REGULAR MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Tuesday, February 28, 2012
6:00 p.m.
University Health System—Texas Diabetes Institute
(formerly known as University Center for Community Health)
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

Roberto L. Jimenez, M.D.
James R. Adams, Chair
Linda Rivas, Vice Chair
Rebecca Q. Cedillo, Secretary
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
Tricia Aleman, Director, Marketing, University Health System
Tim Brierty, Chief Executive Officer, University Hospital
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
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc., and Vice
President Managed Care, University Health System
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Francisco Gonzalez-Scarano, Dean, School of Medicine, UTHSCSA
Michael Hernandez, Vice President, Legal Services and Risk Management, University Health System
Sherry Johnson, Vice President/Integrity and Regulatory Services, University Health System
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health System
MEMBERS OF THE PRESS:

Richard Marini, San Antonio Express News

CALL TO ORDER AND RECORD OF ATTENDANCE: JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 6:05 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Ms. De La Torre introduced Mr. A.J. Sandoval, University Health System Chief of Police, for the invocation. Chief Sandoval relayed a message of thanks and appreciation for the healthcare providers from the family of SAPD Officer, Jonathan Esquivel, who was injured in the line of duty earlier this month and is at University Hospital. Mr. Adams led the pledge of allegiance.

SPECIAL RECOGNITION OF ROBERTO L. JIMENEZ, M.D. – JIM ADAMS

There will be a formal recognition event for Dr. Jimenez later in the year that will, at his request, raise money for the UHS Foundation. Over the years we have learned that Dr. Jimenez does not like a lot of recognition. He likes to work, care for others, and do his God-given duties with his God-given talent. He is a very special man and is well respected by every member of this Board for his humility and his capability to address the human aspect of things. From the construction of buildings to finances, he ties everything back to our patients and the employees. We have also learned from him the importance of family. He considers Health System staff his family, which was evident the other night at the employee recognition event. On behalf of the Board of Managers, Mr. Adams expressed love, admiration, and respect for Dr. Jimenez. Board members will continue to seek his guidance, counsel and leadership because of his style and his representation of Latino culture. Mr. Adams encouraged the Board members to spend time talking with Dr. Jimenez in person and letting him know what he means to them, because the personal communication will be very meaningful to him.

Dr Jimenez thanked the Board and expressed his appreciation for the University Health System. The staff is filled with spirit, and he feels fortunate to have some of that spirit. He is proud of the relationship the
Health System has established with UTHSCSA, especially during a time that other cities are struggling in terms of the academic relationships. During his tenure, he has seen many changes transpire, and he truly values the partnership. Bexar County Judge Wolff and Commissioners have often communicated to him that the appointments to the BCHD Board are the most important appointments they make, and he agrees. He is proud to serve on this Board.

Mr. Adams also thanked Mr. Ira Smith for serving as an officer since his arrival. He has provided his perspective and initiated many discussions among the Board regarding many important topics. Mr. Smith will be assigned new roles, and the Health System will continue to benefit.

On behalf of the new Board officers, Mr. Adams thanked his Board colleagues for their vote of confidence and asked for their continual guidance and counsel. All officers are very aware of the importance of communication between the Board members, and Mr. Adams pledged to do his best in this area.

A **MOTION** to bestow upon Dr. Jimenez the title of **Immediate Past Chair** was made by Mr. Adams, and was **UNANIMOUSLY SECONDED** by all of the Board members.

**CITIZEN PARTICIPATION:** None.

**APPROVAL OF MINUTES OF PREVIOUS MEETINGS OF THE BOARD OF MANAGERS:**

**JANUARY 24, 2012– REGULAR BOARD MEETING:**

**SUMMARY:** The minutes of the regular Board meeting of Tuesday, January 24, 2012 were submitted for approval by the Board of Managers.

**RECOMMENDATION:** Mr. Adams recommended approval of the minutes as submitted.

**ACTION:** Hearing no objections, Mr. Adams declared the January 24, 2012 minutes **APPROVED** as submitted.

**EVALUATION:** None.

**FOLLOW-UP:** None

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

**SUMMARY:**

Dr. Henrich thanked Dr. Jimenez for his comments about the relationship between the two institutions; he agrees that it is a very cordial and productive relationship, for the benefit of the citizens of Bexar County. He echoed Mr. Adams’ remarks about Dr. Jimenez’s important work in the community, and thanked him for that as well.

Dr. Henrich announced that the Spectrum facility on the premises of the UTHSCSA had been purchased by Gold’s Gym. The change in ownership will be transparent to the members and there will not be any increases in the fees. The facility was built on site in response to student demand, and many Health System employees are gym members.

Dr. Gonzalez-Scarano acknowledged the physician leaders present. He reported that the respective searches for chairs of the departments of
urology and ophthalmology continue at this time. He reminded the Board that there is always UHS representation on the search committees for the School of Medicine. Dr. Florence Eddins-Folensbee has been promoted to serve as Vice Dean for Undergraduate Medical Education. Board members will be invited to tour the new office for undergraduate medical education on the fifth floor of the Briscoe Library in April.

Work continues on consolidation of the basic sciences and clinical departments, as requested by the Liaison Committee on Medical Education (LCME) in mid-October 2011. Consolidation of the departments will be formalized during the 2012 budget process.

Dr. Gonzalez reported that he and other physician leaders have had several productive sessions with Mr. Hernandez and Ms. Vasquez regarding the master affiliation agreement, the document which sets the tone for the partnership between the institutions. Staff expects to bring the master affiliation agreement for Board approval in the near future.

**RECOMMENDATION:** This report was provided for information purposes only.

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**NEW BUSINESS**

**CONSENT AGENDA – JAMES R. ADAMS**

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

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

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

**ACTION:** A MOTION to approve staff’s recommendation for the items listed on the consent agenda was made by Mr. Engberg, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY.

**EVALUATION:** None.

**FOLLOW-UP:** None.

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

**UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES—MARK WEBB**

**SUMMARY:** Mr. Webb briefed the Board on several safety incidents that occurred during this reporting period: At University Hospital, a worker struck by a falling form support pole suffered a fractured bone in his neck. The worker received treatment at University Hospital and was sent home. A safety stand-down followed to evaluate the situation. As a result, work processes were revised, appropriate supervision and training provided.
Other incidents include a cut finger, debris in eye, and eye abrasion. All workers were treated and returned to work. At the Robert B. Green Campus, a worker slipped on foam insulation and fell striking the back of his head. He was administered first aid and returned to work the next day. Another incident involved a worker who was removing a board and cut his cheek on a nail. He was administered first aid and returned to work.

Ms. Rivas asked about the crews she has seen working at both campuses on weekends and holidays, and whether the workers are being appropriately compensated for the overtime. Mr. Webb explained that sometimes nights and weekends are part of a normal shift because certain things are not allowed to occur during regular business hours. If the crew members are working overtime, they are compensated appropriately by the contractors.

Mr. Webb provided a detailed, written report for the Board’s review and discussion.

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

**ACTION:** None.

**EVALUATION:** Ms. Rivas requested information regarding the economic impact due to the CIP at both locations and surrounding areas. She understood there to be an existing study by Ray Perryman that was commissioned by the Health System in 2010 which has not been made available to the Board. She challenged the staff to provide the data by the March Board meeting.

Dr. Jimenez raised the issue of signage in prominent locations to thank the Bexar County Commissioners for their support. The signage he has seen does not convey the message that the Board intended regarding tax dollars at work. He also suggested making a brief video available for visitors on the construction projects at the main entrances of both facilities.

**FOLLOW-UP:** Mr. Hernandez will make the Perryman study available to the Board members this week. Mark Webb and Dr. Jimenez will discuss the issues he raised after the Board meeting.

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**YEAR IN REVIEW – PEGGY DEMING, CHRISTANN VASQUEZ, AND GEORGE B. HERNANDEZ, JR.**

**SUMMARY:** Mr. Hernandez and staff provided a graphics presentation describing the major milestones of 2011. The presentation included review of actual and budgeted patient visits by location, and the number of breast cancer screenings as a result of the new mobile mammography unit. The cardiovascular hybrid suite at University Hospital, the first of its kind in South Texas, was described as a major upgrade, as were the infrastructure updates at the tier III data center. The Health System is the first in South Texas to have met targets for meaningful use and to have
received a health information technology incentive award in the amount of $5,509,688.

The capital improvement project at both locations provided a $2.3 billion boost to the local economy. Successful partnerships, the overall positive performance, and the monthly trend of key performance indicators were discussed. Work in progress was reviewed by category: ambulatory, emergency services, use of data for quality improvement, and comprehensive children’s services. Unaudited financial results with and without CFHP were also reviewed. Mr. Hernandez attributed new challenges to recent legislative cuts, accomplishment of projected MedAsset savings, and State Medicaid Transformation efforts. Ms. Kirkman reviewed recent awards, recognitions and brand image awareness in the community.

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: None.
EVALUATION: Regarding the Health System’s image in the community, Dr. Jimenez suggested that he and Ms. Rivas could provide additional guidance and insight to Ms. Kirkman in targeting the Hispanic population. Dr. Jimenez would like to see us take advantage of public service announcements through the local radio stations, such as Jalapeno radio, because traditionally, Latinos favor radio communication over television and print. Board members agreed that the Health System wants to reach those who are funded and have a choice for selecting their health care providers, but also those consumers who do not have a choice and are the Health System’s obligation.

FOLLOW-UP: None.

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

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

UNIVERSITY HOSPITAL:

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR MISCELLANEOUS AND ASSOCIATED LEASE EXPENSES FOR THE PROJECT OFFICE AT HIGHPOINT TOWER (GMP #4B)—MARK WEBB

SUMMARY: Guaranteed Maximum Price Proposal (GMP #4b) includes a lease extension for the office space at Highpoint Towers and miscellaneous expenses including telecommunications, copiers, and IT support. This lease was originally signed through January 2013 with a one year option to extend in an effort to allow the CIP project team flexibility of a staffing location. Recent investigations included the possibility of locating on site in trailers versus extending the lease through February 2014 which is one month after substantial completion of the new tower.
The cost analysis shows staff moves, trailer mobilization, and installation of utility infrastructures would be more expensive than extending the lease. Funding is available through the Project Contingency Fund.

The participation goals for local firms and SMWVBEs is 80% and 40%, respectively. To date, SMWVBE participation of awarded construction projects is 42% and local participation is 74%. This does not include the dollars associated with the Construction Manager's Fee or other project administrative costs (i.e., insurance, bonds, permit fees, etc.).

The original contract in the amount of $44,451,753 was approved by the BCHD Board of Managers in September 2009. Modifications #1 through #47 total $504,219,741 and were for GMPs #1, 2, 2-R, 3a, 3b, 3c, 4, 5a, 5b, 5-R, 6, 7, 8, 8-R, 9a, 9b, 10, 11, 12, 13a, 13b, 13c, 13d, 13e, 13f, 13g, 13h, 13i, 13j, 13k, 13l, 13m, 13n, 13o, 13p, 13q, 13r, 13s, 13t, 13u, 13v, 13w, 13x, 13y, 13z, 14, 15a, 15b, 15c, 15d, 16c, and 16b. The total value of this contract including Modification #48 is $549,134,773.

**RECOMMENDATION:** Staff recommends the Board of Managers approve the GMP #4b in the amount of $463,279 and authorize the President/Chief Executive Officer to execute the amendment to the Zachry Vaughn Layton Construction Management Agreement in an amount of $463,279.

**ACTION:** A MOTION for approval of staff’s recommendation was made by Ms. Cedillo, SECONDED by Mr. Briseno, and PASSED UNANIMOUSLY.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING CLOSE-OUT OF VARIOUS GUARANTEED MAXIMUM PRICES (“GMP’S”) RELATED TO ENABLING PROJECTS: SOUTH PARKING GARAGE (GMP#5, 5R, 5B AND 14), SITE UTILITIES PACKAGE 2 (GMP#12) AND UTHSC-SA SCHOOL OF NURSING MOCKUPS (GMP#6)—MARK WEBB**

**SUMMARY:** As a follow up to the previously approved close-out item presented at the July 19, 2011 Board meeting, the accounting of all close out pay applications and allowances has been finalized and additional dollars are being credited to the GMPs in the following project scope packages:

**South Parking Garage (SPG) Heliport** - The GMPs for the SPG Heliport were approved at various Board meetings in 2010/2011 and included a range of work associated with the South Parking Garage including the new heliport and fueling system.

**UTHSCSA School of Nursing Mock Ups GMP** - The UTHSC-SA School of Nursing Mock Ups GMP was approved at the April 20, 2010 Board meeting. The scope included all major work associated with the design process to functionally test various room configurations for the new hospital tower. An adjustment to GMP#6 was approved at the
November 21, 2011 Board meeting to credit back funds not used on the project.

**Site Utilities GMP** - The Site Utilities GMP was approved at the November 30, 2010 Board meeting. The scope of work included site utilities rerouting for storm drainage, sanitary sewer, and all associated general work.

The Architect, Construction Manager, and Project Manager have reviewed the constructed spaces and final contract documents, and recommend close out of these projects.

Mr. Webb provided a breakdown of these project scope packages with final numbers based on cost reconciliations and the balance left in these GMPs for the Board’s review. The final cost of work for GMP’s 5, 6, and 12 is $6,019,839 which leaves a balance of $46,808 from the ZVL GMP total amount of $6,066,647. These savings will revert back to the CIP Project budget. The participation goal for SMWVBE is 40% and the local participation goal is 80%. To date, SMWVBE participation of awarded construction projects is 42% and local participation is 74%. This does not include the dollars associated with the Construction Manager’s fee or other project administrative costs (i.e., insurance, bonds, permit fees, etc.)

**RECOMMENDATION:** Staff recommends the Board of Managers approve close out of GMP’s #5, 5R, 5b, 14, #6, and #12 in the amount of $6,019,839 and authorize the President/Chief Executive Officer to adjust the amendments to the Zachry Vaughn Layton Construction Management Agreement in the total amount of ($46,808).

**ACTION:** A MOTION for approval of staff’s recommendation was made by Mr. Engberg, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RABA KISTNER, INC., FOR ADDITIONAL SPECIALTY INSPECTION AND TESTING SERVICES ASSOCIATED WITH THE WEST PARKING GARAGE—MARK WEBB**

**SUMMARY:** Modification #3 includes enhanced and specialty testing performed during the rebuilding process following the collapse of the North Prow of the West Parking Garage. The activities included inspections/testing for all the pre-cast concrete columns and beams which were re-made for the reconstruction of the collapsed garage area. Accelerated mortar and grout testing was also performed and included upgraded level inspections and accelerated lab testing of grout samples taken from pre-cast concrete columns and beams that were installed. Funding for this amendment will be paid by the Construction Manager at Risk (Zachry Vaughn Layton). The original contract in the amount of $2,195,374 was approved by the Board of Managers in June 2009. Modification #1 and #2 total $676,020. Total contract value including Modification #3 is $2,997,107.
The participation levels for this contract are 27.5% SMWVBE and 100% local. Raba-Kistner Consultants, Incorporated has an Affirmative Action Plan or Policy in effect. Raba-Kistner Consultants, Incorporated has a total of 303 employees. The Workforce Composition Data was provided for the Board’s review.

**RECOMMENDATION:** Staff recommends the Board of Managers approve a contract increase for Additional Specialty Inspection and Testing Services Associated with the West Parking Garage in the amount of $125,713 and authorize the President/Chief Executive Officer to execute the amendment to the Raba Kistner Consultants, Inc. Agreement in that amount.

**ACTION:** A MOTION for approval of staff’s recommendation was made by Ms. Rivas, SECONDED by Mr. Briseno, and PASSED UNANIMOUSLY.

**EVALUATION:** None.

**FOLLOW-UP:** None.

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**CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RABA KISTNER, INC., FOR ADDITIONAL SPECIALTY INSPECTION AND TESTING SERVICES ASSOCIATED WITH THE WEST PARKING GARAGE, CENTRAL UTILITY PLANT AND NEW HOSPITAL TOWER PROJECTS—MARK WEBB**

**SUMMARY:** Modification #2 provides for additional specialty inspection and testing. Services include asbestos testing, contaminated soil removal, global stability calculations, indoor air quality testing and monitoring, floor flatness testing, existing conditions SUE/flow monitoring/video, thermal monitoring, slump testing, wind monitoring, secondary disinfectant room chlorine relocation, and flow sensor testing. Funding is available through the Project Contingency Fund. The original contract in the amount of $2,195,374 was approved by the Board of Managers in June 2009. Modification #1 was for $178,694. Total contract value including Modification #2 is $2,871,394. The participation levels for this contract are 27.5% SMWVBE and 100% local. Raba-Kistner Consultants, Incorporated has an Affirmative Action Plan or Policy in effect. Raba-Kistner Consultants, Incorporated has a total of 303 employees. The Workforce Composition Data was provided for the Board’s review.

**RECOMMENDATION:** Staff recommends the Board of Managers approve a contract increase for Geotechnical, Environmental Consulting, and Construction Materials Testing Services in the amount of $497,326 and authorize the President/Chief Executive Officer to execute the amendment to the Raba Kistner Consultants, Inc. Agreement in that amount.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING A PROFESSIONAL SERVICES CONTRACT WITH DCA INC., FOR EXISTING FACILITY ASSESSMENT SERVICES ASSOCIATED WITH EXISTING BUILDING CONDITIONS AND MECHANICAL, ELECTRICAL, PLUMBING AND FIRE SYSTEMS AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: Modification #1 provides field verification and development of as-built CAD drawings for the University Hospital campus and also includes existing way-finding signage documentation, ADA documentation, and basement file room organization. Funding is available through Bond Proceeds. The original contract in the amount of $106,505 was approved in November 2011. Total contract value including Modification #1 is $719,130. DCA Construction, L.P. is classified as a Small Business Enterprise (SBE). DCA Construction, L.P. has an Affirmative Action Plan or Policy in effect. DCA Construction, L.P. has a total of 48 employees. The Workforce Composition Data was provided for the Board’s review.

RECOMMENDATION: Staff recommends the Board of Managers approve a contract increase for Existing Facilities Condition Assessment Services in the amount of $612,625 and authorize the President/Chief Executive Officer to execute the amendment to DCA Construction, LP Agreement in that amount.

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

EVALUATION: None.

FOLLOW-UP: None.

ROBERT B. GREEN CAMPUS:

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RTKL FOR ARCHITECTURAL SERVICES TO DESIGN MULTIPLE DEPARTMENT RELOCATIONS ASSOCIATED WITH BUILDING “C” CHANGES AND OPERATIONAL UPDATES AT THE ROBERT B. GREEN CAMPUS—MARK WEBB

SUMMARY: Modification #7 provides additional architectural services due to a Board approved item, process changes, and departmental realignments. Multiple departments and functions require relocation as a result of the Board of Managers approval for reallocation of RBG "C" building functions. Supply Chain Management's implementation of the Par Excellence inventory management system throughout the Health System requires RBG to modify certain areas in order to comply with the improved and more efficient materials management process. Also, realignment of Family Medicine services requires that the Ortho/Casting room, currently design in the Express Med space, be relocation to the Family Medicine department. Funding is available through Bond Proceeds. The same level of local and SMWVBE participation goals as negotiated in the original contract is expected. The original contract in
the amount of $7,728,795 was approved by the Board of Managers in September 2009. Modifications #1 through #6 total $1,444,288. The total of this contract including Modification #7 is $9,566,451.

RECOMMENDATION: Staff recommends the Board of Managers approve the amendment to the contract with RTKL in the amount of $393,368 for additional architectural services at the Robert B. Green campus.

ACTION: A MOTION for approval of staff’s recommendation was made by Mr. Engberg, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

EVALUATION: None.
FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH ADVANTAGE USAA TO REPLACE THE PAVILION BUILDING ROOF — RICHARD RODRIGUEZ

SUMMARY: Purchase Order is to acquire labor and materials for a complete Roof Replacement at the Pavilion Building. This roof is being replaced because the current roof is twenty (20) years old. Capital funds are available for this acquisition which is included as a propriety item on the Year 2011 Capital Prioritization List. Advantage USAA, Incorporated is classified as a Small, Minority Owned, Historically Underutilized Business (HUB). Advantage USAA, Incorporated has an Affirmative Action Plan or Policy in effect. Advantage USAA, Incorporated has a total of 25 employees. The Workforce Composition Data was provided for the Board’s review

RECOMMENDATION: Staff recommends that the Board of Managers approve the purchase request for construction services with Advantage USAA Inc. in the amount of $399,000 to replace the Pavilion building roof.

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

EVALUATION: None.
FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH TEJAS PREMIER BUILDING CONTRACTORS, INC. FOR THE EXPANSION OF THE EMERGENCY CENTER — RICHARD RODRIGUEZ

SUMMARY: Purchase Order is to acquire labor and materials to renovate the previous Psychiatry Emergency Services Unit and convert it into additional space
for the Emergency Center. The project will include new walls, paint, new seamless flooring, ceilings, mechanical, electrical and plumbing work to include new medical gas lines. The new medical gas lines will be piped into the new patient head walls in order to meet Texas Department of State Health Service regulations. Work shall be accomplished in a manner that does not disrupt or alter daily hospital operations. Capital funds are available for this acquisition which is included as a priority item on the Year 2011 Capital Prioritization List. Tejas Premier Building Contractor, Incorporated is classified as a local Small, Minority, Woman, Disabled Owned, Business Enterprise (SMWDBE) and HUB with the State of Texas. Tejas Premier Building Contractor, Incorporated has an Affirmative Action Plan or Policy in effect. Tejas Premier Building Contractor, Incorporated has a total of 31 employees. The Workforce Composition Data was provided for the Board’s review.

RECOMMENDATION: Staff recommends that the Board of Managers approve the purchase request for construction services with Tejas Premiere Building Contractor, Inc. in the amount of $260,000 for the expansion of the Emergency Center at University Hospital.

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

EVALUATION: None.
FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH CHUBB FIRE AND SECURITY FOR REPLACEMENT OF THE FIRE ALARM SYSTEM AT THE ROBERT B. GREEN CAMPUS—RICHARD RODRIGUEZ

SUMMARY: Purchase Order is to acquire labor and materials to replace the existing fire alarm system for building "A" at the Robert B. Green Campus. The new fire alarm system will cover all areas of the five floors including the penthouse and central plant. The new alarm system will be monitored by Protective Services in the current building and eventually in the new Medical Office Building. The Workforce Composition Data was provided for the Board’s review.

RECOMMENDATION: Staff recommends that the Board of Managers approve the purchase request for construction services with Chubb Fire and Security in the amount of $127,856 for the replacement of the Fire Alarm System at RBG Campus.

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

EVALUATION: None.
FOLLOW-UP: None
CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR JANUARY 2012 FINANCIAL STATEMENTS—ROE GARRETT/PEGGY DEMING

SUMMARY: For the month activity was down 4.4% for the Clinical Services (as measured based on discharged adjusted for outpatient activity). Community First Health Plans fully-insured membership was down 1.9%. From operations, the Health System experienced a loss of $1.7 million which was $301,000 less than the budgeted loss of $2.0 million due to lower operating expense. Meaningful use incentive of $597,000 was recorded and this exceeded the budgeted amount of $270,000. Investment income was over budget by $44,000 due to higher interest rates than budgeted. An unrealized market loss of $15,000 was recorded in the month. The bottom line loss excluding debt serve was $793,000 which was $600,000 better than the budgeted loss of $1.4 million. Including the $250,000 (reversing 1/8 of the amount recorded in December 2011) of the Premium Deficiency Reserve. CFHP reflected bottom line gain of $509,000 which was $1.7 million better than the budgeted loss of $1.2 million. Debt service revenue was $3.5 million which is equal to the budgeted portion of the debt service payment of $3.5 million. Notable increases and/or decreases from the consolidated balance sheet were reviewed with the Board.

RECOMMENDATION: Staff recommended acceptance of the financial report subject to audit.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Ms. Cedillo, 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, media highlights as well as upcoming events.

RECOMMENDATION: This report was provided for informational purposes only.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

REPORT REGARDING YEAR 2011 MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS - NICOLAS WALSH, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

SUMMARY: This monthly report was provided to the Board pursuant to a Joint Commission Medical Staff standard which states that the medical staff executive committee will review, act, and report to the Board of Managers the activities of all Medical/Dental staff committees.

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

**QUARTER 4 SUPPLIER DIVERSITY REPORT—GABRIELA CANALES AND FRANCINE CROCKETT**

**SUMMARY:** Ms. Crockett submitted detailed written analysis results for the 3rd Quarter of 2011. The results reflect that the Health System continues to increase the amount of dollars spent with Diverse Vendors.

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

**ACTION:** None.
**EVALUATION:** None.
**FOLLOW-UP:** Mr. Briseno requested a detailed presentation on this topic in the next several months.

**CLOSED MEETING:**

Mr. Adams announced the regular meeting of the Board of Managers closed to the public at 8:15 p.m., pursuant to TEX. GOV’T CODE, Section 551.074 (Vernon 2004) to evaluate the performance, goals and duties of the President/CEO. Mr. George Hernández joined the Board of Managers for discussion at 9:13 p.m. After discussion, no action was taken in closed session. Mr. Adams announced that the closed meeting ended at 9:52 p.m., and the public meeting reconvened at this time.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING ANNUAL EVALUATION OF THE PERFORMANCE AND DUTIES OF THE PRESIDENT/CEO - JAMES R. ADAMS**

**SUMMARY:** Mr. Briseno as Chair of the Personnel Committee, reported that the Board had concluded their annual review of Mr. Hernandez’ performance. The Board found his performance for 2011 to have been excellent. The Board was very pleased with Mr. Hernandez’ progress in adding senior staff and delegating appropriate tasks to that staff. This was a huge achievement. The Board is also very pleased with his advancement within the Texas Hospital Association. The financial strength of the System continues to improve, with annual cash coming in at $19 million above budget. The Board was pleased with the Health System having taken more advantage of group purchasing opportunities to lower costs. Improvement in the emergency center waiting times is noted. The Board also approves of the focus on improving in four areas: lower costs; quality of services and outcomes; patient satisfaction; and access to services. Mr. Hernandez has achieved almost all of the goals he laid out for 2011. He has done a fantastic job.

**RECOMMENDATION:** The Personnel Committee recommends that Mr. Hernandez’ salary be increased from $445,000 to $475,000 a year, effective January 1, 2012, and that he be paid a performance bonus of $65,000 for his work in 2011. The Personnel Committee also recommends that the Board approve the 2012 goals that Mr. Hernandez has presented.
ACTION: A **MOTION** for approval of the Personnel Committee’s recommendation was made by Mr. Briseno, **SECONDED** by Ms. Rivas, **AND PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW-UP: None.

**ADJOURNMENT:**

There being no further business, Dr. Jimenez adjourned the public meeting at 9:59 p.m.

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

Sandra D. Garcia, Recording Secretary