing Discharge Instruction Note, reviewing, customizing and streamlining use of ExitCare or other educational materials being addressed by Patient Education Committee. Staff anticipates piloting of this project in September 2016.

Service Line Development

- Realigned service line structure leadership with emphasis to add financial, quality and patient satisfaction measures (Oncology, Orthopedics, Heart and Vascular, Neurosciences, Pediatrics, Transplant, Trauma, Medicine, Women’s and Ambulatory clinics).

**RECOMMENDATION:** Staff recommended acceptance of the financial reports subject to audit.

**ACTION:** A MOTION to accept staff’s recommendation was made by Mr. Engberg, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY.

**EVALUATION:** Length of stays (LOS) at University Hospital are averaging 5.7 to 6 days. Staff meets twice a week to discuss patients whose stays are at five days or longer and assess for appropriate transfer to a skilled nursing facility. Another program to help ensure continuity of care and appropriate access to outpatient care will soon be launched, in collaboration with NurseLink and CMA/UT physician practices. This program will assure physicians that a patient can leave the hospital and receive the level of care needed, decrease readmission rates, and also LOS. Mr. Engberg noted that the monthly financial performance report now includes a section dedicated to the Skilled Nursing Facility Program and its performance. Board members appreciate the report that ED improvement efforts continue; however, they also expressed frustration that measurable and substantive advances are not being made. Each of the Board members have discussed the lack of improvement in this area with Mr. Adams this past week, and it is unanimous among them that it imperative change is needed to improve the patient experience. Mr. Hernandez acknowledged that Board members made their expectations crystal clear during this year’s CEO evaluation process. He has discussed the issues with senior staff and several physician leaders; he agrees that we must楔 some of the practices that create inefficiencies and fix them. Mr. Banos is working hard but needs the support of the entire team. Beginning this month staff is able to retrieve certain data for all ten service lines including average LOS, average geometric LOS, actual direct costs, revenue, and patient volume analyzed by DRG and by physician and/or service line. Mr. Banos has shared preliminary reports with physician leaders for their respective service lines, to which Dr. Plastino added that Department Chairs appreciate receiving and that most physicians would like to see the data personalized. She also applauded Mr. Banos’ communication style and presence in the ED and patient care areas, collaboration with the physicians is evident. The daily morning huddles are exciting for the physicians because issues are handled in real-time, and the changes are great to see. Further, she elaborated for Dr. Jimenez that she feels those physicians who have direct patient care responsibilities understand the Health System’s specific mission, and that communication must filter down to them.

**FOLLOW-UP:** Mr. Banos will share the service line data with Dr. Burns who looks forward to knowing about the specific issues that drive LOS.
PRESENTATIONS AND EDUCATION:

INFORMATIONAL DISCUSSION ON BOND REFINANCING — REED HURLEY/GEORGE B. HERNANDEZ, JR.

SUMMARY: Each of the four ad valorem tax supported municipal bonds issued in 2008 for the Health System’s Capital Improvement Program were accomplished in an economic environment of unusually low interest rates by historical standards. The environment of low interest rates has continued for an unprecedented length of time although the Federal Reserve has indicated the U.S economy is strong enough to begin the process of raising short term interest rates. The 2008 Bond issue included an option to call or payoff remaining bonds on February 15, 2018. The current low interest rate environment and the Health System’s higher bond ratings since 2008 presents an opportunity to exercise the call provision (refinance) which can save the health system approximately $33.9 million over the remaining life of that issue or $23.5 million in present value. Mr. Hurley introduced and yielded the floor to Don Gonzalez of Estrada, Hinojosa and Company, Inc., for a presentation regarding the current interest rate environment, an alternate savings review analysis, a refunding savings summary, a market update on municipal bonds, refunding debt schedules, and a discussion on the potential benefits to the Health System. Mr. Gonzalez also reviewed the process necessary to refinance the 2008 bonds, which will require some time sensitive decisions by the Board of Managers. He advised the Board that the most efficient means to establish acceptable guidelines to proceed with refinancing activities, is the adoption of a Parameters Resolution by the Board of Managers.

RECOMMENDATION: Staff recommends Board of Managers support the concept and preparation of a Parameters Resolution for consideration and action at the next Board meeting on Tuesday, April 26, 2016.

ACTION: There were no objections to the staff’s recommendation.

EVALUATION: Discussion ensued regarding the various financing scenarios and time schedules. Mr. Gonzalez recommends hitting the market in early June 2016. He also suggested that it is possible for the Board to delegate authority via the proposed Parameters Resolution to its Audit Committee to efficiently proceed with Board action. The Parameters Resolution could have a six-month to a one-year window to exercise. From a market perspective, he also recommends the Health System move forward in June or after the first half of August when a significant number of Texas schools will come into the market for bond financing within a period of six weeks. Mr. Adams agreed and reiterated that this is not a long term opportunity, the Board must be prepared to provide authorization and take action at the appropriate time as there are significant savings involved in this transaction. He likes the idea of providing more latitude and fewer restrictions, with maximum flexibility. Also, Mr. Adams does not foresee a problem obtaining approval by Commissioners Court since they have some expertise in this area and one commissioner in particular is well informed on such finance matters. Mr. Smith asked about the impact of the upcoming election on bond financing. The closer we get to the election, the less likely that there will
be a move by the Federal Reserve Board to raise interest rates. Bond issuers are thinking that there is more certainty before the election than afterwards. Right now, there are a lot of investors looking for money, there is more demand for bonds than there is supply. Mr. Hernandez clarified that the Health System has a debt service tax, separate from the tax for maintenance and operations, but part of the total tax that is levied by Commissioners’ Court to pay for the 2008 bonds. Final maturity date for the 2008 bonds remains the same.

**FOLLOW-UP:** Mr. Gonzalez will put together a tentative time table and schedule and submit to Mr. Hernandez. Staff will proceed with the preparation of the Parameter’s Resolution for Board action at its next regular meeting.

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**PHYSICAL THERAPY IN PRIMARY CARE—SERGIO FARRELL/AMIT MEHTA/BHOJA R. KATIPALLY, M.D.**

**SUMMARY:**

Mr. Farrell introduced and yielded the floor to Dr. Katipally and Mr. Mehta for a briefing regarding a project conducted during the time frame July 2010 through July 2011 by the staffs of the RBG Express Med Clinic and the Physical Therapy Department to provide a unique model of clinical service. The project (based on the Virginia Mason Model) consisted of opening a physical therapy clinic (PTX) within the Body in Motion Clinic (BMC) of Express Med Clinic twice a week for a year. The goals/objectives of this model were:

1. Improved patient satisfaction
2. Immediate access to physical therapy
3. Better coordinated care
4. Less costs: Fewer physical therapy procedures and less imagining
5. Shorter course and improved throughput

By placing physical therapy at the beginning of care delivery, the assumptions were:

1. Patient access to physical therapy services will be improved.
2. Patients will have better clinical outcomes.
3. There will be cost savings with reduction in Radiology testing.
4. Patient satisfaction to this model of care would be higher than the traditional model.

The data from this clinic was collected for the year and compared to the traditional model of delivery of care. The traditional model of care is defined as delivery of physical therapy when a referral is received in the physical therapy clinic. The data was on 308 patients compared to the traditional model of 1,451 patients. The data showed:

1. Patient access was immediate - patient walked over from MD room to the PT room that was located within the Express Med clinic.
2. Patients seen through the PTX-BMC clinic had significantly reduced radiology utilization compared to patients coming through the traditional model of care. MRI and CT scans were half as likely to be
done in PTX-BMC patients versus patients in the traditional model of care. X-rays were one-third less in the PTX model compared to the traditional model.

3. Physical therapy utilization for patients coming through PTX-BMC clinic was half of the traditional model of care.

4. Patient satisfaction was significantly higher in the PTX-BMC clinic patients when compared to NRC Picker scores from traditional model care.

The following challenges were observed during the course of the project:

- RBG construction and move of various clinics
- Therapy staffing shortage
- Insurance pre-authorization changes

The following opportunities were identified:

- The project has been restarted in March 2016 at Express Med - RBG
- Identify bundling option for CareLink and CFHP
- Expand to Primary Care clinics

Honors:
- Presented the study at Combined Section Meeting of National American Physical Therapy Association. February 2014 – won best poster award
- Presented at International Conference on Interprofessional Practice & Education. June 2014
- Published as an Administrative Case Study in Physical Therapy Journal of Policy, Administration and Leadership. May 2015
- Cited as evidence of support in Direct Access Legislative Bills in Texas (2015) and Louisiana (2016)

Recommendation: This report was provided for informational purposes, no action was required.

Action: None.

Evaluation: Discussion ensued regarding the use of chiropractors and/or acupuncture specialists in the clinic setting to supplement the use of physical therapy and imagining. Due to the lack of standardization and inconsistency in the delivery of care, neither are used by the Health System at this time. The PTX-BMC project data was compared to the traditional model of care using statistical tools. The PTX-BMC study continues to get referenced locally and nationally for a model of care around the Triple Aim objectives.

Follow-up: None.

Communications:

Mr. Hernandez announced that Dr. Roberto L. Jimenez would be honored on Thursday, April 21, 2016, in Boston, Massachusetts, as one of the founders and visionaries of the South End Community Comprehensive Health Center, a board governed, non-profit innovative and integrated system of care for at-risk and low income communities in Boston.
Mr. Adams reported that earlier today he, Dr. Burns, and Mr. Smith had attended this year’s Frank Bryant Jr., M.D. Memorial Lecture in Medical Ethics sponsored by the Center for Humanities and Ethics, UTHSCSA. The speaker was Dr. Damon Tweedy, author of “Black Man in a White Coat: A Doctor’s Reflections on Race and Medicine.” The lecture was an excellent memoir of Dr. Tweedy’s own experiences as a black medical student, doctor and patient.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the Board meeting at 4:05 p.m.

James R. Adams                     Dianna M. Burns, M.D.
Chair, Board of Managers            Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary