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

Tuesday, August 30, 2016
6:00 p.m.
Board Room
Texas Diabetes Institute
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

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

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
James Barker, M.D., Vice President for Clinical Services, University Health System
Felix Alvarez, Executive Director, Procurement Services, University Health System
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Ted Day, Senior Vice President, Strategic Planning and Business Development, University Health System
Theresa De La Haya, Senior Vice President, Health Promotion/Clinical Prevention, University Health System – Texas Diabetes Institute
Sergio Farrell, Senior Vice President, Ambulatory Services, Robert B. Green, University Health System
Don Finley, Director, External Communications/Corporate Communications, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Michelle Ingram, Vice President/Chief Quality Officer, University Health System
Bill Phillips, Senior Vice President/Chief Information Officer, University Health System
Michael Roussos, Hospital Administrator, University Health System
Travis Smith, Deputy Chief Financial Officer, University Health System
Allen Strickland, Vice President/Hospital Administration-Fiscal Management, University Hospital
Armando J. Sandoval, Chief of Police, University Health System
Mark Webb, Chief Executive Officer/Pediatric Services, University Health System
Francine Wilson, Senior Vice President, Supply Chain Management, University Health System

And other attendees.
CALL TO ORDER AND RECORD OF ATTENDANCE:  JIM ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 6:05 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Mr. Rene Alvarado of St. Mary Magdalen Catholic Church for the invocation, and he led the pledge of allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):  JULY 19, 2016 (REGULAR MEETING):

SUMMARY: The minutes of the regular bi-monthly meeting of Tuesday, July 19, 2016 were submitted for approval.
RECOMMENDATION: Staff recommended approval of the minutes as submitted.
ACTION: A MOTION to approve the minutes was made by Mr. Engberg, SECONDED by Ms. Barrera, and PASSED UNANIMOUSLY.
EVALUATION: None.
FOLLOW-UP: None

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):  AUGUST 5, 2016 (SPECIAL MEETING)

SUMMARY: The minutes of the regular bi-monthly meeting of Tuesday, August 5, 2016 were submitted for approval.
RECOMMENDATION: Staff recommended approval of the minutes as submitted.
ACTION: A MOTION to approve the minutes was made by Dr. Jimenez, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.
EVALUATION: None.
FOLLOW-UP: None

REPORT FROM THE HEALTH SCIENCE CENTER – FRANCISCO SCARANNO-GONZALEZ, M.D., FOR WILLIAM HENRICH, M.D., PRESIDENT

SUMMARY: Dr. Gonzalez acknowledged the physician leaders present. The affiliation with MD Anderson is progressing, a final agreement will be signed very soon at which time an announcement of the partnership will follow. School of Medicine classes started on July 23, 2016. There are some outpatient space expansions taking place at the Medical Arts and Research Center (MARC). Staff is in the process of converting two floors of faculty office space into patient care areas, and the new facility in Leon Springs will open in spring 2017. Dr. Plastino expressed excitement that the Health System is exploring a new women and children’s tower initiative; she applauded leadership for ensuring key individuals from the School of Medicine are involved in planning and discussing the possibilities. Communication with the physicians has been superb, particularly lately related to Zika issues. Dr. Alsip has ensured that all staff receive updates regarding hospital processes. She is
working with Dr. Russell Higgins, new medical director for clinical lab services to improve processes and resolve issues in a timely fashion. Mr. Smith congratulated Dr. Plastino for the expert manner in which she handles the many difficult issues presented during monthly Quality/Risk Management Committee meetings. Dr. Jimenez asked Dr. Plastino to shed some light on the issue of women dying during child birth in Texas, the problem is apparently larger than what is known, with deaths occurring all over the country. She will research the topic and return to the Board with her findings.

**RECOMMENDATION:** None.

**ACTION:** None.

**EVALUATION:** Dr. Jimenez asked Dr. Alsip to provide a brief overview about the work of Donald Ainslie "D. A." Henderson, M.D., who passed away on August 19, 2016 at the age of 87. Dr. Henderson was an American physician, educator, and epidemiologist who directed a 10-year international effort beginning in 1967 that eradicated smallpox throughout the world and launched international childhood vaccination programs. Dr. Anderson also served as Dean of the Johns Hopkins School of Public Health from 1977 to 1990. Later in his life, he played a leading role in instigating national programs for public health preparedness and response following biological attacks and national disasters. At the time of his death, he was Professor and Dean Emeritus of the Johns Hopkins Bloomberg School of Public Health, and Professor of Medicine and Public Health at the University of Pittsburgh, as well as Distinguished Scholar at the University of Pittsburgh Medical Center’s Center for Health Security.

**FOLLOW-UP:** None.

**CONSENT AGENDA—JIM ADAMS, CHAIR**

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

**CONSIDERATION AND APPROPRIATE ACTION REGARDING COMMISSIONING OF BEXAR COUNTY HOSPITAL DISTRICT PEACE OFFICER—A.J. SANDOVAL, III, CHIEF OF POLICE/ED BANOS**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING APPOINTMENT/REAPPOINTMENT TO THE CENTER FOR HEALTH CARE SERVICES BOARD OF TRUSTEES—ROBERT ENGBERG, CHAIR, NOMINATING COMMITTEE**

**REPORT ON THE ISSUANCE OF BEXAR COUNTY HOSPITAL DISTRICT LIMITED TAX REFUNDING BONDS, SERIES 2016—REED HURLEY/GEORGE B. HERNÁNDEZ, JR.**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FOLLOWING UNIVERSITY HEALTH SYSTEM POLICIES:**

9.07.03, INPATIENT DO NOT RESUSCITATE ORDERS—BRYAN ALSIP, M.D.; AND 9.25, ACCOMMODATING PERSONS WITH SERVICE ANIMALS—LENI KIRKMAN
CONSIDERATION AND APPROPRIATE ACTION REGARDING PURCHASING ACTIVITIES (SEE ATTACHMENT A) –FELIX ALVAREZ/FRANCINE WILSON

SUMMARY: The items listed above were presented for the Board’s consideration as consent items. Mr. Adams pulled the report on the issuance of BCHD limited tax refunding bonds, series 2016, for further discussion and elaboration.

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

ACTION: A MOTION to approve the items listed on the consent agenda was made by Ms. Barrera, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION: Mr. Don Gonzalez of Estrada Hinojosa & Company, Inc., provided an overview of the tax refunding bonds, series 2016 transaction that took place earlier in the month:

- The maturities refunded range from 2017 to 2037.
- The gross savings totals $51.3 million.
- On a net present value basis, the savings total approximately $37.2 million. This equates to 17.3% of the bonds refunded. This favorably compares with originally projected present value savings at the April Board meeting of $23.5 million or 10.4% of the bonds refunded.
- The overall borrowing cost was 2.77% with a maximum term of 21 years. Average Coupon on Bonds Refunded was 4.97%.
- The transaction was rated Aa1/AA+/AA+ by Moody's Investors Service, S&P Global Ratings and Fitch Ratings, respectively.

Mr. Engberg asked for a brief introduction of Peace Office Candidate, Ovido Ramirez, Jr. Mr. Ramirez comes to the Health System from the Bexar County Sheriff's Office where he worked from November 1998 to October 2015, during which time, part of his job entailed escorting inmates to University Hospital and the Robert B. Green campus. Mr. Adams noted the re-appointments of Mrs. Graciela Cigarroa and Dr. Richard Usatine to The Center for Health Care Services Board of Trustees; they represent the Board of Managers in a very challenging environment and we are fortunate they are willing to serve another two-year term. Dr. Jimenez asked about the federally mandated Zika blood testing, and whether the costs are being passed on to health care providers and blood banks. Dr. Alsip reported that at the present time, testing must be done under an investigational drug protocol, which the Health System has applied for, as has the South Texas Blood and Tissue Center. There is an inherent cost associated with the testing, which staff suspects the government will eventually help with, especially in some areas that are high risk.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, SAN ANTONIO, FOR RADIATION THERAPY SERVICES AT THE CANCER THERAPY AND RESEARCH CENTER—JAMES BARKER, M.D.

SUMMARY: The Health System previously entered into agreements with UTHSCSA since 2009 and with the Cancer Therapy & Research Center (CTRC), when it was a separate entity, to procure radiation services for patients, including those who require radiation therapy while hospitalized at University Hospital. This is a contract renewal request of a previous agreement with UTHSCSA which ended on July 31, 2016. This service agreement is exempt from competitive acquisition. All cases referred to CTRC for radiation therapy must be reviewed and authorized by UHS before patient transport to CTRC. Patients also require ambulance transfer and the accompaniment of a staff nurse. The Utilization Review department has assumed management of this contract and streamlined the processes over the last six months, and there is no increase in cost from the previous year. Budgetary allocation for the services provided remains at $330,000/year with the requirement that all claims for services provided be presented to UHS as “clean claims,” as required for adjudication by Medicare in lieu of invoices, as previously allowed. In 2014, CTRC provided radiation therapy services to 235 patients; 219 patients in 2015, and 120 year to date, with costs as follow:

2014 - $ 149,680  
2015 - $ 192,530  
2016 - $ 74,311.55 to date

The UTHSCSA has a total of 5,363 employees, and the workforce composition data was provided for the Board’s review.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute the Radiation Therapy Services Agreement with UTHSCSA for an amount not to exceed $330,000 for a one-year period.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH TEJAS PREMIER BUILDING CONTRACTOR, INC. TO IMPROVE AND ENHANCE PARKING AT THE PAVILION (MEDICAL CENTER) AND THE SOUTHWEST FAMILY HEALTH CENTER—MARK WEBB

SUMMARY: As a result of an inspection required for construction of the Outpatient Rehabilitation Unit at the University Hospital Pavilion, and the Pathology Lab at the UFHC-SW, the Health System received notification of improvements that were necessary to assure compliance with applicable regulations. Mr. Webb described the scope of work for the Pavilion and UFHC-SW parking lot projects in detail. The services will be provided by a qualified contractor and will assure compliance with the
Americans with Disabilities Act (ADA) and support a safe environment for patients, visitors and staff, at the lowest possible cost and within the shortest possible time frame. The scope of work was competitively bid, solicitation number RFCSP-216-05-022-CNST, and there were four respondents:

- LMC Corporation - $407,039.57
- Tejas Premier Building Contractor, Inc. - $538,157.02
- CGC Central Contractors, Inc. - $700,650.00
- HJD Capital Electric, Inc. - $718,344.66

All proposals were evaluated by a selection committee consisting of four facilities development project managers. The two leaders in consideration were LMC Corporation and Tejas Premier Building, Inc. The Tejas Premier proposal was selected as the best value proposal due to their detailed construction schedule, excellent safety record, extensive experience doing similar work and company stability. Tejas Premier has a total of 51 employees, and the workforce composition data was provided for the Board’s review.

RECOMMENDATION: Staff recommends Board of Managers’ approval to fund and execute a contract with Tejas Premier Building Contractor, Inc., in the amount of $538,157.

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

EVALUATION: Mr. Adams commended Mr. Webb for his explanation regarding vendor selection. It was to the point and describes “best value” concisely.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE REDUCTIONS TO THE CONTRACTS FOR DESIGN SERVICES FOR THE PEDIATRIC PROGRAM PREVIOUSLY AWARDED TO MARMON MOK ARCHITECTS AND CHESNEY MORALES PARTNERS—MARK WEBB

SUMMARY: As part of the originally conceived renovation of the Horizon Tower to centralize the Pediatric Services, the Board previously approved contracts for design services with both Marmon Mok Architects and Chesney Morales Partners in the amounts of $770,818 and $1,050,397, respectively. The Board also previously approved a reduction of the original scope of the Pediatric Program, and as such, the scope of services and related costs of these contracts is being reduced. The original scope of work in both contracts included work that will now not be performed or for which the scope of the project will be substantially reduced. The following summarizes those changes for a total savings of $478,002.

Marmon Mok scope reductions (overall savings - $219,837):

- 6th floor of the Horizon Building - The original scope included renovating this floor to become a Pediatric inpatient unit. The current plan has this floor continuing to be used as the rehabilitation inpatient unit so this scope of work, less the cost of preliminary
planning that was already performed, is recommended to be completely deleted from the Marmon Mok contract scope.

- 8th Floor Horizon - The original scope included fully renovating a majority of this floor to accommodate not only the Pediatric infusion center but also pediatric specialty clinics and expanded pediatric offices. The current scope requires only modifications to the existing transplant clinic at the north end of the floor to become the new pediatric infusion center. It is recommended that the scope of this contract be substantially reduced as relates to 8th floor work.

**Chesney Morales Partners scope reductions (overall savings $258,165):**

- 12th and 10th Floors – The original scope had the 12th floor being fully renovated into a new NICU and minor modifications to the 10th floor. The new NICU has now been revised and both floors will receive minor upgrades thus reducing the scope of work required to be performed by Chesney Morales Partners.

- 11th Floor – The original scope included major work on the 11th floor to accommodate all pediatric surgery, as well as pediatric cardiac cath lab. This required reconfiguration to a substantial portion of the floor. The scope now includes accommodating the pediatric cardiac cath lab and pediatric endoscopy in existing operating rooms with minor reconfiguration of a few adjacent spaces. It is recommended that the scope of the Chesney Morales Partners contract be substantially reduced as relates to the 11th floor work.

Marmon Mok Architects has a total of 56 employees, and Chesney Morales Partners has a total of 34 employees. The workforce composition data for each vendor was provided for the Board’s review.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval to execute contract amendments with Marmon Mok for a cost reduction of $219,837 and with Chesney Morales Partners for a cost reduction of $258,165, for a total savings amount of $478,002.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH JACOBS PROJECT MANAGEMENT COMPANY FOR CLAIMS MANAGEMENT SERVICES FOR UNIVERSITY HOSPITAL—MARK WEBB**

**SUMMARY:** Based on prior discussions and direction from the Board, staff amended various agreements for the project manager, architect, and construction manager teams to expedite the process of scaling down the large infrastructure that was developed to deliver the $899M+ Capital Improvement Projects. The scaling down process incorporated the conclusion of the program and project management agreements in July 2014. As part of the scaling down process, the Health System contracted with a small team from Jacobs Project Management Company to provide staff augmentation to the core Facilities Development staff for the completion of renovation projects. The goal was to ensure the
continuity of project delivery with the same consistency of quality, customer service, financial stewardship, and professionalism, while allowing for staffing levels to flex up or down as needed based on the project requirements. Jacobs staff assisted Facilities Development staff in managing the planned renovation projects within the Rio and Horizon Towers. Additionally, the Health System identified the need for technical project management staff to assist in resolution of claims items in the new tower. Due to the fluid nature of the work and the unknown duration associated with the work, staff directed Jacobs to begin work with the claims management process. Now that the work has been completed, staff is reconciling the cost of the work provided. This is a request for a contract amendment in the amount of $183,811 for work previously provided. The original contract amount and previously approved amendments is $20,211,259 and the revised total contract amount is $20,395,070, and includes this work. Staff has reviewed the costs associated with the work performed and recommends approval. Fees for this contract amendment will be paid from project funds. Jacobs Project has a total of 5,328 employees, and the workforce composition data was provided for the Board’s review.

RECOMMENDATION: Staff recommends the Board of Managers approve a contract amendment with Jacobs Project Management Company in the amount of $183,811.

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

EVALUATION: Mr. Adams reiterated Mr. Engberg’s role as the Board’s liaison on construction and renovation projects. He urged staff to consult with him prior to taking action.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A PROFESSIONAL SERVICES AGREEMENT WITH TEXAS LIVER INSTITUTE FOR MEDICAL DIRECTION, PROGRAM DEVELOPMENT, TRANSPLANT HEPATOLOGY CALL COVERAGE AND LIVER DISEASE OUTREACH CLINIC—ALLEN STRICKLAND

SUMMARY: The current agreement with Texas Liver Institute will expire on August 31, 2016. In order to continue the expansion and improvement of the Health System’s Liver Disease Program, a new agreement is required. During the term of this agreement, and working closely with the UT Transplant team, Dr. Fred Poordad and his colleagues at Texas Liver Institute have advanced the treatment of liver disease, including transplants at University Hospital. Through an affiliation with UT, they have also been a significant part of the Transplant Hepatology call coverage team and opened a Liver Disease Outreach Clinic in Austin, Texas which the Health System has financially supported through Bexar County Clinical Services funding. Health System, UTHSCSA, and Texas Liver Institute management has determined that in addition to the Medical Direction and Program Development Services, the Transplant Hepatology Call Coverage and Liver Disease Outreach Clinic Services support should be added to this agreement and eliminated from the Bexar County Clinical Services funding agreement. This will result in a Health System net savings of $75,000 per year; or $225,000 over the three year
term of this agreement. The annual cost for Medical Direction and
Program Development Services is $121,000, unchanged from the
previous agreement. The annual cost for Transplant Hepatology call
coverage and Liver Disease Outreach Clinic Services is $420,000, which
is $75,000 less than the previous amount paid through Bexar County
Clinical Services. This puts the total cost of all services for the three
year term at $1,623,000. The three year cost for continued payment for
services under the current agreement is $1,848,000; a net savings of
$225,000 versus the previous three years. Texas Liver Institute has a
total of 109 employees. The workforce composition data was provided
for the Board’s review.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a Professional
Services Agreement for Medical Direction, Program Development,
Transplant Hepatology Call Coverage and Liver Disease Outreach Clinic
Services with Texas Liver Institute, Inc. at a cost of $1,623,000 for a
three year term beginning September 1, 2016 and ending August 31,
2019.

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

EVALUATION: Mr. Strickland clarified for Ms. Barrera that the savings in this
transaction comes from eliminating the middle man and contracting
directly with Texas Liver Institute. Mr. Adams asked Mr. Stickland to
convey the Board’s gratitude to Dr. Glenn Halff, Director of Transplant
Services, for his work, he is a highly respected among the Board of
Managers.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO AMEND A CONTRACT WITH
BYRNE CONSTRUCTION AND ADDITIONAL FUNDING FOR EQUIPMENT,
FURNISHINGS AND INFORMATION TECHNOLOGY ALL RELATED TO RELOCATION
OF THE 3MSU TO THE 12th FLOOR, HORIZON TOWER—MARK WEBB

SUMMARY: The Board previously approved the equipping of seven unused operating
rooms in the Sky Tower for use for pediatric cases. By transitioning the
Pediatric operating rooms to the Sky Tower, Perioperative Services will
be able to better allocate resources to support the high acuity patients
seen by these services. The transition will also allow more staff to
provide support to this area, additional staff to cross train in pediatrics,
improved sterile processing and instrument support, and increased
ancillary staff support to the area, while decreasing redundant supply and
instrument inventories. The prep and recovery area for the seven
pediatric operating rooms is currently being used as a medical surgical
unit called 3 MSU to help better manage hospital patients in observation
status. While the space is not ideal, it has helped considerably in hospital
bed management. The plan is to relocate these patient observation beds
in 3MSU to the 12th floor of Horizon and return the prep and recovery
OR space back to its intended OR support use. The 12th floor of Horizon
is in good condition, and previously operated as the Transplant Unit
prior to the opening of the Sky Tower. However it will need some
construction repair and IT upgrades. The scope of this GMP includes
preparation of 12 Horizon to accommodate the use for patient currently
located in the unit known as 3 MSU in the amount of $370,000 (construction costs). Work to be done includes: mold remediation; painting; flooring and ceiling repair; repairs to damaged cabinets; clean and re-lamp lights; clean and repair plumbing fixtures and showers; and test/balance HVAC system. Final completion involves outfitting the space with moveable items to include active IT, and furniture, fixtures, and equipment (FF&E) with the estimated cost of approximately $889,000, and Mr. Webb provided a detailed listing of the FF&E items (non-construction costs). Total funding for construction and non-construction items requested is $1,259,000. Mr. Webb reviewed the GMPs approved to date. The total commitment is $6,713,661, with a control estimate of $6,343,661. The participation goal for SMWVBE is 35% and the local participation goal is 80%. Byrne Preston Banks is a joint venture company made up of two SMWBE certified companies. Byrne Construction Services is certified by the South Central Texas Regional Certification Agency (SCTRCA) as a Minority Business Enterprise (MBE) and a Veteran Business Enterprise (VBE). Preston Banks Construction Company, LLC is certified by the South Central Texas Regional Certification Agency (SCTRCA) as an African American Business Enterprise (AABE), Emerging Small Business Enterprise (ESBE), Minority Business Enterprise (MBE), and a Small Business Enterprise (SBE). Byrne has a total of 103 employees, and Preston Banks has a total of 6 employees. The workforce composition data for both vendors was provided for the Board’s review.

RECOMMENDATION: Staff recommends Board of Managers’ approval of funding in the amount of $1,259,000 from unencumbered capital reserves (to cover both construction and non-construction costs) and approval to execute a construction contract amendment with Byrne Construction Services in an amount not to exceed $370,000.

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

EVALUATION: Appropriation of funds for these items is requested with this Board action today. Any items which require authorization by the Board of Managers will be brought forward for consideration in the next few months as bids are received.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT TO THE CONTRACT WITH SOUTH TEXAS BLOOD AND TISSUE CENTER—MICHAEL ROUSSOS

SUMMARY: The total number of annual blood transfusions for 2014 was 26,152, and 30,141 for 2015. The annual estimated count for 2016 is 35,784, approximately a 37 percent increase from the prior year. This increase is due to growth in volumes for trauma and perioperative services, Labor and Delivery and Neonatal Intensive Care, and pediatric specialty services, particularly hematology/oncology. Due to this increase, the current contract #21402035-IF has run out of funds. In order to reach the term of the contract through February 28, 2017, staff is requesting additional funds in the amount of $3,920,000 to cover expenses for the
next 7 months. This will bring the total contract value to $15,859,322.00. The cost of blood products has not changed, and the need for these additional funds are due to continual growth in a variety of clinical services. South Texas Blood and Tissue Center has a total of 290 employees, and the workforce composition data was provided for the Board’s review.

RECOMMENDATION: Staff recommends Board of Managers’ approval of additional funds in the amount of $3,920,000.00 contract# 21402035-IF with the South Texas Blood and Tissue for the remainder of the contract which expires February 28, 2017.

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

EVALUATION: Mr. Engberg made a general observation regarding contract increases. Four out of eight items on the purchasing agenda today show increases due to patient volume or product cost. When these types of increases are reported, staff does not indicate whether there is revenue associated with the product to cover the expense, and he begins to wonder if this is a total hit to the bottom line. Mr. Engberg suggested a revenue impact note be routinely included in the Board reports when such increases exist. In this particular case with the South Texas Blood and Tissue Center, there is revenue associated with the increase in cost, if the patient is insured. However, Medicaid and Medicare pay a fixed amount regardless of the number of blood units utilized. Staff acknowledged that pathology and laboratory costs are difficult to manage; however, staff continues to work diligently to identify ways to avoid waste and improve how providers order blood and blood products. Discussion ensued regarding the type of cases needed to offset the cost of complicated cases that utilize a lot of blood in both the labor and delivery area and neonatal intensive care unit.

In having its own blood donors, the Health System saves money and staff is doing a good job of getting the word out internally. The new physician residents who arrived on July 1 were all invited to donate with various incentives available for all staff. As far as corporate blood drives, Mr. Roussos acknowledged opportunity to improve in this area. Mr. Banos informed the Board that phone calls to previous donors are now handled by the Health System’s own call center, a change that took place 3-4 months ago and has helped to increase donations. The staff is very responsive; however, donations drop every year in the summer months. Staff is also exploring a potential back-up relationship with another blood provider north of Austin. Dr. Jimenez urged the staff to proceed carefully if the decision is made to take the Health System’s business outside of San Antonio, due to the impact on local jobs. Mr. Hasslocher reminded staff that he previously requested financial data pertaining to the 22 surrounding counties served by University Hospital. He will use the data to encourage blood donations by the various officials who serve with him on the Alamo Area Council of Governments, in light of the Level 1 trauma services provided to their residents.

FOLLOW-UP: Provide revenue impact note requested by Mr. Engberg. Provide financial data requested by Mr. Hasslocher.
CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE SAN ANTONIO INDEPENDENT SCHOOL DISTRICT TO PURCHASE REAL PROPERTY LOCATED AT 2 HAVEN FOR HOPE WAY, SAN ANTONIO, BEXAR COUNTY, TEXAS—RICHARD RODRIGUEZ/MICHAEL

SUMMARY:
The San Antonio Independent School District (SAISD) is in the process of selling several of their properties in order to fund and construct a proposed consolidated administrative office complex. One of the properties for sale is their Food Service Warehouse located at 2 Haven for Hope Way. This facility is a 66,000 square foot flex food distribution facility located on 4.035 acres. The warehouse has approximately 4,900 square feet of administrative offices, ample warehouse space as well as walk-in coolers and freezers. Their loading dock has seven truck bays and is fenced to protect their vehicles at night. The majority of the Health System’s warehousing functions occur at University Hospital. The purchase of a consolidated service center will be instrumental in relocating administrative functions from much needed clinical space at the hospital and other ambulatory sites. The potential consolidation of services and storage could include such departments as:

- Asset Management
- Fleet Services
- Ambulance
- Copy Center
- Mail Room
- Child Life Safety
- Plant Engineering
- Bio Med and Information Technology

On a longer term basis, this property could be used for the expansion of clinical services and parking at the Robert B. Green facility. The Health System engaged an appraisal company to assess the market value of the land and building. Based on the results of the appraisal, the Health System made an offer of $4 million for the acquisition of this property. SAISD has accepted the Health System’s bid and if the Board gives approval to acquire the property, there will be a sixty day due diligence process followed by a closing date, 30 days after the inspection period. During the inspection period, the Health System will acquire and conduct the following:

1. Title Commitment, Title Policy
2. Land Survey
3. Phase I Environmental Assessment (soil or groundwater contamination)
4. Facility Inspection – (Electrical, Plumbing, HVAC)
5. Evaluate Freezers/Building Foundation

If there are no issues during the due diligence period, the property will go under contract and close. At the same time, the deed to the property will transfer to the Health System. With the closing there will be an 18 month occupancy agreement in place to accommodate the relocation out of this facility. During the transition period, SAISD will be responsible for the operating expenses, maintenance, and liability of the facility. Since the transition time will take up to eighteen (18) months, this will allow the Health System to develop other options and alternatives to expand the
uses of the consolidated service center. This plan will include the operating and capital budgets, space requirements, as well as options to determine the optimum configuration of the consolidated service center.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of a real estate contract to purchase the SAISD food service warehouse located at 2 Haven for Hope Way in an amount not to exceed $4 million.

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

**EVALUATION:** Dr. Jimenez reminded staff of the nearby Haven for Hope shelter that houses approximately 1,500 homeless individuals, which will more than likely increase the Health System’s security needs. Mr. Hasslocher will provide the contact information of a security consultant to work with staff on security issues related to this property, if needed.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING OPERATIONS AND FINANCIAL REPORT FOR JULY 2016—REED HURLEY/EDWARD BANOS**

**SUMMARY:** In July clinical activity (as measured by inpatient discharges) was up 5.3% for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was down 1.4% due to lower membership in STAR Medicaid. The bottom line gain (before financing activity) was $4.7 million, $680,000 better than budget and was due primarily to the release of reserves at CFHP. Debt Service Revenue was $4.5 million which is equal to the budgeted Debt Service payment of $4.5 million. Mr. Hurley reviewed notable increases and/or decreases from the consolidated balance sheet in detail. Mr. Banos provided an operations report, noting that outpatient activity was down about ten percent compared to budget and to the prior year. He presented an ambulatory success story regarding a CareLink Special Population Management Project on patients who are high utilizers of services. He described patients by age, gender, ethnicity, and provided a breakdown of the number of CareLink participants associated with chronic conditions, i.e., diabetes, hypertension, cardio obstructive pulmonary disease, congestive heart failure, coronary artery disease, dyslipidemia, asthma, and atrial fibrillation. He presented results for the period 2014 through February 2016, broken down by chronic disease category, indicating improvements in all categories. Total charges for ED visits, hospitals admits and re-admissions ranged from $5,938,161 in 2014; $3,569,956 in 2015; and $2,965,798 through March 31, 2016, respectively. As for financial improvements and improvements in the delivery of care, Mr. Banos reported the following:

- Reduce Length of Stay for Cardiology Outpatients in Beds
  - 35 percent reduction in patients held in observation status for over 24 hours, equates to $500,000 annually;
  - Adjusted scheduling and discharge process for cath lab procedures to emphasize same day discharge;
  - Increase use of radial cath procedures to decrease complications; and
Utilized specialty infusion clinic to eliminate need to bring patients to hospital the day prior to procedure.

- Reduce over par inventory
- Improved accuracy of items on par for automatic reordering;
- Evaluated current inventories related to par levels; and
- Savings of $140,000 from improved inventory management.

- Decrease delays in peripherally inserted central catheterization (PICC) line verification;
  - Eliminated average delay of three hours per patient to verify placement of central line and starting treatment sooner;
  - Equates to 525 cumulative avoidable days equaling $900K annually; and
  - Purchase of Arrow’s Vascular Positioning System (VPS) equipment to be used by mobile vascular access team.

Mr. Banos outlined the previous process for PICC line verification which consisted of five steps versus the new two-step process now done at the bedside by certified registered nurses.

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

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

**EVALUATION:** Mr. Banos attributed the outpatient activity decrease of 3,000 visits in one month to 11 provider vacancies (physicians, physician assistants and nurse practitioners). The various medical directors have been busy trying to fill these gaps. As of today, they have filled seven of these positions which must now go through the credentialing process. In the future, nurse practitioners and physician assistants will be required to give longer than a two week resignation notice. Also during this time period, several physicians have been out with unexpected illnesses and intermittent family medical leave. At the Texas Diabetes Institute, the podiatry service has a similar dilemma when they lose podiatrists. In addition, earlier in the year UT Dental decided to move the oral & maxillofacial surgery clinic from the Robert B. Green campus to the new dental facility on Floyd Curl Drive, which affected about 300 cases. Dr. Jimenez expressed concern with vacancies that occur within the podiatry service which can affect the management of diabetic patients. Dr. Kapur assured the Board that the majority of referrals to the podiatry service are for annual diabetic foot exams. UMA providers educate patients on how to take care of their feet, and routinely provide diabetic foot exams at every office visit. Only appropriate referrals (i.e., loss of sensation, physical deformities, wounds, cuts, bruises) will be made to the podiatry service, as part of a standard protocol. Dr. Burns found the CareLink project to be a great marketing opportunity for third party payers. Dr. Kapur agreed and elaborated upon a similar project with WellMed Medical Group; UMA sees approximately 2,000 WellMed members, for which UMA received a $1 million incentive in 2015 for the management of their patients.

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

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

UPDATE ON FACILITIES DEVELOPMENT ACTIVITIES—MARK WEBB

UPDATE ON EASTSIDE CLINIC FACILITY—MARK WEBB

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN

2016 QUARTER 2 SUPPLIER DIVERSITY REPORT—FRANCINE WILSON

SUMMARY: Mr. Adams directed the Board members’ attention to the four (4) written reports above. He urged his colleagues to contact staff with specific comments, questions, or suggestions. Mr. Hernandez noted an addition to the facilities development report dedicated to the new Eastside facility, including a timeline. The facility is currently in the design phase with groundbreaking slated for late October and construction very soon thereafter. The facility will be move-in ready at the end of 2017. Architects are currently working on a rendering of the clinic.

RECOMMENDATION: These reports were provided for informational purposes only.

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

EVALUATION: The floor plan indicates a clinic size of 12,000 square feet and Dr. Burns asked for assurance that the clinic would be built within the established budget of $5 million. Discussion ensued about the clinic layout and the two vital stations that are planned. The exam rooms will be very much like those at RBG. Mr. Webb assured the Board that there will be ample parking for providers, patients and visitors. Mr. Adams urged Mr. Webb to communicate and consult physician leaders as much as possible, and reiterated the roles of Dr. Burns and Mr. Smith, as the Board-designated ad hoc committee members for the new Eastside clinic.

FOLLOW-UP: None.

CLOSED MEETING:

Mr. Adams announced this meeting closed to the public at 7:53 p.m., pursuant to TEX. GOV’T CODE, Section 551.076 to deliberate the deployment, or specific occasions for implementation, of security personnel or devices and/or a security audit. The following Board members were present: Jim Adams, Chair; Ira Smith, Vice Chair; Dr. Dianna M. Burns-Banks, Secretary; Roberto L. Jimenez, M.D., Immediate Past Chair; Janie Barrera, Member; Robert Engberg, Member; James Hasslocher, Member. Staff present: George B. Hernández, Jr.; Ed Banos; Reed Hurley; Bryan Alsip, M.D.; Ted Day, Bill Phillips, Michael Hernandez; Stephen Amason; and Johnny Urdialez. After discussion, no action was taken in closed session. Mr. Adams announced the closed meeting ended at 8:15 p.m., and at that time, reconvened the public meeting.
ADJOURNMENT:

There being no further business, Mr. Adams adjourned the Board meeting at 8:16 p.m.

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

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Sandra D. Garcia, Recording Secretary