REGULAR MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Tuesday, February 22, 2011
6:00 p.m.
Board Room, University Center for Community Health
701 S. Zarzamora
San Antonio, Texas

MINUTES

BOARD MEMBERS PRESENT:

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

BOARD MEMBERS PRESENT:

Linda Rivas

OTHERS PRESENT:

George B. Hernández, Jr. President/Chief Executive Officer, University Health System
Tricia Aleman, Director, Corporate Communications and Marketing, University Health System
Antonio Arrey, Special Assistant to the President/CEO, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Tim Brierty, Chief Executive Officer, University Hospital
Gabriela Canales, Supplier Diversity Coordinator, University Health System
Francine Crockett, Vice President, Supply Management, University Health System
Vivian Casas, Director, Laboratory Services, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Theresa De La Haya, Senior Vice President, Community Health and Clinical Preventive Programs,
   University Health System
Sergio Farrell, Vice President, Ambulatory Services, University Health System
Roe Garrett, Vice President/Controller, University Health System
Francisco Gonzalez-Scorano, M.D., Dean, School of Medicine, UTHSCSA
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc., and Vice
   President Managed Care, University Health System
William Henrich, M.D., President, UTHSCSA
Michael Hernandez, Vice President, Legal Services and Risk Management, University Health System
Sherry Johnson, Vice President/Integrity and Regulatory Services, University Health System
CALL TO ORDER AND RECORD OF ATTENDANCE: ROBERTO L. JIMENEZ, M.D., CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order on behalf of Dr. Jimenez at 6:05 p.m. Dr. Jimenez arrived shortly thereafter.

INVOCATION AND PLEDGE OF ALLEGIANCE:

De La Torre introduced Ms. Corina Riojas for the invocation and Dr. Jimenez led the pledge of allegiance.

CITIZEN PARTICIPATION:

APPROVAL OF MINUTES OF PREVIOUS MEETING OF THE BOARD OF MANAGERS:

Summary: Dr. Jimenez presented the minutes of the regular Board meeting of Tuesday, January 25, 2011 for approval.

RECOMMENDATION: Dr. Jimenez recommended approval of the minutes as submitted.

ACTION: A MOTION for approval of the recommendation was made by Mr. Briseno, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION: None.
REPORT FROM THE PRESIDENT OF THE HEALTH SCIENCE CENTER – WILLIAM HENRICH, M.D.:

SUMMARY

Dr. Henrich provided an overview of the funding cuts in public and higher education that are currently being addressed by the 82nd Texas Legislature. The cuts proposed thus far are double the worst case scenario in the history of Texas in higher education.

Dr. Gonzalez acknowledged the physician leaders present and noted that he had recently become aware that Board Chair Dr. Roberto Jimenez also holds an adjunct clinical faculty appointment in the Department of Psychiatry.

Drs. Henrich and Gonzalez yielded the floor to Dr. Irene Chapa, Director of Recruitment and Science Outreach Programs, and Ms. Dolores Oscos-Flores, Coordinator for the Teen Medical Academy with the Department of Family and Community Medicine, for a presentation regarding programs building the pipeline for middle and high school students entering into the health professions.

RECOMMENDATION: This report was provided for information purposes only.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: None.

NEW BUSINESS

CONSENT AGENDA – ROBERTO JIMENEZ, M.D.

A. Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Staff Membership – Nicolas Walsh, M.D., President, Medical/Dental Staff

B. Consideration and Appropriate Action Regarding University Health System Policy No. 7.15, Wireless Communication Usage and Business Expense Reimbursement—Bill Phillips

C. Consideration and Appropriate Action Regarding Commissioning of a Peace Officer for University Health System—Richard Rodriguez

D. Resolution of the Board of Managers of the Bexar County Hospital District Regarding Proposed Legislative Budgetary Implications – Andrew Smith

E. Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) - Francine Crockett

RECOMMENDATION: Staff recommended approval of the consent agenda.

ACTION: A MOTION to pull the Board Resolution regarding proposed legislative budgetary implications for full discussion was made by Mr. Briseno, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY. A
MOTION to approve staff’s recommendation regarding the remaining items listed on the consent agenda was made by Mr. Adams, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION:
University Health System Policy No. 7.15, Mr. Adams requested a full follow up report regarding the manner in which staff plans to implement the last half of paragraph III, Application Procedure, as well as paragraph IV, Wireless Device Usage Guidelines.

Resolution Regarding Proposed Legislative Budgetary Implications - Mr. Hernandez introduced the Board resolution regarding the State’s budget shortfall of unprecedented proportions. The state budget proposes a 24.6% reduction in Health and Human Services. These reductions include a 10% Medicaid and CHIP provider rate cut, no funds for caseload growth or inflation, and do not replace stimulus dollars used in the current budget. While program cuts, delivery system reforms and best practices can and should be aggressively implemented, the best program improvements combined cannot achieve savings at the levels needed to address the budget shortfall.

The Board Resolution requests that the Texas Legislature consider an evenhanded approach to balancing the State budget that looks towards savings, use of the Rainy Day fund and additional revenues rather than the cuts-only approach which would potentially undermine the economic recovery of the State and have a devastating impact on jobs and essential services needed by all Texans to ensure their future.

ACTION: A MOTION to adopt the Resolution Regarding the Proposed Legislative Budgetary Implications was made by Mr. Briseno, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY.

FOLLOW-UP: None.

ITEMS RELATED TO PLANNING & OPERATIONS – LINDA RIVAS, CHAIR, PLANNING & OPERATIONS COMMITTEE

UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES – MARK WEBB

SUMMARY: In addition to his monthly detailed report on CIP activities, Mr. Webb informed the Board that the Health System has engaged the forensic engineering firm of KCE Structural Engineering, based in Washington, DC, to investigate last week’s west parking garage collapse. Engineers have been on site since the Wednesday after the incident to determine the cause(s) and hope to complete their analysis in the next several weeks.

RECOMMENDATION: This report was provided for information purposes only.

ACTION: None.
EVALUATION: Board members again stressed their support for Mr. Webb’s work and encouraged open and transparent communication. Only factual and confirmed information will be released to the public.

FOLLOW-UP: None.

ITEMS BEING RECOMMENDED BY THE BUDGET AND FINANCE COMMITTEE - ROBERT ENGBERG, CHAIR, BUDGET & FINANCE COMMITTEE

SELECTED PURCHASING ITEMS

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, SAN ANTONIO, FOR PROFESSIONAL SERVICES PROVIDED BY THE DEPARTMENT OF OBSTETRICS AND GYNECOLOGY RELATED TO WOMEN’S HEALTH SERVICES—THERESA DE LA HAYA

SUMMARY: This is a contract modification (#1) for additional services for Family Planning, Breast and Cervical Cancer Services, and Maternity Program/Services. Additionally, this modification changes the name of this Agreement to Physician Services Agreement for Comprehensive OB/GYN Services. All costs will be covered by grant funding except the non-stress tests which are budgeted Health System expenses, under a continuous 5-year federal subgrant agreement. Federal grants for women’s health tend to be renewable. This is being requested as an exempt contract because the Health System seeks professional services provided by a Board Certified Physician in Obstetrics and Gynecology and a faculty physician covered under the University of Texas Medical Liability Self-Insurance Plan, credentialed as active staff pursuant to the Bylaws of the Medical/Dental Staff of University Health System. The original contract was in the amount of $59,226 and did not require Board of Manager approval. The total value of this contract including Modification #1 is $214,139. UTHSC-SA Department of OB/GYN has an affirmative action plan or policy in effect. UTHSCSA Department of OB/GYN has a total of 110 employees. The workforce composition data was reviewed by the Board.

RECOMMENDATION: Staff recommends Board of Managers approval of the amended contract for Physician Services with the UTHSCSA Department of Obstetrics and Gynecology for Comprehensive OB/GYN Services in an amount not to exceed $154,912.62.

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

EVALUATION: None.

FOLLOW-UP: Mr. Adams reminded staff of a prior Board request regarding the listing for total amounts paid to UTHSCSA under the various contracts.
CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH
BREDA CONSTRUCTION, INC. FOR THE RENOVATION OF THE UNIVERSITY
HOSPITAL CAFETERIA—RICHARD RODRIGUEZ

SUMMARY: This purchase order is to acquire labor and materials for renovation of the
existing University Hospital cafeteria to include increasing the seating
capacity and improvement of customer flow. Additionally, the men and
women's restrooms and the Foundation Room will receive renovations to
incorporate the new Health System branding standards and to
complement the newly renovated cafeteria space. Capital funds are
available for this acquisition which is included as a priority item on the
2011 Capital Prioritization List. Breda Construction, Inc., is classified as
a local, Small Business Enterprise (SBE), and has an Affirmative Action
Plan or policy in effect, with a total of 4 employees. The workforce
composition data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers approval of a purchase request for
construction services with Breda Construction Inc, in the amount of
$151,190 for the Cafeteria Expansion at University Hospital.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR
PROFESSIONAL SERVICES WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE
CENTER, SAN ANTONIO, DEPARTMENT OF PATHOLOGY, SOUTH TEXAS
REFERENCE LABORATORIES—TIMOTHY BRIERTY

SUMMARY: This contract provides reference laboratory services to confirm the
presence of specific genetic disorders associated with diagnosis,
monitoring and predicting effective therapy for various lymphomas,
leukemia's and other types of cancer, as well as genetic mutations that
can be the cause of an inherited blood clotting disorder. This is a
planned expense and operating funds have been included in the 2011
operating budget. As compared to the previous contract, there is a 9.3%
($312,389) increase. The components of the increase include: $1,534,215
for the inclusion of contract #261161-IF, $221,750 for a 6.6% projected
increase in surgical procedures, and a 1.6% or $55,025 increase due to
inflation. This is being offset by a management initiative that will save
$1,050,000 by shifting some of the reference testing from South Texas
Reference Lab to Health System on-site testing, and an initiative to
reduce unnecessary tests with savings of $448,602. The original contract
in the amount of $1,116,462 was approved by the Board of Managers in
November 2009. The contract included an option to automatically renew
for three (3) successive one year terms. Modification #1 in the amount
of $3,661,774 exercises the options in its entirety. The total of this
contract including Modification #1 is $4,778,236. This is being requested as an exempt contract because the laboratory provides esoteric services for testing and to protect the integrity and stability of these samples, testing needs to be done locally. Additionally, these testing services are an integral part of the Residency Program. UTHSC-SA Department of Pathology South Texas Reference Laboratories has an affirmative action plan or policy in effect. UTHSC-SA Department of Pathology South Texas Reference Laboratories has a total 5,015 employees. The workforce composition data was reviewed with the Board.

**RECOMMENDATION:** Staff recommends Board of Managers approval of a four-year contract with Sysmex America Inc. in the amount of $1,693,010.

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

**EVALUATION:** Mr. Brierty introduced Allen Strickland at this time. Mr. Strickland joined the Health System yesterday as Vice President for Fiscal Administration in Operations. Mr. Strickland’s background is in law and accounting.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR TRANSCRIPTION SERVICES WITH SAN ANTONIO TRANSCRIPTION SERVICES—MARY ANN MOTE**

**SUMMARY:** This contract provides transcription services for designated faculty who are dictating approved documents within the University Health System. This is a planned expense and operating funds have been included in the 2011 operating budget. As compared to the previous contract, there is no change in the per line charge ($0.142). However, due to a decrease in the physician residents’ use of dictation services, there is 12.6% ($44,524) decrease in the cost. Quality measures and standards are in place. Contract includes an option to renew for four (4) additional one year terms. San Antonio Transcription Service, Inc., is classified as a local, Small, Woman Owned Business Enterprise (SWBE), with an affirmative action plan or policy in effect. It has a total of 25 employees; the workforce composition data was reviewed with the Board.

**RECOMMENDATION:** Staff recommends the Board of Managers approval of the contract award to San Antonio Transcription Services, Inc., a small, local, woman owned business in the amount of $310,000 for a one year period.

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR JANUARY 2011 FINANCIAL STATEMENTS – PEGGY DEMING**

**SUMMARY:** For the month, activity was down 5.0% for the clinical services (as measured based on discharges adjusted for outpatient activity).
Community First Health Plans, Inc., fully insured membership was up 0.1%. From operations, the Health System experienced a $837,000 gain which was $1.4 million better than the budgeted loss of $535,000 due to lower operating expense. Investment income was above budget by $36,000 due to higher interest rates than budgeted. An unrealized market loss of $113,000 was recorded due to an increase in interest rates as the economy is showing signs of slow growth. The bottom line gain in excess of expenses excluding debt service was $1.2 million for the month which was $1.3 million better than the budgeted loss. Included in the above results is CFHP which experienced a $663,000 bottom line gain ($581,000 better than budgeted gain of $82,000). Debt service revenue was $3.6 million which is equal to the budgeted debt service payment of $3.6 million. Notable increases and/or decreases from the consolidated balance sheet were reviewed in detail with the Board.

RECOMMENDATION: Staff recommends Board approval of the financial report subject to audit.

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

EVALUATION: None.

FOLLOW-UP: None.

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN

SUMMARY: Ms. Kirkman provided a detailed written report on recent recognitions received by the Health System and media highlights as well as upcoming events. Mr. Briseno noted that a recent incident regarding a patient in the Emergency Center was not included under media highlights. Mr. Hernandez explained that the Board would meet in closed session next month to evaluate the quality of medical and/or health care services as provided by Section 161.032 of the TEXAS HEALTH & SAFETY CODE (Vernon Supp. 2008).

RECOMMENDATION: This report was provided for information purposes only.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

REPORT ON NURSE STAFFING EFFECTIVENESS FOR SAFE OUTCOMES—NANCY RAY

ANNUAL REPORT ON AMBULATORY SERVICES—GARY MCWILLIAMS, M.D.

SUPPLIER DIVERSITY REPORT—GABRIELA CANALES AND FRANCINE CROCKETT
SUMMARY:
Ms. Ray was asked by Dr. Jimenez to address the Board regarding the report on the Safe Hospital Staffing, a law which enhances a nurses’ influence on hospital budgetary and staffing decisions by strengthening the structures for nurse participation in staffing decisions. Ms. Ray introduced Mr. Rand Murphy, co-Chair of the Nurse Advisory Committee. Together they briefed the Board on the nurse committee’s activities and actions taken this past year and conveyed staff’s appreciation for the Board’s support. Mr. Adams encouraged Mr. Murphy and his nurse colleagues to continue with their good work and pledged the Board’s ongoing support.

Ms. Crocket was asked to briefly cover highlights and recent activities in the report on supplier diversity. Board members were pleased with the Health System’s efforts to continue to increase the amount of contracts awarded to SMWVBEs. The proposed supplier diversity program policy is still out for Board review following feedback received from Mr. Briseno that the staff reach out to SAWS staff regarding their supplier diversity policy, which as been in place for some time.

RECOMMENDATION: None.
ACTION: No action was requested from the Board of Managers.
EVALUATION: Dr. Jimenez suggested that nursing students be invited to attend regular Board meetings as part of the learning experience Dr. Jimenez requested that an update regarding the Health System’s achievements in the area of supplier diversity be provided to Bexar County Commissioners Court. Mr. Hernandez will determine the best manner to transmit the information.
FOLLOW-UP None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING ANNUAL EVALUATION OF THE PERFORMANCE AND DUTIES OF THE PRESIDENT/CEO—JIM ADAMS

SUMMARY: Mr. Adams urged his Board colleagues to reply to his request for input on the CEO’s performance goals and duties for 2010. A closed meeting will be held as soon as all of the input has been received.

RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP None.
ADJOURNMENT:

There being no further business, Dr. Jimenez adjourned the public meeting at 8:15 p.m.

___________________________________ ______________________________
Roberto L. Jimenez, M.D., F.A.P.A.  Ira Smith
Chairman, Board of Managers   Secretary, Board of Managers

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Sandra D. Garcia, Recording Secretary