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

August 27, 2013
6:00 p.m.
Board Room
University Health System - 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 Chairman
Robert Engberg
Alex Briseño
Ira Smith

BOARD MEMBERS NOT PRESENT:

Linda Rivas, Vice Chair
Rebecca Q. Cedillo, Secretary

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
Tim Brierty, Chief Executive Officer, University Hospital
Kathleen Carico, Value Analysis Coordinator, Materials Management, 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
Sergio Farrell, Senior Vice President, Ambulatory Services, Robert B. Green Campus, University Health System
Don Finley, Senior Writer, Corporate Communications, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.
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
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health System
Francine Wilson, Vice President, Materials Management, University Health System
Virginia Mika, Ph.D., Executive Director, CareLink Financial Assistance Program, University Health System
Priti Mody-Bailey, M.D., President, Community Medicine Associates
Bill Phillips, Senior Vice President/Chief Information Officer, University Health System
CALL TO ORDER AND RECORD OF ATTENDANCE: JIM ADAMS CHAIR, BOARD OF MANAGERS

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

INVOCATION AND PLEDGE OF ALLEGIANCE:

Ms Liliana De La Torre, Director, Spiritual Care Services, introduced Rene Maciel, Baptist University of the Americas, and Mr. Adams led the pledge of allegiance.

CITIZEN PARTICIPATION: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING:

June 25, 2013 (Regular Meeting)

SUMMARY: The minutes of the regular meeting of Tuesday, June 25, 2013, were presented for the Board’s approval.

RECOMMENDATION: Mr. Adams recommended approval of the minutes as submitted.

ACTION: A MOTION to approve the minutes as submitted was made by Mr. Brisenio, SECONDED by Mr. Enberg, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

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

SUMMARY: Dr. Henrich reported that the UTHSCSA had recently been awarded a major grant for research on combat-related post-traumatic stress disorder. Military service members and veterans will benefit from significant new funding for this critical area of research. As principal investigator, Alan L. Peterson, Ph.D., director of the STRONG STAR research consortium on PTSD will lead that effort. Dr. Peterson is also a retired U.S. Air Force lieutenant colonel and a professor of psychiatry in the School of Medicine. Since 2008, the UT Health Science Center has been home to STRONG STAR, the largest research program ever undertaken to help members of the U.S. armed forces cope with combat-related traumatic stress. Under the
Health Science Center’s leadership, STRONG STAR brings together world-class researchers from across the nation. Dr. Henrich acknowledged the physician leaders present, and thanked the Health System leadership for their role in coming together to find a solution for the children’s health care issue in San Antonio. The health care is presently fragmented and has been an existing problem for decades, which makes the city vulnerable to the recruitment and the loss of pediatric sub-specialty physicians.

**RECOMMENDATION:** None.

**ACTION:** This report was provided for informational purposes only and no action was required by the Board of Managers.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**CONSENT AGENDA – JIM ADAMS, CHAIR**

A. Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Staff Membership – John G. Myers, M.D., President, Medical/Dental Staff

B. Consideration and Appropriate Action Regarding Appointment/Reappointment to the Board of Community First Health Plans – Rebecca Cedillo, Chair, Nominating Committee

C. Consideration and Appropriate Action Regarding Appointment/Reappointment to the Board of Directors of San Antonio AirLife—Rebecca Cedillo, Chair, Nominating Committee

D. Consideration and Appropriate Action Regarding Appointment/Reappointment to the Board of Directors of the Alamo Area Council of Governments—Jim Adams, Chair, Board of Managers

E. Consideration and Appropriate Action Regarding a Contract Amendment with Management Information Analysis for Simulation Modeling at University Hospital—Mark Webb

F. Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) – Kourtney Mosby/Francine Wilson

**SUMMARY:** Items E. and F. were pulled for discussion by Mr. Smith and Mr. Briseno, respectively. The remaining items on the consent agenda were presented for the Board’s approval.

**RECOMMENDATION:** Staff recommended approval of the items on the consent agenda.

**ACTION:** A MOTION to approve items A-C of the consent agenda was made by Mr. Engberg, SECONDED by Dr. Jimenez and PASSED UNANIMOUSLY.

**EVALUATION:** Regarding the Contract Amendment for Simulation Modeling at University Hospital, Mr. Smith asked what historical data would be used for verification purposes to help determine the number of operation rooms needed when the new tower opens. Past data includes patient volumes, future projections and a past trends analysis. Mr. Briseno noted an error in the monthly breakout in the Woman-Owned Business category of the Summary of Purchasing Activity. The summary indicates zero dollars were awarded to women-owned businesses when in fact, item no. 6, contract modification # 9 in the amount of $500,000,
FOLLOW-UP:

Staff will update monthly and year-to-date purchasing summaries to include the correction noted by Mr. Briseso. Mr. Briseso requested a future report that includes a summary of purchasing policies, supplier diversity program enhancements, and vendor outreach and education activities.

ACTION ITEMS:

**ROBERT B. GREEN CAMPUS:**

On September 28, 2009 the Board of Managers approved a contract with RTKL Associates Inc. (RTKL) to provide architectural/engineering services, as well as information technology design, furniture, fixtures and equipment planning services for the Robert B. Green Campus (RBG). Mr. Webb presented the following proposals for Amendments to the contract with RTKL:

**CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RTKL TO UPDATE THE FACILITIES MASTER PLAN FOR THE ROBERT B. GREEN CAMPUS—MARK WEBB**

**SUMMARY:**

Staff requested the development of a revised Facilities Master Plan for the RBG Campus since portions of the original plan had been expedited (i.e., removal of the B and C Buildings) as part of the current Capital Improvement Project. Components of the proposed study will include review of the following:

1. Potential Positioning of Future Buildings,
2. Review of Elevated Parking Deck/Sub-Grade Parking Options
3. Parking Configurations

This project will provide an update to the Facilities Master Plan and a basis for recommendations to the Board of Managers for potential future projects at the RBG Campus that would increase access to primary care for residents of Bexar County. The goal of the study is to provide a clear path for current program activities to be accomplished in a way to facilitate future growth without compromising current project progress.

The fee for the proposed amendment (ASR 20), which has been reviewed by the project manager and staff, is $28,500. Nineteen (19) changes to the RTKL contract have been authorized to date. The total, to include ASR # 20, is $3,372,362. The original contract amount was $7,728,795. The revised contract amount is $11,129,657. These fees will be funded from Project Funds. As negotiated in RTKL’s original contract, 25.74% SMWVBE and 52% local participation goals are expected, and participation levels to date were reviewed with the Board.
CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RTKL FOR REDESIGN OF BUILDING A EAST WING SLAB—

MARK WEBB

SUMMARY: The projects associated with the Capital Improvement Project at the RBG included renovations and backfill of space in the original campus building (Building A) which was opened in 1917. Due to the age of the facility, the existing conditions of the 1st Floor East Wing of Building A have deteriorated so that permanent use of the area is no longer feasible without corrective action. This amendment to the RTKL agreement includes the cost/work to prepare construction documents for the demolition of the existing slab-on-grade and installation of new self-supporting slab on the first floor of Building A, East Wing. The documents will also include demolition of existing tenant improvements and associated utilities for the first floor. After completion of the new slab, the area of the first floor will be ready for future use which has yet to be established at this time. Accomplishing design for structural repairs to the floor will allow for the construction of approximately 3,180 sq ft of usable “shell” space to be finished to increase capacity of the downtown campus. The fee for the proposed amendment, which has been reviewed by the Project Manager and staff, is $90,800. Twenty (20) changes to the RTKL contract have been authorized to date. The original contract amount was for $7,728,795. The revised contract amount is $11,220,457. These fees will be funded from Project Funds. As negotiated in RTKL’s original contract, 25.74% SMWVBE and 52% local participation goals are expected, and participation levels to date were reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers’ approval of an amendment to the contract with RTKL in the amount of $90,800 for additional architectural services.

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

EVALUATION: During review of the SMWVBE local participation goals, Mr. Briseno noted that the achieved goal to date by this vendor is only at 16% and asked Mr. Webb how RTKL was planning to achieve the established 25.74% goal. Mr. Webb reported that there were presently some issues related to subcontracting, and that he and other UHS staff were working closely with RTKL to assure compliance. Board members asked Mr. Webb to reiterate the Board’s SMWVBE participation policy and let the vendor know that their name had come up for special attention at today’s Board meeting.

FOLLOW-UP: As indicated above regarding the Board’s SMWVBE participation policy.
CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RTKL FOR 5TH FLOOR, 6TH FLOOR AND EXTERIOR SIGNAGE MODIFICATIONS IN THE CLINICAL SERVICES BUILDING—MARK WEBB

SUMMARY: This amendment includes the cost for the items listed below:

6th Floor Pediatric Specialty Clinic Modifications
- Addition of millwork and casework to support staff and residents
- Ophthalmology screening room, visual field test room, examination rooms, sub-waiting area, and discharge lounge
- Pulmonary Function Testing and new isolation exam room
- Endocrinology exam room
- Pediatric rehabilitation gym and assessment rooms

5th Floor Administrative Suite
- Build out shell space on the 5th floor to include six new offices along with a work/copy area.

Children’s Health Signage
- Development of building wayfinding, interior signage, and exterior signage associated with the “Children’s Health” program.

Predictive Analytics
- Analysis and study of proper methods to incorporate pediatric clinic operations into the new Clinical Services Pavilion. Analytic scope includes data collection, clinical process definition, and space needs assessment for 13 pediatric specialties. The scope includes interviews with users, current state vs. future state assessment, patient type definitions, staff type definitions, block schedule studies, room quantity calculations and client reporting/data review meetings.

This project will increase access to quality pediatric care for residents of Bexar County. The project will expand the existing health service model of care to more fully support delivery of pediatric health services and the projected increase of pediatric specialty care clinic visits. This is a budget neutral item. Funds appropriated to Bartlett Cocke for GMP 6r (6th floor pediatric specialty clinics construction and equipment costs) will be transferred to cover this cost. The fee for the proposed amendment, which has been reviewed by the project manager and staff, is $162,750. Twenty-one (21) changes to the RTKL contract have been authorized to date. The original contract amount was for $7,728,795. The revised contract amount is $11,775,987. As negotiated in RTKL’s original contract, 25.74% SMWVBE and 52% local participation goals are expected. Participation levels to date were reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers’ approval of an amendment to the contract with RTKL in the amount of $162,750 for additional architectural services.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.
EVALUATION: Board members asked Mr. Webb to reiterate the Board’s SWMWVBE participation policy and let the vendor know that their name had come up for special attention at today’s Board meeting.

FOLLOW-UP: As indicated above regarding the Board’s SWMWVBE participation policy.

UNIVERSITY HOSPITAL:

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR ENCLOSED GARAGE CONNECTORS RELATED TO PHASE 1 RENOVATIONS AT UNIVERSITY HOSPITAL (GMP#15I)—MARK WEBB

SUMMARY: Renovation projects are being developed to support the reorganization of departments and projected increased demand, as well as improvement of operationally efficiency and enhancement of the patient/staff experience. To date, eight (8) guaranteed maximum prices (GMPs) have been developed for UH renovations. Specifically, this 9th GMP allows for materials and construction services to construct an enclosure for the 1st and 2nd level connectors from the South Parking Garage (SPG) to the 1981 Building. This work is needed to provide a more user friendly experience during foul weather events. The enclosure will consist of an aluminum and glass curtain wall system designed to resemble the system installed on the New Tower and the West Parking Garage. This project will improve the workplace experience by providing an enclosed walkway that protects staff from the weather. The UH Project Construction Manager has reviewed the design drawings prepared by the AE Team, and has provided GMP #15i for the work associated with this GMP package, at a cost of $157,888, will be paid from renovation project funds. The participation goal for SMWVBE is 40% and the local participation goal is 80%. To date, SMWVBE participation of awarded construction projects is 39.1% and local participation is 74.3% (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 ). The SMWVBE numbers achieved for all construction GMPs to date were reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers approval of an amendment to the Zachry Vaughn Layton Construction Management Agreement in the amount of $157,888 for GMP #15i.

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

EVALUATION: None.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS — TED DAY

University Health System and The University of Texas Health Science Center at San Antonio (UTHSCSA) have entered into an agreement to provide pediatric services at Health System facilities to meet patient demand for pediatric health care services in Bexar County. Although UTHSCSA will provide professional services across numerous specialty areas, there is a need for pediatric Ear, Nose and Throat (ENT) support to assist in the diagnosis and treatment of pediatric patients. The Health System desires to enter into agreements that will provide urgent and emergent call coverage as well as the recruitment of a faculty member to support these needs. This coverage and on-going patient care and faculty support is critical to the overall success of the pediatric program at UHS. Currently, UTHSCSA does not have the sufficient specialized providers to support unique pediatric ENT services. This support arrangement, in concert with the support of the recruitment of a regular Pediatric ENT attending physician, will ensure that the Health System maintains access to high-quality pediatric ENT coverage. This combination will enable coverage three out of every three nights in the year and a regular daytime coverage physician to handle on-going care for patients seen emergently. Mr. Day summarized the following ENT pediatric proposals for the Board:

- CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH PEDIATRIC EAR, NOSE AND THROAT P.A., FOR CALL COVERAGE PROVISION

**SUMMARY:** All physicians providing services pursuant to this agreement are credentialed through the UTHSCSA. The Department of Pediatrics is supportive of this agreement which compliments the current UT Pediatric practice at University Health System. Pediatric Ear Nose and Throat, P.A. is a private physician practice that has an excellent reputation in providing specialized pediatric ENT services in the community. The proposed agreement with Pediatric Ear Nose and Throat, P.A., will be for an annual renewal basis beginning on or about September 3, 2013. The anticipated annual outlay for this contract is $330,000. This is a planned expense and is included in the Pediatric Transition Business Plan. Staff anticipates that if the financial accountability for the services considered in this agreement shifts, in full or in part, to another entity that financial underwriting of this agreement would follow that shift in a consistent matter. Entering into this agreement with Pediatric Ear Nose and Throat, P.A., enables the Health System to ensure that the Pediatric Program will have a sufficient number of qualified physicians available to provide the highest quality health care to the pediatric patients at UHS.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of a contract with Pediatric Ear Nose and Throat, P.A., for specialized pediatric services in the amount of $330,000 for a 12 month period.

**EVALUATION:** Mr. Smith asked about the status of granting medical privileges to community physicians. This contract with Pediatric Ear, Nose and Throat, P.A., will grant such privileges to a private practice group, provided its physicians are credentialed through UTHSCSA. The physicians’ practice of medicine will not be limited to University Hospital and/or the Emergency Department. Dr. Henrich attested to the lack of subspecialty physicians available in the city and expressed support for this arrangement, which he feels helps to demonstrate his point. The shortage is a national
problem with approximately only 40 individuals per year getting trained in pediatric hospitals. He described Bexar County as the epicenter of this epidemic because we have not developed masses. These subspecialists want to work in stand-alone children’s hospitals. There is a need for a durable global solution, which includes development of physicians in critical masses as well as the availability of beautiful stand-alone venues dedicated to the care and treatment of children. Mr. Adams acknowledged the different kinds of relationships that are necessary among the community and with UTHSCSA and credited Mr. Hernandez, Ms. Vasquez and Mr. Day for making this arrangement possible.

- **CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER FOR THE RECRUITMENT OF A PEDIATRIC ENT FACULTY MEMBER TO SUPPORT PEDIATRIC ENT SPECIALTY AND CALL COVERAGE—TED DAY**

**SUMMARY:** All physicians providing services pursuant to this agreement are credentialed through UTHSCSA. The Department of Pediatrics is supportive of this agreement which supplements the current UT Pediatric practice at University Health System. The addition of this Pediatric Ear Nose and Throat attending physician enables continuity of care and expanded call coverage capability for providing specialized pediatric ENT services in the community. The combination of this attending physician support and the private call coverage agreement will enable coverage three out of every three nights in the year and a regular daytime coverage physician to handle ongoing care for patients seen emergently. Further, this avenue will also enable an internal, provider network option for dependents of employees of the Health System. This coverage and ongoing patient care support is critical to the overall success of the pediatric program at UHS. The proposed support agreement with UTHSCSA for the recruitment and retention of a Pediatric Ear Nose and Throat attending physician will be for a two academic year basis, renewable beginning on or about September 3, 2013. The anticipated average annual outlay for this contract over a two-year window is $290,000, net of collections. This is a partially planned expense in the Pediatric Transition Business Plan. Staff anticipates that if the financial accountability for the services considered in this agreement shifts, in full or in part, to another entity that financial underwriting of this agreement would follow that shift in a consistent matter. Entering into this support agreement with UTHSCSA for the recruitment and retention of a Pediatric Ear Nose and Throat attending physician enables the Health System to ensure that the Pediatric Program will have a sufficient number of qualified physicians available to provide the highest quality health care to the pediatric patients at UHS.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of a support agreement with UTHSCSA for the recruitment and retention of a Pediatric Ear Nose and Throat attending physician in the average amount of annual outlay for this contract over a two-year window of $290,000, net of collections.

**ACTION:** A MOTION to approve staff’s recommendation for two ENT pediatric proposals as described above was made by Mr. Briseno, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY.
EVALUATION: Same as above.
FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH
PEDIATRIX MEDICAL SERVICES, INC FOR CALL COVERAGE AND SURGICAL
SERVICES—TED DAY/ALLEN STRICKLAND

SUMMARY: Pursuant to the Agreement with UTHSCSA for pediatric professional
services across numerous specialty areas, there is a need for pediatric
surgical support to assist in the diagnosis and treatment of pediatric surgery
patients, and contracting with a third party to cover urgent, elective and
outpatient and pediatric surgical cases is critical to the overall success of
the pediatric program at University Health System. Currently, UTHSCSA
does not have the specialized providers to support pediatric surgical
services. This agreement with Pediatrix Medical Services, Inc. (Pediatrix)
will ensure that the Health System maintains access to high-quality pediatric
surgical coverage. All physicians providing services pursuant to this
agreement will be credentialed through UTHSCSA. The Department of
Pediatrics is supportive of this agreement which compliments the current
UT Pediatric practice at University Health System. Pediatrix is a multi-
specialty group practice that has an excellent reputation for providing
specialized pediatric surgical services in the community. Staff anticipates
that if the financial accountability for the services considered in this
agreement shifts, in full or in part, to another entity that financial
underwriting of this agreement would follow that shift in a consistent
matter. The proposed agreement with Pediatrix will be for a 12-month
period beginning July 1, 2013. The total fee for this contract is $180,000.
This is a planned expense and is included in the Pediatric Transition
Business Plan. Entering into this agreement with Pediatrix enables the
Health to ensure that the Pediatric Surgical Program will have a sufficient
number of qualified physicians available to provide the highest quality
health care to the pediatric patients.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a contract with
Pediatrix Medical Services, Inc., for specialized pediatric surgical services
in the amount of $180,000 for a 12 month period

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

EVALUATION: Mr. Briseno asked about the terms of agreement for pediatric services and
the total cost to be borne by the Health System for 2013. The capital
amount to be invested at the Robert B. Green is $7.4 million, and $3.9
million at University Hospital, for a total of $11,301,863. The impact to
the 2013 budget for other capital items is projected to be $1.3 million based
on the business plan. The total amount for physician services this year is
presently at $1.7 million.

FOLLOW-UP: Mr. Briseno requested a summary of the Health System’s investment on
the inpatient side of the pediatrics operation for 2013.
DISCUSSION AND APPROPRIATE ACTION REGARDING PROJECTED ACTIVITY, REVENUE AND GROWTH INITIATIVES FOR 2014—MICHELLE RYERSON/CHRISTANN VASQUEZ

SUMMARY:

The hospital campus is undergoing multiple construction and renovation projects to open bed capacity and expand service lines. The PICU and PTU bed expansion is on schedule and set to open in late September/early October (addition of 11 PICU and 12 PTU beds). Currently, the average daily census (ADC) is 17.2 YTD versus a budget of 14.9 with full expectancy to operate at an ADC of 42.1 next year. Other programs are still in developmental phases. The pediatric cardiac program is rapidly approaching a mid-October launch date. This comprehensive program will include surgery, invasive cardiology, non-invasive cardiology, Extracorporeal Membrane Oxygenation Services (ECMO), and a Pediatric Critical Care Transport team. The catheterization lab is still under construction and on schedule for October 2013 completion. We are actively recruiting and training clinicians for these programs. Transplant services are continuing to grow volume as all post-transplant kidneys and liver patient care will be conducted within UHS facilities by November 2013. The kidney transplant team has performed 14 kidney transplants since October 2012 (against a budget of 8). As part of this program, the Health System is on target to resume an outpatient pediatric dialysis program by year end. The primary focus is on developing the cardiac program. As the service lines transition into Health System facilities there is an inherent risk of weakening referral patterns. UHS and UT Medicine have formed multiple workgroups of executives and key physician leaders, specifically focused on maintaining and expanding referral patterns. As of this week, the newly recruited pediatric ENT surgeon, Dr. Tim McEvoy, will begin practice at UHS. This was a critical service needed to support the neonatal and pediatric patients transitioning into the Health System, and was identified as an area of need from the outset. Dr. McEvoy will perform surgery in the hospital ORs, RBG ASC, and MARC ASC as well as staffing clinics throughout our different clinic locations. Growing his operation is imperative in the waning months of 2013 and into 2014.

Adult volume increases can be directly attributed to the strategic planning, opening of the new tower in April of 2014 and the expansion of Operating Rooms which increase surgical capacity.

- Neurosciences Growth 16.5% – Staff has worked with our neurologist and neurosurgeons strategically to create a Neurosciences Comprehensive Service Line which will significantly increase our ability to provide a wide range of care. Additionally, planning has been done with our Neurosurgery Department to bring surgical case back to the Health System sue to increase in OR rooms and enhanced surgical equipment.

- Transplant Growth 15% growth – In 2014 we anticipate going from 2013 discharges of 113 to 130 in 2014. In large part this is due to an increase in pediatric transplants as well as the addition of operating a new pediatric Liver program which will be the only one in our region.
• Orthopedics growth of 8% - Additional growth expected in 2014 created by the addition of additional orthopedic providers, additional clinic access and increased OR capacity and technology.
• Neonatology Growth 5% - The Health System has worked with the neonatology and OB/Gyn departments to create a new outreach clinic, enhanced Maternal Fetal Medicine access and growth in our deliveries.
• OB growth is estimated at 2% for 2014.

With the addition of surgery suites in the new Tower, total surgery cases are expected to increase 10% in 2014, with additional increases anticipated in subsequent years. Staff has prepared detailed business strategies with various Department Chairs to insure we develop dashboards with measurement and metrics to work toward.

RECOMMENDATION: This report was provided for discussion and informational purposes only.
ACTION: No action was required by the Board.
EVALUATION: Mr. Engberg asked about the Health System’s ability to recruit specialists to deal with the significant projected activity growth. Achieving a high functioning team to care for complex pediatrics patients will pose a challenge for all, whereas recruiting specialists to care for adults will be easier. Dr. Jimenez encouraged the training and/or use of nurses who are competent in screening for psychiatric issues, such as depression. Dr. Sally Taylor, Chief of Behavioral Medicine, will serve as resource in this regard by helping to educate the nursing staff. Mr. Adams expressed his expectation that the significant projections for growth would be met.
FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE 2013 BEXAR COUNTY HOSPITAL DISTRICT TAX RATE RECOMMENDATION TO COMMISSIONERS COURT IN SUPPORT OF THE OPERATING, DEBT SERVICE AND CAPITAL BUDGETS FOR 2014 – PEGGY DEMING/GEORGE B. HERNÁNDEZ, JR.

SUMMARY: As the safety net for the uninsured in Bexar County, the Health System has an uninsured rate of 24 percent. Moreover, because of an ineffective county based approach to addressing the uninsured, Bexar County and other urban counties find themselves covering the region’s trauma care without adequate reimbursement from either State or Federal sources. Ms. Deming summarized the state of Health Care in Texas as follows:

• Medicaid not expanded to adults as afforded under the Affordable Care Act
• Texas is not participating in promoting insurance exchanges under the Affordable Care Act
• Continued State cuts to hospitals
• Shortfall under of Uncompensated Care funding under the 1115 Waiver
• Disproportionate Share Hospital program not maximized
Staff reviewed the estimated impact of legislative changes to the Health System and the projected activity for 2013 and budgeted activity for 2014, with an increase of access to care by 12.1 percent. A discussion ensued regarding property values:

The Certified Tax Roll for 2013 is $110.1B –

- Existing Property Values increased by $3.6B or 3.42%
- New properties added to the tax roll were $2.2B an increase of 18.47% over 2012 new properties
- Average Home Value of $147,094 increased $2,933 or 2.1%
- Adjusted tax roll values up in 2013 by $3.6B or 3.4%

Staff also provided an overview of historical and proposed tax rate from 2005 to present. In light of various uncertainties presented relative to implications of the Affordable Care Act, State and Federal legislative cuts, funds flow under the 1115 Waiver program, staff recommends that the Health System maintain the existing total tax rate of $0.276235 per $100 valuation. Keeping the existing total tax rate would help maintain the operating margin necessary to effectively meet known and unforeseen challenges. This existing total tax rate will consist of a debt service tax rate which sufficiently covers the Health System risk due to potential Federal sequestration effective FFY 2014. The operating tax rate will be computed as the difference between the total tax rate and the debt service tax rate. It is projected that there will be a slight decrease in the debt service tax rate and a corresponding slight increase in the operating tax rate for 2013.

Maintaining the same total tax rate of $0.276235 to support the 2014 budgets will yield a projected $302.2 million. This is higher than in 2013 by $15.7 million or 5.49%. One third of this increase or $5.1 million is attributed to new properties that were added to the tax roll in 2013. Over the next several months staff will be developing the 2014 final operating, debt service and capital budgets. The goal is to produce a 2014 operating margin that will provide protection against negative implications from the uncertainties previously mentioned.

The Health System developed the Preliminary 2014 Budget to incorporate the strategies and initiatives presented to the Board at the August 20, 2103 meeting. With the recommendation to maintain the existing tax rate, the Operating Margin improved by $9.6 million over the one shared on August 20th. The $13.9 million operating margin provides a 1.7% operating margin percent which is still slightly lower than the one projected for 2013.

**RECOMMENDATION:** Staff recommends to the Board of Managers that it request Commissioners Court to set the 2013 total tax rate in support of University Health System operating, debt service and capital requirements for 2014 at a total tax rate $0.276235 per $100 property valuation.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR JULY 2013
FINANCIAL STATEMENTS—ROE GARRETT/PEGGY DEMING

SUMMARY: For the month activity was up 7.6% for the Clinical Services (as measured based on discharges adjusted for outpatient activity). Community First Health Plan (CFHP) fully-insured membership was up 2.8%. From operations, the Health System experienced a gain of $3.6 million which was $1.3 million higher than the budgeted gain of $2.3 million due to higher net patient revenue. Meaningful use incentive of $135,000 was recorded for the achievement of incentive awards for the electronic medical record implementation. Investment income was under budget by $80,000 due to slightly lower interest rates than budgeted. An unrealized market gain of $270,000 was recorded in the month due to lower interest rates during July. The bottom line gain excluding debt service of $4.2 million which was $1.5 million higher than the budgeted gain of $2.7 million. CFHP reflected bottom line gain of $2.0 million which was $384,000 higher than the budgeted gain of $1.6 million as significant improvements were noted in July in light of higher membership. Estimated DSRIP Revenue of $352,000 was recognized to offset actual cost in July of DSRIP related costs. Debt Service Revenue was $3.5 million which is equal to the budgeted portion of the Debt Service payment of $3.5 million. Mr. Garrett reviewed and discussed notable increases and/or decreases from the consolidated balance sheet in detail.

RECOMMENDATION: Staff recommended acceptance of the financial reports subject to audit.
ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY.

EVALUATION: None.
FOLLOW-UP: None.

PRESENTATIONS AND EDUCATION:

PRESENTATIONS ON 1115 WAIVER DSRIP PROJECTS REGARDING THE AMBULATORY SETTING:

On December 12, 2011, the Centers for Medicare and Medicaid Services (CMS) approved Texas’ request for a new Medicaid section 1115 Demonstration, entitled “Texas Healthcare Transformation and Quality Improvement Program” for the period October 1, 2011 through September 30, 2016. The aims of the 1115 Demonstration, commonly called the Waiver are to:

- Expand risk-based managed care statewide;
- Support the development and maintenance of regional coordinated care delivery systems;
- Improve quality and outcomes while containing cost growth;
- Protect and leverage financing to improve and prepare the health care infrastructure to serve a newly insured population; and
- Transition to value-based payment systems
- The expansion statewide of Medicaid managed care is intended to lead to improved access to primary care and more coordinated care for Medicaid beneficiaries.
The savings from the expansion of Medicaid managed care and the discontinuation of previous supplemental provider payments, known as UPL, will finance two new funding pools: the Uncompensated Care (UC) Pool and the Delivery System Reform Incentive Payment (DSRIP) Pool. DSRIP Project funding provides incentives for collaborative initiatives in simultaneous pursuit of three aims: better health care for individuals, including access to efficient, effective care; better health for the population; and lower cost through improvement.

**EXPANSION OF PRIMARY CARE ACCESS AT UNIVERSITY HEALTH SYSTEM—SERGIO FARRELL**

**SUMMARY:** Mr. Adams directed the Board’s attention to this written report. In the interest of time, he asked his colleagues to review the report and contact Mr. Farrell with comments or questions.

**RECOMMENDATION:** This report was provided for informational purposes only.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**EXPANSION OF PEDIATRIC CARE AT UNIVERSITY HEALTH SYSTEM—SERGIO FARRELL**

**SUMMARY:** Mr. Adams directed the Board’s attention to this written report. In the interest of time, he asked his colleagues to review the report and contact Mr. Farrell with comments or questions.

**RECOMMENDATION:** This report was provided for informational purposes only.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**2013 QUARTER 2 SUPPLIER DIVERSITY REPORT—IRENE MALDONADO/FRANCINE WILSON**

**SUMMARY:** Mr. Adams directed the Board’s attention to this written report. In the interest of time, he asked that this presentation be postponed until September.

**RECOMMENDATION:** None.

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP:** Mr. Adams asked the staff to incorporate the information requested by Mr. Briseno earlier in the meeting (update the monthly and year-to-date purchasing summaries, summary of purchasing policies, supplier diversity program enhancements, and vendor outreach and education activities).
EMERGENCY CENTER MATTERS:

UPDATE ON THE PEDIATRIC EMERGENCY CENTER—MICHELLE RYERSON, DNP, RN, NEA-BC, SR. VICE PRESIDENT, CNO/COO, PEDIATRIC CLINICAL SERVICES

SUMMARY: A pediatric leadership team led by Drs. Jon Courand and Kelsey Sherburne and Emergency Center leadership, to include Drs. Bruce Adams, Justin Williams, Christopher McNeil, and Hospital CEO, Tim Brierty, has been collaborating since January 2013 regarding a pediatric emergency center. A thorough assessment was conducted by this team which identified the following strengths: 1) great enthusiasm, energy, and drive from the Emergency Medicine staff, 2) well established infrastructure managing pediatric trauma and burn patients, 3) all manner of pediatric consultants and specialists are available, and 4) with few exceptions, the availability of state of the art equipment. The group identified the following opportunities:

- Aged facility in disrepair, not kid friendly
- Pediatric patient care integrated with adults and prisoners
- No pediatric trained MDs, NPs, or Pas
- Limited number of Pediatric-trained Emergency Department Nurses
- No dedicated pediatric respiratory therapists
- No pediatric protocols for common childhood illnesses
- Routine pediatric equipment/supplies, such as, infant weight scales, formula, diapers, are lacking

Ms. Ryerson concluded her presentation by summarizing the following recent significant positive changes and improvements:

- New Executive Director, is motivating and focusing team on future, excited about improving care of children
- New age-specific equipment/supplies purchased for Emergency Center
- New positions added, training underway for Pedi Nurses, Respiratory Therapist, and Child Life Specialist
- Pediatricians and Emergency Center staff physicians working together to establish protocols to treat common childhood illnesses
- Staff is training to upgrade skills and knowledge to care for children with urgent medical conditions.

RECOMMENDATION: This report was provided for informational purposes.
ACTION: No action was required by the Board of Managers.
EVALUATION: Dr. Jimenez complimented the staff’s selection of the Health System’s children’s health logo and described it as being inclusive of the community. Dr. Henrich thanked the Health System leadership for executing the pediatric transition plan in such an expedient manner. The Department of Pediatrics is sincerely grateful to the Board of Managers and all of the staff involved for stepping up to help children and parents find the health care they need. These efforts will benefit the community, but we all still seek a long term solution for Bexar County.
FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

REPORT REGARDING YEAR 2013 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

SUMMARY: The written reports listed above were provided for the Board’s review. Mr. Adams encouraged his colleagues to review them and contact the staff with questions or comments.

RECOMMENDATION: None.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: None.

CLOSED MEETING:

Mr. Adams announced the meeting closed to the public at 8:25 p.m. A closed meeting was held pursuant to TEX. GOV’T CODE, Section 551.085 (Vernon 2004) to receive information on and/or deliberate regarding pricing or financial planning information relating to a bid or negotiation for the arrangement or provision of services or product lines to another person if disclosure of the information would give advantage to competitors of the hospital district. The following Board members present: James Adams, Roberto L. Jimenez, M.D., Robert Engberg, Ira Smith, and Alexander E. Briseño. The following members were also present: George B. Hernandez, Jr.; Christann Vasquez; Bryan Alsip, M.D.; Ted Day; and Michael Hernandez. After discussion, no action was taken in closed session. Mr. Adams announced that the closed meeting ended at 9:17 p.m., and the public meeting was reconvened.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the public meeting at 9:18 p.m.

_________________________________  ______________________________
James R. Adams    Rebecca Q. Cedillo
Chair, Board of Managers   Secretary, Board of Managers

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Sandra D. Garcia, Recording Secretary