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

Tuesday, December 16, 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
Dianna M Burns-Banks, M.D., Secretary
Roberto L. Jimenez, M.D., Immediate Past Chair
Robert Engberg
Ira Smith
Robert A. Gilbert

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
Jim Barker, M.D., Medical Director, Clinical Services, University Health System
Ted Day, Vice President, Strategic Planning & Business Development, University Health System
Theresa De La Haya, Senior Vice President, Health Promotion and Clinical Prevention, Texas Diabetes Institute
Sergio Farrell, Senior Vice President for Ambulatory Services, Robert B. Green Campus
Don Finley, Senior Writer, Corporate Communications, University Health System
Roe Garrett, Vice President/Controller, 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 Officers, Community First Health Plans, Inc.
C. Reed Hurley, Assistant Chief Financial Officer, University Health System
Leni Kirkman, Vice President, Corporate Communications/Business Development, University Health System
Ted Lemon, Deputy Chief Information Officer/Information Services, University Health System
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Monika Kapur, M.D., President/Chief Executive Officer, Community Medicine Associates  
Virginia Mika, Ph.D., Executive Director, CareLink Financial Assistance Program, Robert B. Green Campus  
Bill Phillips, Senior Vice President/Chief Information Officer, University Health System  
Armando (A.J.) Sandoval, Chief of Police, Protective Services/Security, University Health System  
Theresa Scepanski, Vice President/Chief Administrative Officer, University Health System  
Allen Strickland, Vice President/Hospital Fiscal Administration, University Hospital  
Mark Webb, Executive Vice President/Chief Operating Officer, University Health System  
Francine Wilson, Vice President, Materials 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 6:00 p.m.

INVOCATION AND PLEDGE OF ALLEGEANCE:

Mr. Adams introduced Mr. David Villela of Saints Peter and Paul Church, New Braunfels, Texas, for the invocation, and he led the pledge of allegiance.

CITIZENS’ PARTICIPATION: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): JIM ADAMS, CHAIR, BOARD OF MANAGERS

**SEPTEMBER 30, 2014 (REGULAR MEETING)**

**SUMMARY:** Minutes of the regular meeting held on Tuesday, September 30, 2014 were presented for approval.

**RECOMMENDATION:** Staff recommended approval of the minutes as submitted.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**OCTOBER 14, 2014 (SPECIAL MEETING)**

**SUMMARY:** Minutes of the special meeting held on Tuesday, October 14, 2014 were presented for approval.

**RECOMMENDATION:** Staff recommended approval of the minutes as submitted.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.
OCTOBER 21, 2014 (REGULAR MEETING)

SUMMARY: Minutes of the regular meeting held on Tuesday, October 21, 2014 were presented for approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

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

EVALUATION: None.

FOLLOW-UP: None.

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

SUMMARY: Dr. Henrich introduced the physician leaders present. It is a busy time of the year for recruitment in two domains, faculty and house staff (residents, interns and fellows), important activities for both the Health Science Center and University Health System in terms of quality patient care. Faculty positions must be lined up by March so that the physicians can arrive in time for the next academic year in August. Dr. Francisco Cigarroa, former HSC President and now former Chancellor of the UT System, will return full time to San Antonio effective January 6, 2015, as Professor of Surgery and Director of Pediatric Transplants. There is a major search currently underway for a new Vice President of Research. One of the missions, essential to an academic health science center, is research. In contrast to what is happening with the National Institutes of Health budget, especially the budget approved this past week, the Health Science Center at San Antonio research awards are up by 13 percent. Others in the country have seen between a 3 and 7 percent decrease in research awards due to the gridlock in Washington, DC. It is a critical mission and part of the HSC’s financial health which identifies as a research-intensive academic medical center. Maj. General Byron Hepburn was brought on board last fall as Academic Vice President of the Military Health Institute. He is a retired two-star Air Force General with an array of experiences around the world, and a 30-year plus distinguished career. He is also a community medicine physician and a pilot, with the right personality to help cement ties with military physicians. Dr. Henrich suggested that Dr. Hepburn address the Board at a future meeting. He is eager to further bond ties between the Health Science Center, University Health System, and the military.

RECOMMENDATION: None.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: The staff will extend an invite Dr. Hepburn to a future Board meeting.
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 THE ELECTION OF NEW OFFICERS OF THE MEDICAL-DENTAL STAFF – JOHN G. MYERS, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE AFFILIATION AGREEMENT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, SAN ANTONIO – TED DAY

CONSIDERATION AND APPROPRIATE ACTION REGARDING UNIVERSITY HEALTH SYSTEM POLICY NO. 7.05, INVESTMENTS – ROE GARRETT/REED HURLEY

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT AMENDMENT WITH VALLA CONSTRUCTION FOR RENOVATIONS TO THE 4TH FLOOR, OB/GYN AREA, OF UNIVERSITY HOSPITAL – MARK WEBB

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH LMC CORPORATION FOR RENOVATIONS TO THE 10TH FLOOR, PEDIATRIC HEMATOLOGY/ONCOLOGY AREA, OF UNIVERSITY HOSPITAL – MARK WEBB

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH TELGIAN CORPORATION FOR REQUIRED INSPECTIONS OF FIRE PROTECTION AND LIFE SAFETY SYSTEMS FOR ALL UNIVERSITY HEALTH SYSTEM FACILITIES – ALLEN STRICKLAND

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FOLLOWING CONTRACTS FOR PROFESSIONAL SERVICES FOR DETENTION HEALTH CARE SERVICES (ROBERT RANEY, DDS; JOE EDWARDS, DDS; CESAR GARCIA, MD; UTHSCSA DEPARTMENT OF FAMILY & COMMUNITY MEDICINE; AND UTHSCSA DEPARTMENT OF PSYCHIATRY - THERESA SCEPTANSKI

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

SUMMARY: Mr. Smith pulled the Affiliation Agreement with UTHSCSA for elaboration and discussion.

RECOMMENDATION: Staff recommended approval of the proposed 90-day extension to the Affiliation Agreement with UTHSCSA.

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

EVALUATION: The master affiliation agreement entered into on June 11, 1992 establishing the Health System as a clinical affiliation of the UT System will expire December 31, 2014. This is a request for a 90-day extension through March 31, 2015, to allow time to refine a few final details in the negotiation of the new affiliation agreement, slated to run for 15 years.
beginning in 2015. The staff has made substantial progress in negotiating the new affiliation agreement which is meant to reflect the long-standing partnership and mutual interdependence of both organizations so that both are able to reach their full potential.

FOLLOW-UP: None.

CONSENT AGENDA – CONTINUED

SUMMARY: The remaining items on the consent agenda were presented for the Board’s approval.

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

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

EVALUATION: None.

FOLLOW-UP: None.

ACTION ITEMS:

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

UNIVERSITY HOSPITAL:

CONSIDERATION AND APPROPRIATE ACTION TO CONTRACT WITH PRESIDIO TO PROVIDE INFORMATION TECHNOLOGY (IT) INFRASTRUCTURE AND INTERMEDIATE DISTRIBUTION FRAME (IDF) UPGRADES FOR THE 7TH FLOOR OFFICES IN THE RIO TOWER AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: This item relates to last month’s briefing regarding the proposed occupancy plan for vacated areas of the Rio Tower. Specifically, this project is for IT Network improvements to provide upgraded data/telecom services to appropriately accommodate the medical education call rooms, Hospitalists, and patient access services offices that are currently on or relocating to the 7th floor of the Rio Tower. The overall plan is to expand and upgrade the IDF Rooms on floors 6 through 12 in the Rio Tower. Additional projects will be brought to the Board as they are developed. The existing IDF Rooms, as originally designed with related cabling and switching, are inadequate to support the administrative offices located in what was originally designed as a patient floor. The proposed 7th Floor work will be performed in the first quarter of 2015. The IT Infrastructure and IDF upgrades will support the plan for relocation and aggregation of offices to the 7th floor Rio Tower and will allow staff to better meet the goals of Triple Aim Plus to improve patient care experience, quality and outcomes, efficiency, and access by continuing the implementation of the long range Master Facility Plan. The cost of $520,691 will be paid of CIP funds. Presidio is a local firm.
RECOMMENDATION: Staff recommends Board of Managers’ approval of a contract with Presidio in the amount of $520,691

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

EVALUATION: Mr. Phillips defined an Intermediate Distribution Frame as a communications closet that houses all of the technology to support the IT on that floor. Mr. Adams expressed concern that this item is only one piece of a larger puzzle. He asked Mr. Webb to ensure that the staff does not put itself in a position of having to go back and correct. Mr. Webb replied that there is indeed an overall plan in place to assure that all of the pieces will tie together. He will provide the Board with a running cost total as the various pieces are presented to the Board. Dr. Jimenez initiated a brief discussion regarding the workforce composition for vendors in general. He has noticed a high number of professionals in the white category and high number of non-professionals in the minority categories. Does our staff continue to educate vendors on doing business with the Health System, and encouraging them to improve their workforce composition in these areas? Yes, the staff establishes dialogue with all vendors to let them know how important this matter is to the Board of Managers; however, there is no legal requirement that they comply with the suggested improvements. Mr. Hernandez interjected that in the past and especially during the CIP project, it was the Board’s passion that caused the vendors to want to improve in these areas on their own by subcontracting to minority and local businesses. The Health System and the vendors mutually agreed upon and set aspirational goals, and the Health System adopted a pull strategy by assisting them.

FOLLOW-UP: Mr. Adams encouraged the staff to consult with Mr. Gilbert regarding some of the things USAA does in regards to their SMWBE program.

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, SAN ANTONIO DENTAL SCHOOL FOR PROFESSIONAL SERVICES PROVIDED TO CARELINK PATIENTS—VIRGINIA MIKA, PHD/ALLEN STRICKLAND

SUMMARY: Since January 2004, the UTHSCSA Dental School has provided oral and maxillofacial surgery and maxillofacial prosthetic services to CareLink members, and call coverage in the Emergency Department and operating room in support of trauma and emergency services. In 2013, the Dental School provided services to approximately 2,423 CareLink members, and approximately 1,679 members during the first 9 months of 2014. Services include dental, oral and maxillofacial surgery and maxillofacial prosthetic services for patients who present with pre and postoperative care requiring either dental extractions or surgical obturators for continued activities of daily living when a cancer diagnosis is given. There have been no unresolved patient satisfaction concerns or quality of care issues over the
last 12 months. This agreement includes performance standards that address quality of care, access, appropriate utilization, and patient satisfaction. The agreement is based on 100% of the current Texas Medicaid Fee Schedule for physician services and 70% of the current Medicare Fee Schedule for maxillofacial prosthodontic procedures. The call coverage is $51 per hour. Based on 2014 annualized data, staff anticipates the value of the CareLink portion of the contract for one year to be $675,000. The value of the call coverage for one year is $344,895. The total combined amount for one year is $1,019,895 and $2,039,790 for two years.

This contract supports the strategic aim of improving access to care and community health by giving CareLink members access to these necessary services. UTHSCSA has a total of 5,363 employees, the workforce composition data was provided to the Board. The term of this agreement is for two years beginning January 1, 2015 and ending December 16, 2016.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute an Agreement with UTHSCSA Dental School for a total estimated contract amount of $2,039,790.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A DSRIP CONTRACT AMENDMENT WITH COMMUNICARE FOR THE EXPANSION OF DENTAL SERVICES—THERESA DE LA HAYA

SUMMARY: The Health System has 23 DSRIP projects eligible for incentive payments under the 1115 Transformation Waiver to enhance access to health care, increase the quality of care, the cost-effectiveness of care provided, and the health of the patients and families served. In Demonstration Year 3 (2013), two DSRIP dental sites were established to provide dental care to the CareLink diabetic (chronic disease) patients who receive medical care at the Federally Qualified Health Centers (FQHCs). Following approval by the Board of Managers in July 2013, an agreement was executed with each organization for $135,000 to cover the cost of dental care services and the support of a patient navigator. Centro Med began providing services at their South Park Mall location while CommuniCare began providing services at their Eastside Clinic location. The plan in DY4 (2014) is to open a third site on San Antonio’s west side to serve the diabetic population served by the Texas Diabetes Institute (TDI). TDI is in CommuniCare’s identified service area and CommuniCare has agreed to add the DSRIP dental program to their Westside clinic located on Barclay Street. The new site will open in January of 2015 and will operate for approximately 75% of the DSRIP year. The request for additional funding will cover expenses for this third DSRIP site. In DY 5 (2015), the dental clinic will operate for a full 12 months. As a result, the CommuniCare contract amount will increase from $135,000 to $236,250 in DY 4 (an increase of $101,250). In DY 5, the contract amount will
increase by $33,750 from $236,250 to $270,000. The anticipated project goal is to increase the number of CareLink patients with chronic disease that access quality dental health services following a referral from a primary care/medical provider. The secondary goal is to establish the clinical linkages and referral patterns to build the infrastructure necessary for the delivery of oral health services for the target population. In DY 3 (2013), CommuniCare completed a total of 510 visits well over the milestone goal. The goal in DY 4 (2014) is 700 visits and 900 visits in DY 5 (2015). CommuniCare has an established and successful dental clinic and has significant experience in serving the dental needs of the Bexar County community. The partnership allows for operational efficiency as UHS does not have dental expertise or experience. Along with access to dental services, the program will measure and track the improvement in oral health status of the program participants for the DSRIP Category 3 requirements. Baseline data from DY 3 indicated that 21% of patients improved oral health status following initial dental treatment. The addition of the dental service to the TDI service line will improve the quality of care provided to diabetes patients. The added value provided by the dental service will also improve patient experience as they will be receiving an expensive service at no additional cost. Success of the program is dependent on implementing a successful referral plan to ensure that existing patients who qualify for the program are provided access to the dental services. Once the patient is referred or identified as a qualified program participant, the navigator will guide the patient to dental services and through to completion of their treatment plan.

**RECOMMENDATION:** Staff recommends Board of Managers' approval of a contract amendment with CommuniCare in an amount not to exceed $236,250 in DSRIP Year 4 (Oct. 1, 2014 to Sept. 30, 2015) and $270,000 in DSRIP Year 5 (Oct. 1, 2015 to Sept. 30, 2016).

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

**EVALUATION:** Dr. Burns asked if the Health System is meeting the dental needs of its diabetic patients at this time. No, it is not. There is a great need and resources are few. We have many more patients who need to access this type of care. Mr. Adams asked what it would take to handle the need of this patient population. Staff has not conducted a total cost analysis of what it would take to cover all of the diabetic patients; however, Ms. De La Haya is willing to do so. She reported, for example, that for preventive care, diabetic patients need their teeth cleaned four times per year, which is one cost. Restorative care is for those patients who have moved into a further, more declined dental state, and that is another cost. Dental care is the biggest missing service for diabetic patients. Mr. Adams asked the staff to conduct an assessment for review by the Board. In addition to cost-savings, Dr. Burns is interested in reviewing additional information, such as metrics and high-utilizer data. Dr. Henrich encouraged Ms. De La Haya to make contact with the Dental School at UTHSCSA. They have a periodontal program and a vested interest in providing this kind of dental care for the community because oral health is essential for general good health, especially for the diabetic patient, it is a lasting health benefit. It is very likely that the Dental School can help measure metrics, cost savings, and track improvements or a decline in oral health.
FOLLOW-UP: Staff will conduct the cost analysis as requested by Board members, and Ms. De La Haya will explore collaboration and partnership opportunities with the Dental School at UTHSCA as suggested by Dr. Henrich.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE ALAMO CHILDREN’S ADVOCACY CENTER (D/B/A CHILDSAFE) FOR PROFESSIONAL SERVICES FOR CHILDREN AND ADOLESCENT VICTIMS OF ABUSE AND NEGLECT—THERESA DE LA HAYA

SUMMARY: ChildSafe is a collaborative effort between several organizations in the community established to study the problem and provide medical services related to child physical and sexual abuse in Bexar County. Since its incorporation as a non-profit organization in 1992, ChildSafe has received financial support in the form of a project grant from the Health System in the amount of $175,000. ChildSafe serves children from infancy to 18 years of age with the highest concentration of children in the 5 through 12 year range. Funds from this grant support the Counseling component of ChildSafe - 1 FTE Clinical Director, 1 FTE Care Coordinator, 1 FTE Community Educator, .75 Case manager, .5 Quality Assurance Manager, .25 Director of Finance, and other miscellaneous expenditures related to medical consulting services, overhead, supplies, equipment and staff training. On an annual basis, the Health System refers over 200 children or adolescents for counseling, medical examinations or referral services. At the conclusion of 2014, ChildSafe anticipates providing 412 counseling sessions to children and families, 1,112 initial assessments, and 285 clinical examinations to children. Ms. De La Haya reviewed socio-economic data, and provided a breakdown of co-existing problems faced by the families of these children, such as substance abuse, domestic violence, and caregiver history of abuse, by gender and ethnicity. Sixty-seven (67) percent of the children served come from economically disadvantaged families. Sexual abuse of children remains a hidden epidemic. This project directly addresses the Health System’s strategic objective to continuously improve the health of the community by partnering with an organization that assists physically and sexually abused children, and also provides additional services to children who reside in at-risk neighborhoods. Under this project grant, ChildSafe is required to conduct a minimum of 100 public awareness and education presentations to the community regarding child sexual abuse. At the conclusion of 2014, they anticipate conducting 229 presentations with a total attendance of 10,235.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute an Agreement between the University Health System and the Alamo Children’s Advocacy Center (dba ChildSafe) for the intervention of child and adolescent victims of sexual abuse in the amount of $175,000 for a one year period through December 31, 2015.

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

EVALUATION: Mr. Gilbert asked if help is available once a child turns 18 years of age. If not, he is concerned that the abuse will become a re-occurring problem.
Ms. De La Haya informed the Board that issues have always existed in health care for bridging economically disadvantaged children from age 17 to adulthood. All services, including Medicaid, cease. From a patient’s point of view, funding is not available once the patient turns 18. Since Ms. De La Haya is not aware of the specific issues regarding abused children once they turn 18, she will research the topic further. As a former Board member of the Center for Health Care Services (CHCS), Dr. Burns reported that CHCS can help transition these patients to adulthood by reaching out to local providers and informing area high schools of the services available. Dr. Jimenez agreed that a lot of abuse issues stem from drug and alcohol abuse, however, he spoke to the statistic which states that 68 percent of the children who are abused are Hispanic. In a town with a high number of Hispanics, the numbers will be skewed. He clarified that this number is reflective of the population and does not necessarily indicate that Hispanics are the biggest offenders, national statistics indicate that child abuse is a clear problem across the board, it is not a minority issue. Dr. Burns added that in reality, abuse is a serious problem in all communities, but more focused on minority communities because minorities tend to report more issues to authorities and have more issues with the law.

FOLLOW-UP: As indicated above.

CONSIDERATION AND APPROPRIATE ACTION REGARDING OPERATIONS AND FINANCIAL REPORT FOR NOVEMBER 2014—ROE GARRETT/REED HURLEY/MARK WEBB

SUMMARY: November was the sixth successive month with a positive bottom line, clinical activity was up 3.0% from November 2013 for the Clinical Services (as measured based on discharges adjusted for outpatient activity) and down 6.9% for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was up 7.7% due to positive market share growth. The bottom line gain excluding debt service was $959,000 and was due to higher property tax revenue, additional DSRIP revenue and the continued trend of strong financial performance of CFHP with a bottom line gain of $811,000. Debt Service Revenue was $3.7 million which is higher than the budgeted portion of the Debt Service payment of $3.6 million. Mr. Hurley reviewed notable increases and/or decreases from the Consolidated Balance Sheet in detail with the Board.

RECOMMENDATION: Staff recommended acceptance of the financials subject to audit.

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

EVALUATION: Mr. Hurley informed the audience that Bexar County Commissioners Court had approved the Health System’s 2015 operating, debt service, and capital budgets earlier in the day, he thanked the Board for their extra time, guidance and direction during the budget process. Dr. Jimenez thanked the staff for their incredible work; in his memory, it is the first year the Board has concerned itself with the Health System’s debt. Mr. Engberg agreed, however, stated the problem was an operating deficit issue rather than debt. Although other hospital districts across the state have faced financial issues in the past, this was a new experience for the
UHS Board of Managers. Mr. Engberg also thanked the staff for their work in identifying the issue and tackling it this past summer. Dr. Jimenez again informed the staff of his preference to include the amount of the Health System’s investment in human capital in future budget documents, or another prominent report. He has seen other large companies publish this type of information and it would be good for the community to be aware of continuing education efforts taking place.

Mr. Adams asked Mr. Hernandez and Ms. Kirkman to consider including the item that Dr. Jimenez has requested in next year’s Report to the Community.

PRESENTATIONS AND EDUCATION:

CONSIDERATION OF INVESTMENT IN SKILLED NURSING FACILITIES THROUGH THE NURSING HOME UPL PROGRAM - TED DAY/MARY ANNMOTE

SUMMARY:

Mr. Hernandez provided background information on this topic and yielded the floor to Mr. Day and Ms. Mote for a graphics presentation. The Health & Human Service Commission received approval for Nursing Home Upper Payment Limit (UPL) Program in October 2012 from CMS. The goal is to provide supplemental payments to skilled nursing facilities for Medicaid patients. Participants in the program are non-state, government-owned skilled nursing facilities. The program requires a local Intergovernmental Transfer (IGT) with a federal match rate at 58.1 percent. This transition calls for nursing facility services to be carved into managed care effective March 1, 2015 which changes the dynamics of the Nursing Home UPL program. There is new program legislation regarding minimum payment amounts for qualified nursing facilities. The funding component is similar to the UPL program, requires local IGT, with federal match rate at 58.1 percent. The minimum payment program begins March 1, 2015. Nursing homes must be participating in the Medicaid STAR+PLUS program as of March 1, 2015. The first eligibility period is March 1, 2015 through August 31, 2015. Deadline for participation was October 31, 2014. Second eligibility period is September 1, 2015 through – August 31, 2016. Deadline for participation is February 28, 2015. The program maintains same requirements for nursing facilities to be non-state, government owned to provide IGT funds to receive the federal match. Mr. Day reported that there are multiple nursing facilities considered for partnerships at this time, and the staff is considering a partnership with Touchstone Communities. Touchstone Communities offers a continuum of rehabilitative, skilled nursing, behavioral & respite care services and has thirteen (13) owned & managed facilities throughout Texas (plus 5 managed state veteran’s homes). The three (3) Touchstone facilities under consideration are:

- Heights on Huebner (San Antonio, TX)
- Country Care Manor (La Vernia, TX)
- The Heights (Pleasanton, TX)
Staff is currently conducting due diligence reviews on operational, strategic and financial matters and minimum payment calculations are pending by HHSC, and contract negotiations with Touchstone Communities are underway. The benefit to the Health System is estimated at $3M ((net of IGT, but excluding oversight expenses). The strategic nature of this transaction:

- Provides additional funding for projects that enhance access to and quality of care for Medicaid beneficiaries, meeting a couple of Triple-Aim areas of focus.
- Enhance alignment between the Health System and post-acute providers.
- Develops a model that can be used in the future to partially fund strategic initiatives.

The timeline is as follows:

- Change of Ownership Applications:
  - HUD: 60 days in advance of sale/transfer, December 31, 2014
  - HHSC: 30 days in advance of sale/transfer, January 28, 2015
- Program implementation: infrastructure development begins February 1, 2015.
- Health System becomes owner of nursing facilities on/about February 28, 2015.
  - IGT payments begin September 1, 2015.
- Potential renewal/second funding cycle begins September 1, 2016

In conclusion, the Health System would promote this new arrangement appropriately upon completion to key stakeholders in the community. Staff is gathering workforce composition details from Touchstone and will share these in the presentation with the Board of Managers.

RECOMMENDATION: None.
ACTION: This report was provided for informational purposes only; no action was required by the Board.
EVALUATION: Mr. Smith asked the staff to be cautious and sensitive to the families of the patients who reside throughout Bexar County, we ought not send patients to the opposite side of town from where they reside. Parking must not be a problem and the SNF must be conducive to the family’s cultural needs. Mr. Hernandez assured the Board that there has been a lot of internal discussion on these types of issues. The proposed facilities meet the criteria for this program. We searched for facilities that have a proven track record, and it’s possible that there may be others brought into the program at a later date. Staff also conducted site visits to each facility and were impressed. Dr. Jimenez asked Dr. Alsip about the communications plan between the medical director of the facility and primary care providers. There will be ongoing dialogue between the medical staff, to include bringing patients back in to see their primary care providers before they are discharged from the nursing home. There will be one dedicated care coordinator who will visit the nursing homes to check on these patients. The program is being built so that it is a strong program, with serious consideration being given to telemedicine. Ms.
Mote anticipates placing three to four Health System-funded patients per week. Dr. Burns expressed concern with the issue of re-admission of these patients to University Hospital. She shared both her personal and professional experiences with SNFs and reported that she was not impressed with continuity of care between the facility physician and primary care providers. Further, most SNFs do not know how to care for complicated patients such as those the Health System will refer. She strongly emphasized the need for real continuity in the patient’s care. There must not be any deviation from the patients’ medical treatment plans, or in their medications, without approval or concurrence by the primary care provider. Ms. Mote explained the plan for a patient’s transition of care to the SNFs. The care coordination department will hand-off of the patient from the hospital. The full-time dedicated care coordinator will visit the SNFs, and the ambulatory care coordinator will take over these patients upon discharge to ensure follow up by the primary care providers. Staff is putting in place a strong continuum of care to ensure patients are followed up by their PCP, with quality metrics and performance standards in place. Further, although the Health System has not yet taken over the credentialing process, it will be a requirement of SNF providers to be credentialed by the Health System. Mr. Engberg asked the staff to describe the “ownership” issues involved. What does ownership signify, and what would the management structure look like? The Health System will take ownership of the enterprise, essentially leasing the facilities, with an ownership stake in the operations that are carried out in the SNF, including the financial aspect. As for the management structure, staff anticipates having a regular operating council meeting, hiring an associate who is licensed as a nursing home Administrator with skilled nursing facility work experience, and a strong role in case management. Staff will review quality reporting and grievances on a regular basis, and will take a proactive role in terms of understanding what goes on in the SNF. The staff will be very proactive in working through these types of details. Board members expressed concern regarding the liability exposure in terms of managing all of the patients of the SNF’s, and Mr. Gilbert asked if the liability exposure had been thoroughly analyzed. Mr. Hernandez replied that as a political subdivision, the Health System is protected from liability up to a certain amount, however staff is looking at all angles of this transaction. Dr. Jimenez suggested having Hospitalists oversee the program to visit the SNFs on an ongoing basis and be available to the providers. He also suggested making nursing staff available to help SNF nurses perform better in caring for complex patients. Dr. Alsip was not certain of the cost to involve Hospitalists in this program at this point, but will give Dr. Jimenez’s feedback serious consideration. Dr. Alsip agreed that good communication between the providers and the PCP’s is critical and a very important aspect.

Mr. Smith reiterated the significance of taking over the credentialing process, and Dr. Jimenez reiterated the need for telemedicine to address the issues raised by Dr. Burns. Mr. Adams urged the staff to consult Dr. Burns and Dr. Jimenez, as well as those Board members who have customer experience in this area, as needed.
Ms. Mote reported that although these SNFs are almost full, the program will make a difference because the Health System will have four reserved beds at three different facilities at all times. Many SNFs will not touch complex patients, which has been a factor in the staff’s decision making-process. The three facilities alone will not meet all of our needs, however, staff currently has a request for proposals (RFP) pending as part of a DSRIP project to expand the number of nursing homes we make available in Bexar County, which will start immediately. The majority of discharges from University Hospital are residents of Bexar County and the DSRIP project is for placement of unfunded patients in a non-Touchstone SNF. There are not many other SNFs that have capacity that are willing to participate in this type arrangement.

Mr. Hernandez thanked the Board for the candid feedback and input on this matter. Mr. Adams cautioned the staff about exploring all options, liabilities, and quality of care issues. The Board’s expectation is that the staff will research and address the questions raised today.

FOLLOW-UP: As indicated above.

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

SUMMARY: Mr. Adams directed the Board’s attention to three (3) written reports above. He urged his colleagues to contact staff with specific comments, questions, or suggestions.

RECOMMENDATION: These reports were provided for informational purposes only.

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

EVALUATION: None.

FOLLOW-UP: None.

ADJOURNMENT:

There being no further business, the public meeting adjourned at 6:55 p.m.

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James R. Adams    Dianna M. Burns-Banks, M.D.
Chairman, Board of Managers   Secretary, Board of Managers

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Sandra D. Garcia, Recording Secretary