REGULAR BI-MONTHLY MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS
Tuesday, January 20, 2015
2:00 p.m.
Corporate Square, 10th Floor, Conference Room A
4801 N.W. Loop 410
San Antonio, TX 78229-5347

CORRECTED MINUTES
(Approved on Tuesday June 30, 2015)

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:

Bruce Adams, M.D., Professor and Chairman, Emergency Medicine, UTHSCSA; and Medical Director, Emergency Department, University Hospital
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Felix Alvarez, Executive Director, Procurement Services, University Health System
James Barker, M.D., Vice President, Clinical Services, University Health System
Tim Brierty, Chief Executive Officer, University Hospital
Ted Day, Senior Vice President, Strategic Planning & Business Development, University Health System
Reed Hurley, Assistant Chief Financial Officer, University Health System
Laura Gomez, Director, Business & Strategy Implementation, University Health System
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Rudy Jackson, Executive Director, Emergency Department, University Hospital
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
Nancy Ray, RN, MA, Chief Nurse Executive, University Health System
Richard Rodriguez, Vice President, Asset & Property Management, University Health System
Pablo Rojas, Executive Director, Emergency Department, University Hospital
Mark Webb, Executive Vice President/Chief Operating Officer, 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 2:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Ms. Judy Lackritz of Temple Beth-El, for the invocation, and he led the pledge of allegiance.

In honor of the national Martin Luther King holiday on Monday, January 19, 2015, Mr. Adams asked Mr. Smith and Mr. Engberg to say a few words about the meaning of this holiday.

Mr. Adams thanked Mr. Smith and Mr. Engberg for their remarks and informed the Board members that Mr. Hernandez would not attend today’s meeting due to personal travel.

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

CONSIDERATION AND APPROPRIATE ACTION TO PROCURE MOVE AND INSTALLATION SERVICES WITH WARD NORTH AMERICAN AND MOVE SOLUTIONS FOR STAFF RELOCATIONS AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY:
A series of planned renovations and moves will take place in the first and second quarters of 2015. In preparation, several departments currently located at University Hospital will need to be relocated to temporary and permanent locations in support of the forthcoming renovations. The justification for this work is the enhancement of operational efficiencies with minimal breaks in service. The moves will support the plan for relocation and aggregation of offices to the 6th through 12th floors in Rio Tower and will allow staff to better meet the goals of Triple Aim Plus, to improve patient care experience, quality and outcomes, efficiency, and access by continuing the implementation of the long range Master Facility Plan. Staff’s recommendation for the utilization of three preferred vendors to provide Move and Installation Services, will allow the CIP team to expedite relocations and minimize downtime during the moves. The cost is $200,000 and will be paid from CIP funds. The distribution of task-based orders will be allocated to the vendors based on availability, project schedules, and type of resources required to expedite the moves and installations. The three vendors are Move Solutions (Woman-owned), Texas Wilson (Minority-owned) and Ward North American, and are all local firms.

RECOMMENDATION: Staff recommends Board of Managers’ approval to procure move and installation services from Move Solutions, Texas Wilson and Ward North American in the cumulative not-to-exceed amount of $200,000.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Smith, SECONDED by Dr. Burns, and PASSED UNANIMOUSLY.
CONSIDERATION AND APPROPRIATE ACTION TO CONTRACT WITH PRESIDIO TO PROVIDE INFORMATION TECHNOLOGY (IT) INFRASTRUCTURE AND INTERMEDIATE DISTRIBUTION FRAME (IDF) UPGRADES FOR THE 6TH & 11TH FLOOR OFFICES IN THE RIO TOWER AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: This project is for IT network improvements for upgraded data/telecommunication services to appropriately accommodate the medical education call rooms, hospitalists, and patient access services offices that are currently on or relocating to the 11th floor of the Rio Tower. This project also accommodates the new Sim Lab and Rehab Services planned for the 6th floor. The overall plan is to expand and upgrade the IDF rooms on floors 6th through 12th in the Rio Tower. The existing IDF rooms, as originally designed with related cabling and switching, are inadequate to support the administrative offices located in what was originally designed as a patient floor. The proposed work will be performed in the first quarter of 2015, and falls into two basic categories: 1) cost avoidance and 2) enhance operational efficiency and accommodate projected future growth. The IT and IDF upgrades will take advantage of an abandoned vertical shaft in the building and will allow the placement of stacked IDF Rooms on floors 6 through 12 thus providing vertical access between floors, a cost effective approach and an efficient use of space in the Rio Tower. The IT Infrastructure and IDF upgrades will support the plan for relocation and aggregation of offices to the 6th and 11th floors in Rio Tower and will allow staff to better meet the goals of Triple Aim Plus to improve patient care experience, quality and outcomes, efficiency, and access by continuing the implementation of the long range Master Facility Plan, and the Occupancy Plan for Vacated Areas of the Rio Tower that was presented to the Board on November 18, 2014. The fees for are as follows:

- IT Infrastructure and IDF Upgrades for the 6th Floor Offices in the Rio Tower - $239,343
- IT Infrastructure and IDF Upgrades for the 11th Floor Offices in the Rio Tower - $459,125

The total cost is $698,468 and will be paid out of CIP funds. The recommended vendor, Presidio, is a local firm.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a contract with Presidio in the amount of $698,468.

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

EVALUATION: None.
FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A RENEWAL OF THE LEASE AGREEMENT FOR SPACE AT CORPORATE SQUARE TOWER LOCATED AT 4801 NW LOOP 410 — RICHARD RODRIGUEZ

SUMMARY: In May 2009, the Board of Managers approved a 69 month lease for the entire tenth floor at Corporate Square Towers for a total of 17,946 square feet. The initial lease rate started at $17.00 per square foot and escalated by $0.50 per year with the final rate of $19.00 per square foot, which will terminate on July 31, 2015. As part of the ongoing construction at University Hospital, the Board approved relocation of the Human Resources department to the second floor of Corporate Square in June 2012 (8,415 square feet). In November 2012 the lease was amended a second time (5,724 square feet) for the Grants and Applied Research department which relocated a majority of its staff from the Robert B. Green campus to the second floor of Corporate Square. The lease term for the first and second amended expansion spaces on the second floor are coterminous with the original tenth floor lease, with the final rate of $19.50 per square foot. Now that the Sky Tower construction is complete, plans are in place to relocate the entire staff from the tenth floor of Corporate Square to the tenth and twelfth floors of the Rio building by July 31, 2015 at which time the Health System will then recognize a monthly savings on lease expense of approximately $28,500 per month or $342,000 on an annual basis. However, due to clinical space needs, there is not adequate space to accommodate the staffs of Human Resources and Grants and Applied Research which are currently located on the second floor of Corporate Square. The new proposal from the landlord is for a three year lease with two one year options at a rate of $19.50 per square foot for the first year with $0.50 bumps for subsequent years. For the full five year term, the lease rate will start at $19.50 per square foot on August 1, 2015 with a final rate of $21.50 per square foot ending on July 31, 2020. The annual base rental rate would be $275,711 for the first year and increasing to $303,989 by year five. This represents a 10.25% increase in the rate over a five year period. Mr. Rodriguez provided a chart comparing current annual base rental rates for comparative office space in and around the Medical Center area. This project is in line with Health System’s Triple Aim Plus goals and objectives. The proposed lease agreement will allow for administrative functions to remain offsite and allow valuable hospital space to be used for patient care. For the staff remaining at corporate square, a pleasant work space will enhance employee productivity and customer satisfaction.

RECOMMENDATION: Staff recommends Board of Managers’ approval to renew the three year lease agreement with two one year options for the second floor spaces at the Corporate Square Building located at 4801 NW Loop 410. The new lease agreement is for a period of five years, August 1, 2015 thru July 31, 2020.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Engberg, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY.
EVALUATION: Mr. Engberg asked if there were other good reasons for some of the staff to remain at Corporate Square, other than the lack of space at University Hospital. The Human Resources Department has received great feedback from prospective employees; the location is central and easy to reach. Mr. Smith agreed that Human Resources ought to be easily accessible and that applicants should not have to pay for parking. Mr. Engberg followed up by asking about the long range plan for returning staff to a Health System facility once the new lease expires. From an administration standpoint, the staff is interested in consolidation.

FOLLOW-UP: Mr. Adams asked the staff to produce a Board report regarding the percentage of administrative staff versus the percentage of operations staff. The Board would like to see more of the Health System resources go towards operations whenever possible.

CONSIDERATION AND APPROPRIATE ACTION TO INVEST IN THREE TOUCHSTONE COMMUNITIES SKILLEDNURSING FACILITIES THROUGH THE MINIMUM PAYMENT PROGRAM – TED DAY/DR. JIM BARKER/MARY ANN MOTE/REED HURLEY

SUMMARY: Several questions and concerns were raised by Board members at the presentation on same topic on Tuesday, December 16, 2014. Since that time, staff has continued its due diligence efforts to evaluate this potential partnership and provide appropriate responses to the Board’s outstanding questions related to risk/liability, clinical oversight, quality assurance, and overall Health System strategy. The goal of this program is to provide supplemental payments (related to Medicaid patients) to skilled nursing facilities and their public system partners. The participants are non-state, government owned skilled nursing facilities and the program requires local Intergovernmental Transfer (IGT) from a public partner, matched funding flows through managed care organizations (MCO’s). SNFs must be participating in the Medicaid STAR+PLUS program as of March 1, 2015. The eligibility period is September 1, 2015 – August 31, 2016, and the deadline for participation is February 28, 2015. Touchstone Communities offers a continuum of rehabilitative, skilled nursing, behavioral & respite care services. They have thirteen (13) owned & managed facilities throughout Texas (plus 8 managed state veteran’s homes). Leadership/ownership consists of one each CEO, COO, CFO. They have a good reputation and quality ratings. They were voted “Best Places to Work” by the San Antonio Business Journal in 2012, 2013 and 2014. They are also participating in Minimum Payment Amount (MPA) program for Gonzales & Del Rio sites with other public hospitals. National quality bronze awards for 2013-2014 by the American Health Care Association/National Center for Assisted Living. Thirty-seven (37) percent of all Bronze Awards given in Texas were awarded to Touchstone. The priorities for operationalizing the initiative with Touchstone Communities are to maximize the benefit from the MPA and to mitigate risk to the Health System. Staff anticipates that approximately 20 patients from University Hospital could be placed in various locations within these three Touchstone facilities on
a monthly basis. Staff provided the results of an existing patient analysis and reviewed the current state of patient placements for University Hospital discharges. There have been 525 discharges to SNFs from July – December 2014 (most with third-party payer sources). As of January 11, 2015, there are 67 adult patients with a length of stay greater than ten days. Of these patients, 64 percent are SNF candidates, 12 percent are long term acute care candidates, and 13 percent are hospice candidates. Tactics to address population management gaps for SNF placements were described by staff:

1. DSRIP project for SNF placements; Status: RFP let, pending BOM presentation (February 15, 2015)
2. Direct alignment with SNF facilities through SNF Minimum Payment Amount Program
3. Use DSRIP project and direct SNF alignment to expand management and options for SNF placements (e.g., supporting other placements)

These patients would be followed by a nurse from the Health System Care Coordination area and managed medically by a Community Medicine Associates (CMA) mid-level provider in concert with medical leadership. Additional monitoring will be provided out of the Chief Medical Officer’s office to review the existing quality assurance and performance improvement data, including the prescribed quality metrics included within the agreement as well as others deemed appropriate by Health System clinical leadership. Staff has visited and toured each of the three facilities and has completed a review of Touchstone’s existing quality assurance, electronic health record management, and quality improvement processes. In addition to the required reporting to the Centers for Medicare and Medicaid Services (CMS) related to Medicare and Medicaid patients, Touchstone Communities has a robust internal quality assurance and performance improvement committee in place. Further, in consideration of quality performance, this potential partner has agreed to make ten percent points (or 20% of their portion) of the supplemental payments at risk, linked to certain quality metrics, including the readmission rate for Health System placements. Each of the three Touchstone skilled nursing facilities has an electronic health record (EHR) system in use, specifically built to support care pathways and improve the quality of care.

The Health System, as the non-state governmental owner of the nursing facilities, would contract with Touchstone as the “manager” through a Management Agreement that outlines the financial responsibilities of both entities. As the manager, Touchstone would be eligible to receive a base management fee plus their portion of the supplemental Medicaid payments.

The primary financial obligation for the Health System under this partnership arrangement is to provide the IGT funds to support the state portion of the supplemental Medicaid payment. The funds would then be returned to the Health System through the payments made by the relevant managed care organizations (Amerigroup, Molina, and Superior...
HealthPlan). The Health System would recoup the IGT funds as well as fifty percent (50%) of all supplemental payments. The other fifty percent (50%) of the supplemental payments would be paid to Touchstone Communities, ten percentage points of the total or 20% of their portion which would be tied to quality and access measures. The funds would be subject to a reconciliation process between HHSC and the Health System, and separately between the manager (Touchstone) and the Health System on a frequency to be negotiated in the IGT Responsibility Agreement and the Management Agreement. The estimated range for these IGT funds is from $1.08M quarterly (or $4.3M annually) to $1.15M quarterly (or $4.6M annually) dependent on actual Medicaid census at each facility. Supplemental payments, which are the Health System’s portion, net of IGT, are estimated to range from $3.07M to $3.27M annually. Mr. Day reviewed certain protections that have been negotiated and are included within the Management Agreement to mitigate the risks, both financial and otherwise, to the Health System, with the Board. The staff foresees this strategic partnership as beneficial from at least two perspectives, through improving throughput within the hospital and capacity management by transitioning patients to a more appropriate setting, and because of financial benefit to enable placement of unfunded patients and other mission-oriented priorities. Regarding staff at each of the facilities, Mr. Day reported that they would remain in the employ of Touchstone Communities, and not directly through University Health System. Staff provided current workforce composition data for each of the three skilled nursing facilities for the Board’s review. If the Board chooses to proceed with this transaction, next steps are as follow:

• Adopt resolution and authorize transaction
• Change of Ownership applications (underway, reversible):
  - HUD: 60 days in advance of sale/transfer, December 31, 2014
  - HHSC: 30 days in advance of sale/transfer, January 28, 2015
• Program implementation: infrastructure development begins February 1, 2015
• Health System becomes owner of nursing facilities on/about February 28, 2015 (IGT on September 1, 2015)
• Next renewal/second funding cycle begins September 1, 2016

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute the appropriate Agreements with Touchstone Communities to finalize this transaction.

ACTION: A MOTION to approve initiation of this transaction only was made by Mr. Smith, SECONDED by Dr. Jimenez, and PASSED UNANIMOUSLY. Approval to execute agreements finalizing this transaction was granted by the Board. However, the Board requested clarification and follow up of certain items as indicated below.

EVALUATION: Mr. Adams and Dr. Burns requested a comprehensive strategy update with special focus on referrals and continuum of care development. What is our plan to become a premier Health System? Board would like to see multi-year vision incorporated in this. Mr. Adams asked staff to ensure that the Touchstone EMR is compatible and works well with the
Mr. Smith and Mr. Adams insisted that patients be given a choice in SNF selection. How will staff make sure that this is preserved? Give choices to our patients; do not want to tell patients “you must go here.” Be careful and clear with all liability issues; affirm financial viability. (Mr. Adams/Ira Smith) Clarify Medical Director role, as detailed as possible, set expectations for the Medical Director and execute the authority over how these positions work to assure quality. Mr. Adams reiterated the Health System’s latitude to modify medical director agreements. Dr. Jimenez reiterated the need for telemedicine access; it could be applied in the Touchstone deal and in other applications, the Emergency Department, for example. Staff ought to leverage this wherever possible. Staff must ensure that a relationship is established with SNFs in regards to Health System patients. Mr. Adams encouraged the staff to expand Dr. Alsip’s role as the Chief Medical Officer. At this time, he charged Dr. Alsip with the development of protocols, programs, and training requirements, as a larger part of his job description. The Board’s expectation is that Dr. Alsip will serve as the backbone in regards to implementing policies and procedures with SNFs. Dr. Jimenez and Mr. Smith asked Mr. Michael Hernandez to consult the expert outside counsel about the top 10 items that can go wrong in their experience and discuss with the Board in closed session. Also in closed session, the Board would like to discuss Touchstone’s financial viability and any potentially related legal issues. Board members asked to see the flow of funds represented in business plan format so that they can make an informed decision. Regarding private physician outreach (outside of the affiliation agreement with UTHSCSA), how will the Health System relate to community physicians? How well do they know the Health System’s capabilities? Why don’t private physicians know the Health System better? Finally, as suggested by Dr. Jimenez, Mr. Adams designated Dr. Burns as the Board liaison for the SNF transaction. He urged the staff to consult with Dr. Burns as needed.

FOLLOW-UP:
As indicated above.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE TEXAS DEPARTMENT OF AGING AND DISABILITY SERVICES’ GOVERNING AUTHORITY RESOLUTION REGARDING THE SKILLED NURSING MINIMUM PAYMENT PROGRAM – TED DAY/DR. JIM BARKER/MARY ANNMOTE/REED HURLEY

SUMMARY: For the Health System to proceed with the investment in three Touchstone Communities Skilled Nursing Facilities through the Minimum Payment Program, the Health System must apply for a nursing facility license through Texas Department of Aging and Disability Services (DADS) to transfer ownership of the facilities from Touchstone Communities to the Bexar County Hospital District d/b/a University Health System. Several documents are required for the application process, including a specific Governing Authority Resolution that authorizes the Chief Executive Officer to negotiate the appropriate contracts with DADS on behalf of the Health System. The proposed Resolution was provided for the Board’s review. This authorizing resolution, along with the completed nursing facility license application
must be submitted to DADS no later than thirty (30) days prior to the anticipated change of ownership. A key deadline for participating in the Minimum Payment Program requires that the skilled nursing facilities be non-state, government-owned on or before February 28, 2015; therefore, the application is due to DADS no later than January 28, 2015.

**RECOMMENDATION:**
Staff recommends Board of Managers’ approval of the Texas Department of Aging and Disability Services’ Governing Authority Resolution regarding the Skilled Nursing Minimum Payment Program.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**EMERGENCY DEPARTMENT UPDATE – TIM BRIERTY, RUDY JACKSON AND BRUCE ADAMS, MD**

**SUMMARY:**
Mr. Brierty introduced and yielded the floor to Dr. Adams and Mr. Jackson, who has been promoted to Senior Executive Director for Emergency and Trauma Services since his last presentation to the Board. Mr. Brierty also introduced Pablo Rojas, Executive Director, Emergency Department. Over the past several months, the Emergency Department has experienced fundamental change, shown tremendous improvement, and continues to improve departmental efficiency by targeting on metrics that emphasize improving the patient experience and fiscal accountability. The department continues to focus on the following metrics (target and current times):

- Minimize door to triage times (<15, 8 min)
- Decrease door to provider times <45 min, 90 min)
- Reduce Left Before Treatment Complete (40 pts, 36 pts)
- Increase Fast Track activity (currently 5587 pts/month)
- Improve departmental productivity (>5.1%, 4.6%)

Mr. Jackson compared 2013 patient volumes against 2014 volumes and reported a 29% increase for 2015 (or approximately 220 patients per day). He provided an update on the ED Observation Unit and ED Fast Track schedule changes, which now has 24 hour/7 day per week coverage for lower acuity patients. Dr. Adams partially attributes this improvement to having better trained triage nurses and a lower turnover rate. He also reported a significant positive change in the culture of the ED. Dr. Adams thanked the Board of Managers for their support and vision in establishing the Emergency Medicine Residency Program. Faculty and staff are interviewing for the third class, which will bring the total number of residents to 30. The program has 10 open slots for next year and has already received 900 applications. The word is that University Hospital is a great place to practice because of its tremendous patient mix. Dr. Adams reminded the Board that Texas is underserved by emergency medicine physicians and that 50 percent of doctors set up their practice within 100 miles of where they trained. Dr. Adams is certain that the ED residency training program will change the way
emergency medicine is practiced in South Texas in the decades to come.

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: None.
EVALUATION: Dr. Jimenez acknowledged the Health System's substantial investment in ED residents; they are superbly trained and do a great job in working with the psychiatry patients. Dr. Adams agreed and reported that the ED also now has a full-time dedicated social worker. Dr. Jimenez followed up on an issue that he and Dr. Burns previously reported regarding the inability for community physicians to promptly reach the faculty physicians in the ED, especially the mental health unit. The issue, which involves unmasking of telephone numbers, is a work in progress. However, Mr. Brierty and Dr. Adams provided the physician Board members a newly established telephone number for a doctors' line that links the caller directly to a physician in the ED. Mr. Engberg asked for the nature of the category “Left Before Treatment Complete.” This category is a combination of patients who leave Against Medical Advice (AMA), elope, and those who started treatment but left without being seen. Mr. Smith asked if Express Med Clinics have impacted ED activity in a positive manner. There has been no decline in either Express Med or ED activity in the last several years.

FOLLOW-UP: None.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the public Board meeting at 4:52 p.m.

James R. Adams  Dianna M. Burns, M.D.
Chair, Board of Managers  Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary