REGULAR MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Tuesday, April 26, 2016
6:00 p.m.
Board Room
Texas Diabetes Institute
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

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

BOARD MEMBERS ABSENT:

James R. Adams, Chair

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
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Ted Day, Senior Vice President/Strategic Planning & Business Development, University Health System
Theresa De La Haya, Senior Vice President, Health Promotion/Clinical Prevention, University Health System – Texas Diabetes Institute
Sergio Farrell, Senior Vice President, Ambulatory Services, University Health System - Robert B. Green Campus
Donald Finley, Director, External Communications, University Health System
William Henrich, M.D., President, UTHSCSA
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Michelle Ingram, Vice President/Chief Quality Officer, University Health System
Leni Kirkman, Vice President, Strategic Communications & Patient Relations, University Health System
Kristen A. Plastino, M.D., President, Medical/Dental Staff, University Health System; and Associate Professor, Department of Obstetrics and Gynecology, UTHSCSA;
Allen Strickland, Vice President, Hospital Administration, University Hospital
Mark Webb, Chief Executive Officer, Pediatric Services, University Health System
CALL TO ORDER AND RECORD OF ATTENDANCE: IRA SMITH, VICE CHAIR, BOARD OF MANAGERS:

Mr. Smith called the meeting to order at 6:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Smith introduced Mr. Walter Alldrege of Westover Hills Assembly of God, and he led the pledge of allegiance.

SPECIAL RECOGNITION: QUARTERLY EMPLOYEE RECOGNITION AWARDS - GEORGE B. HERNANDEZ, JR./BOARD MEMBERS

The employees listed below were recognized by the Board of Managers:

Professional: Elma Fonseca
(Nursing) Nurse Educator, Center of Excellence

Professional: Sature Smith
(Non-Nursing) Senior Technologist Polysomnographic, Sleep Disorders Clinic

Management: Lisa Crow
Executive Director, Utilization Review Management, CFHP

Technical: Sylvia Gamez
Electronic Medical Record System, Clinical Informatics

Clerical: Carol Flores
Executive Assistant to the CNO/COO Pediatric Clinical Services

Service: Gita Acharya
Environmental Associate, University Hospital

Volunteer: Manuela Palacio-Gonzalez
Volunteer, Volunteer Services

Physician: Ryan Van Ramshorst
Community Medicine Associates Staff Physician, Southeast Clinic

Team: Pediatric Transport Team
Jeannie Brown, Gabriel Gonzalez

All of this year’s quarterly recipients will be special honored guests at the Annual Recognition Awards Ceremony at the Omni Hotel on Thursday, February 23, 2017. Employees of the Quarter receive a plaque, embossed pen and an opportunity to select one of numerous awards valued at $100 on the Employee Recognition website. Dr. Jimenez addressed the honorees on behalf of the Board of Managers. He thanked the employees for having such deep roots in the soil of this magnificent enterprise that just keeps growing to cover all of Bexar County and beyond. The love for their work shines through, as they work to accomplish the Health System’s mission to serve the people of this community. The Board of Managers is
ecstatic about providing this magnificent tree with the water it needs to continue to grow, or the resources needed for the staff to do their marvelous work.

**CITIZENS’ PARTICIPATION:** None.

**REPORT FROM THE HEALTH SCIENCE CENTER – WILLIAM HENRICH, M.D., PRESIDENT:**

**SUMMARY:** Dr. Henrich yielded the floor to Dr. Gonzalez for introduction of the physician leaders present. Dr. Gonzalez briefed the Board regarding a letter that was published in the San Antonio Express-News on April 25, 2016, as an editorial opinion written by Drs. John Calhoon, Francisco Cigarroa, Fred Corley, Glenn Halff, Ronny Stewart, and Ian Thompson regarding the renewed operational partnership between University Health System and UTHSCSA. The surgeons thanked the community for its support and also reminded tax payers what it means to own, and have access to, an academic medical center in San Antonio, Texas. They expressed pride in their affiliation with University Health System and described its hospital as “one of the most beautiful, comfortable, and technologically advanced hospitals in the nation.” They also praised the nursing staff for having been awarded Magnet status – the highest nursing accolade possible. Dr. Gonzalez also reported that Dr. Deborah Conway has been serving as Interim Chair of Ob/Gyn for about one month now, and Dr. Brian Reeves, Chairman, Department of Medicine, who was selected after an extensive national search, will arrive on campus next week. Dr. Plastino reported that combined UT Medicine and UHS Quality/Risk Management staff attended a peer review clinic to learn more about practice evaluations, patient safety, quality, and credentialing in order to take quality and risk management to the next level.

**RECOMMENDATION:** None.

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP:** Mr. Hernandez will provide the Board members with a link to the opinion published in the San Antonio Express-News.

**NEW BUSINESS:**

**CONSENT AGENDA – JIM ADAMS, CHAIR**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR STAFF MEMBERSHIP – KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FOLLOWING UHS POLICY NO. 5.12, RESEARCH COMPLIANCE—ANNA TARANOVA, M.D./ROBERTO VILLARREAL, M.D.**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING 1ST QUARTER 2016 INVESTMENT REPORT—ROE GARRETT/REED HURLEY**
CONSIDERATION AND APPROPRIATE ACTION REGARDING PURCHASING ACTIVITIES (SEE ATTACHMENT A) –FELIX ALVAREZ/FRANCINE WILSON

SUMMARY: The items listed above were presented for the Board’s consideration as consent items.

RECOMMENDATION: Staff recommended approval of the consent agenda as submitted.

ACTION: A MOTION to approve staff’s recommendation was made by Ms. Barrera, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROVAL OF A RESOLUTION OF THE BOARD OF MANAGERS OF THE BEXAR COUNTY HOSPITAL DISTRICT REQUESTING THAT BEXAR COUNTY COMMISSIONERS’ COURT TAKE ALL ACTIONS REQUIRED TO AUTHORIZE THE ISSUANCE OF LIMITED TAX REFUNDING BONDS IN ACCORDANCE WITH SPECIFIED PARAMETERS; AUTHORIZING THE DISTRICT'S STAFF, CO-FINANCIAL ADVISORS AND BOND COUNSEL TO COORDINATE THIS MATTER WITH THE COUNTY STAFF; AUTHORIZING ALL OTHER REQUIRED AND RELATED ACTIONS —REED HURLEY/GEORGE B. HERNÁNDEZ, JR.

SUMMARY: The 2008 bond issue included an option to call or pay off 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). Staff have collaborated with the Health System’s Co-financial Advisors and Bond Counsel are proposing Board approval of a Resolution requesting that the Bexar County Commissioners Court authorize the issuance and sale of refunding bonds. Assuming that the market conditions remain favorable, the staff will make its recommendations regarding the timing of the sale and issuance of the limited tax refunding bonds to the Board’s Audit Committee. Upon the concurrence of the Board’s Audit Committee, the Health System, through the assistance of Co-Financial Advisors and Bond Counsel, will coordinate the sale of the refunding bonds to ensure the lowest possible interest rate. This transaction is anticipated to be completed in late June or early July of 2016. Based on the most recent financial analysis, the Health System can save approximately $33.9 million over the remaining life of the 2008 bond issue, or $23.5 million in present value. The projected savings are an estimate and may change as interest rates fluctuate. These savings will come in the form of reduced interest expenses due to lower rates over the remaining life of the bonds which are projected to be paid in 2038. A copy of the proposed Resolution was provided for the Board’s review.

RECOMMENDATION: Staff recommends Board of Managers approval of a Resolution requesting that Bexar Commissioners ’Court take all actions required to authorize the issuance of limited tax refunding bonds; and further, authorizing and directing Co-Financial Advisors and Bond Counsel to move forward with and to take all actions required to coordinate the timing of the sale of the Refunding Bonds with Hospital District staff, in coordination with the Board Audit Committee, and to otherwise coordinate the financial and
other aspects relating to this transaction with the Hospital District staff and Bexar County staff to ensure that the Hospital District receives the lowest possible interest rate on the Refunding Bonds and to comply with all applicable regulations and rules promulgated by the United States Securities and Exchange Commission and the Municipal Securities Rule Making Board.

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

**EVALUATION:** Mr. Michael Hernandez assured the Board that that the proposed Resolution had been reviewed by both UHS and bond attorneys.

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

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

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR PROFESSIONAL AND ADMINISTRATIVE SERVICES WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO-2016 ANNUAL OPERATING AGREEMENTS (AOA)—** **ALLEN STRICKLAND**

**SUMMARY:** Mr. Strickland presented the 2016 annual operating agreements (AOA) with The University of Texas Health Science Center (UTHSCSA) at San Antonio for (1) administrative/management of the residency programs, (2) administrative/medical direction, (3) patient care services personnel, (4) housestaff malpractice insurance and (5) Community Medicine Associates malpractice insurance through two Annual Operating Agreements, for a total of **$13,955,983** compared to the 2015 agreements of **$13,865,910**. This represents an increase of **$90,073** or 0.65 percent. The Annual Operating Agreements represent two distinct areas of services; Medical Director Services and General Services. The contract amount for Medical Director Services is **$5,331,778** consisting of 17.5 FTEs vs. **$5,124,768** and 18.5 FTEs in 2015. New Medical Director positions for Orthopedic Joint Implants, Orthopedic Oncology and Orthopedic Spine account for this increase. The contract amount for General Services is **$8,624,205** consisting of 77.6 FTEs vs. **$8,741,142** and 76.5 FTEs in 2015. Funding for the administrative/management of the residency programs in 2016 is budgeted for **$625,000** which is equal to the 2015 agreement. Funding for house staff medical malpractice insurance in 2015 is budgeted for **$665,672** which is equal to the 2015 agreement. Community Medicine Associates Malpractice Insurance in 2015 is budgeted for **$61,135** which is equal to the 2015 agreement. Performance expectations are agreed upon and included in all agreements and payments are based on time sheets submitted to, and verified by, the leaders of departments being served.

**RECOMMENDATION:** Staff recommends the Board of Managers approve and authorize the President/Chief Executive Officer to execute the 2016 Annual Operating Agreements for Medical Director Services and General Services with The University of Texas Health Science Center at San Antonio in the combined amount not to exceed **$13,955,983**.
ACTION: A **MOTION** to approve staff’s recommendation was made by Mr. Engberg, **SECONDED** by Ms. Barrera, and **PASSED UNANIMOUSLY**.

EVALUATION: Mr. Strickland’s written report also included a summary of all the contracts with UTHSCSA for an array of clinical services at all Health System facilities in the amount of approximately $111,000,000 in 2016, and reimbursement for primary and specialty clinical care provided to CareLink members in the amount of $15,000,000 annually. Urgent and emergency clinical care provided to unfunded patients through a Sponsored Care Agreement is in the amount of $2,300,000. Dental oral care and maxillofacial surgery and dental prosthetic services to CareLink members, as well as oral surgical call coverage is provided at a cost of $1,200,000. Cost of physical rehabilitative prosthetic and orthotic appliances and services to CareLink members and unfunded patients is $500,000. The total of all contracts with UTHSCSA for the coming year, including the AOA is approximately $149,000,000.

FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

**REPORT REGARDING MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS—KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF**

**UPDATE ON FACILITIES DEVELOPMENT ACTIVITIES—MARK WEBB**

**REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN**

**QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT—MICHELLE INGRAM, R.N. AND JAMES BARKER, M.D.**

**SUMMARY:** Mr. Smith directed the Board members’ attention to the four (4) written reports above. He urged his colleagues to contact staff with specific comments, questions, or suggestions.

**RECOMMENDATION:** These reports were provided for informational purposes only.

**ACTION:** No action by the Board of Managers was required.

**EVALUATION:** None.

**FOLLOW-UP:** None.

ADJOURNMENT:

There being no further business, Mr. Smith adjourned the public meeting at 6:41 p.m.

Ira Smith
Vice Chair, Board of Managers

Dianna M. Burns, M.D.
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary