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
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Ted Day, Vice President, Strategic Planning, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Sherry Johnson, Vice President/Integrity Officer, University Health System
Leni Kirkman, Vice President, Corporate Communications & Patient Relations, University Health System
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System
Mark Webb, Senior Vice President, Facilities Administration, University Health System
Ernesto Gomez, Ph.D., President/Chief Executive Officer, CentroMed

CALL TO ORDER AND RECORD OF ATTENDANCE: JIM ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 2:01 p.m.

INVOCATION AND PLEDGE OF ALLEGENCE:

Ms. Liliana De La Torre introduced Rev. Damon Relder of Coker United Methodist Church for the invocation and Mr. Adams led the pledge of allegiance.
REPORT ON DELIVERY SYSTEM REFORM INCENTIVE PAYMENT PROGRAM (“DSRIP”) PROJECTS - TED DAY/CHRISTANN VASQUEZ

SUMMARY: Staff provided this report to familiarize the Board of Managers with 23 Delivery System Reform Incentive Payment (DSRIP) projects that University Health System and Community Medical Associates have submitted to the Health and Human Services Commission and the Center for Medicare and Medicaid for consideration. Internal project teams have begun the process of refining and planning for the proposed projects, as we await formal acceptance of these projects. Staff is responding to the feedback received to date.

These projects are under development according to the original schedule published by HHSC, but with some delays in implementation introduced by HHSC as part of the project submission and review process. In general, we are in DSRIP Year 2. We anticipate getting final approval of projects within the next two months. These projects are categorized as follows:

Category 1 Projects
- Expand primary care
- Reduce emergency department utilization
- Implement telemedicine for specialist services
- Expand palliative care program
- Expand specialist care capacity

Category 2 Projects
- Appropriate emergency department utilization for specific conditions
- Reducing preventable readmissions
- Improve patient experience
- Develop process improvement program
- Expand/redesign primary care
- Expand medical homes
- Integrate/expand physical and behavioral health
- Expand chronic care management

A detailed list of projects by title, description, category, outcome measure and estimated gross cost was provided to the Board of Managers for review and discussion. Mr. Day informed the Board that the valuation of DSRIP projects varies by project. Those values quoted in the detailed, written report are the gross (not net of the Intergovernmental Transfer) potential value of the projects given successful execution of all milestones for the primary work of the projects in DSRIP Year 2 – DSRIP Year 3. Additional funds are available in lesser dollar amounts given success of targeted impacts on populations of patients.

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: No action was required by the Board of Managers.
EVALUATION: Mr. Hernandez recapitulated that the purpose of the DSRIP projects is to restore UPL dollars lost by hospitals, and that some of the projects will require community partnerships. DSRIP projects were selected according to those that staff determined the Health System could perform, are currently in the Health System’s strategic plan, and are part of the budget. Staff then selected partners that will help to achieve results; however, there are several projects that will require RFPs, such as those for behavioral health. Staff provided a brief overview
on several of the DSRIP projects. Of interest to the Board members was the school-based mobile health clinic project that will allow UHS to expand primary care access by working with local school districts to link the children to the preventive care they need and will also identify long term health issues sooner. Purchase of the mobile unit will require Board approval.

Discussion ensued regarding the State’s reimbursement methodology, milestones, timelines, potential results, and the projects’ impact on the Health System’s approved budgets. After discussion, staff was asked to return with answers to the following questions: How do the DSRIP projects tie in with the approved budgets? When does UHS get paid – what triggers payment? Who measures results so that UHS gets paid? How does UHS account for the funds in the budget? How do the projects inter-connect to one another? How will projects be managed and controlled as part of the budget?

FOLLOW-UP: Staff will follow up with summarized information on all projects in succinct presentations covering a few projects at a time over the next several Board meetings. Board members asked staff to consider the following guidelines for future updates: Include enough detail so that Board members understand the principle; tie to budget; use metrics; track and report what staff is doing; include the names of community partners or contractors; and communicate decisions to the Board because they do not want any surprises. Dr. Jimenez also asked Mr. Hernandez to consider a high level briefing for the Bexar County Commissioners. Mr. Adams asked that staff consult with Dr. Jimenez regarding the proposed behavioral health crisis stabilization DSRIP projects. For accountability purposes, staff will provide project updates to the Board of Managers on a regular basis to coincide with state reporting requirements.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE AN AGREEMENT WITH UT-MEDICINE FOR CHILDREN’S TRANSITION SERVICES—TED DAY/CHRISTANN VASQUEZ

SUMMARY: Staff continues to execute its strategy to expand the reach and effectiveness of its ambulatory network to serve adult and pediatric populations. In the spirit of mutual collaboration, the Health System and UT Medicine desire to enter into an agreement demonstrating the parties’ shared commitment to providing greater access to high quality medical care for children throughout Bexar County and improving education and training of the next generation of health care professionals, with emphasis on physician underserved areas of the central city.

Mr. Hernandez presented the proposed terms for children’s transition services listed below as a framework for the agreement:

Investment in Facilities: In consideration of an investment of $7.4 Million by the Health System to make ready primary and specialty care clinics on the 6th floor of the new Robert B. Green Clinical Pavilion, the University of Texas Health Science Center at San Antonio and its physician group practice, UT Medicine, agree to:

a. Develop the clinics as the primary training and specialty venue and anchor facility for UT Medicine and the Department of Pediatrics for a period of not less than twenty years;
b. The capital cost will be reimbursed to the Health System by UT Medicine for their sole use of the space, through an annual payment of $435,000 in lieu of rent for 17 years; and

c. The cost of operating the pediatric and specialty clinics, including the risk that revenue will not totally offset expenses, will be borne by UT Medicine. However, the Health System is committed to working collaboratively with UT Medicine to comprehensively review and manage expenses and maximize revenue. The Health System and UT Medicine are further committed to produce various scenarios to determine the best approach to partner given changes reimbursement, the availability of UT System resources and evolving community practice models.

Services: The pediatric services offered by UT Medicine and the Department of Pediatrics will be comprehensive and specifically address the needs of the community and the growing burden of disease.

a. Services provided will be high quality, culturally sensitive, and patient centered;

b. The University Health System and UT Medicine commit to work strategically to continuously improve and enhance pediatric services and hold regularly scheduled work sessions and retreats; and

c. UT Medicine agrees to appoint a Clinical Director to facilitate the provision of pediatric hospital and ambulatory medical services.

Medical Staff: As an academic medical center, the University of Texas Health Science Center at San Antonio and the University Health System are jointly committed to a common mission of providing outstanding, evidence-based and patient centered care to meet the needs of the people of Bexar County, the region, and beyond. The Pediatric Medical Staff at the Health System facilities for Pediatrics shall be composed of qualified and credentialed:

a. University Health System employed physicians;

b. Faculty and residents who serve as the House Staff; and

c. Community physicians.

Pediatric Service Lines: University Hospital shall serve as the clinical, research and teaching site for pediatric programs of the Pediatric Department of the University of Texas Health Science Center at San Antonio, and serve as the pediatric clinical service and teaching sites for UT Medicine with respect to the pediatric transplant, trauma, burn, NICU and the other medical services described in a Pediatric Services Matrix which will be attached to as Exhibit “A.”

a. The University Health System and UT Medicine agree to work together to continuously improve and enhance pediatric services through the development of joint strategic planning workshops and joint team planning meetings. The Department of Pediatrics, in conjunction with UT-Medicine, further agree to provide joint leadership in the development and implementation of new pediatric clinical service, health education, and training programs with the Health System.
b. Subject to UT Medicine’s existing contractual obligations with Vanguard, if any, UT Medicine shall first offer to the Health System the right and privilege of serving as the clinical, research, or teaching site for any new pediatric program. If such program is accepted by the Health System, it shall be added to Exhibit “A”. If the Health System provides a pediatric service that is not listed on Exhibit “A” or if other changes to Exhibit “A” are desired by either Party, the Parties agree to meet and negotiate in good faith regarding amending Exhibit “A” to reflect such change.

c. All full-time faculty of the Department of Pediatrics at UT Medicine shall base their pediatric practices exclusively at Health System facilities with respect to the inpatient and outpatient services as described on Exhibit “A”, for the period of time set forth on such Matrix for each such Pediatric Service.

i. A UT Medicine physician, in good faith, may make a referral to another hospital if:

1. the patient expresses a preference for a non-UT Medicine provider;
2. the patient’s insurer determines the provider or the contracting hospital is not a participating provider; or
3. the UT Medicine physician concludes that the referral to another hospital is in the patient’s best medical interests and the patient consents.

ii. Pediatric specialists and subspecialists may occasionally consult on an ad hoc basis at other facilities provided that such consultation does not establish a UT Medicine presence at such facility.

Resolution of Issues: In accordance with the Parties Affiliation Agreement, UT Medicine shall provide 90 days notice to Health System if it has a need to provide services which are not currently performed at Hospital. If the Health System does not have the capacity to meet the needs of UT Medicine and its physicians for a Pediatric Service within that time, UT Medicine shall provide written notice thereof to the President/Chief Executive Officer of the Health System, giving the Health System 60 days to resolve such capacity issue with respect to such Pediatric Service. If the Health System fails to resolve such capacity issue within such 60 day period, notwithstanding the limitations otherwise imposed by this paragraph, UT Medicine and its physicians may use other facilities that provide such service until the Health System provides reasonable evidence that it has resolved such capacity issue.

Shared Vision: Our partnership embraces the concept that collectively, the University Health System and the University of Texas Health Science Center at San Antonio share the vision to become a preeminent, world-renowned, academic medical center that provides outstanding health care, professional education and health care research. As the premier health system in our region, our centers of excellence will be locally admired as a valuable resource and internationally acknowledged as destinations for superior medical care and for the training of health care leaders to prevent, diagnose, and treat disease in our community and beyond.
Shared Values: The Health System and UT Medicine jointly acknowledge the following shared values:

a. Our patients are our focus. Our daily actions and our long-term strategies are based on a patient-centered culture: enhancing the care, health and welfare of the individual and of the community.

b. Our care is culturally sensitive to the needs of our growing and diverse population.

c. Decisions in medical care and operational processes are data-driven and evidence-based, maximizing quality and value and assuring sustainability.

d. We will work in an environment of cooperation and collaboration, with transparency and sharing of all information essential for advancing medical care and services.

e. We will align our efforts to accomplish our common Mission and achieve our shared Vision.

f. Together we will become THE trusted expert for outstanding health care, education and research in the region and beyond.

RECOMMENDATION: Staff recommends Board of Managers approval to enter into a Children’s Transition Services Agreement with UT-Medicine.

ACTION: A MOTION to approve the terms of agreement as a framework for further negotiations, with the philosophical statement suggested by Dr. Jimenez, was made by Mr. Adams, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY.

EVALUATION: Mr. Hernandez reported that he had provided the terms of transition to the leadership of UTHSCSA yesterday afternoon for their consideration, and provided to the Board of Managers last night. He drafted the document to set parameters on the contract with the UTHSCA and tried to capture current negotiations. He categorized the terms by certain key areas that have previously been discussed and/or requested by the Board of Managers. He described pediatrics as one small part of the relationship with UTHSCSA, a part that we have not really been involved with, except for neonatology. It is, however, one very important component of our future. The document will be the focus of upcoming discussions with the UTHSCSA the next several meetings. Mr. Hernandez directed the Board’s attention to two specific areas in the document: capital investment and the cost of operating a pediatric primary care network. He and the staff have taken the position that the operating costs will be borne by UT medicine. Mr. Hernandez yielded the floor to Mr. Adams who thanked the Board for the time spent discussing this important topic, four consecutive Board meetings. The Board members have asked critical questions, the most important being, are we financially all right? Mr. Adams stated that he had hoped to present a document that had been signed by both Mr. Hernandez and Dr. Henrich, but the Health Science Center needs time to review and accept the terms. He also stated that the three pages presented today summarize everything the Board has asked for, such as: a long term arrangement (17 to 20 years), recoupment of capital costs, and an open medical staff policy. The cost of operations is one of the areas that still needs work. The Health System does not
want to be a supporter of operations, therefore, the staff has asked to either operate the network and have the UTHSCSA pay for it, or let UTHSCSA operate the network with some Health System standards in place. There is a reason for doing it both ways and the important thing is that it’s done correctly and is beneficial to the patients, the School of Medicine, and the Health System. Mr. Adams reviewed all of the remaining terms in detail with the Board, and explained that the next step would be acceptance of these terms by the School of Medicine. They will not sign the document as is today, but it opens the door for them to make proposals. Staff will not take any action until the full Board is in agreement.

As for Board action today, Mr. Hernandez deferred the decision to Mr. Adams. He explained that he did not expect Board action today on any of the contracts with UTHSCSA that establish a hospital outpatient ambulatory surgical services department, nor construction agreements related to pediatrics. These items were placed on the agenda last week to comply with the 72 hour notice requirement of Texas Open Meetings Act, in case the Board was ready to take action. Ms. Rivas informed her colleagues that she would not be ready to vote on the rules of engagement today because she had not had a chance to thoroughly review.

Mr. Adams urged his colleagues to review the framework and give staff approval to proceed. He sees Board action as a positive move toward the negotiations. It is also his hope that such action will send a very strong signal to the community, that both parties support the downtown location, and have a shared partnership that involves community physicians. Execution of the document will also put the Health System on a positive agenda with the UTHSCSA, and gives the School of Medicine a sense of commitment.

Mr. Adams reported that Dr. Henrich has returned from his medical leave of absence, and there is no question about his commitment to a strong partnership. He sensed Dr. Henrich’s dedication to get something going as soon as possible. Mr. Hernandez interjected that the UTHSCSA leadership is exploring availability of UT System funds, another reason they asked for more time.

Mr. Engberg asked how this document would connect to the other UTHSCSA agreements that discuss payment. This document connects completely. It makes clear this is a use agreement, not a lease, and refers only to use of the downtown facility.

Dr. Jimenez expressed reservation about the lack of a concise, philosophical statement regarding the nature of pediatric services. These services must be comprehensive and include primary, secondary, and tertiary care. He feels strongly that the statement should be placed at the front of the document, before the preamble. In addition, he asked for a more descriptive title, to which Ms. Cedillo suggested, Terms of Agreement. Further, she noted that this particular agreement needs to be crafted using the philosophy or preamble to note that it is part of a longer term agreement, that the partnership has to continue and is of great value to all.

Mr. Briseno asked questions about the transition period, which staff defined as 2013 through the latter part of 2016 or opening of the new
children's hospital. Discussion ensued regarding the pediatric services matrix for inpatient and outpatient services that will be attached to the terms of agreement as Exhibit A.

FOLLOW-UP: Mr. Hernandez will work with Dr. Jimenez on the concise description of services that will appear in the preamble and the title change to Terms of Agreement.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FOLLOWING CONTRACTS TO ESTABLISH A HOSPITAL OUTPATIENT AMBULATORY SURGICAL SERVICES DEPARTMENT:

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO FOR PROFESSIONAL SERVICES;
LEASE OF SPACE AND EQUIPMENT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO; AND
CONSULTING AGREEMENT WITH HEALTH INVENTURES TO ASSIST IN THE TRANSITION AND MANAGEMENT OF THE UNIVERSITY HEALTH SYSTEM AMBULATORY SURGICAL SERVICES CENTER AT THE MEDICAL ARTS & RESEARCH CENTER (“MARC”)

—Ted Day

SUMMARY: Mr. Hernandez pulled this item from today’s meeting agenda.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RTKL FOR DESIGN SERVICES RELATED TO PEDIATRIC SERVICES AT THE ROBERT B. GREEN CAMPUS—MARK WEBB

SUMMARY: Mr. Hernandez pulled this item from today’s meeting agenda.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR BUILD-OUT OF THE 6TH FLOOR OF THE CLINICAL SERVICES BUILDING FOR PEDIATRIC SERVICES AT THE ROBERT B. GREEN CAMPUS (GMP #6R)—MARK WEBB

SUMMARY: Mr. Hernandez pulled this item from today’s meeting agenda.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR PEDIATRIC INPATIENT CARE AT UNIVERSITY HOSPITAL (GMP #17)—MARK WEBB

SUMMARY: Mr. Hernandez pulled this item from today’s meeting agenda.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None

COMMUNITY FIRST HEALTH PLAN OPERATIONS REPORT—GREG GIESEMAN

SUMMARY: Mr. Hernandez pulled this item from today’s meeting agenda.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None

REPORT ON ASSET RELOCATION/SALVAGE PROCESS OF UNIVERSITY HEALTH SYSTEM—FRANCINE WILSON

SUMMARY: Mr. Hernandez pulled this item from today’s meeting agenda.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the meeting at 4:06 pm.

Jim Adams
Chair, Board of Managers

Rebecca Q. Cedillo
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary