MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Dianna M. Burns, M.D., Secretary
Robert Engberg
Ira Smith
Robert A. Gilbert

BOARD MEMBERS ABSENT:

Roberto L. Jimenez, M.D., Immediate Past Chair
Linda Rivas, Vice Chair

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
Erik Bednarz, Executive Director, Fiscal Services/Ambulatory Services, University Health System
Ted Day, Vice President, Strategic Planning & Business Development, University Health System
Sergio Farrell, Senior Vice President/Ambulatory Services, Robert B. Green Campus
Debra Flores, Vice President/Chief Data Officer, University Health System
Roe Garrett, Vice President/Controller, University Health System
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
C. Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Daniel A. Johnson, M.D., Herbert F. Mueller Chair in Ophthalmology, UTHSCSA
Sherry Johnson, Vice President/Integrity & Regulatory Services, University Health System
Leni Kirkman, Vice President, Strategic Communications & Patient Relations, University Health System
Ted C. Lemon, Deputy Chief Information Officer, University Health System
Priti Mody-Bailey, M.D., Vice President/Senior Medical Director, Community First Health Plans, Inc.
Mary Ann Mote, Senior Vice President/Chief Revenue Officer, University Health System
Bill Phillips, Vice President/Chief Information Officer, University Health System
Kristen A. Plastino, M.D., President, Medical/Dental Staff, University Health System; and Associate Professor, Department of Ob/Gyn, UTHSCSA
Roxanne Rosa, Executive Director/Ambulatory Services, Robert B. Green Campus
Armando (A.J.) Sandoval, Chief of Police/Protective Services, University Health System
Theresa Scepanski, Senior Vice President/Chief Administrative Officer, University Health System
Steven R. Seidner, M.D., Medical Director, NICU and Newborn Nurseries, University Hospital; and
   Professor and Associate Chairman of Pediatrics, Chief, Division of Neonatal-Perinatal Medicine,
   UTHSCSA
Sally Taylor, M.D., Vice President/Chief, Behavioral Health Services, University Health System
Francine Wilson, Vice President, Materials Management, University Health System
And other attendees.

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

Mr. Adams called the meeting to order at 6:02 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Lucila (Luci) Guyer of St. Mark Evangelist Church for the invocation, and he led the pledge of allegiance.

SPECIAL RECOGNITIONS: The Board of Managers recognized the following staff members:

Professional: Debra Rejba
   (Nursing) Transport Coordinator, NICU

Professional: Lisa Wammack
   (Non-Nursing) Clinical Informatics Specialist, Office of the CMO

Management: Sandra Stough
   PBX Manager, IT Service Delivery

Technical: Kathryn Mason
   License Vocational Nurse – Ambulatory, Southwest Operations

Clerical: Patricia Torrence
   Patient Access Leader, Admissions

Service: Erica Martinez
   Environmental Service Team Leader, Environmental Services - TDI

Volunteer: Michelle Almanza
   Volunteer, Volunteer Services

Physician: Lloyd Das, M.D.
   CMA Staff Physician, Pavilion Express Med Clinic

Team: Endoscopy Process Improvement Team – Robert B. Green Campus
   Patricia Reyes, Florence Hernandez, Norma Porter, Laura Hernandez,
   Noel Schafer, Mark Daniel, Patti Pena, Mary Anguliano, Leandra Aguirre,
   Brian Gibson, Lincy Cherucheril, Mallissa Garcia, Kinnethea Carter,
   Rachel Gloria, Sharon Rodriguez, Shane Merchant, Lisa Wienckowski,
   Lolita Armstrong, Laura Ramirez, Kathryn Smith-Gonzalez, Jimmy Ramos
All of this year’s quarterly recipients will be our special honored guests at the Annual Recognition Awards Ceremony at the Omni on February 26, 2015. Employees of the Quarter receive a plaque, embossed pen and an opportunity to select one of numerous awards valued at $100 on the Employee Recognition website. Mr. Adams addressed the employees on behalf of the Board. It is a real joy recognizing employees, each of us takes great pride in doing so because we know that it’s not the new buildings that get patients to come back, it’s the people and the relationships the staff have with the patients. Thank you for doing what you do and for being a part of this team.

CITIZENS’ PARTICIPATION: None.

At this time Mr. Adams informed the audience that while he has not received a formal, written letter from Ms. Linda Rivas notifying him that she is no longer on this Board, she has taken a very good job in the Dallas/Ft. Worth area. It was difficult for her to leave San Antonio, but this is a real opportunity for her. Bexar County Commissioner Rodriguez has shared with Mr. Adams he is in the process of finalizing a replacement for Ms. Rivas.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

**TUESDAY, OCTOBER 28, 2014 – REGULAR MEETING:**

**SUMMARY:** Minutes of the regular meeting of the Board of Managers for Tuesday, October 28, 2014, were presented for approval.

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

**ACTION:** A MOTION to approve the minutes was made by Mr. Engberg, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**FRIDAY, OCTOBER 31, 2014 – SPECIAL MEETING:**

**SUMMARY:** Minutes of the regular meeting of the Board of Managers for Friday, October 31, 2014, were presented for approval.

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

**ACTION:** A MOTION to approve the minutes was made by Mr. Gilbert, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**REPORT FROM THE HEALTH SCIENCE CENTER – WILIAM HENRICH, M.D.**

**SUMMARY:** Dr. Gonzalez introduced the physician leaders present, as well as Kristen A. Plastino, MD, newly elected President of the Medical/Dental Staff for University Health System. He reported that UT System Board of Regents had named Admiral Bill McRaven as Chancellor of The University of Texas System this month. Admiral McRaven recently retired as a four-star admiral after 37 years as a Navy SEAL. His last assignment with the Navy was Commander of U.S. Special Operations
Command, during which time he led a force of 69,000 men and women. As leader of Special Operations, Admiral McRaven was responsible for conducting counter-terrorism operations worldwide as well as building reliable military partners.

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: No action by the Board of Managers was required.
EVALUATION: In response to an inquiry from Mr. Smith, Dr. Gonzalez informed the Board that Admiral McRaven does not have a background in academics.
FOLLOW-UP: None.

CONSENT AGENDA – JIM ADAMS, CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR STAFF MEMBERSHIP – KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

CONSIDERATION AND APPROPRIATE ACTION REGARDING APPOINTMENT/REAPPOINTMENT TO THE UNIVERSITY HEALTH SYSTEM PENSION BOARD OF TRUSTEES – JAMES R. ADAMS

CONSIDERATION AND APPROPRIATE ACTION REGARDING 4TH QUARTER INVESTMENT REPORT – ROE GARRETT/REED HURLEY

CONSIDERATION AND APPROPRIATE ACTION REGARDING PURCHASING ACTIVITIES (SEE ATTACHMENT A) – FELIX ALVAREZ/FRANCINE WILSON

SUMMARY: The items above were presented for the Board’s consideration
RECOMMENDATION: Staff recommended approval of the consent agenda items by the Board of Managers.
ACTION: A MOTION to approve staff’s recommendation by Mr. Engberg, SECONDED by Mr. Gilbert, and PASSED UNANIMOUSLY.
EVALUATION: None.
FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION TO AMEND A CONTRACT WITH STERICYCLE COMMUNICATIONS SOLUTION—MICHELLE RYERSON

SUMMARY: The Health System established a call center in the summer of 2013 to assist with the expansion and transition of UTKIDS services at the Robert B. Green (RBG) campus. Initially, the call center was run internally with an average of 300 calls per day. To improve access and customer experience, the Health System entered into a master services agreement with Stericycle Communications Solutions, Inc. (SCS), on December 9, 2014, for pediatric appointment scheduling and physician referral services. Since the service went live in April 2014, the Health System has experienced a growth in the volume of pediatric clinic activity at the RBG
and TDI. This is a request to raise the not to exceed amount in the existing contract with SCS for the 358-KIDS call center services from $454,242 to $634,022, for services rendered in fiscal year 2014. This represents an addition of $181,780 to be paid out of budgeted 2015 funds. Staff is also requesting a renewal of the SCS contract for the period of January through December 2015 for an amount not to exceed $418,220. This is a budgeted expense, no additional funding for 2015 is being requested. This initiative is not itself a formal strategic project; however call center development for the entire Health System is an important initiative. The plan is to eventually integrate 358-KIDS into a comprehensive call center initiative. The service provided by SCS has improved customer access and experience, and is consistent with the goals of the Triple Aim plus. SCS is not a local nor SMWBE certified firm.

**RECOMMENDATION:** Staff recommends Board of Managers' approval to amend the SCS pediatric call center contract, raising the 2014 not to exceed limit from $452,242 to $634,022 and a renewal of the existing contract for a new contract period of 12 months (January through December 2015) in a not to exceed amount of $418,220.

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

**EVALUATION:** Discussion ensued regarding the challenges and opportunities in this area, and Ms. Ryerson provided an in-depth analysis of the issues. Specifically, she noted that the average call handle time decreased from 7-8 minutes per call to approximately 4.8 minutes upon engagement of SCS. Mr. Engberg asked Ms. Ryerson to assess the quality of this program, and also how she sees this important service in the future. The Health System has made a real commitment to the patients that were transitioned from CHRISTUS to have access to us and their providers. The improvements made in call handling are a great way to develop relationships and trust with the customers. Further, in late 2013, the Health System hired Brian Gibson, who comes to us with a considerable amount of experience in running call centers. Mr. Gibson has worked side by side with Ms. Ryerson as she and others negotiated with SCS for this service. His intelligence in running call centers has helped the staff a great deal and has helped Ms. Ryerson understand this business; his experience will be very helpful this year as the staff prepares to establish an internal call center by 2016. Mr. Smith asked about benchmarks and outcomes that will be used when the service is provided internally, and whether the staff has reviewed budget requirements for this project. Metrics will include total call handle time and average speed to answer calls, and outcomes will be based on performance and customer satisfaction. A budget for an internal call center has not yet been developed. Mr. Gilbert expressed that it would be helpful for the Board to know the amount of cost savings for an internal call center versus outsourcing for call center services. Ms. Ryerson clarified for Dr. Burns that the call handle time of 4.8 minutes is from the time the telephone is answered to the time the appointment is booked. The time to answer telephone calls is currently at 30-40 seconds. Mr. Adams thanked Ms. Ryerson for her presentation and reminded the staff that the Board does not like to approve items retroactively. The staff was aware that volume had increased and costs were running ahead of contract yet the Board was not given a choice in the matter for 2014.
FOLLOW-UP: Mr. Adams asked the staff to provide the Board with the financial forecast as suggested by Mr. Gilbert the next time this topic comes before them.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE DEPARTMENT OF PEDICATRICS AT THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, SAN ANTONIO, FOR FUNDING NEONATAL RESEARCH—NANCY RAY/IRENE SANDATE/STEVEN R. SEIDNER, M.D.

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

CONSIDERATION AND APPROPRIATE ACTION REGARDING OPERATIONS AND FINANCIAL REPORT FOR DECEMBER 2014—ROE GARRETT/REED HURLEY/MARK WEBB

SUMMARY: December was the seventh successive month with a positive bottom line, clinical activity was up 9.5% from December 2013 for the Clinical Services (as measured based on discharges adjusted for outpatient activity) and down 3.9% for the month compared to budget. Community First Health Plans (CFHP) fully-insured membership was up 7.6% due to positive market share growth. The bottom line gain excluding debt service was $2.4 million and was due to higher patient revenue, property tax revenue, and additional DSRIP revenue offset by CFHP with a bottom line loss of $1.2 million due to potential rebates of at risk premiums. Debt Service Revenue was $3.7 million which is higher than the budgeted portion of the Debt Service payment of $3.6 million. The year to date bottom line is estimated at $1.29 million, a variance of ($8.2) million from the approved plan. Payor mix for December indicates that 71% of the Health System’s patients were, or 68.8 percent year to date. Mr. Hurley attributes the increase in funded patients for 2014 to several factors, including healthcare reform, the new Sky Tower, and the overall economy in San Antonio. Mr. Hernandez noted that the majority of new patient population for 2014 (pediatrics) is funded. The 2013 year to date rate of funded patients was 61.3. Employee overhead analysis: 1902 (30%) FTE support, 3,939 (61%) direct patient care support, and 606 (9%) FTEs overhead. Mr. Hurley identified the overhead departments as previously requested by the Board during the budget planning process: Information Services, Human Resources, Procurement, Patient Business Services, Administration, Legal Services, Financial Accounting, Integrity Services, Risk Management, Marketing, Professional Staff Services, UHS Foundation, CareLink Business Services, and Strategic Planning & Business Development. The 2015 focus areas for 2015 with stretch goals that will be reported to the Board on a monthly basis are labor utilization, operating room efficiency, length of stay, time of discharge, blood utilization, emergency department efficiency, ambulatory cost/revenue per visit, and patient safety indicators. Mr. Hurley reviewed notable increases
and/or decreases from the consolidated balance sheet in detail with the Board.

RECOMMENDATION: Staff recommends acceptance of the financial reports subject to audit.

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

EVALUATION: Regarding overhead departments, Mr. Engberg asked whether professional standards exist for identifying such. No, because every organization aligns their departments so differently. However, the staff can informally survey other teaching hospitals and/or academic medical centers for comparison purposes. Ms. Gilbert agreed that doing so would be helpful to use a baseline, if for no other purpose. Mr. Adams also agreed it would be important as the staff considers how the Health System is doing. Keeping overhead under control is the nemesis of most organizations, and he suggested including patient relations/customer service, or another department, that indicates how the Health System is viewed by its patients. Tracking progress in these areas will help with organizational accountability, so the Board can see price, return on investment, and other important outcomes. Dr. Burns would like to see how the stretch goals correlate with those national goals in patient satisfaction and quality that will result in penalties if not met. Mr. Hurley noted that most of the overhead departments listed do indeed tie to those financial penalties; it is the staff’s goal to meet or exceed those national objectives. Mr. Gilbert also suggested that the results be presented via a score card for ease of review by the Board. Mr. Engberg thanked the staff for working through those very aggressive activity projections for 2014, he is impressed with significant growth in activity this year. He sees quality effort being put forth and is grateful to the staff for the improved condition of the financials. Mr. Adams also thanked Mr. Hurley for picking up and moving into his present role mid-year. He continues to be impressed with the quality of staff, continually striving to become the best. Mr. Adams believes processes to become the best are in place and the Board is happy to serve with the staff.

FOLLOW-UP: As indicated above.

PRESENTATIONS AND EDUCATION:

AMBULATORY MATTERS UPDATE: MONTHLY OPERATIONAL REVIEW (MOR) PROCESS—SERGIO FARRELL/ERIK BEDNARZ/SHANE WARNICKE

SUMMARY: Ambulatory Services began an initiative in 2013 with the goal of optimizing the way it delivers health care in support of the Triple Aim Plus values. Lean Management, accountability, education and other initiatives have been utilized to guide process improvement efforts. Monitoring progress has permeated throughout Ambulatory Services with departments proactively reviewing many metrics, including productivity, expenses, quality outcomes and appropriate staffing on a regular basis. The monthly operational review (MOR) is a formalized process that provides departments with standardized tools and a structured manner, built around the Triple Aim Plus, to regularly monitor their departments'
progress, identify opportunities, improve decision making and more importantly focus on accountability and sustainability for the future. The key tool utilized throughout the MOR process is a scorecard, which was developed and is utilized to present a high-level view of the departments’ progress. The scorecard was built around specific metrics/goals within each of the Triple Aim Plus values (Improve Quality of Care, Cost & Efficiencies, Patient Satisfaction, and Access). A monthly MOR meeting is held where all Ambulatory department leaders review and discuss their scorecard results and associated data. Staff presented an operational excellence scorecard containing various categories within each value, for the Board’s review. The following trends and achievements were described for the Board:

- **Cost per visit – Community Medicine Associates (CMA) Volume**
  Compared to Costs for the years 2012 through to 2014, 396 visits at $115 each; 409 visits at $114 each; 429 visits at $110 each.

- **Hold Bills – For period June 2015 to January 2015 –**
  Ranged from 1,983 in June 2014 to 640 in October 2014, and 306 in January 2015.

- **RBG Express Med Clinic – For 2013,**
  Overtime compensation was at $198,378; for 2014 it was at $97,097. For 2013, cashier collections were at $79,021; and at $245,975 for 2014. (These are co-pays for services rendered at the clinics).

- **Total Cycle Time per patient**
  Ranged from 120 total minutes in September 2013, to 127 total minutes in June 2014, to 109 total minutes in November 2014.

- **Monthly overtime hour usage**
  Ranged from 598 hours in January 2014 to 60 hours in August 2014.

The following were identified as opportunities for improvement:

- **Access (Primary Care and Specialty)**
- **Payor Mix**
- **Reduced reimbursements**
- **Provider recruitment and retention**
- **Right-sizing clinics for services**

**RECOMMENDATION:** This report was provided for informational purposes only. No action by the Board of Managers was requested.

**ACTION:** None.

**EVALUATION:**
Board members complimented the staff on the development and use of the Operational Excellence Scorecard. Mr. Adams suggested use of a similar tool for selected purchasing contracts to measure performance metrics, quality, and throughput metrics, for example. Mr. Engberg noted that sustainability of these improvements can be a challenge if the data required is not easily accessible. To be successful, staff must have the ability to retrieve information on a timely basis. Staff’s response was that the data is fairly easy to obtain. The finance team has been very helpful in building the required reports and is helping others throughout the organization develop similar score cards specific to their areas. Mr. Adams reiterated that delayed (hold) bills and excessive wait times as discussed earlier in the meeting are unacceptable by anybody’s standards;
staff must be made aware that the Health System cannot operate this way. Such issues need to be fixed within a reasonable time frame and every staff member has the authority to fix things. Finally, Mr. Smith requested an update regarding the issue of unmasking telephone numbers for outgoing calls, an issue previously raised several times by Dr. Jimenez. Staff is currently working on the telephone for the ambulatory side; the job should be completed within two weeks. The estimated completion date for University Hospital is March 1.

FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

Update on Capital Improvement Program Activities—Mark Webb
Report on Recent Recognitions and Upcoming Events—Leni Kirkman
Report on Hospital Inpatient Metrics—Bryan Alsip, M.D.
Report on the 84th Legislative Session—Andrew Smith

SUMMARY: Mr. Adams directed the Board’s attention to the written reports above. He urged his colleagues to contact staff with specific comments, questions, or suggestions.

RECOMMENDATION: These reports were provided for informational purposes only.

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

EVALUATION: None.

FOLLOW-UP: None.

CLOSED MEETING:

Mr. Adams announced this meeting closed to the public at 7:43 p.m. pursuant to TEX. GOV’T CODE, Section 551.085 (Vernon 2004) to receive information on and/or deliberate regarding pricing, market data and/or financial planning information relating to the arrangement or provision of proposed new services and/or product lines. The following Board members were present: Mr. Adams, Dr. Diana Burns, Bo Gilbert, Robert Engberg, and Ira Smith. Also present were Mr. Hernandez, Jr., Dr. Alsip, Mr. Day, Mr. Michael Hernandez, Mr. Hurley, Dr. Jim Barker, and Mr. Trent Krienke. After discussion, no action was taken in closed session. Mr. Adams announced that the closed meeting ended at 9:05 p.m. and the public meeting reconvened.

ADJOURNMENT:

There being no further business, the public meeting adjourned at 9:05 p.m.

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

Sandra D. Garcia, Recording Secretary