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

Tuesday, February 17, 2015
2:00 p.m.
Corporate Square, 10th Floor, Conference Room A
4801 N.W. Loop 410
San Antonio, TX 78229-5347

MINUTES

BOARD MEMBERS PRESENT:

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

BOARD MEMBERS ABSENT:

Linda Rivas, Vice Chair
Robert Gilbert

OTHERS PRESENT:

George B. Hernandez, Jr., President/Chief Executive Officer, University Health System
Tricia Aleman, Executive Director, Marketing & Corporate Communications, University Health System
Bryan Alsip, M.D, Executive Vice President/Chief Medical Officer, University Health System
Ted Day, Senior Vice President, Strategic Planning & Business Development, University Health System
Don Finley, Senior Writer, Corporate Communications, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Sherry Johnson, Vice President/Integrity & Regulatory Services, University Health System
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health System
Mary Ann Mote, Senior Vice President/Chief Revenue Officer, University Health System
Bill Phillips, Senior Vice President/Chief Information Officer, Information Services, University Health System
Nancy Ray, RN, MA, Chief Nurse Executive, University Health System
Mark Webb, Executive Vice President/Chief Operating Officer, University Health System
Roberto Villarreal, MD, Senior Vice President, Research and Information Management, University Health System
Francine Wilson, Senior Vice President, Supply Chain Management, University Health System
CALL TO ORDER, WELCOME, AND RECORD OF ATTENDANCE: JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 2:02 p.m.

INVOCATION AND PLEDGE OF ALLEGENCE:

Mr. Adams introduced Ms. Veronica Ibarra of St. Ephraim the Syrian Orthodox Christian Church, and he led the pledge of allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

TUESDAY, NOVEMBER 4, 2014 – SPECIAL MEETING:

SUMMARY: Minutes of the regular meeting of the Board of Managers for Tuesday, November 4, 2014, were presented for approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

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.

TUESDAY, NOVEMBER 11, 2014 – SPECIAL MEETING:

SUMMARY: Minutes of the regular meeting of the Board of Managers for Tuesday, November 11, 2014 were presented for approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

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

EVALUATION: None.

FOLLOW-UP: None.

TUESDAY, NOVEMBER 18, 2014 – REGULAR MEETING:

SUMMARY: Minutes of the regular meeting of the Board of Managers for Tuesday, November 18, 2014, were presented for approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

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

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING STATUS AND APPROACH FOR ADVANCING HEALTH SYSTEM MARKET POSITION - TED DAY/LENI KIRKMAN
SUMMARY:
As previously directed by the Board of Managers, staff engaged a strategic healthcare marketing consulting firm, Lewton, Seekins & Trester (LST), to develop a comprehensive strategic marketing and outreach/referral development plan for the Health System. This firm has extensive experience working with large academic health systems and was engaged to assess marketing and outreach efforts, identify actions/plans that will increase volume, market share, and enhance the Health System’s reputation. In preparation for today’s presentation, Mr. Day reviewed inpatient adult market share trends for all service lines as compared to other local, major health systems for Quarter 1 2013 through Q3 2014. Also reviewed were inpatient pediatric market share trends for all service lines for the same time period, and Consumer Assessment of Healthcare Providers and Systems (CAHPS) inpatient experience ratings of University Hospital for the period April 2014 through December 2014. Mr. Day introduced and yielded the floor to Ms. Kathy Lewton and Mr. Kent Trester with LST for a graphics presentation and a summary of their findings. Ms. Lewton described the process used in completing their assessment of current state and future opportunities, including an extensive audit and analysis of local healthcare consumer research and patient experience survey data, four consumer focus groups, and 75 one-on-one interviews with leadership, physicians, and external influencers. She also described the data driven approach used, the Health System’s strengths and weaknesses, current marketing and outreach practices and functions, audiences, marketing challenges, physician and employee findings, branding issues, and regional hospital findings. Key questions addressed through the interview process include:

- How can the Health System be appropriately positioned so it is viewed by key community stakeholders, consumers, and providers as providing excellent care?
- How does University Health System stack up to commonly accepted industry best practices for marketing and outreach/referral development?
- How sufficient are current marketing and outreach resources and budget allocations?
- How can these resources best be leveraged in a strategically driven, goal-oriented manner to deliberately reach business goals?

Ms. Lewton touched upon some of the responses she received during the interviews conducted with key stakeholders and reviewed key findings of focus groups. She presented the following recommendation, along with a series of strategies and tactics that will assist in the development of the Health System’s comprehensive strategic marketing and outreach/referral plan: Clarify and elevate a comprehensive, consistent, concerted, multi-faceted long-term consumer marketing and referrer outreach program based on distinctive positioning. Ms. Lewton further advised that additional resources are needed to manage recommended tactics and maintain quality of existing efforts, and she provided a recommendation on priorities and spending regarding core strategies.
branding, volume stream and brand support. In conclusion, Mr. Day informed the Board that following their input and further direction, the final report will include:

- Clear, measurable strategic objectives with defined metrics and evaluation processes;
- Tactics and metrics that map directly to those objectives;
- Tactics that are both based on best practices and adapted to the unique nature of our market and organization; and
- Timetable and budget.

**RECOMMENDATION:** Staff recommends the Board of Managers’ accept the findings and recommendations of the initial strategic overview. Also, that the Board direct the staff to move forward with developing a final tactical plan to include a timetable and budget.

**ACTION:** A MOTION to approve staff’s recommendation was made by Mr. Smith. There being NO OBJECTION, the MOTION CARRIED.

**EVALUATION:** Mr. Adams designated himself and Mr. Gilbert as the Board’s principal liaisons on marketing. He encouraged the staff to consult either one of them, as needed. Mr. Smith requested a list of the 75 individuals who were interviewed by LST. The list of participants for the four focus groups was developed with assistance from Galloway Research with specs provided by LST regarding age, ethnicity, education, and socio-economic status. LST then recruited diverse groups from that pool.

A discussion ensued regarding physician relationships with both the UT Medicine Group and those in private practice as a result of LST’s recommendation to take advantage of the Health System’s status as an academic medical center. Mr. Adams reported that Mr. Hernandez is working on a Board-endorsed strategy to align UT physicians with CMA physicians, so that UT physicians will want to actively seek physician referrals. Board members agreed that a tremendous amount of work remains in telling the Health Systems’ story and aligning physician efforts since most referring physicians view University Hospital as a hospital for the indigent; our job is to provide the best care for anyone who walks in the door. Dr. Burns would like to review UHS clinic referral patterns.

Regarding LST findings that employee attitudes are below benchmark, Dr. Jimenez noted that the information presented relates to employment, not health care. Mr. Hernandez reported that a considerable number of employees do utilize Health System facilities due to co-pays and deductibles because the Health System is self-insured; which also serves as an incentive for them to utilize these facilities. However, hard data regarding employee use is available and will be provided to Dr. Jimenez. Board members agreed that UHS should be the place of choice for employees. At this point, Dr. Jimenez again reiterated the need for staff to address the huge gap in Geriatric Services.
Mr. Adams, Dr. Burns, and Mr. Smith concurred that this assessment is fairly accurate and gives the Board a road map for supporting certain programs. It is imperative to use these findings to initiate referral, outreach, and marketing opportunities as soon as possible. Mr. Adams described the need for a monthly update on the development of a comprehensive strategic marketing and outreach/referral development plan as “critical.” Mr. Engberg thanked the staff for the presentation and their hard work. He found the summary captivating, and acknowledged the staff has quite a task to accomplish in a short period of time. He feels the presentation was well done and will be helpful for the Board members to understand some of the things they need to deal with. Ms. Lewton summarized the next steps as follows: Address barriers to effective execution of recommendations; Marketing and Outreach Departments will build out execution plan to include priorities, timelines, and budget. Mr. Day proposed a status report on specific marketing efforts along with some activities that have taken place in the last 5 months. He would start by bringing to the Board a comprehensive update in March, with selective topics every month thereafter. Mr. Adams and Mr. Engberg agreed and emphasized the need to keep the Board informed regarding all of the various matters of importance presented today. Today’s presentation was a broad overview, only, and staff will develop a plan based on this report. Finally, Dr. Burns voiced her concern that she does not have a concrete, general understanding of what the Health System wants to look like in the future, and she cannot judge success until she has a better understanding.

FOLLOW-UP:
Staff will keep Mr. Adams and Mr. Gilbert fully informed of all marketing initiatives. They will provide a list of the focus group participants to Mr. Smith, and the employee health care data to Dr. Jimenez. Staff will also provide Dr. Burns’ with UHS clinic referral data.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, SAN ANTONIO FOR PROFESSIONAL SERVICES (“SPONSORED PATIENTS PROVIDER AGREEMENT”)—ALLEN STRICKLAND

SUMMARY: The purpose of this agreement is to cover urgent and emergent medical conditions to unfunded patients who are provided health care in the Health System’s emergency department. In 2013 the Bexar County Hospital District (BCHD) tax division paid UTHSCSA $3,055,940 and in 2012 the cost was $2,739,433. As of October 16, 2014 the BCHD tax division has paid $2,886,518. The agreement includes provisions for compliance with the Health System utilization review and quality improvement programs as well as eligibility verification, and pre-authorization requirements from the Health System. The providers must be credentialed and board certified, and the agreement includes performance standards that address quality of care, access, appropriate utilization, and patient satisfaction. Payments are negotiated at 65% of the Medicare standard rate. This is a planned expense and funding has been included in
the 2015 Operating Budget. The estimated amount of this contract is for $3,002,507 for a one year period beginning January 1, 2015 and ending December 31, 2015. This contract supports the Health System’s strategic aim of improving access to care and community health by giving unfunded patients access thru the emergency department with services limited to the treatment of the urgent/emergent condition and follow up to assure appropriate to treatment. 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 of the Sponsored Care Provider Agreement for a one-year period with UTHSCSA for an estimated amount of $3,002,507.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**PRESENTATIONS AND EDUCATION:**

**COMMUNITY FIRST HEALTH PLANS, INC., OPERATIONS REPORT—GREG GIESEMAN**

**SUMMARY:** In 2014, Community First Health Plans (CFHP) achieved significant progress and success towards the vast majority of CFHP Board-approved strategic initiatives:

- CFHP improved its membership and market share in governmental products over the previous year and has regained its status as market share leader for Medicaid (STAR) while maintaining its position as the significant market share leader in CHIP;
- Exceeded its budget on financial basis with all governmental and risk commercial lines of business performing ahead of budget and profitable;
- Improved its star rating scores published by Health and Human Services Commission (HHSC) over its 2013 performance; and
- Maintained member satisfaction scores related to overall rating of health plan to over the 50th percentile nationally and maintained high provider satisfaction scores.

In addition, CFHP has received confirmation from HHSC of meeting the HHSC 2013 five percent of Premium At-Risk quality measures (so that no premium needs to be returned to HHSC for 2013 activity). Although CFHP’s performance on the HHSC 2014 Premium At-Risk quality measures will not be known until late 2015, CFHP has conservatively accrued a potential repayment to the State for not meeting all of them.

Although the Plan was not successful in its 2013 efforts to attract membership to its health insurance exchange products effective January 1, 2014, benefit and pricing revisions developed in 2014 for a January 1, 2015 effective date as well as ongoing outreach efforts, have produced a membership level ahead of budget for 2015.
Mr. Gieseman reviewed Medicaid Market Share data for the Bexar County Service Area for the period January 2014 to January 2015 for CFHP, Superior, Aetna and Amerigroup, as well as Medicaid membership. He also presented CHIP market share data and CHIP membership for the same time period. He reviewed quality initiative data for 2013 that met the 5 percent premium at risk quality measures required by HHSC, and compared the results for 2014 STAR and CHIP products. In addition, he shared a managed care organization report card issued in 2014 regarding administrative and hybrid measures for 2013 which included metrics and ratings for CFHP, Superior, Aetna, and Amerigroup. Other report cards reviewed for comparison purposes: 2014 CHIP Caregiver Annual Report Card Survey, 2014 STAR Adult Member Survey, and 2014 STAR Child Caregiver Annual Report Card Survey. Mr. Gieseman reviewed CFHP’s consolidated financial performance for 2014 indicating a net income of $11,377,423, a variance of 62.2 percent, when compared to the budgeted amount of $7,015,494. Premium revenue exceeded budget by $36.1 million due to 67,839 more member months or $13.1 million, variance due to higher premium yield of $23.0 million (attributed to higher premium per member than budgeted in government programs until Sept), and movement of CHIP members to Medicaid due to ACA expansion). CFHP exceeded prior year performance by $51.0 million due to 113,751 more member months, or $22.1 million, and growth due to higher per member premium yields of $28.9 M (attributed to mix of membership shifting to higher premium adult/newborn categories). Medical expenses were unfavorable to the 2014 budget by $25.2 million versus $36.1 million favorable variance in Premium, and member months were 4.2 percent over budget (7.3 percent over prior year, attributed to a shift in Medicaid to members with lower medical loss ratio, higher profitability. Contracting and savings initiatives include 7.8 percent reduction in Cost per Inpatient Day, or $4.6 million; 19.1 percent reduction in Cost per E/R Facility Visit, or $7.6 million; 3.9 percent increase in generic prescription utilization in Medicaid, or $738,000 in the fourth quarter of 2014, and improved coding initiatives in the amount of $750,000. Revenue and expenses for Medicaid (without pharmacy) for the period 2011 through 2015 (projected) were reviewed, as were those for the CHIP program (without pharmacy). Next, Mr. Gieseman reviewed facility cost and admissions at University Health System for the period 2011 through 2014; 2014 achievements in quality, care management, and operational competencies; and described CFHP’s 2015 initiatives in quality, growth, care management, and infrastructure. Finally, Mr. Gieseman dialoged with the Board regarding concerns, challenges, and opportunities to maximize revenue and minimize expenses in the coming months for CFHP.

**ACTION:** None.

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

**EVALUATION:**

Mr. George Hernández noted that 2015 marks the 20th anniversary of CFHP. Dr. Burns questioned CFHP’s strategy for the transitioning of patients from the health insurance exchanges for products effective January, 2015. Is CFHP branding itself to provide Medicaid products only? She cautioned the staff that CFHP needs to be able to capture insurance exchange patients. Mr. Gieseman agreed that as part of...
CFHP’s strategic planning process, its Board will want to consider other lines of business as a product diversification strategy. The opportunity to offer commercial products forces the staff to learn and use different skill sets, like marketing and sales. Another question the CFHP Board will have to consider is whether or not to expand CFHP’s footprint. Does CFHP want to become a bigger player in the State of Texas? Mr. Gieseman would like to build a stronger relationship with the State, which is one of the reasons STAR Kids appeals to him. Mr. Smith and Mr. Adams congratulated Mr. Gieseman and staff regarding recent growth, it is above what the UHS Board expected. Also, they applauded the use of UTSA graduate students for the risk analysis reporting, and asked him to take their positive remarks to the CFHP Board, their assistance to Mr. Gieseman warrants recognition.

FOLLOW-UP: None.

OVERVIEW OF CURRENT NETWORK ACCESS IMPROVEMENT PROGRAM (NAIP) PROJECTS AND PROJECTION FOR NEXT PHASE—ROBERTO VILLARREAL, M.D. /TED DAY

SUMMARY: As previously reported to the Board, the Health System will implement the following NAIP projects in partnership with CHFP for the period of March 1, 2015 to August 31, 2015:

After Hours Primary Care - To increase access to care for Medicaid managed care recipients through an expansion of University’s after hour urgent care clinic for pediatric patients at the RBG Campus.

Support for Primary Care through Targeted Specialty Recruitment - To expand access to key pediatric and adult sub-specialists that serve Medicaid beneficiaries.

Integrated Ambulatory Call Center and Nurse Advice Line - To integrate University’s comprehensive ambulatory call center with its nurse advice line to expand access to primary care services.

Expanded Availability of Primary Care Services at Additional Locations - To expand delivery of primary care services at preventive health clinics and enhance the opportunity for Medicaid recipients within key areas of Bexar County to access comprehensive primary care services.

The following NAIP projects are to be implemented in partnership with Superior for the period of March 1, 2015 to August 31, 2015.

Primary Care Access for Post-NICU Newborns - To facilitate care for both neonates hospitalized in University Hospital’s Neonatal Intensive Care Unit (NICU) and for the continuing comprehensive care of children in the outpatient setting.

Targeted Specialty Recruitment - To expand access to key pediatric and adult sub-specialists that serve Medicaid beneficiaries and other populations.
Funding for the NAIP initiative is supported similar to the of the 1115 Waiver and as such, the Health System is required to do an Intergovernmental Transfer (IGT) on a monthly basis to support each project, for which federal match dollars will be received and then disbursed back to the Health System through the health plans. Each of the six NAIP projects has been valued at a per member per month capitated rate and will be paid to the Health System for meeting monthly project objectives.

Payment will be calculated on a per member per month basis according to actual membership volumes for each project’s respective health plan realized during the project period. Payment will be received after the end of each monthly reporting period from March 1, 2015 to August 31, 2015. The Health System will receive an estimated payment of $2.0 Million per month (net of IGT expenses) for an estimated payment of $12.0 Million for the six month period (net of IGT expenses). The revenues and expenses associated with the six projects were built into the Health System’s current fiscal year budget. The revenue expected for the successful completion of the monthly project objectives will contribute to the Health System’s financial stability and diversifies funding sources.

ACTION: None.
RECOMMENDATION: This report was provided for informational purposes only.
EVALUATION: None.
FOLLOW-UP: None.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the Board meeting at 4:35 p.m.

__________________________________ ______________________________
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