REGULAR BI-MONTHLY MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Tuesday, January 28, 2014
6:00 p.m.
Board Room
Texas Diabetes Institute
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Linda Rivas, Vice Chair
Rebecca Q. Cedillo, Secretary
Roberto L. Jimenez, M.D., Immediate Past Chair
Alex Briseño
Robert Engberg
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
Karen Bryant, Vice President/Clinical Operations, University Health System
Ted Day, Vice President, Strategic Planning & Business Development, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Sergio Farrell, Senior Vice President, Ambulatory Services, Robert B. Green Campus
Don Finley, Senior Writer, Corporate Communications, University Health System
Roe Garrett, Vice President/Controller, University Health System
Francisco Gonzalez-Scarano, M.D., Dean, School of Medicine, UTHSCSA
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans
Sherry Johnson, Vice President/Chief Integrity Officer, Integrity Services & Compliance, University Health System
Leni Kirkman, Vice President, Strategic Communications & Patient Relations, University Health System
Jorge Lopera, M.D., Clinical Professor of Interventional Radiology, UTHSCSA; and Radiology Services, University Health System
Geralynn Meny, M.D., Clinical Professor, Department of Pathology, UTHSCSA; and Medical Director for Clinical Laboratories, University Health System
Virginia Mika, Ph.D., Executive Director, CareLink Financial Assistance Program, University Health System
Mary Ann Mote, Senior Vice President/Chief Revenue Officer, University Health System
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System
Mark Webb, Senior Vice President/Facilities Administration, University Health System
And other attendees.

**CALL TO ORDER AND RECORD OF ATTENDANCE: JIM ADAMS, CHAIR, BOARD OF MANAGERS**

Mr. Adams called the meeting to order at 6:00 pm.

**INVOCATION AND PLEDGE OF ALLEGIANCE:**

Ms. De La Torre introduced Fr. “Chip” Harper, Rector of All Saints Anglican Church of San Antonio, and Mr. Adams led the pledge of allegiance.

**SPECIAL RECOGNITION: QUARTERLY EMPLOYEE RECOGNITION AWARDS - GEORGE B. HERNÁNDEZ, JR./BOARD MEMBERS**

The Board of Managers recognized the following employees:

- **Professional:** Olga Giddens
  - Patient Care Coordinator, Neonatal Intensive Care Unit

- **Professional:** Timothy Martin
  - Network Support Specialist, Information Technology Service Delivery

- **Management:** Grace Theresa Walsh
  - Ambulatory Clinical Area Manager, General Pediatrics-RBGC

- **Technical:** Karisha Saucedo
  - Medical Assistant, Detention Health Care-Adults

- **Clerical:** Joevoni Villarreal
  - Patient Access Leader, Emergency Center Registration

- **Service:** Starla Curtner
  - Inventory Management & Control Coordinator, Materials Management

- **Volunteer:** Eva Medina
  - Volunteer, Volunteer Services

- **Physician:** Omar Osorio, MD
  - CMA Staff Physician, Southeast Clinic

- **Team:** Pharmacy Planning Committee
  - Anna Rangel, Sherra Gardner, Heather Dobie, Maxine Cantu, Ralph Rodriguez, Diana Reyes, Petra Rosas, Marissa Cervera, Laura Aragon, Laura Campa, Felicitas Gamboa

All of this year’s quarterly recipients will be our special honored guests at the Annual Recognition Awards Ceremony at the Omni on February 20, 2014. 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. Ms. Rivas addressed the employees on behalf of Board. She acknowledged their good work and dedication to the people of Bexar County. Without their dedication, the Health System could not do what it does best.

CITIZENS’ PARTICIPATION: None

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

November 26, 2013 (Regular Meeting)

SUMMARY: The minutes of the regular meeting of Tuesday, November 26, 2013 were presented for the Board’s approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

ACTION: A MOTION to approve the minutes as submitted was made by Mr. Briseno, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

REPORT FROM THE HEALTH SCIENCE CENTER – WILLIAM HENRICH, M.D., PRESIDENT BY FRANCISCO SCORANO-GONZALEZ, M.D.

SUMMARY: Dr. Gonzalez introduced the physician leaders present and reported on two important events for the School of Medicine:

For the next couple of weeks, all of the departments will be inputting in their data for the regular match that is conducted to confirm pre-match offers applicants are holding and to fill remaining slots for medical schools. Applicants are asked to rank all schools where they interviewed. All schools must be ranked regardless of whether or not a pre-match offer was received. If an applicant holds a pre-match and matches to a higher ranked school, the pre-match offer will be withdrawn. Pre-match offers will also be withdrawn from all other lower ranked schools. The applicant will remain open to be selected by schools ranked higher than the school matched to. Applicants holding a pre-match offer who have interviewed at school(s) that did not extend an offer may rank one or more of those schools higher than the pre-match offer school without risk of losing the pre-match offer. A computer system will match the student to the program. However, for the last few years, particularly in Texas, the number of positions available has been lower than in it has ever been. There are not enough positions available due to the lack of funding for graduate medical education, which is a national issue. Baby-boomer generation physician retirements also contribute to what the public describes as a shortage of physicians. Texas is now one of only three states that does not pay for GME through the state Medicaid program. The second event now taking place is much less complicated but is just as important, and is the admissions selection process for the School of Medicine.

RECOMMENDATION: None.

ACTION: This report was provided for informational purposes and no action was required by the Board of Managers.
EVALUATION: None.
FOLLOW-UP: None.

CONSENT AGENDA – JIM ADAMS, CHAIR

Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Staff Membership – John G. Myers, M.D., President, Medical/Dental Staff
Consideration and Appropriate Action Regarding 4th Quarter Investment Report—Roe Garrett/Peggy Deming
Consideration and Appropriate Action Regarding Appointment to University Health System Pension Board of Trustees—Rebecca Cedillo, Chair, Nominating Committee
Consideration and Appropriate Action Regarding Appointments to Community First Health Plans Board of Directors—Rebecca Cedillo, Chair, Nomination Committee
Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) – Francine Wilson

SUMMARY: The items listed on the consent agenda were presented for the Board’s approval.
RECOMMENDATION: Staff recommended approval of all other items on the consent agenda.
ACTION: A MOTION to approve the minutes as submitted was made by Ms. Rivas, SECONDED by Mr. Briseno, and PASSED UNANIMOUSLY.
EVALUATION: None.
FOLLOW-UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE CENTER FOR HEALTH CARE SERVICES BRANDING INITIATIVE—LENI KIRKMAN/DR. ROBERTO L. JIMENEZ

SUMMARY: At the October 15, 2013 meeting of the Bexar County Hospital District Board of Managers, The Center for Health Care Services (CHCS) presented a proposed organizational name change for CHCS with accompanying logo treatment and positioning statement. Following input from the Board of Managers, CHCS leadership ultimately made the decision to maintain its current name. A new CHCS logo icon with descriptor and tagline language was approved by the Bexar County Commissioners Court in December. The new CHCS logo, as well as an example of how it will be used, was provided by Ms. Kirkman for the Board’s review.
RECOMMENDATION: The Center for Health Care Services requests Board of Managers approval for its new brand icon and positioning statements.
ACTION: A MOTION to approve The Center for Health Care Services’ 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 RELATED TO THE CAPITAL IMPROVEMENT PROJECT:

UNIVERSITY HOSPITAL:

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH MARMON MOK FOR ADDITIONAL ARCHITECTURAL SERVICES RELATED TO BRIDGE CONNECTOR ENCLOSURE REVISIONS AND RENOVATION OF THE FORMER VIA FACILITY AT THE SOUTH PARKING GARAGE AT UNIVERSITY HOSPITAL - MARK WEBB

SUMMARY: The CIP team asked Marmon Mok staff to develop designs and engineered solutions to include:

- Bridge Connector Enclosure Revisions to include a new ADA accessible elevator for access from level one of the South Parking Garage to level one of the existing 1981 Building at University Hospital (Cost: $18,200).

- Professional Services Related to the Renovation of the former VIA Facility at the South Parking Garage to allow for the relocation of the Child Health and Safety Awareness group from inside an area of the hospital that is planned for renovations. This will allow the creation of additional office space, storage space and conference room space. (Cost: $59,101)

The total for this contract amendment is $77,301 and will be paid from project funds. The project manager has reviewed and negotiated these fees and recommends approval. Marmon Mok participation is a 100% local firm.

RECOMMENDATION: Staff recommends Board of Managers’ approval of an amendment to the contract with Marmon Mok in the amount of $77,301 for additional architectural.

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

EVALUATION: The former VIA facility will be appropriately re-named to identify it as a Health System facility. Also, crews will begin moving furniture and equipment into the new patient tower at University Hospital on Saturday, February 1.

FOLLOW-UP: Staff will provide a full update on the status of the various CIP funds in the next couple of months. A tour of the new tower at University Hospital will be arranged for the Board in conjunction with the first meeting in February.
CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RTKL FOR OPERATING ROOM SIMULATION MODELING SERVICES FOR THE NEW TOWER AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: Based on positive outcomes from the simulation services provided by RTKL at the Robert B. Green campus and the simulation modeling services provided for the Heart and Vascular Institute, staff asked RTKL to submit a proposal for simulation modeling for the Operating Rooms in the new tower at University Hospital. The purpose of simulation modeling is to ascertain the number of Operating Rooms needed at opening time in order to most efficiently deploy Health System capital resources. RTKL will also provide a benchmark standard for staff to utilize in the future to help determine when built but not equipped operating rooms need to be brought on line. The fee for this proposed contract amendment is $125,000, and will paid from Enhancement funds. RTKL is currently at 13% SMWVBE and 31% local participation. Mr. Webb reviewed participation levels to date in detail. This is the last simulation modeling work that will be provided by RTKL.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a contract amendment with RTKL in the amount of $125,000 for Operating Room Simulation Modeling services for the New Tower.

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

EVALUATION: Since this work has already been performed by RTKL, Ms. Rivas asked if it was necessary to date the amendment retroactively, to which Mr. Hernandez replied that the amendment will be handled as a contract ratification, which is acceptable as long as the work performed is described in detail as Mr. Webb has done today. The cost to operate an operating room is a few million dollars per room, depending on whether it’s a hybrid or not. Other benefits of simulation services beyond equipment knowledge are the baseline standards that will be provided from an operational standpoint. Such standards will be built into the modeling which will help staff predict the hours to be spent in the operating room for each procedure, the length of time needed to turn a room over after a procedure, and will set expectations for the various service lines. It also helps assure the physicians, and will help determine when the additional operating rooms will need to be equipped. Mr. Webb reminded the Board that out of 35 operating rooms in the new tower, 24 are built and equipped for day one, and 9 out of the 11 are built but not equipped. The remaining two have been set aside for neurosurgery and an inter-operative MRI. Both will be fairly easy to equip and start running in a matter of months.

FOLLOW-UP: None.
ROBERT B. GREEN CAMPUS:

1) CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RTKL TO PREPARE CONSTRUCTION DOCUMENTS FOR CONSTRUCTION BUILD-OUT AND INSTALLATION OF A NEW TOSHIBA MULTIPURPOSE X-RAY SYSTEM AND RELOCATION OF EXISTING EQUIPMENT FOR THE NEW 2ND FLOOR INTERVENTIONAL RADIOLOGY SUITE IN THE ROBERT B. GREEN CLINICAL SERVICES BUILDING—SERGIO FARRELL/MARK WEBB; AND

2) CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE GUARANTEED MAXIMUM PRICE WITH BARTLETT-COCKE FOR CONSTRUCTION BUILD-OUT AND INSTALLATION OF A NEW TOSHIBA MULTIPURPOSE X-RAY SYSTEM AND RELOCATION OF EXISTING EQUIPMENT FOR THE NEW 2ND FLOOR INTERVENTIONAL RADIOLOGY SUITE IN THE ROBERT B. GREEN CLINICAL SERVICES BUILDING (RBG-GMP #6U)—SERGIO FARRELL/MARK WEBB

SUMMARY: The existing second floor plan for the Robert B. Green Clinical Pavilion provides shell space and infrastructure that will allow installation and re-configuration to add a multipurpose interventional radiology/radiography fluoroscopy (IR-RF) suite. Staff has identified this area as the best location for a new suite as a result of the opportunities to improve access to outpatient interventional radiology services and increased revenue. The scope of this amendment (item no. 1) includes the cost to prepare design documents for build-out and renovation of architectural and mechanical, engineering and plumbing infrastructure for shelled spaces in preparation for an IR-RF suite on second floor. An IR-RF suite downtown would allow for added capacity to accommodate new business from Pediatric Services and dialysis patients currently referred elsewhere. Based on the number of outpatient interventional radiology procedures completed at University Hospital during 2013 it is projected that 25% of these procedures could easily be performed in a multipurpose suite at the Robert B. Green. This percentage is based on an analysis of zip code data for patients who received exams at University Hospital and live near RBG.

The project would require an upfront investment of $781,600 for both renovation and equipment. Initial return on investment analysis estimates a positive return after the fourth year. Furthermore, the equipment for this project has a depreciable life of approximately ten years. A recent analysis demonstrates a 22% internal rate of return over the first five years of the equipment’s depreciable life.

Item no. 1 is associated only with the design fees for the project at $42,800. The revised contract amount for RTKL after this amendment is $11,497,647. This is the last anticipated amendment to the RTKL contract. These costs will be funded from savings associated with the Parsons’ amendment approved by the Board of Managers in April 2013 which returned approximately $845,000 to the project fund. RTKL is
currently at 13% SMWVBE and 31% local participation. Participation levels to date were reviewed in detail.

The scope of work under GMP 6u (item no. 2) to create the new IR-RF suite includes build-out of the space and renovation of existing spaces that provide adequate rooms and infrastructure to support the new and relocated imaging equipment. GMP 6u is associated only with the construction cost for the project. Bartlett-Cocke, the RBG Construction Manager has provided a cost of $275,000. These costs will be funded from savings associated with the Parsons contract amendment described above.

Mr. Webb reviewed previously approved authorizations of amendments to the Bartlett-Cocke contract for work associated with this GMP package, scope descriptions, control estimates and GMP amounts. The inclusion of GMP #6u increases the CM’s Construction Cost Limit (CCL) to a total of $106,832,109. This is the eighth amendment to the Bartlett Cocke CCL. Bartlett-Cocke’s participation goal for SMWVBE is 56% and the local participation goal is 95%. To date, SMWVBE participation of awarded construction projects is 64.70% and local participation is 98.38%. 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 SMWVBE numbers achieved to date for all construction amendments were reviewed in detail.

RECOMMENDATION: For item no. 1, staff recommends Board of Managers’ approval of an amendment to the contract with RTKL in the amount of $42,800 for additional architectural services. For item no. 2, staff recommends Board of Managers’ approval to execute an amendment to the existing Bartlett-Cocke Construction Management Agreement in an amount of $275,000 for GMP 6u, increasing the Construction Cost Limit to $106,832,109.

ACTION: A MOTION to approve staff’s recommendations for items 1 and 2 was made by Mr. Briseno, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.

EVALUATION: Ms. Rivas initiated a discussion regarding current capacity levels and future capacity needs. It is her preference to address capacity issues at this time by building more than one suite, if capacity will exceed what staff has predicted in the near future. There is additional shell space available to allow for expansion should capacity exceed staff projections. The equipment purchase in the amount of $463,800 will be presented to the Board in February. Dr. Jorge Lopera, Clinical Professor of Interventional Radiology, addressed Board questions and concerns. He assured Dr. Jimenez that the purchase and installation of this equipment is not a medical arms race. An IR-RF is one step up from being a portable unit and is one step down from what is used today at University Hospital. The equipment will be fixed and not mobile. The procedures performed at the RBG do not have teaching potential because they are all outpatient procedures and radiology is a hospital-based service. Therefore, any teaching component will be retained for those procedures performed at University Hospital.
FOLLOW-UP: Mr. Adams commended Mr. Webb for bringing the entire cost of this transaction to the Board, which is important to them for decision-making purposes. Board members also appreciate the business-model approach.

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH SOUTH TEXAS BLOOD AND TISSUE CENTER FOR BLOOD PRODUCTS—KAREN BRYANT

SUMMARY: In an effort to decrease inappropriate blood product utilization, the hospital established a blood utilization committee and through these efforts the Health System has experienced a decrease in utilization by 11% versus prior year. To take this initiative further, the committee is focused on educating the physicians on blood utilization at the point of use rather than in retrospect. By accomplishing this, the Health System will begin to see the benefits of blood utilization. A strategy used to help control costs is the creation of a donor program whereby the Health System has created its own supply of blood products. Essentially, the Health System recruits donors, does some limited processing, provides storage and distributes as it relates to the manufacturing of blood products. To date, the Health System’s blood bank generates 46% of blood products versus purchasing from the local vendor. The savings relative for the Health System’s donor program is estimated to be an additional $200,000. This value-add was not a part of the RFP and is not a guarantee to the contract, but staff believes this savings is an achievable goal.

With the increase of capacity in the new patient tower and projected growth in patient care, controlled utilization as well as the unit cost of blood is also vital. To this end, staff engaged MedAssets to assist in developing an RFP for blood products, which was competitively bid on RFP# 213-06-036-LAB. Three vendors submitted responses to the RFP as follows:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>3 Year Total</th>
<th>3 Year Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Blood Services (UBS)</td>
<td>$11,716,304</td>
<td>$1,650,287</td>
</tr>
<tr>
<td>South Texas Blood &amp; Tissue Center (STBTC)</td>
<td>$11,939,322</td>
<td>$1,354,097</td>
</tr>
<tr>
<td>American Red Cross (ARC)</td>
<td>$12,612,390</td>
<td>$750,852</td>
</tr>
</tbody>
</table>

The South Texas Blood & Tissue Center is headquartered in San Antonio. Currently, STBTC serves 67 hospitals in the South Texas region and serves all the major healthcare systems in San Antonio. Additionally, STBTC has recently joined the Alliance of Community Transfusion Services (ACTS) which is a collaborative of 29 medium to small blood centers in the Southern region of the US. University Health System has contracted with STBTC for blood products for 19 years.
During this time, STBTC has been able to meet the growing demand of blood products for our patient population.

STBTC proposes an 11% reduction in unit cost for red blood cells, platelets, frozen plasma, Pooled Cryo, and Single Cryo. Further, STBTC’s local presence enables a better availability of supply for the Level One Trauma Center’s Mass Transfusion Protocols (MTP) in addition to the estimated “daily” crash cases to which the Blood Bank and the blood center responded without issues with blood supply.

As compared to the current contract, there is an 11% ($1,354,097) savings over the three year period. This savings is directly attributed to competitive bidding of these products resulting in decreased pricing.

Execution of a contract with STBTC will have a positive impact on the delivery and outcomes of patient care. Patients will benefit from the adequate quantity of blood supply, as well as the timeliness of blood products delivered to the organization.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of a three-year competitively bid contract with South Texas Blood and Tissue Center in the amount of $11,939,322.

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

**EVALUATION:** Ms. Bryant introduced Dr. Geralynn Meny as the Health System’s medical director for clinical laboratories. Board members engaged Dr. Meny in dialogue. The rationale for a 3-year contract in this case is due to better pricing. Mr. Engberg commended staff for achieving such savings and putting together an excellent written report. Mr. Briseno echoed these comments and agreed that the new contract terms are more cost-effective for the Health System. Mr. Adams acknowledged the much-improved relationship with STBTC, which is now more collaborative. He urged the staff to continue to improve on the Health System’s internal blood donation program. Mr. Hernandez described blood products as an expensive but necessary commodity. Mr. Adams asked the staff to ensure that the Health System is not a prisoner or competitor to any one supplier.

**FOLLOW-UP:** Dr. Jimenez asked the staff to produce a report which demonstrates how University Hospital fares with other teaching hospitals in South Texas in terms of cost for blood products. Board members are also interested in knowing the relevant donor success generated by the Health System’s patient load.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FOLLOWING CONTRACTS FOR HOSPICE SERVICES WITH A) HEARTLAND HOME HEALTH CARE AND HOSPICE; B) NEW CENTURY HOSPICE OF SAN ANTONIO; AND C) LIGHTHOUSE HOSPICE-SAN ANTONIO, LLC D/B/A LIGHTHOUSE HOSPICE - BRYAN ALSIP, MD/MARY ANN MOTE**

**SUMMARY:** The original contract for these services was competitively bid in October 2011 (RFP# 211-10-55-SVC), and approved by the Board in February 2012. A team composed of the Medical Director for Palliative Services, the Director of Care Coordination, the Palliative Care Social Worker, the
Palliative Care nurse and the Sr. Vice President/CRO completed the assessment of the RFP. The award was recommended to the three most responsive bidders: Heartland Home Health Care, Lighthouse Hospice, and New Century Hospice. The term of the contract is for two years with the option to renew for two additional two-year terms. Renewal of the contract will begin on March 1, 2014. Awarding to three vendors provides sufficient choice and care capabilities to meet the needs of the Health System hospice patients. Patients will be assigned to the respective providers at the discretion of the Health System.

There is no increase in the price of services by the three vendors. Due to an increase of patient volume and need for the hospice services $150,000 of the requested funds will be used for services provided in December 2013 through the end of the contract in February 2014.

The additional requested funds are for the renewal of the two year contract at $500,000 per year. Expected increase in patient volume is estimated at 10% equating to an estimated 98 patients for FY 14 and FY 15. FY 14 hospice services have been included in the Annual Operating Budget.

Staff routinely monitors the quality of service provided by these hospice vendors through monthly meetings to review quality metrics and patient and family satisfaction. Formal patient satisfaction surveys conducted by the LIFE Care/Palliative Medicine have documented consistently high ratings from patients and families regarding their experience.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a two-year contract renewal at a cost of $1,150,000 with the following three hospice providers: Heartland Home Health and Hospice, Lighthouse Hospice, and New Century Hospice.

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

EVALUATION: There were a total of six vendors that submitted responses to the original RFP. Mr. Smith expressed concern about the renewal options for several of the contracts, including the contract for hospice services, presented this evening. He feels that by granting automatic renewals the Health System is denying an opportunity to other vendors in Bexar County. The Board originally approved a six-year term on this contract. Staff is exercising the first option to renew at this time, and there is one additional two year option available. From a patient care perspective, Dr. Alsip described these services as critical. Staff routinely surveys patients and families and find that patients are happy and feel taken care of. The three recommended vendors meet the high standards set by the Health System. Mr. Adams cautioned the staff that next time this item returns for approval, the Board will require a Request for Proposal or a very good explanation as to why an RFP is not necessary. Further, when staff exercises any renewal option, the Board would like to know the dollar value of that renewal option. Mr. Adams acknowledged that providing these services helps patients maintain a higher quality of life while increasing capacity and reducing costs through shorter lengths of stay at
CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH ACCESS QUALITY THERAPY SERVICES FOR SKILLED NURSING VISITS, PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH THERAPY, SOCIAL WORK AND HOME HEALTH SERVICES FOR CARELINK AND UNFUNDED PATIENTS BEING DISCHARGED FROM UNIVERSITY HOSPITAL—VIRGINIA MIKA, PHD/MARY ANN MOTE

SUMMARY: This agreement with Access Quality Therapy Services (AQTS) is a two part agreement: Part one is to secure services for unfunded patients requiring home health services originating from the hospital. Part two is to secure home health services for CareLink members. In order to assure competitive rates, the contract will cover both CareLink patients and unfunded patients discharged from University Hospital. Access Quality Therapy Services is a San Antonio-based Medicare-certified home health agency provider. It is a local, small, woman and minority-owned business. Services under this contract have been negotiated at 90 percent of the current Medicare allowable and are based on a fee for service reimbursement model. The term of this contract is for two years beginning February 15, 2014 and ending February 14, 2016. Rates will remain firm and fixed through the contract period. Staff is exercising the last two year term of this contract. The total anticipated expense for the one year period is $195,000 or $390,000 for the two year contract period. Of the two year amount, $300,000 is for services provided to CareLink members and $90,000 is for services provided to other unfunded patients originating from the hospital. As of September 2013 (nine months of completed data due to our 90 day lag) the total expense for home health services was $174,799 ($141,399 CareLink and $33,400 for Care Coordination). The contract will include provisions for compliance with utilization review and quality assurance programs, as well as eligibility verification and pre-authorization requirements from CareLink. Patient satisfaction will be monitored by CareLink staff and must meet pre-established levels for service and quality standards. Dr. Mika reviewed the vendor’s workforce composition data with the Board in detail.

RECOMMENDATION: Staff recommends Board of Managers’ approval for an Agreement with Access Quality Therapy Services for a two year term at a total estimated amount of $390,000.

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

EVALUATION: Ms. Rivas asked about CareLink’s role after the Affordable Care Act (ACA) is implemented through the Health Insurance Marketplace. What role will the Health System play? How viable is the service that AQTS provides for CareLink members? The rollout of the Affordable Care Act will take some time and the staff is projecting that at least half of the current CareLink membership will not qualify for health insurance exchanges. Further, there will be other Bexar County residents who do
not qualify for services under the ACA and will be better served by CareLink.

FOLLOW-UP:
Staff will provide a Board briefing regarding the impact of the Affordable Care Act in April 2014, along with the annual CareLink report.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH ROSENBERG SCHOOL OF OPTOMETRY AT UNIVERSITY OF THE INCARNATE WORD FOR OPTOMETRY SERVICES PROVIDED TO CARELINK PATIENTS—VIRGINIA MIKA, PHD

SUMMARY: The University Health System’s CareLink Schedule of Benefits provides yearly eye exams for diabetic patients. To expand access for these services, the Health System has had an agreement with the Rosenberg School of Optometry at the University of the Incarnate Word since in 2012, in addition to the existing contract with UT Ophthalmology services. Patients seen at Rosenberg School of Optometry who require additional eye care services are referred back to the Health System and the ophthalmology faculty. During the first nine months of 2013, (per completed claims data available due to 90 day lag on claims) 1,246 CareLink members received eye exams through Rosenberg School of Optometry. As of September 30, 2013 CareLink has paid Rosenberg School of Optometry $143,890. Based on 2013 annualized data, we anticipate the value of the contract to be $191,853 for a period of one year or $383,706 for a two year contract period. These services have been negotiated at 70% of the current Medicare allowable for physician rates and are based on a fee for service reimbursement model. The term of the contract is for two years beginning February 1, 2014 and ending January 31, 2016. This agreement shall be renewed for up to two successive one year terms if Rosenberg School of Optometry meets all performance standards, patient satisfaction and quality risk management standards. The contract will include provisions for compliance with utilization review and quality assurance programs as well as eligibility verification, and pre-authorization requirements from CareLink. The providers must be credentialed and board-certified. Patient satisfaction surveys will be conducted by Rosenberg School of Optometry in a format approved by the Health System. The Health System shall be provided a quarterly report of the patient satisfaction surveys. Dr. Mika reviewed the School of Optometry’s workforce composition in detail with the Board.

RECOMMENDATION: Staff recommends Board of Managers approval to execute an Agreement with Rosenberg School of Optometry for a total estimated contract amount of $191,853 for the first year, with an additional $191,853 for the second year.

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

EVALUATION: This contract is of tremendous benefit to the Health System and its patients, therefore a formal solicitation (RFP) will not be issued. There is not a specific rationale behind the two year term and the one year automatic renewal for this agreement. Mr. Briseno suggested that all contracts include standard renewal options. In the alternative, he
requested better explanations from the staff as to why renewal terms differ.

**FOLLOW-UP:** As indicated above.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR PROFESSIONAL AND ADMINISTRATIVE SERVICES WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO (“AOA”)—ALLEN STRICKLAND**

**SUMMARY:** Mr. Strickland reviewed the total cost of the proposed 2014 agreement at **$13,604,739**. Compared to the 2013 agreement of $13,693,524 this represents a decrease of $88,785 (.6 percent). He highlighted the various components of the agreement as follows:

- **Administrative/Management of the Residency Programs** - Funding for this item in 2014 is budgeted for **$1,000,000** which is an increase of $85,696 (9.4%) from the 2013 agreement of $914,304.
- **Administrative/Medical Direction** - This category is budgeted in 2014 at **$6,616,654** which is a net decrease of $192,443 (2.8% decrease) when compared to the 2013 agreement of $6,809,097. Ms. Bryant reviewed new funding for positions and services proposed in the 2014 agreement at a total of $548,666. Reductions in current positions and in the administrative functions of the medical directorship role are at ($741,109).
- **Patient Care Services Personnel** - This category is budgeted in 2014 for **$5,261,278** compared to $5,243,316 in 2013. Four positions have been deleted, eleven positions added, three positions increased in funding, and two positions decreased in funding. The revisions account for an overall increase in cost of $17,962 (.3%). Total FTE’s for the 2014 Annual Operating Agreement is 97 compared to the 2013 Agreement of 99, a decrease of 2 FTEs.
- **House Staff Medical Malpractice** - Funding for this category in 2014 is budgeted for **$665,672** which is equal to the 2013 agreement.
- **Community Medicine Associates Malpractice Insurance** - Funding for this category in 2014 is budgeted for **$61,135** which is equal to the 2013 agreement.

This agreement is reviewed and updated on an annual basis by a team comprised of senior leadership from the Health System and UTHSCSA. During this review, priority is given to ensure the needs of the Health System are being addressed. Agreed upon amounts are negotiated based on salary benchmarks in this region/area and projected operating dollars available to cover continuation and any expansion of the agreement. Performance expectations are agreed upon and included in the official language of the agreement. Additionally, the Health System contracts with divisions of UTHSCSA and UT Medicine to provide an array of clinical services. As the Manager of Bexar County Clinical Services, Inc., the Health System administers the payments to UT Medicine for direct patient care and “call coverage” at University Hospital, Robert B. Green and Texas Diabetes Institute facilities in the amount of
approximately $90,000,000 in 2014. The Health System also reimburses UT Medicine for primary and specialty clinical care provided to CareLink members in the amount of $24,000,000 annually. Similarly, the Health System secures urgent and emergent clinical care for unfunded patients through a Sponsored Care Agreement with UTHSCSA in an annual amount of $2,274,800. The Health System also contracts with the Dental School for dental, oral and maxillofacial surgery and prosthetic services to CareLink members requiring dental extractions or surgery in the event of cancer diagnoses or bacterial infections which could impact cardiac and transplant patients. The Dental School also provides oral surgical call coverage at University Hospital. The annual total of these two contracts is $1,093,079. The Rehabilitation Department of UTHSCSA provides prosthetic and orthotic appliances and services to CareLink members as well as unfunded patients. This contract has an annual value of $608,844. Other smaller contracts with UTHSCSA or UT Medicine for a variety of services total approximately $4,400,000. In aggregate the total of Health System contracts with UTHSCSA and UT Medicine for the coming year, including the BCCS contracts, exceeds $136,000,000 per year including the proposed Annual Operating Agreement in the amount of $13,604,739.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute the 2014 Annual Operating Agreement with The University of Texas Health Science Center at San Antonio in an amount not to exceed $13,604,739.

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

EVALUATION: Ms. Rivas asked for more detail about Exhibits A and B, which Mr. Strickland referred to in his written report, and are attachments to the actual contract. Exhibit A consists of all physician support (MDs), or 97 FTEs. Exhibit B consists of non-M.D. positions, or approximately 55 FTEs. The positions (M.D.s) listed on Exhibit A did not receive raises in 2014; however the list now includes 11 new positions, and three which were increased in funding. The hours paid are based on actual number of hours worked, not estimates. When the 97 physicians are evaluated by the Health System there are several factors taken into consideration, i.e., how well they work with the staff as partners, patient satisfaction, and in general, that they are working to meet the Health System’s goals and mission. If the results are not satisfactory to the Health System, they are brought to the attention of the Medical Dean for a discussion. The Health System pays for malpractice insurance only for the time physicians practice at Health System facilities, the remainder is paid by UTHCSA. Ms. Rivas re-affirmed the Health System’s commitment to its patients and the Board’s accountability to the Bexar County taxpayers, the reason physicians must be aligned with the Health System’s mission and needs for 2014. Dr. Gonzalez informed the Board that Dr. Carlos Rosende, Vice Dean for Clinical Services, has delegated authority to negotiate agreements on behalf of the School of Medicine. Dr. Rosende is personally involved at every level, along with the various department chairs. Board members asked Mr. Hernandez to increase his
involvement in future negotiations regarding the Annual Operating Agreement.

**FOLLOW-UP:** Mr. Engberg and Mr. Briseno requested that future reports to the Board of Managers regarding various agreements with UTHSCSA include a summary for each of the categories relative to significant changes and an explanation for the change.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR DECEMBER 2013 FINANCIAL STATEMENTS—ROE GARRETT/PEGGY DEMING**

**SUMMARY:** For the month activity was up 3.8% for the Clinical Services (as measured based on discharges adjusted for outpatient activity). Community First Health Plan (CFHP) fully-insured membership was up 0.4%. From operations, the Health System experienced a gain of $17.6 million which was $17.5 million better than the budgeted gain of $122,000. The primary contributor to this positive operating margin was the recognition of DSRIP incentive funds earned. In analyzing the gain from operations in the month, Mr. Garrett noted the following and reviewed notable increases and/or decreases from the Consolidated Balance Sheet:

- Net patient service revenue was up $2.5 million due to higher activity, higher acuity and an analysis of amounts received in 2013 for prior years.
- Waiver related supplemental revenue for DSH/UC was down and regional UC IGT costs were down a net $2.1 million.
- DSRIP revenue was up $18.2 million due to recognition of the second ½ of FFY13 DY2 amounts that were received in January 2014.
- Other revenue was up $1.6 million due to higher grant revenue, higher Foundation revenue, outside pharmacy revenue and recognition of subsidiary earnings in 2013.
- Employee compensation was up $3.9 million due to unbudgeted positions primarily for pediatric and ASC services, higher activity in certain areas and accruals for an increase in earned paid time off, yearend accruals for incentives and employee health reserve for incurred but not reported claims.
- Meaningful use incentive of $123,000 was recorded for the achievement of incentive awards for the electronic medical record implementation. Investment income was under budget by $150,000 due to slightly lower interest rates than budgeted. An unrealized market loss of $670,000 was recorded in the month due to higher interest rates during December. The bottom line gain excluding debt service was $17.2 million and this was $16.7 million better than the budgeted gain of $520,000. CFHP reflected bottom line gain of $449,000 which was $834,000 better than the budgeted loss of $385,000 as significant improvements were noted since July in light of higher membership and positive impacts recognized from renegotiated contracts.
DSRIP Revenue of $20.5 million was recorded in recognition of the second 1/2 of the FFY13 DY2 revenue that was received in January 2014.

Debt Service Revenue was $3.5 million which is $13,000 lower the budgeted Revenue due to reconciling to Bexar County records as of December 31, 2013 and an analysis of the deferred tax balance.

RECOMMENDATION: Staff recommended acceptance of the financial reports subject to audit.
ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY.
EVALUATION: None.
FOLLOW-UP: None.

AMBULATORY MATTERS:

REPORT ON PROPOSED IMPROVEMENTS TO THE ZARZAMORA CLINIC AND OUTLINE FOR THE CONTINUUM OF CARE STRATEGIC PLANNING PROCESS — MARK WEBB

SUMMARY: The Board previously approved renovating the Kenwood and Zarzamora facilities to allow for design standardization and code upgrades at the clinics. The renovations included modernizing the front reception areas, bathrooms, exam rooms, and common areas for a total cost of $664,930 ($332,980 Kenwood & $331,950 for Zarzamora). Valla Construction, Inc. was awarded the contract in March, 2013. In June 2013, asbestos abatement began at the Kenwood facility and shortly thereafter mold was identified that required remediation. As the project progressed, a careful analysis of the facility was conducted to re-evaluate the possibility of expanding exam room space due to an unexpected increase in patient visits and an increase in University Hospital births. The Kenwood clinic produces the highest OB deliveries among the Preventive Health Clinics and was on track to produce a 17% increase in 2013. Based on that, staff re-evaluated the original renovation program and developed a plan that would add four additional exam rooms allowing for an increase in access by 4,500 patient encounters and 50 deliveries per year. The total revised cost of the Kenwood project would consume all of the funds previously approved by the Board for both projects. The original renovation plan for the Zarzamora Clinic included improvements to four exam rooms, one triage room, office space, restrooms, and reception area. At time the original renovation plans were developed it accommodated the current services (OB, Family Planning, Well Child, Immunization, Medical Home Model, and Primary Care) offered at the clinic. Since that time, patient encounters have increased more rapidly than expected and the addition of Comprehensive Primary Care Services has also added to the volume of encounters. Over the past five years since the Health System took over operations, the clinic patient encounters have increased approximately 150 percent. Based on that, staff re-evaluated the original renovation program and developed a plan that adds new exam rooms and associated improvements that are beneficial to the growth of the clinic volume. In an effort to avoid this situation in the future and provide a long range strategic plan for the growth of the Ambulatory Network, as...
well as perform a Post-Acute Care needs assessment, staff has developed a Request for Proposal that will provide for the following:

- Continuum of Care Needs Assessment with a gap analysis of the current Community Health Status in Bexar County
- Ambulatory Competitive Services Assessment identifying gaps in services currently provided and trends for expansion of services by various types of organizations in the region
- Post-Acute Needs Assessment with recommendations for post-hospital strategy, including recommendations for local partnerships with long-term care and skilled nursing facilities
- Master Facility Planning for Ambulatory Network Services and Post-Acute Services identifying facility needs in currently served and underserved geographic areas of the community for the development of long range facility and services offered growth strategy with a phased implementation plan
- Facility Assessment of current Ambulatory Infrastructure with short and long term repair/upgrade recommendations and budgetary impacts

This renovation plan for the Kenwood and Zarzamora Clinics firmly coincides with efforts of the Health System to address the Triple Aim Plus initiative to improve patient care experience, quality and outcomes, efficiency, and access. These improvements will provide for a better patient experience, increase access to services, and enhance revenue opportunities. The strategic plan for ambulatory and post-acute care will also meet the goals of Triple Aim Plus by providing a long range master planned growth strategy. Modifying the original Kenwood renovation plan increases the project cost from approximately $332,980 to $644,930 which is within the budget of the contract with Valla. The cost associated with the revised Zarzamora Clinic plan is not expected to exceed $700,000. Staff will solicit bids for the work and return to the board for consideration of the construction contract at the March or April board meeting. This work would be funded through available funds in 2014 Routine Capital. The revenue estimates for each increase in scope of work support these improvements. The cost associated with the Continuum of Care Strategic Plan won’t be finalized until after the consultant team has been considered and selected for contract negotiation.

**RECOMMENDATION:** Staff will move forward with the revised Kenwood Clinic renovation plan utilizing the funds originally allocated for the Kenwood project and 2014 Routine Capital funds; completing the revised renovation plans for the Zarzamora Clinic estimated at approximately $700,000 that will be funded by the funds originally allocated for the Zarzamora project and 2014 Routine Capital; and issuing an RFP for consultant selection associated with the Continuum of Care Strategic Planning Process.

**ACTION:** This report was provided for informational purposes only. No action by the Board was required.

**EVALUATION:** Mr. Adams emphasized that strategic planning discussions must involve the Board of Managers. Board members agreed that expertise would be
needed for the detail work; however, they asked staff not to issue an RFP for consultant services until the Board has had an opportunity to meet in a special planning session. They provided the following directional thoughts for the staff’s consideration prior to the planning session: What is the staff’s vision? What kind of work has the senior staff already performed in their own ambulatory strategic planning? How will the staff solicit community input for the final analysis? Dr. Jimenez also described the ambulatory network of clinics as a golden opportunity to involve medical students in the community and to make an impact on their training.

FOLLOW-UP: Mr. Hernandez will work with the Board members to schedule a strategic planning session in the near future.

INFORMATION ONLY ITEMS:

REPORT REGARDING YEAR 2013 MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS—JOHN G. MYERS, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES—MARK WEBB

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN

SUMMARY: The three written reports listed above were provided for the Board’s review. Mr. Adams urged his Board colleagues to review and provide appropriate feedback to the staff.

RECOMMENDATION: Reports were provided for informational purposes only.

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

EVALUATION: None.

FOLLOW-UP: None.

ADJOURNMENT:

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

Jim Adams
Chair, Board of Managers

Rebecca Q. Cedillo
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary