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

Tuesday, February 18, 2014
2:00 p.m.
Board Room
University Hospital
4502 Medical Drive
San Antonio, TX 78229-4493

MINUTES

BOARD MEMBERS PRESENT:

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

OTHERS PRESENT:

George B. Hernández, Jr. President/Chief Executive Officer, University Health System
Felix Alvarez, Executive Director, Procurement Services, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Karen Bryant, Vice President/Hospital Administrator, University Hospital
Ted Day, Vice President, Strategic Planning & Business Development, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health System
Carmen Sanchez Director, Clinical & Business Analytics, Office of the Chief Medical Officer, University Health System
Christann Vasquez, 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: JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 2:00 p.m.
INVOCATION AND PLEDGE OF ALLEGIENCE:

Chaplain Tomas Hernandez introduced Ms. Christina Guerra of St. Matthew Catholic Church for the invocation and Mr. Adams led the pledge of allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

DECEMBER 19, 2013 (SPECIAL MEETING)

**SUMMARY:** The minutes of the Board meetings of December 19, 2013, were presented for the Board’s approval.

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

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH QUEST LABORATORIES FOR REFERENCE LABORATORY TESTING SERVICES — KAREN BRYANT

**SUMMARY:** In 2012, staff examined the existing contract with the South Texas Reference Laboratory to identify cost saving opportunities. As a result, a new contract between The Health System and the UTHSCSA South Texas Reference Laboratory was executed in March 2013. Terms of the new agreement included pricing reductions and agreement on a fixed formulary of tests that would be performed to better control utilization. While these savings are considerable, the staff began to see midway through the new contract that efforts to control cost and utilization were not being sustained. To that end, the reference lab testing services were competitively bid on RFP-213-10-051-LAB, and five vendors submitted responses to this solicitation. The two leading proposals were submitted by Quest Diagnostic and the South Texas Reference Laboratory operated by UTHSCSA. The three other vendors, though qualified were not competitive on price. They were ARUP Technologies, Mayo Medical Laboratories, and Integrated Technologies. The South Texas Reference Laboratory proposed pricing that would result in a savings of $82,227 annually for the Health System. In addition to the reduced pricing, the vendor emphasized its proximity to the hospital, which allows them to provide quick turnarounds on tests. Quest has proposed pricing that will result in $155,840 in savings for the first year, from the 2013 expenditure, and will agree to Firm Fixed Pricing for a three year contract. Over the life of the three year contract, this would result in $481,685 in savings to the Health System. This is $227,530.42 more than the proposed savings offered by the South Texas Reference Laboratory. Quest Diagnostics is an equal opportunity employer. Quest Diagnostics creates and implements over 90 specific AAPs around the country. As a federal contractor, they make every attempt to be fully compliant and do not discriminate based on any factors such as race,
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creed, citizenship status, marital status, gender, veteran status, disability, religion, age, national origin, color, sexual orientation, or another other status protected by State or local law. Their affirmative action plan describes the proactive or affirmative steps that they will take as an employer to promote greater equality of opportunity. Ms. Bryant reviewed the workforce composition data with the Board in detail.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a three-year contract with Quest Laboratories for reference lab testing in the amount of $2,800,857.01.

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

EVALUATION: Board members engaged Ms. Bryant and Dr. Alsip in dialogue regarding the quality of the work provided by Quest Laboratories and additional benefits. The contract with Quest will include service terms that can be re-visited at any point during the three year contract. Most impressive to Dr. Alsip is Quest’s emphasis on utilization management to ensure that the reference lab testing is used to deliver the most value through improved outcomes, reimbursement, and utilization. Quest also submitted proposed turnaround times for a multitude of tests that were very similar to the turnaround times currently experienced with South Texas Reference Laboratory. Availability of expertise provided by Quest is another value added benefit. Quest will provide medical, technical, and scientific consultation availability 24 hours a day, 7 days a week, which is not currently offered by STRL. Further, Quest will provide an on-site processor to handle all outgoing samples. Because proactive management of utilization is a key area of focus for the Health System, Quest will offer robust utilization reports that will help the staff develop meaningful data on key volume and cost drivers. Quest will also proactively review and monitor the Health System’s reference lab formulary to ensure that the testing offered and utilized is the most effective and will ensure patients receive quality, medically necessary testing services in the most appropriate setting. Finally, Quest will provide expanded access to professional medical consultations to include 24 hours a day, 365 days a year, which will benefit providers and patients.

FOLLOW-UP: None.

PRESENTATIONS AND EDUCATION:

AMBULATORY MATTERS – REPORT ON STRATEGIC PLANNING PREPARATION – TED DAY

SUMMARY: Last month, the Board of Managers discussed a special Board session for targeted strategic planning to obtain information on known trends and data in health care delivery and in the local community. The strategic planning process will take into account changing environmental factors, including changes in reimbursement models, changes in patient and provider expectations, and increased transparency of financial quality and community benefit data to name a few. The American Hospital Association and other healthcare policy
sources put significant focus on the shift from the historic pattern of payment for healthcare services based on volume toward a current and future bias of paying for value. This change is driven by a combination of governmental and commercial payer requirements as well as the increasing desire of employers to consider purchasing healthcare services in this way. Selected additional industry trends include a shift toward emphasis on population health management and on the advantages of creating and expanding partnerships between healthcare organizations to create scale and reduce costs. The Health System continues to experience volume growth. The new facilities opened at the Robert B. Green Campus and pending at University Hospital provide expanded access to the latest in diagnostic and treatment options in settings that are attractive from an aesthetic perspective, but are also designed to maximize efficiency, privacy, and healing. Healthcare delivery transformation is also taking shape through new initiatives – many part of the Medicaid 1115 Waiver’s Delivery System Reform Incentive Payment (DSRIP) program – aimed at providing patients greater access to high quality preventive health services and technology.

RECOMMENDATION: Staff proposed a special Board meeting on Friday, March 21, 2014 for strategic planning purposes. Output from the Board session will set the basis for development of a comprehensive Health System master facility plan.

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

EVALUATION: Board members all confirmed their availability for a special meeting on March 21, 2014. The retreat will be internally managed by the planning staff. Ms. Rivas requested a follow up report on the Board’s 2006 strategic planning retreat and the goals that would have been accomplished at the end of 2008. Were all of those goals achieved? Mr. Adams asked that the session include a report regarding the impact of the Affordable Care Act, as well as a legislative overview as suggested by Ms. Cedillo. Preparation materials will be provided to the Board in advance of the session.

PRESENTATION ON HOSPITAL INPATIENT PERFORMANCE METRICS – BRYAN ALSIP, MD

The National Quality Strategy encourages alignment of health and health care quality programs and performance measures across the country. Within this structure are metrics that focus on hospital inpatient performance, particularly those measured by the Centers for Medicare & Medicaid Services (CMS) and include clinical processes of care as well as health outcomes. Among the priority indicators of inpatient quality are measurements of mortality; complications of care; hospital acquired conditions; 30-day readmissions; geometric mean length of stay; and severity level. The Hospital Inpatient Performance Report is distributed quarterly by Dr. Alsip to the Board of Managers, Department Chairs and other physician leaders, Health System Executives, and Management Staff to highlight areas clinical of success as well as opportunities for improvement for the Hospital Inpatient setting, primarily focusing on clinical outcomes and comparing these against other healthcare
organizations. The report is prepared from internal data systems, data from the Centers for Medicare & Medicaid Services (CMS), and the Crimson Continuum of Care tool to compare our performance on key quality metrics against expected outcomes and against other healthcare organizations. The outcomes for University Hospital are compared against other Academic Medical Centers at the diagnosis level, matching patients with similar diagnoses and having similar severity of illness. Dr. Alsip presented inpatient data for the period October 2012 to September 2013 and reviewed the items below with the Board in detail:

- Percentage of Cases with Complications of Care (excludes complications that were already present on admission or related to pre-existing condition);
- Percentage of Cases Above the CMS Geometric Mean Length of Stay (the GMLOS is deemed by CMS Medicare as the appropriate length of stay for payment formulas);
- Average Length of Stay (data comparing with CMS and other Health System in the San Antonio market, excludes newborn, rehab medicine, and emergency medicine)
- Summary of Potential Savings and Bed Days Saved (focusing on Neonatology, Hospitalists and Neurosurgery) - Potential cost savings is $500 per day if average LOS were to be brought down to CMS Average Length of Stay"

Neonatology: $4,410,000 and 8,820 days  
Hospitalists: $1,348,200 and 2,696 days  
Neurosurgery: $848,100 and 1,696 days  
TOTAL = $6,606,300 and 13,212 days

Follow up actions by Dr. Alsip after each reporting period include meetings with physician leaders, hospital administrators, and other staff where significant outliers exist to identify specific areas of opportunity and to develop strategies for improving metrics. Additional team members include medical records coders, clinical documentation specialists, case managers, and nurses, to assist with these processes of elevating the quality of care and performance metrics.

RECOMMENDATION:

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

EVALUATION: Mr. Adams requested that all contracts with UTHSCSA be directly and financially tied to outcomes. There is no reason to exclude the partnership, the closer the Health System and UTHSCSA are aligned the higher the impact of success. If the Health System has leverage to hold physicians accountable for these metrics, they will be very interested. Dr. Jimenez asked about the feasibility of contracting with the Parkland Center for Clinical Innovation (PCCI) to conduct real-time predictive and surveillance analytics to assist the medical staff in making complex clinical decisions. Mr. Hernandez informed the Board that most recently, all of the metrics discussed today have been captured in the professional services agreement with UTHSCSA for the Hospital Based Ambulatory Surgical Services Department, it is another example of the Medical School’s willingness to work with the Health System. These
metrics are also included as part of the DSRIP projects.

FOLLOW-UP: None.

COMMUNITY FIRST HEALTH PLAN OPERATIONS REPORT – GREG GIESEMAN

SUMMARY: In the interest of time, Mr. Adams post-pone this report until the next Board meeting.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: None.

CLOSED MEETING:

Mr. Adams announced this meeting closed to the public at 3:04 p.m., pursuant to TEX. GOV’T CODE, Section 551.074 (Vernon 2004) to evaluate the performance and duties of the President/CEO. The following Board members present: Linda Rivas, Roberto L. Jimenez, M.D., Rebecca Cedillo, Robert Engberg, Ira Smith and Alex Briseño. George B. Hernandez, Jr. was also present. After discussion, no action was taken in closed session. Mr. Adams announced that the closed meeting ended at 4:13 p.m.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the public meeting at 4:14 p.m., at which time Board members were invited to tour the new patient tower at University Hospital.

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

Sandra D. Garcia, Recording Secretary