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

Tuesday, April 29, 2014
6:00 p.m.
Board Room
Texas Diabetes Institute
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Roberto L. Jimenez, M.D., Immediate Past Chair
Rebecca Q. Cedillo, Secretary
Robert Engberg
Ira Smith

BOARD MEMBERS ABSENT:

Linda Rivas, Vice 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
Felix Alvarez, Executive Director, Procurement Services, University Health System
Ted Day, Vice President, Strategic Planning & Business Development, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Don Finley, Senior Writer, Corporate Communications, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.
Roe Garrett, Vice President/Controller, University Health System
Francisco Scarano-Gonzalez, M.D., Dean, School of Medicine, UTHSCSA
William L. Henrich, M.D., President, UTHSCSA
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
C. Reed Hurley, Assistant Chief Financial Officer, University Health System
Leni Kirkman, Vice President, Strategic Communications & Patient Relations, University Health System
Bill Phillips, Senior Vice President/Chief Information Officer, University Health System
Nancy Ray, Senior Vice President/Chief Nurse Executive, University Health System
Michelle Ryerson, Senior Vice President/CNO/COO, Pediatric Clinical Services, University Health System
Theresa Scepanski, Vice President/Chief Administrative Officer, University Health System
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System
Mark Webb, Senior Vice President/Facilities Administration, University Health System
Francine Wilson, Vice President, Materials Management, University Health System
Tom Watson, Managing Partner, BKD, LLP
Milo Martinez, Martinez, Rosaria & Company, LLP
Greg Aune, M.D., Assistant Professor, Department of Pediatrics, Hematology-Oncology, UTHSCSA
Veronica Armijo-Garcia, M.D., Assistant Clinical Professor, Department of Pediatrics, Critical Care, UTHSCSA
Rocio V. Garcia, M.D., Assistant Clinical Professor, Department of Pediatrics, Hematology-Oncology, UTHSCSA
Robert J. Nolan, M.D, Professor, Department of Pediatrics, UTHSCSA
Robert Quinn, M.D., Professor and Chair, Department of Orthopaedics, UTHSCSA
Richard Taylor, M.D., Clinical Professor, Department of Pediatrics, Critical Care, UTHSCSA
Gail Tomlinson, M.D., Professor & Distinguished Chair in Genetics of Cancer, Department of Pediatrics, Hematology-Oncology, UTHSCSA
And other attendees.

CALL TO ORDER AND RECORD OF ATTENDANCE: JIM ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 6:04 pm.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Ms. Cyndi Levesque of Woodland Baptist Church for the invocation and he led the pledge of allegiance.

QUARTERLY EMPLOYEE RECOGNITION AWARDS – GEORGE B. HERNANDEZ, JR./BOARD MEMBERS

The Board of Managers recognized the following employees:

Professional: Michelle Gonzales
(Nursing) Staff Nurse III, Medicine Critical Care Unit

Professional: Fabian Pacheco
(Non-Nursing) System Administrator, Clinical Systems

Management: Velma Perales-Diaz
Executive Director, Medical Records

Technical: Christopher Briones
Biomedical Equipment Tech I, Biomedical Engineering

Clerical: Irma Valdez
Administrative Assistant, Nursing Float Pool

Service: Allen Davis
Police Officer, Protective Services – University Hospital

Volunteer: Adelaida Estrada
Volunteer, Volunteer Services
Physician: Bhoja Katipally, MD  
CMA Associate Medical Director, CMA RBGC EMC Provider

Team: Excellence in Health Literacy Team  
Luz Maria Castillo, David Correa, Wendy Fischer

All of this year’s quarterly recipients will be our special honored guests at the Annual Recognition Awards Ceremony at the Omni on February 26, 2015. 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. Mr. Smith addressed the employees on behalf of the Board, thanking them for their dedication to their work. Mr. Hernandez presented Ms. Cedillo with flowers as a small token of appreciation for her work as a Board member from 2006 to present. Her diligent attendances at Board meetings, critical thinking skills, and MIT background have been invaluable to the Health System. There will be a Board reception honoring both Mr. Briseno and Ms. Cedillo the evening of Thursday, June 5, 2014 at Plaza Lecea Event Center, 5441 Babcock Road.

**CITIZEN PARTICIPATION:** None.

**APPROVAL OF MINUTES OF PREVIOUS MEETING(S):**

**MARCH 21, 2014 (SPECIAL MEETING)**

**SUMMARY:** Minutes of the special Board meeting of March 21, 2014 were presented for the Board’s 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:** Mr. Smith expressed his preference to have more detail spelled out in the minutes of the strategic planning retreat. Mr. Day was asked to provide a more descriptive document only for the Board members regarding the details discussed at the retreat.

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

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

**SUMMARY:** Dr. Henrich invited the Board of Managers to the School of Medicine’s 2014 Commencement Ceremony on Saturday, May 24, 2014, at 2:00 p.m., in the Greehy Arena of St. Mary’s University. He yielded the floor to Dr. Gonzalez for introduction of the physician leaders present, and made a few comments regarding the Match Day event held on Friday, March 21, 2014, the day that local medical students learned of their residency training sites. Students from the School of Medicine stood in front of their classmates as they opened the envelopes that revealed where their medical residencies will take them. It was a festive occasion for the students as they wrapped up a rigorous four years of medical education. The match went very well this year for both the medical students and the residency training programs that accepted resident physicians. Only four resident positions remain open but will be
filled in the near future. The School of Medicine is very satisfied with the results.

RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None.

CONSENT AGENDA –JIM ADAMS, CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR STAFF MEMBERSHIP –JOHN G. MYERS, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

CONSIDERATION AND APPROPRIATE ACTION REGARDING 1ST QUARTER 2014 INVESTMENT REPORT—ROE GARRETT/PEGGY DEMING

CONSIDERATION AND APPROPRIATE ACTION REGARDING PURCHASING ACTIVITIES (SEE ATTACHMENT A) –FELIX ALVAREZ/FRANCINE WILSON

SUMMARY: The items above were presented for the Board’s consideration
RECOMMENDATION: Staff recommended approval by the Board of Managers.
ACTION: A MOTION to approve the minutes as submitted was made by Mr. Engberg, SECONDED by Dr. Jimenez, and PASSED UNANIMOUSLY.
EVALUATION: None.
FOLLOW-UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE EXTERNAL AUDITOR’S REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR 2013—BKD, LLP/PEGGY DEMING

SUMMARY: The Audit Committee of the Board of Managers, composed of Mr. Engberg, Chair; Ms. Rivas; and Mr. Adams substituting for Mr. Briseno, met with the BKD audit partner, Tom Watson, and Danielle Zimmerman, manager, who were engaged to examine the financial statements of the Health System and CFHP on Thursday April 24, 2014. The BKD audit team was supported by a staff person from Martinez, Rosaria & Company, LLP, for 20 percent of the hours on this engagement. Mr. Watson presented the required communication, a draft of the audited financial statements and other documents. Mr. Watson also reported that the Health System and CFHP audits are substantially complete and they plan to issue an unmodified or clean opinion as to whether the financial statements of the Health System as of and for the year ended December 31, 2013 are fairly presented, in all material aspects. The CFHP audit report will be presented to their Board on May 23, 2014. Audits on three other entities, the Pension Plan, Foundation and Financial Assistance Programs are performed by a Garza, Gonzalez
Associates. These audits are nearing completion and presentation is scheduled to the respective Boards of those organizations at their next scheduled meeting and to the Audit Committee in May. The Pension Plan financial statements are included in the Health System audit report which requires that the audit be complete prior to BKD issuing the Health System audit report. The Pension Plan audit report will be presented to its Board of Trustees at its meeting on May 13, 2014. Mr. Watson provided a graphics presentation with 2013 highlights and unusual items which include adoption of Government Accounting Standards Board (GASB) 61 and GASB 65, continued waiver implementation, capital projects, and Build America Bonds subsidy sequestration reduction.

RECOMMENDATION: The Audit Committee recommends approval of the audit by the Board of Managers.

ACTION: A MOTION to approve the 2013 audit report as presented was made by Mr. Engberg, SECONDED by Mr. Smith and PASSED UNANIMOUSLY.

EVALUATION: Discussion ensued regarding the effects of the Affordable Care Act and Health Insurance Exchanges, which are far-reaching and complex. The biggest provision affecting employers is the Employer Shared Responsibility payment or the “pay or play” rules. Employers subject to this requirement include hospitals that self-insure for employee health claims, as the Health System does. In response to Dr. Jimenez’s inquiry about whether it’s getting more expensive to be in the health care business, Mr. Watson confirmed that it is indeed more expensive in part due to the growing costs but mainly because revenue inflation is below expenses. Although the Health System has had the benefit of Medicaid waiver revenue for the last couple of years, Mr. Watson believes there will be a change going forward due to the political struggle. Even with healthcare reform, the Health System will start to see more of the insured business because of the very high deductibles offered by insurance exchanges. This will require a new way to collect those premiums over time perhaps through the Health System’s CareLink financial assistance program. Mr. Smith asked if Mr. Watson’s evaluation on the effects of higher deductibles (from $500 to $5000) was an overall evaluation across the nation or solely for University Health System. This opinion is based in part on conventional wisdom and on some personal research conducted by Mr. Watson where he found that in general, the exchange plans require more out of pocket costs for individuals. Dr. Gonzalez interjected that Texas does not offer insurance exchanges, and clarified that the federal exchanges have increased the level of deductibles because of eligibility of some of the individuals. Mr. Hernandez confirmed that staff will inform CareLink members of all their options and help educate the members in the choice category regarding exchanges. Mr. Smith cautioned Mr. Watson about making blanket statements regarding the Affordable Care Act. He would not like to see the Health System take part of any “political animal” that attempts to defeat a plan designed for those who do not have an insurance plan.

Another topic of interest raised by Dr. Jimenez is the difference between public and private industry in that private corporations track the amounts spent on human capital in their audits, such as continuing education, upgrading skills of employees, and expanding their ability to multi-task.
the Health System’s case, the amounts being invested are not part of the audit. Why don’t the auditors insist on capturing this type of information? Mr. Watson informed the Board that there is not an accounting standard that requires such reporting; however, the BKD audit team can certainly include the information as an elective disclosure in the future.

Dr. Jimenez commended Mr. Watson for his presentation which was easy to understand and provided an overall picture of where the Health System stands. As for keeping Bexar County Commissioners informed on the results of this year’s audit, Mr. Hernandez informed the Board that Ms. Deming will review the results with Mr. David Smith, County Manager.

Mr. Adams summarized that adjustments have been recorded by the auditors in the following areas: inventory, prepaid expenses, capitalized interest and capital assets, property tax receivable, accounts payable and accrued liabilities, and medical claims liability.

Mr. Engberg thanked Ms. Rivas and Mr. Briseno for their contributions towards the annual audit process, both have great business minds.

**FOLLOW-UP:**

Mr. Adams requested a follow up report from Mr. Hernandez regarding the effects of Health Insurance Marketplace deductibles. He reiterated Mr. Smith’s point; the Health System is an implementer, rather than a definer of the Affordable Care Act. He asked management to realize that we have a major job to do regarding productivity achieved; we have to become experts and be more effective and more efficiently align with physicians as well as align all aspects of our business, including inventory and so forth. Regarding the percentage of charity and uncompensated care slide in Mr. Watson’s presentation, which compares UHS to all hospitals, Mr. Adams expressed an interest in knowing how the Health System fares against public health systems in the state. Mr. Engberg emphasized the Board’s preference for timely completion of all audit reports. CFHP Audit will be presented to their Board before the final audit is released.

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

**UNIVERSITY HOSPITAL**

**CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH CHESNEY MORALES FOR ADDITIONAL DESIGN SERVICES RELATED TO THE PHASE 0 RENOVATIONS AT UNIVERSITY HOSPITAL—MARK WEBB**

**SUMMARY:**

The University Health System contracted with Chesney Morales in May 2012 for the CIP Phase “0” Renovations work that included a series of renovation projects associated with the numerous incremental steps required by the staff relocations related to renovation activities. Chesney Morales was contracted to provide professional design services to include the design of a 3rd floor “swing space” to house multiple departments on
an interim basis during renovation. Due to the depth of knowledge of health system facilities, Chesney Morales was also requested by the CIP team to provide services related to long-term planning efforts for the Rio and Horizon Towers. This planning consists of providing as-built floor plans for all levels of the hospital, as well as the design and construction documents for the permanent relocation of Infection Control, Clinical Informatics, and Patient Access Services. These project changes will provide a safe and efficient workplace environment during departmental relocations and renovations in the Horizon and Rio Towers and the as-built floor plans will document the projects and provide a working document for current and future planning. These changes are recommended by staff and/or required due to operational changes. The project manager has negotiated and reviewed the proposed fee increase of $61,250 and recommends approval. The original contract amount is $299,410 and the revised contract amount after this item is $360,660. Fees for this contract amendment will be paid from project funds.

Recommending Board of Managers’ approval of an amendment to the contract with Chesney Morales in the amount of $61,250.

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

EVALUATION: None.

FOLLOW-UP: None

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE COMMISSIONING SERVICES AGREEMENT WITH SEBESTA BLOMBERG FOR COMMISSIONING SERVICES AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: University Health System contracted with Sebesta Blomberg & Associates in April 2010 for Commissioning Services for the University Hospital campus. As part of a project's scope of services, Sebesta Blomberg was contracted to perform technical reviews of project design documents and construction shop drawing submittals, prepare commissioning plans and written test procedures, observe installation of equipment and systems, verify equipment and system start-up by Construction Manager at Risk, and observe equipment and system testing against requirements of the project Contract Documents, track deficiencies, and recommend solutions. This is a requirement as part of the Leadership in Energy and Environmental Design (LEED) Accreditation Process. In the course of performing commissioning services at the University Hospital campus, the following issues have occurred that have had an impact on the ability of Sebesta Blomberg to complete the Commissioning Services as contracted.

- Construction Schedule and construction sequence changes;
- Mechanical, Engineering and Plumbing (MEP) scope changes, and other changes which impacted the completion of the MEP systems later than originally planned; and
• Completion of work later than originally anticipated related to: Life-Safety Systems, Testing Adjusting and Balancing (TAB), and Building Automation System (BAS) work.

Based on the conditions outlined above, an amendment in the amount of $180,410, is requested to provide additional support for the Sky Tower Commissioning activities necessitated by the current project schedule. This Contract Amendment will allow Commissioning Services to be accomplished in association with the Sky Tower Completion Schedule and will assure that MEP and Life Safety Systems are fully-functional and operational providing for the safety and welfare of patients, visitors, and staff. The project manager has reviewed and negotiated these fees and recommends approval. Fees for this contract amendment will be paid from project funds. The original contract amount is $3,146,000 and the revised contract amount after this item is $3,326,410. Sebesta Blomberg participation levels are 38% for SMWVBE and 30% local firms. This will complete the work at University Hospital by Sebesta Blomberg & Associates.

RECOMMENDATION: Staff recommends Board of Managers approval of an amendment to the contract with Sebesta Blomberg & Associates in the amount of $180,410.

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

EVALUATION: None.

FOLLOW-UP: None

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH MARMON MOK FOR ADDITIONAL ARCHITECTURAL SERVICES FOR GROUND LEVEL COMMON AREA RENOVATION AND ADDITION OF CIVIL ENGINEERING SERVICES FOR FORMER VIA FACILITY RENOVATION AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: The Health System contracted with Marmon Mok in October 2012 for the CIP Phase “1” Renovations work that included architectural services for Plant Engineering Shops and bridge enclosure from the South Parking Garage to the ’81 Building. As identified in the CIP Master Zoning Plan, the ground level space identified for the common area (restroom, break room, lockers, and meeting space) is adjacent to the new Pharmacy location and the plan was to have the pharmacy architect include these additional design services as part of the pharmacy project. However, a new location was identified for the Common Area which will preserve the existing Copy Center and allow it to remain in its present location thereby reducing construction and move costs. The new area is across the hall from the Ground Level Copy Center and includes the existing Education Training Room and Volunteer Services space which is moving to the new Sky Tower. The cost of design services is $53,480.

Marmon Mok has been requested by staff to provide Professional Design and Engineering Services related to the Rio Building Ground Level
Renovations that will provide staff support space for nearby departments. This space will provide restrooms, a break room, lockers, and a multi-purpose meeting/classroom. Mormon Mok has also been requested to add Civil Engineering Services to the current Child Health & Safety Awareness (CH&SA) project that will renovate the existing VIA facilities located adjacent to the South Parking Garage. As part of this project, the existing bus acceleration lane constructed for VIA Transit will be modified to provide a protected drive for CH&SA staff while they provide inspections, training and installation of child car and booster seats for the community. The cost of additional civil engineering services is $11,500.

These project changes will provide a safe workplace environment for CH&SA as they support the public through their program promotion of child and adult safety, improve the workplace environment for support staff located on the Ground Level of the existing Rio Building providing increased employee morale and increased patient satisfaction. These changes are recommended by staff and/or required due to operational changes. The project manager has reviewed and negotiated these fees and recommends approval.

The original contract amount is $192,640, previously approved amendments total $77,301, and the amount requested for this item is $64,890. The revised contract amount is $334,921. Fees for this contract amendment will be paid from project funds. Marmon Mok participation is a 100% local firm.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of an amendment to the contract with Marmon Mok in the amount of $64,980. and authorize the President/CEO to execute the amendment to the Marmon Mok agreement in the amount of $64,980.

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

**EVALUATION:** None.

**FOLLOW-UP:** None

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

**CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH AURORA IMAGING CENTER D/B/A RADIATION ONCOLOGY OF THE SOUTH PLAINS, P. A. FOR PET/CT SCAN SERVICES PROVIDED TO CARELINK PATIENTS—VIRGINIA MIKA, PHD**

**SUMMARY:** The purpose of this contract is to provide professional and technical medical services to CareLink members who require a PET/CT. University Health System does not own a PET/CT machine. The Health System has had a contract with Aurora Imaging Center since March 2009. Aurora Imaging Center is able to perform the PET/CT scans in an efficient manner. Results are expeditiously delivered to the ordering physician, allowing for appropriate follow-up care. During 2013 CareLink paid Aurora Imaging
Center $267,432 for services provided to 257 CareLink patients. Based on this data, we anticipate the value of the contract to be $267,432 for a period of one year or $802,296 for a three year period. The services have been negotiated at 90% of the current Medicare OPPS allowable rate for the PET/CT scans and 90% of the current Medicare rate for radiopharmaceutical drugs. The term of the contract is for three years beginning June 1, 2014 and ending May 31, 2017, if Aurora Imaging Center meets all quality management, patient satisfactions and quality risk management standards. The contract will include provisions for compliance with the Health System utilization review and quality assurance programs as well as eligibility verification and pre-authorization requirements from CareLink. The providers must be credentialed and board certified. Patient satisfaction surveys will be conducted by Aurora Imaging Center in a format approved by the Health System. The Health System shall be provided a quarterly report of the patient satisfaction surveys. The workforce composition date is:

RECOMMENDATION: Staff recommends Board of Managers’ approval of an Agreement with Aurora Imaging Center for a total estimated amount of $802,296 for a three year period beginning June 1, 2014.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Engberg, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY None.

EVALUATION: None.

FOLLOW-UP: None

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH THE SOCIAL AND RESEARCH HEALTH CENTER TO PROVIDE FOR SCHOOL BASED ASSESSMENTS—ROBERTO VILLARREAL, MD

SUMMARY: The objective of this project is to explore the implementation and evaluation of the novel Bienestar/NEEMA coordinated preschool health program in children, ages 3 and 4, and their families. Interventions to control the increase in obesity are needed for all children but special programs are needed for those at higher risk. University Health System clinics will be made available to provide medical care to children and their families. Over the next three years Social & Health Research Center (SAHRC) will implement and evaluate the Preschool & Parent Health Project (PHP) in Tynan Early Child Education Center (SAISD) located in the Eastside Promise Neighborhood. The program will reach parents and families to link the home and school coordinated program components to manage obesity and control weight in children 3 and 4 years old. SAHRC will provide nutritional education to the Food Service staff at school while cafeteria meals will be filmed and tested through pre and post surveillance to compare changes in nutrition in the academic setting during the beginning and end of each school year. In parallel, this assessment will be applied at kids’ homes to raise parents’ awareness of the importance of a balanced regular diet in qualitative and quantitative terms served in the family environment and prove their behavioral changes. Physical assessments of the kids will take place during the year to verify the progress and measure the impact of the program. This program will enhance the health in our community especially on the East Side of San Antonio where
access to medical care is limited. This project will work as part of one of the New 3 Year DSRIP projects (1.1.1 Primary Care Clinics Partnership with San Antonio Housing Authority) located in the same geographical area. The annual cost of the program implementation is $250,000. The program will refer kids and their families to a Health System designated clinic for medical services. The target population for this program includes: 315 children, 502 family members, 16 teachers and 11 school staff. The potential revenue will be through medical visits. The cost of the program has been included in the budget for the above mentioned DSRIP project. The SAHRC workforce composition data was reviewed with the Board.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of a one-year contract with the Social & Health Research Center in the amount of $250,000 with renewal for 2 additional years. The term of the agreement is May 2014 to September 2016.

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

**EVALUATION:** Mr. Engberg asked how the program would control this age group’s behavior (3-4 years old). Dr. Villarreal yielded the floor to Dr. Roberto Trevino, Director of SAHRC, who explained that the program has four arms: health plan, physical education, food service, and a parent component, all influencing the behavior of children. Everyone in the child's life becomes involved, especially the parents. The plan includes home visits and an educational curriculum for the parents. Ms. Cedillo cited a water conservation program many years ago that was aimed at elementary school-aged children throughout Bexar County. The strategy made a huge difference in that it takes one generation to affect behavioral changes, and in her example, kids educated their parents and other family members on the importance of water conservation. At that time, water usage was at 200 gallons/person. Today, we are at 90 gallons/person. This program is a school-based curriculum that will be implemented in an early childhood development center affiliated with a head start program within the San Antonio Independent School District.

**FOLLOW-UP:** Staff will provide a follow up report at the end of the first year that includes statistics and metrics regarding outcomes of this program.

**CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A LEASE WITH COLDWATER FARMS, INC., P & R ALMOND ORCHARDS, INC., THOMAS-CATTANI, INC., FERDOSH NANKANI AND DENISE DYCK, D/B/A WESTSIDE PROFESSIONAL BUILDING FOR THE RELOCATION OF THE REFUGEE CLINIC—THERESA DE LA HAYA**

**SUMMARY:** In FY 2008, when the City of San Antonio transferred Women’s and Preventive Health Services to University Health System (UHS), the Refugee Health Services Program was included in the transfer and was set up at the University Family Health Center - North. The Refugee Health Services Program is funded by the Department of State Health Services (DSHS) and provides funding to develop the clinical infrastructure for the required health screenings (TB testing, HIV, Vision, Cholesterol screening, etc.) and treatment of individuals and families who have been officially designated as Refugees by the United States Office of Refugee Resettlement. DSHS provides funding to lease
space for this Program. The refugees receive temporary Medicaid for eight months to cover the costs of any follow-up clinical services. The Bexar County Refugee Resettlement Program is a community-based service provided in partnership with Catholic Charities of San Antonio. All Refugee children are provided access to the required wellness exams and vaccinations so they may attend school. The Health System is budgeted to see over 750 Refugees during the funding period of September, 2013 to August 2014 and all services will be reimbursed by Medicaid and/or grant funds. However, the North Clinic has expanded primary and specialty care and no longer has the capacity to adequately provide space to house the Refugee Program. The space previously used for this purpose will house a diabetes clinic for the patients who visit the North Clinic removing the need for patients to travel to another location thus improving the patient experience for those patients who seek services on that part of town. The relocation of the Refugee Health Services Program will provide adequate space to provide services more efficiently. Staff recommends relocating this program to a non-owned Health System site in an office building, the West Side Professional Building (WSPB) at 700 South Zarzamora, located across the street from the Texas Diabetes Institute. This location provides easy access to a Health System lab which is necessary in providing screening tests that require a blood draw for HIV, Hepatitis B, pregnancy, or other lab work. Transportation is provided by Catholic Charities.

The annual cost to lease space at WSPB is $20,028 ($1,669 monthly). In addition, the lease requires a one month initial deposit. This lease agreement will commence May, 2014 and extend until May, 2019. There is language in the lease agreement that acknowledges the Health System as a governmental entity subject to certain budgetary constraints and acknowledges that it depends upon federal grant moneys for this Lease. In the event that sufficient funding money is not appropriated or provided for in the budget by the federal government or responsible Texas state agency, Health System may immediately terminate this Lease without penalty and its duties hereunder shall cease to exist.

RECOMMENDATION: Staff recommends Board of Managers’ approval to enter into a lease agreement with Coldwater Farms, Inc., P & R Almond Orchards, Inc., Thomas-Cattani, Inc., Ferdosh Nankani & Denise Dyck, DBA Westside Professional Building, for the relocation of the Refugee Clinic, at an annual cost of $20,028 for a five year period, beginning May 1, 2014.

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

EVALUATION: None.

FOLLOW-UP: None
CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO FOR ADDITIONAL PEDIATRIC NON-TRAUMA ORTHOPEDIC SERVICES—MICHELLE RYERSON/TED DAY

SUMMARY: This is a proposal for an agreement with UTHSCSA to provide support for the salaries and benefits of the orthopedic faculty and residents transitioning to University Health System, and is contingent upon the department’s collaboration with the Health System on numerous initiatives to grow volume and improve the service line’s payer mix through targeted outreach activities. The Department of Orthopedics has already begun to align with the Health System on the adult side jointly working on various cost saving initiatives around implants. Additionally, UTHSCSA has agreed to return thirty-three (33) percent of their professional fee collections back to the Health System to offset some of the expenses covered under this agreement.

The structure of this agreement will be revisited after the initial six month period to determine if changes need to be made to improve the overall financial implications for both parties. Staff anticipates entering into an agreement effective July 1, 2014, through December 31, 2014, for an amount not to exceed $587,500 for support of two (2) full-time orthopedic surgeons and three (3) orthopedic residents. These salary support expenses will be offset by 33% of the annual pediatric orthopedic professional fee collections estimated for 2014 at a value of $200,000. Thus the net of collections figure below is estimated to be $387,500. No additional call coverage support or taxes on these expenses will be paid. This expense is additional to that previously included in the children’s services business plan. Staff does anticipate revenue in the areas of ambulatory orthopedic clinics, urgent care center orthopedic visits, and inpatient non-spine surgical cases based on this initiative. Mr. Day reviewed summaries of the contribution margins for pediatric medical services expense through an Agreement with UTHSCSA, orthopedic spine surgical cases, as well as an overall, combined pro forma. This contract will allow the Health System to provide non-trauma orthopedic services for pediatric patients in the inpatient and outpatient settings. The Health System will also participate in the training of physicians in pediatric orthopedic surgery, key to providing access to essential services for children in Bexar County and the South Texas region. Staff will routinely monitor the quality of service provided to these patients by these physicians and the clinical team through monthly meetings to review quality metrics and patient and family satisfaction.

RECOMMENDATION: Staff recommends Board of Managers’ approval of funding an amount not to exceed the estimated net of $387,500 for orthopedic surgeons and orthopedic residents provided by UTHSCSA.

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

EVALUATION: Mr. Smith requested cumulative total amounts for vendors who have more than one contract with the Health System, as in this case with UTHSCSA. Dr. Jimenez urged the staff’s consideration of a sports clinic for profitability, especially for female students, and also a tie in to school nurses for referrals to the Health System. Mr. Engberg asked if pediatric
trauma service would eventually generate revenue. Not in and of itself, however, the program will make the Health System a more comprehensive provider. What is the business set up? Goals are to expand access and payor mix. Ms. De La Haya reported that the school based clinic is making referrals to the Health System for services. Mr. Adams noted that he had been recently informed that for the first time ever, the school-based clinic in Harlandale Independent School District had a 100% inoculations rate. The school-based clinic is seeing more kids than it was thought possible.

**FOLLOW-UP:** As requested by Mr. Smith, staff will provide cumulative amounts for vendors who have more than one contract with the Health System, as in this case with UTHSCSA.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR MARCH 2014**

**FINANCIAL STATEMENTS—ROE GARRETT/PEGGY DEMING**

**SUMMARY:** For the month activity was down 6.0% for the Clinical Services (as measured based on discharges adjusted for outpatient activity). Community First Health Plan (CFHP) fully-insured membership was down 2.3%. From operations, the Health System experienced a loss of $2.6 million which was $357,000 worse than the budgeted loss of $2.3 million due to net of higher operating revenue and higher operating costs. Meaningful use incentive of $53,000 was recorded for the achievement of incentive awards for the electronic medical record implementation. Investment income was under budget by $16,000 due to slightly lower interest rates than budgeted. An unrealized market loss of $384,000 was recorded in the month. The bottom line loss excluding debt service was $2.8 million which was $757,000 worse than the budgeted loss of $2.0 million. CFHP reflected bottom line gain of $661,000 which was $1.4 million better than the budgeted loss of $750,000. Debt service revenue was $3.6 million which is equal to the budgeted portion of the Debt Service payment of $3.6 million. Mr. Garrett reviewed balance sheet variances for the period March 2014 and compared to December 2013 rather than the March 2013 balances. He reviewed notable increases or decreases from the consolidated balance sheet in detail with the Board.

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

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

**EVALUATION:** Mr. Engberg referenced the March YTD report regarding a general concept that hospital utilization is down more than 5 percent and as he understands, is attributed to less demand for labor. If labor was budgeted at a certain revenue or utilization, that utilization is down, but labor is up. Mr. Garrett’s written report states that employee compensation is over $2 million due to salaries being over-budget $2.2 million primarily in patient care areas due to unproductive time above 10 percent target, timing of identified MedAssets initiatives and overtime above the 3 percent target. Mr. Garrett confirmed that staff is analyzing nonproductive time to manage within budgeted targets. Employee benefits were under budget $166,000 due to lower employee health costs but revenue is driven by
discharges, and staff cannot bill until patients are discharged. Resource consumption is driven more by patient days and the number of visits in the outpatient area. Inpatient days are over budget about 4.6 percent so employee compensation is up by 4.4 percent year-to-date. In the outpatient area the number of patients being seen is up 6.9 percent year-to-date. The challenge in managing this issue has to do with efficient hospital discharges. Mr. Engberg suggested there might be a different way for the Board to evaluate and understand this overage of resources, and asked if the staff was working to correct this issue.

Ms. Vasquez reiterated that patient days drive employee compensation, and staff is working to shorten length of stays and also working closely with MedAssets on productivity issues. An executive team is meeting daily with physicians and case management staff to expedite the discharge process because nursing is staffed according to the number of patients that are in-house. Another area of concern is the observation stays, which are up significantly. These should be 23 hour stays, however; we are running more at 48 hours. The staff is being proactive and working to change the case management model so that on the day of admission staff is talking with the physicians discussing plans and anticipated discharge dates.

Mr. Adams acknowledged that these numbers so far this year are not looking very good. He cautioned Mr. Hernandez, Ms. Vasquez, Ms. Deming and Dr. Alsip that the explanation provided is an excuse that leads one to believe that the next month everything is going to be alright. It is also not a timing issue. The length of stay issue that the Health System is dealing with is not one of patient needs for being in a hospital bed. Rather, it is the discharge process and other inefficiencies that need to be addressed. The primary goal of all the staff is the welfare of those patients. The Board of Managers is looking to the senior staff and the entire health care team for resolution because it is a very important issue.

**FOLLOW-UP:** None.

**PRESENTATIONS AND EDUCATION:**

**AMBULATORY MATTERS:**

**ANNUAL REPORT REGARDING CARELINK—VIRGINIA MIKA, PHD**

**SUMMARY:** In the interest of time, Mr. Adams, postponed this presentation until May, 2014.

**RECOMMENDATION:** None.

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP:** None.
INFORMATION ONLY ITEMS:

REPORT REGARDING MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS -
JOHN G. MYERS, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES—MARK WEBB

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN

ANNUAL REPORT ON PATIENT SATISFACTION—LENI KIRKMAN/CHRISTANN VASQUEZ

QUARTERLY REPORT ON HOSPITAL INPATIENT METRICS—BRYAN ALSIP, MD

SUMMARY: The five written reports listed above were provided for the Board’s review. Mr. Adams urged his Board colleagues to review and provide appropriate feedback to the staff. He specifically recommended review of the Quarterly Report on Hospital Inpatient Performance Metrics for University Hospital. The Board of Managers will be looking more at the efforts of the staff in addressing areas of opportunity and to develop strategies for improving metrics.

RECOMMENDATION: These reports were provided for informational purposes only.

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

EVALUATION: None.

FOLLOW-UP: None

CLOSED MEETING:

Mr. Adams announced the meeting closed to the public at 8:30 p.m. pursuant to TEX. GOV’T CODE, Section 551.085 (Vernon 2004) to receive information on and/or deliberate regarding pricing, market data and/or financial and planning information relating to the arrangement or provision of proposed new services and/or product lines. The closed session began at 8:32 p.m. with the following Board members present: Jim Adams, Robert Engberg, Ira Smith, and Rebecca Cedillo. The following staff were also present: George Hernandez, Christann Vasquez, Bryan Alsip, M.D, Ted Day, Michelle Ryerson, and Peggy Deming. After discussion, no action was taken in closed session. Mr. Adams announced the closed meeting ended at 8:57 p.m., and the public meeting re-convened.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO FOR PEDIATRIC OUTPATIENT HEMATOLOGY-ONCOLOGY SERVICES—MICHELLE RYERSON/TED DAY

SUMMARY: Staff presented a proposal to lease the time that physicians and mid-level providers within the Pediatric Division of Hematology/Oncology provide clinical care for this service line. The Health System through Community Medicine Associates (CMA) will lease the clinical time and pro-rata share of the benefits for these specific physicians and mid-levels. The Pediatric Division of Hematology/Oncology currently receives partial support for many of these providers through grants and endowments, and as such, the Health System will only lease those providers insomuch as they are not
funded through other means for non-direct patient care activities. As leased providers, all professional fee collections will be assigned to the Health System to partially offset the cost of the lease. Performance measures around quality of care, patient safety, utilization, patient satisfaction and communication will be developed jointly between UTHSCSA and the Health System to ensure appropriate performance under this lease arrangement. The arrangement includes professional services of 4.55 FTE Hematologists and Oncologists and 3.45 FTE Hematology/Oncology Nurse Practitioners. The initial term of this agreement would be effective July 1, 2014 through December 31, 2015. Due to the complexity of transitioning the oncology clinic and the associated chemotherapy, the Hematology division will transition first on July 1, 2014 whereas the Oncology division will transition on August 1, 2014. The cost to CMA for one full year will be $1,162,443, including salary and benefit support. The salaries of the providers were benchmarked against national surveys and local market conditions. Because the providers will be contractually leased to CMA, CMA will bill and collect for all services. Annual collections for these providers are estimated at $600,000. Additionally, with this lease arrangement, the existing Pediatric Base Care Agreement will be amended as a portion of the current funds for medical directorship and call coverage services for the hematology – oncology service line paid under that agreement will be absorbed under the new lease model. In accordance, the Health System will decrease its current expenditures within the Pediatric Base Care agreement by $294,333 effective June 1, 2014 through December 31, 2014. Other related staff support already included in the Pediatric Base Care agreement for psychology coverage, sickle cell nursing support, and a survivorship social worker will remain within that agreement. Staff anticipated that these providers would transition to University Hospital and as such has included appropriate revenues and expenses within its current FY2014 budget for their inpatient activity. Additional investment on facilities and FTE’s, however, is required to support the outpatient activity for these providers. Mr. Day reviewed internal analyses reports which project financial performance for the outpatient activity for these providers, including an outpatient infusion clinic, net of collections.

Staff will routinely monitor the quality of service provided to these patients by these physicians and the clinical team through monthly meetings to review quality metrics and patient and family satisfaction. Feedback from formal patient satisfaction surveys will be reviewed and utilized to transition and deliver high quality services. Mr. Day provided detailed substantive points of an agreement between the Health System and UTHSCSA concerning the proposed parameters of the Transition of Pediatric Hematology-Oncology from Children’s Hospital of San Antonio to the Health System and described the proposed next phase of the relationship between the Health System and UTHSCSA on pediatric services, namely a comprehensive agreement on the future growth and development of pediatric services generally.

RECOMMENDATION: Staff recommends Board of Managers’ approval for the following agreements with UTHSCSA, in consultation with the Chairman of the
Board of Managers: Transition agreement of Pediatric Hematology-Oncology and related matters and services from Children’s Hospital of San Antonio to the Health System. CMA shall lease the professional services of the Hematologists, Oncologists and Nurse Practitioners from UTHSCSA Department of Pediatrics for an initial period of August 1, 2014 through December 31, 2015, with the option to renew for up to two successive three year terms thereafter.

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

EVALUATION: Ms. Ryerson introduced the hematology and oncology physicians at today’s meeting. The HEMOC team collectively expressed support for the proposal and would like to care for their patients in a comprehensive system that can provide for all their needs. The Health System is the safest option for the patients. Ms. Ryerson noted that the oncology service will offer a childhood cancer survivor program, which is extremely important to recovery. The HEMOC service has a sickle cell and hemophilia center; we currently have 80-90 sickle cell anemia patients, with almost always one child in the hospital undergoing crisis management for chronic pain. All of these services are critical to San Antonio and South Texas, and the community needs to know what capabilities the Health System offers. Dr. Jimenez asked for elaboration regarding the training that will be provided by the HEMOC team, to which Dr. Mayes replied that the Department of Pediatrics studies survivorship. It is very important to the School of Medicine to have a great place to care for kids with cancer, but also as a service to our community to provide a pipeline of subspecialists. He reiterated the need for this presence and to have a comprehensive program. This is the last component to putting together that comprehensive program. Over the last year, over 120 faculty members and 60 or so trainees have moved over to University Health System. The fact that such a large department has moved and continues to provide excellent care is really a testament to what can be done when people put their minds to what can be done for children in our community. Ms. Ryerson added that there are plenty of nurses who are interested in joining the HEMOC team. Mr. Adams concluded by saying that when the Sky Tower at University Hospital opened, the Board of Managers felt moved to say that it was for the community. This move is evident that no one gets turned away from this community hospital. There should be no doubt about the staff’s and the Board’s candor, passion, and support of the HEMOC team's mission, as evidenced this evening.

FOLLOW-UP: None.
ADJOURNMENT:

There being no further business, the public meeting adjourned at 9:16 p.m.

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Jim Adams                 George B. Hernández, Jr.
Chair, Board of Managers   President/Chief Executive Officer
Acting Secretary, Board of Managers

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Sandra D. Garcia, Recording Secretary