REGULAR MEETING OF THE BOARD OF MANAGERS

Tuesday, January 28, 2003
Board Room
University Center for Community Health
701 S. Zarzamora

Minutes

BOARD MEMBERS PRESENT

Robert Jimenez, M.D., Chair
James R. Adams, Vice Chair
Robert Engberg
Mary Beth Williamson
Luis Roberto Vera, Jr., J.D.
Joe D. Edmonson
Alexander E. Briseño

BOARD MEMBERS NOT PRESENT

None.

OTHERS PRESENT

Jeff Turner, President/Chief Executive Officer, University Health System
Robert Clark, M.D., Professor and Chair, Department of Internal Medicine, UTHSCSA
Francine Crockett, Administrative Director, Purchased Resources, University Health System
Steve Enders, Senior Vice President, Ambulatory Services, University Health System
Roe Garrett, Vice President/Controller, University Health System
George B. Hernandez, Jr., Executive Vice President/Assistant Administrator, University Health System
David Hnatow, M.D., Medical Director, Emergency Center, University Hospital; and Assistant Professor, Department of Surgery, UTHSCSA
Carlos Jaen, Professor and Chair, Department of Family Practice, UTHSCSA
Leni Kirkman, Manager, Media Relations, Business Development/Corporation Communications, University Health System
Ruth Lozano, M.S., M.T.S., Pastoral Care Services, University Health System
Bruce Mayes, M.D., Medical Director, Neurodiagnostic Center, University Hospital; and Assistant Professor, Clinical Neurology, UTHSCSA
Thomas Mayes, M.D., Vice President, Medical/Dental Staff, University Health System; and Associate Dean for Clinical Affairs, Office of the Medical Dean, and Chairman, Department of Pediatrics, UTHSCSA;
Mary Ann Mote, Chief Revenue Officer, University Health System
Joe Naples, M.D., President, Medical/Dental Staff, University Health System; and Professor, Department of Anesthesiology, UTHSCSA
Randall A. Otto, M.D., Professor and Chair, Department of Otolaryngology, UTHSCSA
Greg Rufe, Administrator, University Hospital
Jean Setzer, Vice President, Business Development/Corporate Communications, University Health System
Clifford Soto, Director, Plant Engineering, University Health System
Robert S. Schenken, Professor and Chairman, Department of Ob/Gyn, UTHSCSA
John Sparks, M.D., Medical Director, Correctional Health Care Services, University Health System
John Steinberg, M.D., Assistant Professor, Division of Podiatry/Department of Orthopaedics, UTHSCSA
Ronald Stewart, M.D., Associate Professor, Department of Surgery, UTHSCSA; and Medical Director, Trauma Services, University Health System
Steven Wartman, M.D., Ph.D., Dean of the Medical School and Executive Vice President for Academic and Health Affairs, UTHSCSA
Ronald Williams, Professor and Chairman, Department of Orthopaedics, UTHSCSA
And other attendees.

MEMBERS OF THE PRESS:

Cynthia Tumiel, Staff Writer, San Antonio Express-News

CALL TO ORDER

Dr. Jimenez called the meeting to order at 6:08 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Fr. Maurice Friedman provided the invocation and Dr. Jimenez led the pledge of allegiance.

SPECIAL RECOGNITION:

(A) **EMPLOYEE OF THE 4TH QUARTER AWARDS**

The following Employees of the Quarter received recognition at the Board meeting:

**Professional:** Linda Lou Anderson, Clinic Staff Nurse III, Obstetrics/Gynecology Emergency Services, University Hospital

**Management:** Ralph Rodriguez, Outpatient Pharmacy Supervisor, Outpatient Pharmacy, University Hospital

**Technical:** Maria Christina Silva, Medical-Surgical Technician Radiology Support, University Hospital

**Clerical:** Maria Rosario Saenz, Senior Data Entry Operator, Labor & Delivery, University Hospital
Service: Irene R. Gonzalez, Environment Associate, Environmental Services, University Hospital

Volunteer: Teresa Valdez, University Hospital

Physician: Maurine D. Porto, M.D., M.P.H.
Medical Director, Community First Health Plans, Inc.

Team: Michelle Berlanga, Staff Nurse, Eran Clark, Clinic Staff Nurse II, Neissa Meier, Clinic Staff Nurse I, Irma C. Sanchez, Patient Care Coordinator, Kelly L. Castanos, Patient Care Coordinator, Leona M. Collier, Clinic Staff Nurse I, Bernice V. Jackson, Clinic Staff Nurse I, Zaida Avila, Clinic Staff Nurse I, Jeannie M. Jones, Clinic Staff Nurse III, Ravie S. Youv, Clinic Staff Nurse I, Roslin M. Hernandez-Serrato, Clinic Staff Nurse I, Joy L. Hall, Clinic Staff Nurse I, Linda D. Owens, Clinic Staff Nurse II, Michelle M. Diaz, Secretary Unit Coordinator, Jessica J. Diaz, Medical-Surgical Technician.

This year’s quarterly recipients will be special honored guests at the annual recognition awards ceremony at 7 p.m. on Thursday, February 20, 2003, at the Omni Hotel.

CITIZEN'S PARTICIPATION:
None.

APPROVAL OF MINUTES OF PREVIOUS MEETING

CONCLUSION: The minutes of the regular Board meeting of December 17, 2002 were presented for approval.

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

ACTION: A MOTION for approval of the recommendation was made by Mrs. Williamson and SECONDED by Mr. Edmonson. MOTION carried.

EVALUATION: None.

FOLLOW-UP: None.

REPORT FROM THE PRESIDENT OF THE HEALTH SCIENCE CENTER – DR. FRANCISCO CIGARROA

CONCLUSION: Dr. Wartman introduced the department chairs present. He reported that UTHSCSA has completed a two-year self study plan on education in preparation for a site visit from the Liaison Committee on Medical Education for Accreditation, an accreditation review that occurs every 7 years. UTHSCSA is scheduled and ready to undergo the rigorous 4-day accreditation
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review for its curriculum, space, performance, admissions, and other pertinent data at the end of February 2003. Dr. Cigarroa was not present due to state budget mandate issues. The University is preparing to deal with state budget cuts, a reality in the near future.

RECOMMENDATION: None.
ACTION: This report was presented for information and no action was required.
EVALUATION: None.
FOLLOW-UP: None.

REPORTS OF STANDING COMMITTEES - None.

UNFINISHED BUSINESS - None.

NEW BUSINESS

A. CONSIDERATION OF APPROVAL OF RECOMMENDATIONS AND ACCEPTANCE OF REPORTS IDENTIFIED AS CONSENT AGENDA ITEMS:

CONCLUSION: Five (5) ACTION items were presented for approval on the consent agenda:

1. Report from the President of the Medical-Dental Staff – Joe Naples, M.D.
   a. Consideration of Medical-Dental Staff Recommendations Regarding Staff Membership

2. Consideration of Commissioning Police Officer – George Hernandez

3. Consideration of Resolution to Adopt, Ratify and Approve the Third Amendment to the University Health System Pension Plan Adopting the 1994 Group Annuity Reserving Mortality Table as Specified by IRS Revenue Ruling 2001-62 – Linda Boyer-Owens


5. Consideration of Purchasing Activities – Francine Crockett

Three (3) items were presented for information only:

7. Report on Ambulatory Services – Steve Enders
8. Quarterly Report on CareLink Program – George Hernandez

RECOMMENDATION: Staff recommended approval of the action items listed above.
EVALUATION: Dr. Naples reported that the acquisition process for the physician order entry system is moving along as fast as possible, with a focus on the return on investment.
A MOTION for approval of the action items on the consent agenda was made by Mr. Briseño and SECONDED by Mrs. Williamson. MOTION carried.

FOLLOW-UP: None.

B. ITEMS RELATED TO PLANNING & OPERATIONS – MRS. WILLIAMSON

1. REPORT ON AD HOC COMMITTEE’S PROGRESS TO REVIEW THE PURCHASING POLICY – PEGGY DEMING

CONCLUSION: The Ad Hoc Committee of the Board of Managers on Purchasing Policies has held two meetings to review proposed changes to the Health System’s existing Purchasing Policy 6.01 and two new policies, Small, Minority and Women-Owned Business Enterprise Program Policy (SMWBE) and the Alternative Construction Project Delivery and Procurement Methods Policy. Staff apprised the members of the legislative activities leading to the development of these policies, provided a summary of historical SMWBE activity, stated purchasing policy objectives, and provided an analysis comparing the current handling of SMWBE to the proposed SMWBE Policy.

The next steps in the process include completing the analysis of historical SMWBE data and determining if there will be a distinct and separate SMWBE Policy or if guidance will be incorporated into the existing Purchasing Policy 6.01.

RECOMMENDATION: None. This report was provided for informational purposes only.
EVALUATION: None.
ACTION: None.
FOLLOW-UP: A follow up meeting of the Committee is set for February 10, 2003 and final recommendations are expected to be presented to the Board of Managers at the March 25, 2003 meeting.

2. CONSIDERATION OF RESOLUTION IN SUPPORT OF PROPOSED TRAUMA SERVICE FUNDING LEGISLATION – GEORGE HERNANDEZ

CONCLUSION: Mr. Hernandez reviewed the proposed legislative initiatives, including the continued quest for the funding of trauma services. The objective of the proposed trauma legislative initiative is to inform the community and our Bexar County legislative delegation of the importance of “weighing-in” in support of a comprehensive solution for funding existing trauma services. The regional/Statewide nature of trauma services demands a regional/Statewide solution. The existing funding source (Bexar County property taxes) is not appropriate for a significant number of unfunded trauma patients.

Two avenues for addressing trauma funding are suggested by staff. First, existing loopholes in law which prevent or limit Health System reimbursement for services should be closed.
The second approach is to provide one or more ways to adequately fund the State’s Tertiary Medical Care Program. This program provides some reimbursement to entities providing stabilization services and tertiary medical care (including trauma care). The program is currently funded through unclaimed lottery winnings- an unreliable, unpredictable and inadequate revenue source. (In 2001, Texas providers of stabilizing services and tertiary medical care requested $260 million from the Texas Tertiary Medical Care Program, while only $16 million was available to distribute).

**RECOMMENDATION:** Staff recommends the Board of Managers approve a Resolution that strongly supports a legislative initiative amending the Indigent Health Care and Treatment Act in a manner which increases county accountability and responsibility for persons determined to be in poverty under federal guidelines. Staff also recommends the Board's approval to solicit the same support of the legislative initiatives from Bexar County Commissioners Court.

**EVALUATION:** Mr. Briseño cautioned that a more specific and aggressive strategy would be necessary to achieve results in the legislative arena. He suggested that one possible way to increase awareness is a monthly statistical report to the Board of Managers that is released to the media. The strategy should also target specific causes of trauma, e.g., alcohol and motor vehicle registration taxes, rather than a solely propose an increase in sales taxes. As another option, Dr. Jimenez noted that at present time, the filing of property deeds at the Bexar County Clerks Office is not a taxed process.

**ACTION:** A MOTION for approval of the Resolution was made by Mr. Briseño and SECONDED by Mr. Edmonson. MOTION carried.

**FOLLOW-UP:** Mr. Hernandez will return next month with 1) a numerical assessment and quantitative analysis regarding the Health System’s costs for treating trauma patients; 2) a well-defined strategy for obtaining support of the health care industry in other counties and across the state; and 3) evidence of coordination with, and support of, County and City legislative committees. In addition, the University Health System’s Planning and Operations Committee will serve as the Board’s legislative liaison to oversee this initiative.

**C. ITEMS RELATED TO BUDGET & FINANCE**

1. **CONSIDERATION OF FINANCIAL/OPERATIONS REPORTS FOR DECEMBER AND CALENDAR YEAR 2002 - PEGGY DEMING**

**CONCLUSION:** The financials for December reflect a loss for the month of $1.7 million compared to a budgeted loss of $604,000. This includes an unexpected loss in CFHP of approximately $2.1 million and year-ending accounting adjustments totaling $3.5 million. The
Health System otherwise would have posted a gain for the month of approximately $4.1 million. For the year, we have a positive bottom-line of $36.4 million, which includes the unplanned UPL revenue. Without the UPL revenue, the bottom-line is $11.4 million compared to a budgeted loss of $8.8 million. This is a $20.2 million improvement compared to budget.

RECOMMENDATION: Ms. Deming recommended that the Board of Managers accept this report subject to audit.

ACTION: A MOTION for approval of this recommendation was made by Mr. Engberg and SECONDED by Mr. Adams. MOTION carried.

EVALUATION: Mr. Turner thanked Dr. Wartman and the medical staff for their conscientious efforts in helping to control costs and for their contributions in improving the bottom-line for the year. Dr. Wartman congratulated staff in their management actions and timely implementation of initiatives. Mr. Adams praised the staff for their competence in defining measurable metrics and in their management action accountability. He thanked Mr. Engberg for his leadership, who in return commended staff for their tenacity in these efforts.

FOLLOW-UP: None.

2. **CONSIDERATION OF STAFF RECOMMENDATION S REGARDING FUNDING FOR COMMUNITY HEALTH INITIATIVES AS PROVIDED FOR IN THE APPROVED OPERATING AND CAPITAL BUDGET FOR 2003 – JEFF TURNER/TERRI DE LA HAYA**

CONCLUSION: On January 24, 2003, the Strategic Financial Planning Committee met to review the staff’s recommendation for funding programs from Community Health Initiative funds approved in the 2003 operating budget. The categories for proposed funding include obesity/diabetes, safety prevention/injury, women/children’s health and mental health/substance abuse. Although, the process for receiving tobacco related proposals has not been finalized, $100,000 has been set aside for this category. All programs recommended for funding focus on primary prevention and have demonstrated proven and/or promising outcomes. An outline indicating the proposals recommended for funding was provided. Five categories were selected because they were 1) identified as high priorities in the Bexar County Community Health Collaborative’s needs assessment; and 2) are high priority area needs for the University Health System patient population. The Community Health Initiative Review Committee reviewed all proposals and identified proposals with proven or promising outcomes and developed funding recommendations for the University Health System staff. The University Health System staff then prioritized the recommendations and completed a final recommendation for the Board of Managers to consider.
A final outline of proposals recommended for funding was presented, as well as an outline of all the programs’ purposes, outcomes and evaluation of outcomes. The programs recommended in the categories of obesity/diabetes and in injury/safety prevention are existing programs. The programs recommended in the categories of women’s/children’s health and mental health/substance abuse are newly developed programs that are in alignment with the objectives within the Health System’s strategic plan, and demonstrate opportunity to prevent disease/injury in our young UHS patient population. After review of the staff’s recommendations, the Strategic Financial Planning Committee requested additional information regarding Walk San Antonio at next month’s meeting, and also requested the staff to present recommendations for principles/policies to govern the selection of Community Health Initiatives programs.

**RECOMMENDATION:** The Strategic Financial Planning Committee recommends approval by the Board of Managers of the non-pending programs proposed by staff.

**ACTION:** A MOTION for approval of this recommendation was made by Mr. Adams and SECONDED by Mrs. Williamson. MOTION carried with three provisions.

**EVALUATION:** None.

**FOLLOW-UP:** Staff will return with 1) outcomes and metrics regarding the Walk San Antonio program next month, 2) the program(s) identified for funding from the $100,000 designated for tobacco prevention, and 3) a proposed policy which governs the selection of future Community Health Initiatives on a timely basis.

### 3. REVIEW AND APPROPRIATE ACTION REGARDING AMENDMENTS TO THE ARTICLES OF INCORPORATION AND THE BYLAWS OF TEXAS AIRLIFE, INC. PURSUANT TO THE PURCHASE OF THE BAPTIST HEALTH SYSTEM’S SHARE OF TEXAS AIRLIFE BY VHS SAN ANTONIO PARTNERS, L.P. – BOB ENGBERG/LUIS VERA/JEFF TURNER

**CONCLUSION:**

The sale of the assets of the Baptist Health System to a new subsidiary of Vanguard Health Systems closed on January 2, 2003. The new subsidiary, VHS San Antonio Partners, L.P. will continue to operate the assets of Baptist Health System (BHS) and would like to maintain the UHS/BHS AirLife partnership. For that partnership to continue, the Articles of Incorporation and the Bylaws of AirLife need to be revised to provide the new Vanguard subsidiary the right to appoint one-half (4) of the directors of AirLife in lieu of the previous BHS Board.

The original Articles of Incorporation require that, in addition to the unanimous approval of any amendments to the Articles by the AirLife Board, such amendment must also be separately approved by a majority vote of the members of both the BHS Board and the UHS Board. The BHS Board approved these
amendments to the Articles of Incorporation and to the Bylaws at a special meeting which was held on December 19, 2002.

The AirLife Board met on Thursday, January 16 to discuss the proposed changes. Kent Wallace, the new BHS CEO, was present to respond to questions regarding Vanguard’s financial condition, community-mindedness, and expectations of the AirLife program. The AirLife Board voted unanimously to approve the changes and to refer the changes to the UHS Board of Managers for approval.

The AirLife partnership has been a success story and it is important for us to assure that AirLife continues the essential services it provides so well.

RECOMMENDATION: The Board of Directors of Texas AirLife, Inc. recommends approval of the proposed amendments by the Board of Managers, as reflected in the documents provided.

ACTION: A MOTION for approval of this recommendation was made by Mr. Engberg and SECONDED by Mr. Adams. MOTION carried provided that the changes to the Bylaws are consistent with changes made to the Articles of Incorporation, and subject to the due diligence process by University Health System staff in the best financial interests of the University Health System.

EVALUATION: None.
FOLLOW-UP: UHS Legal staff will work with VHS legal staff to accomplish provisos set forth by the Board of Managers.

COMMUNICATIONS

Mr. Turner provided a copy of an article that appeared in The Washington Post the first week of January regarding one county’s solution (raising taxes) to keep hospitals open in Los Angeles, California, as a response to painful budget cuts.

Dr. Jimenez provided copies of articles that appeared in the San Antonio Express-News, “Legislators can’t ignore mental-illness needs” and “Groups help ease minorities’ mental health-care deficits.”

Mr. Turner will write State Rep. Robert Puente, senior member of Bexar County’s delegation in the Texas House, to enlist his support in the University Health System’s legislative initiatives on trauma and mental health issues.
ADJOURNMENT

There being no further business, Dr. Jimenez adjourned the meeting at 8:25 p.m.

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Robert Jimenez, M.D.     Joe D. Edmonson
Chairman     Secretary

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Sandra D. Garcia, Recording Secretary