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

Tuesday, January 29, 2013
6:00 p.m.
Board Room
University Health System - 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 Chairman
Robert Engberg
Alex Briseño
Ira Smith

OTHERS PRESENT:
George B. Hernández, Jr. President/Chief Executive Officer, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Tricia Aleman, Director, Marketing, University Health System
Tim Brierty, Chief Executive Office, University Hospital
Francine Wilson, Vice President, Materials Management, 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
Theresa De La Haya, Vice President, Health Promotion/Clinical Prevention Services, University Health System
Don Finley, Senior Writer, Corporate Communications, University Health System
Roe Garrett, Vice President/Controller, University Health System
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health System
Sergio Farrell, Vice President, Ambulatory Services, University Health System
Tom Mayes, M.D., Chairman, Department of Pediatrics, UTHSCSA
Virginia Mika, Ph.D., Executive Director, CareLink Financial Assistance Program, University Health System
Priti Mody-Bailey, M.D., President, Community Medicine Associates
Mary Ann Mote, Senior Vice President/Chief Revenue Officer, University Health System
Nancy Ray, Vice President/Chief Nursing Officer, University Health System
Richard Rodriguez, Vice President/Controller, University Health System
CALL TO ORDER AND RECORD OF ATTENDANCE: JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 6:07 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Ms. De La Torre introduced Mr. Will Bearden, VA Hospital Chaplain, for the invocation, and Mr. Adams led the pledge of allegiance.

SPECIAL RECOGNITION:

Board members recognized Nicolas E. Walsh, M.D., Professor and Chair, Department of Rehabilitation Medicine, The University of Texas Health Science Center at San Antonio for his ten total years of dedicated service as President of the Medical Dental Staff of University Health System, from January 1, 1991 – December 31, 1996; and January 1, 2009 – December 31, 2102. The Board of Managers acknowledged Dr. Walsh’s many contributions and commitment to the people of Bexar County, especially his patients.

As part of the Quarterly Recognition Program, Board members also recognized the following individuals:

Professional: Ralph Ornelas (Nursing) Staff Nurse III, Medicine Critical Care Unit

Professional: Luz Maria Castillo (Non-Nursing) Training Specialist, Center for Learning Excellence

Management: Camerino Salazar, Director, Clinical Outcomes & Data

Technical: Sarita Orosco, Radiology Technical Assistant, Ultrasound

Clerical: Irma Carranza, Sr. Administrative Assistant, General Administration – RBG

Service: Armando Espinoza, Sr. Ambassador, Protective Services - UCCH

Volunteer: Guadalupe Menchaca, Volunteer, Volunteer Services

Physician: Lillian Liao, MD, Assistant Professor Clinical, Department of Surgery

Team: Neonatal Intensive Care Team - Kathy Allen, Maria Guerrerio, Juli Beard, Sandra Ramirez, Debbie Rejba, Steven Seidner, MD, Olga Giddens, Cynthia Blanco, MD, Rosalva Washington, Gina Ponce, Rachel Rivas, Belinda Kay Green, Olga Haug, Elizabeth Berube, Annette Jonatchick, Leticia Martinez
All of this year’s quarterly recipients will be special honored guests at the Annual Recognition Awards Ceremony on February 21, 2013 at the Omni Hotel. 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 award recipients on behalf of Board of Managers. She expressed gratitude for their spirit and for their dedication, especially during this time of huge transition at University Health System due to the capital improvement projects. She is proud of their leadership and thanked them for being UHS.

CITIZEN PARTICIPATION:

Ms. Many Lara addressed the Board of Managers as a concerned, former employee. She reviewed her 10 year history with the University Health System through her departure in October 2012. She informed the Board that she was not here this evening as a jaded, former employee, but rather because she believes in the mission of the Health System. She loved her job, her co-workers and the patients, and is sad that she is no longer a part of this team. Her position for the last five years was in the Risk Management Department at University Hospital. While in this department she was promoted twice, served as member of the Administrative Professionals Academy, a member of the Management Development Academy and was a member of the winning Team of the Year for leadership in the Administrative Professional Academy.

When the former department director left the Health System in April 2012, Ms. Lara held down the fort on an interim basis and worked hard to take care of issues at hand. A new department director arrived in July 2012, and soon thereafter, things took a turn for Ms. Lara. Her communication with the director was severed and she was not provided with the tools necessary to do her job. She was no longer allowed to attend meetings or activities that had kept her department in the forefront. After 10 years of consistently good performance, the new director placed her on a performance improvement plan (PIP) without ever having formally warned or counseled her. Ms. Lara spoke directly with the person who was creating the environment and also contacted the Human Resources Department. Basically, she was informed by human resources that this person was a reasonable person, and there was not much she could do about her situation. Ms. Lara’s mentor advised her that sometimes it was just best to walk away.

Ms. Lara feels it is important for the Board of Managers to hear about her experience as an employee. She reiterated her consistently good performance over the last 10 years and her professional derailment after a short, two month period. She feels that when she turned to human resources she hit a brick wall, and does not feel that she had a good outlet. She experienced an injustice, but feels that perhaps an outside, unbiased resource would have been beneficial. In her opinion, there was some bias because people were not looking at things fairly.

In conclusion, Ms. Lara stated that the Affordable Care Act will soon allow patients different opportunities and will also force the Health System to compete for its patients. She urged the Board of Managers to consider employee satisfaction as a priority because happy employees are what will drive patient satisfaction.

Ms. Dina Aguirre addressed the Board of Managers as a current employee of 30 years. She attested to what Ms. Lara spoke about today. She informed the Board that she would be eligible to retire in three years, and expressed gratitude for the Health System. Early on in Ms. Aguirre’s career, she was made to feel that she could approach any administrator and that they would listen, or help her solve whatever problem existed. With the new technology that is available and because of the fast-paced environment we live in, she feels that a lot of the direct communication between management and staff has been lost.
There was also a time in her career when round table discussions and frank, non-biased conversations took place. She emphasized the importance of managers having face time with employees, which will in turn help employees be good to the patients. Ms. Aguirre expressed concern that if key employee issues are not addressed in a respectful and dignified manner, the Health System will not survive, despite the new, state of the art facilities that are being built. She thanked the Board for the opportunity to address them.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

**NOVEMBER 20, 2012 (REGULAR MEETING)**

**SUMMARY:** The minutes of the regular bi-monthly meeting of November 20, 2012 were presented for the Board’s approval.

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

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**NOVEMBER 27, 2012 (REGULAR MEETING)**

**SUMMARY** The minutes of the regular bi-monthly meeting of November 27 2012 were presented for the Board’s approval.

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

**ACTION:** A **MOTION** to approve the minutes was made by Mr. Briseno, **SECONDED** by Ms. Rivas, and **PASSED UNANIMOUSLY**

**EVALUATION:** None.

**FOLLOW-UP:** None.

**REPORT FROM THE HEALTH SCIENCE CENTER – KENNETH KALKW ARF, D.D.S, PRESIDENT AD INTERIM:**

**SUMMARY:** Dr. Gonzalez-Scarano acknowledged the physician leaders present. He provided a brief report on behalf of Dr. Kawlkarf who could not be present tonight. Dr. Gonzalez informed the Board that he and others have been busy preparing for the new Medical School in the valley. As for Dr. Henrich, his plan is to return to work on Monday, February 18. He will be restricted to the number of large meetings he can attend due to his delicate immune status.

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

**ACTION:** No action was requested of the Board of Managers

**EVALUATION:** Mr. Adams noted that he had visited the emergency center recently and picked up on the spirit of change. He commended Dr. Bruce Adams for his leadership.

**FOLLOW-UP:** None.
NEW BUSINESS

CONSENT AGENDA – JAMES R. ADAMS

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 the Appointment of Daniel Johnson, M.D., as Chair, Department of Ophthalmology - John G. Myers, M.D., President, Medical/Dental Staff

Consideration and Appropriate Action Regarding 4th Quarter Investment Report—Peggy Deming

Consideration and Appropriate Action Regarding University Health System Policy No. 8.07, Patient Identification—Mary Ann Mote

Consideration and Appropriate Action Regarding Appointment to University Health System Pension Board of Trustees—Rebecca Cedillo, Chair, Nominating Committee

Consideration and Appropriate Action Regarding Appointment to University Health System Foundation Board of Directors—Rebecca Cedillo, Chair, Nominating Committee

Consideration and Appropriate Action Regarding Renewal of an Affiliation Agreement with Baptist Health System, CHRISTUS Santa Rosa, Children’s Hospital of San Antonio, and Methodist Health System Regarding the “DSRIP” and Uncompensated Care Programs —Ted Day

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) – Kourtney Mosby/ Francine Wilson

SUMMARY: The items listed on the consent agenda above were presented for approval.

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

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

EVALUATION: None.

FOLLOW-UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING CHILDREN’S SERVICES TRANSITION FOR UNIVERSITY HEALTH SYSTEM FACILITIES—TED DAY/CHRISTANN VASQUEZ

SUMMARY: Mr. Adams informed the audience that presentation would occur in closed session towards the end of the meeting.

RECOMMENDATION: None.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH SAN ANTONIO AIDS FOUNDATION ("SAAF") TO PROVIDE RESIDENTIAL SKILLED NURSING AND HOSPICE CARE TO UNIVERSITY HEALTH SYSTEM PATIENTS WITH ADVANCED HIV/AIDS

SUMMARY: Since 1991, University Health System has been reimbursing the San Antonio AIDS Foundation (SAAF) on a fee for service basis for providing residential skilled nursing and hospice care to University Health System patients with advanced HIV/AIDS. Patients referred into SAAF decrease costs to the Health System by reducing inpatient length of stay and ensuring continuity of medical services to individuals with no funding source. These patients would otherwise return to University Hospital’s emergency center with complications often requiring admission.

The purpose of the contract is to secure the above-mentioned services to include the following: assistance with mobility and activities of daily living; intravenous (IV) therapy; complex wound care; treatment of acute and chronic health problems; management of drug therapy; inpatient management of illness; and management of end of life care. The contract requires SAAF adhere to Quality Management Performance Goals which are monitored monthly by Health System staff.

In 2012, SAAF served 36 duplicated University Health System discharged patients needing skilled nursing or hospice services. These patients have no funding source or are underinsured. As of October 2012, SAAF provided 215 days of acuity level 2 services, 2,445 days of acuity level 3 services, and 2,716 days of acuity level 4 services for a total 5,376 patient days of services to University Health System patients. The total cost for providing 5,376 patient days of service is $312,097 resulting in an average cost $58.05 per patient per day.

SAAF will be reimbursed on a “Fee-for Service” basis of $62.50 per acuity level 4 patient day, $54.32 per acuity level 3 patient day, and $46.15 per acuity level 2 patient day, after the services are delivered, to a maximum amount not to exceed $375,000 for the provision of eligible services. This amount has been the same amount since the 2010 contract. This acuity based reimbursement method was agreed upon by University Health System and SAAF to realistically represent their patient care expenditures. This method of reimbursement has been coordinated with the Health System’s Director of Access & Case Management and the SAAF Director of Nursing. The term of the contract is 12 months beginning January 1, 2013 and ending December 31, 2013.

RECOMMENDATION: Staff recommends Board of Managers approval to execute an agreement with the San Antonio AIDS Foundation for a total of $375,000.

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

EVALUATION: Mr. Smith asked for a brief overview on the current status of HIV/AIDS in San Antonio. Dr. Roberto Villarreal responded that HIV/AIDS in San
Antonio has become a chronic disease, and no longer an acute situation, as compared to the epidemic of the late 1980s and early 1990s when people were dying. Patients are in their 40s and 50’s and today it is mostly a heterosexual disease. The Health System has a grant for rapid HIV testing at the Express Med clinics and in the emergency department. This grant is part of a Center for Disease Control program, which is important because the Health System is no longer a high pay priority as a guarantee for the Ryan White program. Houston has more incidents of prevalence than San Antonio does. Through the new grant, the Health System has been identifying patients at the rate of almost one per week, which may not sound like a lot among average numbers, but one per week is generally pretty high. There are many hidden incidents, but currently the FFACTS Clinic at the RBG handles about 2,025 patients. Half of these patients are funded through Medicare and/or Medicaid and the other half are funded through Ryan White. The San Antonio AIDS Foundation facilities are located at 818 Grayson Street near Broadway, where all of these services are provided.

FOLLOW-UP: None.

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

UNIVERSITY HOSPITAL:

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR PNEUMATIC TUBE SYSTEM MODIFICATIONS IN THE NEW HOSPITAL TOWER (GMP#13B-R)—MARK WEBB

SUMMARY: The original scope for pneumatic tube systems was approved by the Board in December 3, 2010. This guaranteed maximum price (GMP) involves enhancements to the original scope. To date, eighteen (18) GMPs have been developed for the new Hospital Tower project. These were detailed in the Fiscal Impact section of Mr. Webb’s written report.

Specifically, this 19th GMP allows for materials and construction services modifications to the pneumatic tube system currently being installed in the new tower with connections to the existing tower. The cost for pneumatic tube upgrades for the existing tower will be included in a future renovation GMP.

There will also be future enhancements and additional pneumatic tube stations added to serve the Pavilion, the Heart & Vascular Institute, the new Pharmacy and Clinic. These will be designed and constructed as part of the Phase 2 Renovation.

As the scope for pneumatic tube use is refined, it became apparent that additional stations and connections were needed in order to ensure operational efficiency throughout the departments. Specifically, these additions include:
• Redesign for core and Stat Lab traffic with traffic modifications for Blood Bank;
• Equipment associated with additional tube stations in Materials Management, Outpatient/Discharge, and Labor and Delivery; and
• Electrical power for additional pneumatic equipment in the new tower.

This GMP does not include the connections to the Pavilion, Heart & Vascular Institute, Pharmacy, or Follow-up Clinics. As designs are finalized and refined, the costs will be included in future GMPs.

The Tower Project Construction Manager has reviewed the design drawings prepared by the AE Team, and has provided a Guaranteed Maximum Price (GMP #13b-R) for the work associated with this GMP package. Mr. Webb provided a list of all the GMPs associated with this contract to date. Year to date control estimate, including GMP#13b-R, is $860,807,565 and the ZVL contract amount to date is $363,189,897.

The proposed GMP #13b-R in the amount of $212,843 for owner requested enhancements was not in the original budget. It is recommended that balance be paid from project contingency. This would decrease the project contingency funds from $12,414,238 to $12,201,395.

The participation goal for SMWVBE is 40% and the local participation goal is 80%. To date, SMWVBE participation of awarded construction projects is 39% and local participation is 77%. This does not include the dollars associated with the Construction Manager’s Fee or other project administrative costs including this GMP and insurance, bonds, permit fees, etc.) Mr. Webb reviewed the SMWVBE numbers achieved for all construction GMPs to date. GMP dollars awarded to date is $498,772,140. GMP dollars remaining to procure is $51,067,142

RECOMMENDATION: Staff recommends Board of Managers approval of an amendment to the Zachry Vaughn Layton Construction Management Agreement in the amount of $212,843 for GMP #13b-R.

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

EVALUATION: Mr. Adams thanked Mr. Engberg for dedicating himself to making sure that the Health System is well served. Staff continues to brief him on a monthly basis regarding finances and CIP items. Mr. Smith asked for clarification regarding the manner in which contract modifications are handled. He has heard complaints from minority vendors in the community that the Health System gets to know certain vendors very well and will continue to use the same vendor for certain jobs. Does the Health System select the vendor basically because they have been awarded a similar contract in the past? How is it determined which vendor is selected? Mr. Webb replied that staff utilizes a competitive process in all contract modification cases. The vendor selected is the vendor that provides the best value and is best suited to meet Health
System requirements. In this particular case, there are only a few local firms that do pneumatic tube system work. Mr. Smith asked staff to be cognizant of community concerns regarding the award of contracts.

FOLLOW-UP:
None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH PHILIPS FOR THE PURCHASE OF PHYSIOLOGICAL MONITORS AND REQUIRED COMPONENTS—MARK WEBB

SUMMARY:
As part of the design efforts at University Hospital, various medical equipment items are identified and procured by the UH project team. These efforts are being conducted with the guidance of ShenMilsonWilke (SMW), the medical equipment planner for the CIP.

Patient monitors will be utilized in the Emergency Center, Operating Rooms, Post Anesthesia Care Unit, Pre-Op, Trauma Clinic and ICU Patient Rooms.

A Request for Proposal (RFP 211-12-065) to propose solutions to the physiological monitoring needs at Robert B. Green (RBG) and UH was issued in January 2012. This would include the purchase, delivery and installation of all bedside and central networked monitors, telemetry devices and associated mounting fixtures and equipment. All monitors inclusive of software, equipment, and cables, and connections must work seamlessly with the Health System’s information technology infrastructure.

The responses below were received in February 2012 and vendor interviews were held in May 2012. The finalized scope for the RBG campus was approved by the Board in September 2012 while the scope was being refined for University Hospital:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spacelabs</td>
<td>$5,755,491</td>
</tr>
<tr>
<td>Phillips</td>
<td>$5,686,221</td>
</tr>
<tr>
<td>Draeger Medical</td>
<td>$8,337,245</td>
</tr>
</tbody>
</table>

After thorough review of the proposals, analysis of information received from the interviews and device trials, the Philips proposed devices were the only units that communicated seamlessly with the Health Systems information technology system and was the most economical choice for the Health System. As such, it has been determined that Philips is the vendor of best value to provide the physiological monitoring devices and associated software, cabling, fixtures, and equipment.

Based on pricing provided by the vendor, which was thoroughly reviewed by SMW (medical equipment only) and the project team, the following costs are associated with this purchase:
Scope: Purchase of Patient Monitors with associated components
Vendor: Philips
Budget: $7,643,191
Cost: $8,291,738
Funding Source: Project Funds and Project Contingency Funds

This purchase in the amount of $8,291,738 exceeds the budget by $648,547. As the scope of use for this equipment was refined and the capabilities of the proposed units realized, original assumptions were revised, and additional units were required. The proposed cost includes purchase of 253 monitors needed for tower opening as well as the infrastructure to support future monitor purchases (57 future devices projected). The original budget took into account the Health System’s initial intent to reuse existing equipment in various departments; current monitoring technology requires updated units. Ninety-seven (97) units originally intended for reuse will be new purchases. Inclusion of 10 ICU Rooms to the 5th floor which was not in the original scope (included in monitor count above). Additional waveforms and invasive pressures will be provided. Monitors with a higher level of acuity, gas analyzers, bed master ready with web, and transport devices not originally assumed will be purchased. Inclusion of central monitoring stations with recorders will be provided. Devices with Networked Cardiac Output will be purchased. The control estimate portion of this purchase will be funded by project funds and the remaining balance is recommended to be funded from project contingency. This would decrease the project contingency funds from $12,201,395 to $11,552,848.

Due to the nature of the medical equipment industry, there is limited opportunity for SMWVBE and local participation in this procurement. Although staff will make every effort to encourage participation, it is anticipated that the majority of the contracted dollars will be awarded to large, national vendors. The current level of SMWVBE and local participation on all CIP furniture, fixture, and equipment procurement is shown in the table below. Mr. Webb reviewed the workforce composition for Philips with the Board.

RECOMMENDATION: Staff recommends the Board of Managers approval of a contract with Philips for the purchase of patient monitors for the University Hospital Campus in the total amount of $8,291,738.

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

EVALUATION: Ms. Vasquez assured Dr. Jimenez that the nursing staff has been very involved in this particular issue and that physicians’ input had indeed been solicited. Ms. Rivas asked if the excess monitors would be recycled. Ms. Vasquez explained that there are use limitations on some of the monitors. Some will remain, specifically in ICU rooms for medicine patients, in the existing building. In the new building, the monitors will be hooked up in a very specific manner to allow a certain number of staff to view the monitors. However, normally, the parts of
surplus monitors are recycled by the biomedical engineering department. Mr. Briseno noted that the addition of 97 monitors is an increase of 40 percent, and is not an insignificant increase. Why are 97 more monitors needed? He agreed with Ms. Rivas’ point that there are bound to be left over units to be salvaged or sold. Staff will address Mr. Briseno’s questions directly.

FOLLOW-UP: Ms. Rivas requested a future report on all surplus inventory, hospital equipment, beds, computers, etc., and how the inventory is being recycled, re-circulated, or salvaged. The Board’s interest is in protecting the community’s investments and ensuring that these items are utilized as efficiently as possible

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH PERKINS +WILL FOR OWNER REQUESTED CHANGES THAT INCLUDE: ADDITION OF A TRANSPLANT EXAM ROOM, RELOCATION OF REHAB GYM, NEW EC RESULTS WAITING ROOM, AND THE ADDITION OF A HYDROTHERAPY ROOM IN THE NEW HOSPITAL TOWER—MARK WEBB

SUMMARY: On May 20, 2009 the Board of Managers approved a contract with Perkins+Will to provide architectural/engineering services for the CIP projects at University Hospital. Perkins+Will was selected through a Request for Qualifications and interview process to evaluate and perform a range of services including but not limited to: functional and space programming, area analysis reporting, budget reconciliation services, constructability reviews, scheduling assistance, architectural design, civil engineering, site structural engineering, security consultation, heliport design, art/community involvement planning, simulation modeling and building information modeling.

The original agreement, with a not to exceed contract amount of $45,310,513, has been amended to include additional design for the remote parking lot, facility hardening, zoning changes, Pavilion IT, mock ups, central utility plant (CUP), payment of permit fees, approved enhancements, the Heart Center study and planning studies concerning medical equipment integration, basement excavation, loading dock revisions, blood bank and Emergency Center design, meeting room and patient room reconfigurations as well as additional designs throughout University Hospital campus. These amendments increased the contract by $4,036,157 for a revised contract amount of $49,346,873.

Staff and the CIP team requested that Perkins+Will develop designs and engineered solutions to meet specialized needs in the new tower that weren’t originally contemplated by staff during the original design. These changes are needed to accommodate more efficient patient care and flow, as well as operational efficiency. Specifically, these items, which are all in new tower include:
1. Addition of a Transplant Exam Room - $14,180  
2. Addition of a New EC Results Waiting Room - $21,530  
3. Addition of a Hydrotherapy Room - $16,200

The project manager reviewed and negotiated these fees in the amount of $51,910. Perkins+Will participation levels are 38% for SMWVBE and 60% local firms.

**RECOMMENDATION:** Staff recommends Board of Managers approve an amendment to the contract with Perkins+Will for architectural/engineering services in the amount of $51,910.

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

**EVALUATION:** Mr. Briseno noted that designing fees for this project are at 10 percent, higher than what would normally be expected. From his experience, designing fees are at about 5 or 6 percent of the total cost. Since Perkins+Will already has this contract why is the fee so high? The fee is higher because this project is already in the construction phase and the changes are more complex, there is more work associated with this design. Ms. Rivas asked how the CIP team had concluded that these three additions were necessary. The CIP team, which consists of UHS staff members, provided this input after additional review from an operational standpoint. Mr. Hernandez assured Ms. Rivas that the team included clinical personnel who provided input into this review process. The proposed additions are independent of each other and on different floors. The various teams communicate with an overall stakeholder team to ensure the most thorough outcome.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH MEDASSETS, INC. FOR LEAN WORKFLOW DESIGN AND WORKPLACE ORGANIZATION SERVICES ASSOCIATED WITH THE MOVE AND TRANSITION INTO THE NEW TOWER AT THE UNIVERSITY HOSPITAL CAMPUS—MARK WEBB**

**SUMMARY:** A key and challenging component of the overall CIP is the transition from the existing facilities into the new 1,000,000 square foot tower. Transition planning has begun in earnest and will involve most staff to a certain degree. The transition efforts that are currently ongoing emphasize the preparation for the physical relocation and hand-off of equipment, staff, and patients while providing the continued high level of patient care.

However, compounding the complexities of transitioning to the new facility are the numerous operational and fiscal challenges pending upcoming changes to federal and state healthcare policy. With fewer financial resources available, the ability to provide the highest quality
care in the most efficient and cost effective manner is essential. Staff has been proactive in developing strategic management initiatives, including the new LEAN initiative, to compensate for these adjustments and succeed in a new healthcare business environment.

Although the design of the new tower is evidence based and patient centered, efforts need to be made to ensure consistency of operational processes and standardization of operations throughout the new tower regardless of department. In an effort to ensure the most effective workplace organization and working environment, staff developed a solicitation for consulting services. The consultant will utilize the evidence based design of the new tower developed by the CIP Team and apply learned LEAN efficiencies and upcoming simulation processes to ensure service and operational efficiencies in the new facility. By applying the learned efficiencies to the new floor configurations and through simulations the operational processes will be challenged to define areas of future improvement in the areas of process complexity, material utilization, time use, patient interface and care and overall effectiveness that will allow both long-term and short-term benefits to the organization.

The **Lean Workflow Design** or “Future State” Process Design lays the foundation for an effective workplace organization. This process is a systematic approach to process design that focuses on defining, developing and integrating safe, efficient, waste-free operational processes through the use of lean principles. It is intended that the best valued vendor will design processes focused on clinical and support services which improve patient care by eliminating waste, reducing cost and improving quality. Utilizing the 3P Tool (Product-Process-Preparation), the team will focus on the interdepartmental activities, connections, and pathways.

The **Workplace Organization** lays the foundation for a predictable working environment. This process is a systematic application of 5S (sort, straighten, shine/sweep, standardize and sustain) principles and visual management throughout the organization by targeting highly repetitive rooms in order to leverage standard work, improve quality, safety and operational efficiency.

Through the use of lean principles, the best valued vendor will prepare individual rooms of the new facility by stocking and organizing supplies, furniture and moveable equipment resulting in determination of prototype rooms and then clones of the prototype rooms.

The scope – Lean workflow design, workplace organization services and move and transition to new tower - for RFP-212-09-050-SVC was issued on September 28, 2012 and three (3) proposals were received on October 26, 2012:

- MedAssets - $1,372,500
- Creative Healthcare – $408,990
Deisell Consultants, LLC – costs based on service plan chosen by owner

Vendors were then interviewed by a selection committee comprised of UHS System Executives. Although MedAssets was not the lowest bidder, based on vendor responses and information obtained from the interviews, their proposal provided the most comprehensive plan to provide lean workflow design and workplace organization services with the move and transition into the new tower. The proposed contract is in the amount of $1,372,500. Fees for this contract will be paid from project savings generated by MedAssets. MedAssets Inc. has proposed 27.6% SMWVBE and 27.6% local participation with this contract through the use of various qualified subcontractors.

RECOMMENDATION:
Staff recommends Board of Managers approval of a contract with MedAssets Inc. in the amount of $1,372,500 for Lean Workflow Design, Workplace Organization Services with move and transition to new tower

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

EVALUATION:
This is not a CIP budgeted item. This amount is being paid from savings yielded by MedAssets, which is anticipated to be $1.9 million. Mr. Briseno asked where UHS would see the future savings from this contract. The savings will be returned to the CIP budget but staff also anticipates some operational savings on an ongoing basis. Mr. Engberg expressed support for this project, stating that he sees it as having real value, and does not see it related to the $1.9 million in savings. Mr. Briseno asked about the initial contract with MedAssets for a comprehensive solution that the Board approved at the end of 2011. The contract was for $3 million and savings were estimated at $9 million. Those initial savings were realized in 2012. The current contract will yield additional savings this year. Mr. Adams briefly summarized Mr. Briseno’s point: That the Board wants staff to be accountable for receiving the savings. Ms. Vasquez urged the Board’s favorable consideration stating that in her 20-year career she has built four hospitals and has never used such technology or expertise. She was impressed after seeing the company’s capabilities and how they design the processes and how they can eliminate all of the variations in a hospital. In this particular model, every Intensive Care Unit will be set up and laid out in the exact same way, as one prototype. Another prototype is one of a medical/surgical nursing unit. Everything will be laid out so that efficiencies are maximized for the staff.

Ms. Rivas asked if the Lean Workflow Design process will somehow interact with the automated guided vehicles approved by the Board late last year. Yes, plus the automated guided vehicles will be programmed with a destination for distributing supplies. Ms. Rivas asked staff to ensure that the various firms and consultants communicate with each other so that staff does not need to make any future adjustments or additional changes.

Dr. Jimenez asked about plans for transitioning into the new tower. Who will decide who moves in and when? MedAssets will be involved in the orderly transition, but there is a staff transition team that will be actively
involved as well. Dr. Jimenez requested a preliminary update or preview of transitional activities for the Board on the new tower, to which Mr. Webb replied that the earliest he can provide that report would be late summer, 2013.

FOLLOW-UP:
As indicated above.

ROBERT B. GREEN CAMPUS: START HERE

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR TRANSITION ENHANCEMENTS AT THE CLINICAL SERVICES BUILDING AT THE ROBERT B. GREEN CAMPUS (RBG-GMP #6Q)

SUMMARY:
To date, sixteen (16) guaranteed maximum prices (GMPs) have been developed for new construction at the Robert B. Green Clinical Pavilion. These amendments are detailed in the Fiscal Impact section of this memo.

During department training and transitioning, multiple suggestions were made to coordinate departmental changes that have occurred since design completion and to streamline operations. Specifically, this GMP includes the costs for owner requested changes that include architectural, electrical, plumbing, mechanical, medical equipment, and furniture to increase efficiency throughout the departments.

Bartlett Cocke, the RBG Construction Manager (CM), has reviewed the design and has provided a Guaranteed Maximum Price (GMP #6q) for the work associated with this GMP package. The proposed GMP #6q in the amount of $268,541 will be paid from Owner Contingency.

This would decrease the project contingency funds from $587,774 to $319,233. Mr. Webb reviewed all of the GMPs related to this contract to date. The participation goal for SMWVBE is 56% and the local participation goal is 95%. To date, SMWVBE participation of awarded construction projects is 64.06% and local participation is 98.36%. 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.). Mr. Webb reviewed SMWVBE numbers achieved for all construction amendments to date. GMP dollars awarded to date is $85,219,862. GMP dollars remaining to procure is $10,948,974.

RECOMMENDATION:
Staff recommends Board of Managers’ approval of amendment to the existing Bartlett-Cocke Construction Management Agreement in an amount of $268,541 for GMP #6q.

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

EVALUATION:
None.

FOLLOW-UP:
None.
CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE CONTRACT AMENDMENT FOR RTKL FOR DESIGN SERVICES FOR TRANSITION ENHANCEMENTS OF THE CLINICAL SERVICES BUILDING AT THE ROBERT B. GREEN CAMPUS

SUMMARY: On September 28, 2009 the Board of Managers approved a contract with RTKL Associates Inc. (RTKL) to provide architectural/engineering services, as well as information technology design, furniture, fixtures and equipment planning services for the Robert B. Green Campus (RBG). Thirteen (13) changes to the RTKL contract have been authorized to date and are outlined in the fiscal impact section below.

During department training and transitioning, multiple suggestions were made to coordinate departmental changes that have occurred since design completion and to streamline operations. Specifically, this amendment for owner requested changes, and design modifications includes architectural, electrical, plumbing, medical equipment, furniture and mechanical design to increase efficiency throughout the departments, and accommodate strategic departmental relocations due to the demolition of building C. Changes include additional electrical power and data outlets, room reconfigurations, additional signage, design for equipment upgrades/changes, and additional backfill design. The fee for the proposed amendment, which has been reviewed by the project manager and staff, is $58,515. Mr. Webb outlined the previously approved authorizations for additional service requests from RTKL in detail. The original contract amount is for $7,728,795; previously approved amendments is $2,642,853 which brings the total of this contract to $10,430,163. These fees will be funded from project funds. As negotiated in RTKL’s original contract, 25.74% SMWVBE and 52% local participation goals are expected. Participation levels to date are listed below:

RECOMMENDATION: Staff recommends the Board of Managers approve the amendment to the contract with RTKL in the amount of $58,515 for additional architectural services and authorize the President/CEO to execute an amendment to the RTKL agreement in the amount of $58,515.

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

EVALUATION: None.

FOLLOW-UP: None.
(SMW) was originally contracted through the design team to provide program level medical equipment procurement for both campuses and co-procure as much equipment as possible to provide University Health System with the most cost effective bulk purchases. However, the co-procurement efforts have recently been completed as the two project schedules (University Hospital and RBG) have diverged.

The RBG project team became aware that SMW was not meeting specific delivery dates and made the decision to implement the first of many recovery plans to assist SMW with its schedule. However, SMW was still not able to catch-up and meet medical equipment projected delivery dates. Subsequently, RTKL separated service with SMW and took on the responsibilities with their internal equipment planning team at no additional cost to the Health System. RTKL will perform all the procurement efforts that SMW was contracted for, including bid process and analysis, equipment requisitions, tracking, expediting with the vendors and installation services. Equipment and supplies to be procured include environmental service carts, lead aprons, patient lifts, television brackets, exam lights, syringe racks, waste baskets, procedure carts, and a variety of other items.

In order to ensure that the departmental transition dates were met, a more aggressive recovery plan, including, an expedited procurement process, was initiated that utilized Bartlett Cocke to issue a limited number of purchase orders to the vendors in order to purchase certain pieces of medical equipment directly that were originally going to be purchased by the Health System. This expedited process will be needed until February 4, 2013. Approximately 20 requisitions ($196,750) have been processed to date while 4 additional requisitions ($67,235) remain to be processed though this procedure. Bartlett Cocke, the RBG Construction Manager (CM), has agreed to the expedited medical equipment process at no additional cost to the Health System. The proposed GMP #8 in the amount of $264,075 will be paid from project funds. These are funds included in the project budget that originally would have been paid by the health system directly to the vendors. The control estimate for this item is $264,075. The participation goal for SMWVBE is 56% and the local participation goal is 95%. To date, SMWVBE participation of awarded construction projects is 64.06% and local participation is 98.36%. 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.). Mr. Webb reviewed the SMWVBE numbers achieved for all construction amendments to date. GMP dollars awarded to date is $85,219,862. GMP dollars remaining to procure is $10,948,974. Additionally, the inclusion of GMP #8 adjusts the Construction Manager’s Construction Cost Limit (CCL) to a total of $96,610,611. This is the fifth amendment to the Bartlett Cocke CCL.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of an amendment to the existing Bartlett Cocke Construction Management Agreement in the amount of $264,075 for GMP #8, and an adjustment of the Construction Cost Limit to $96,610,611.
ACTION: A MOTION to approve staff’s recommendation was made by Ms. Cedillo, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION: Ms. Vasquez commended the CIP team for realizing that SMW was not meeting the needs of the Health System. She personally met with the leader of the RTKL internal equipment planning team and was extremely impressed with the level of detail. This team worked all weekend long to ensure the Health System would be ready to see patients on Monday morning.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR DECEMBER 2012 FINANCIAL STATEMENTS—ROE GARRETT/PEGGY DEMING

SUMMARY: For the month activity was down 12.2% for the Clinical Services (as measured based on discharges adjusted for outpatient activity). For the year activity was down 2.1% compared to budget, but was 7.0% over 2011. Community First Health Plan (CFHP) fully-insured membership was down 3.6% and was down 2.5% for the year. Compared to 2011, fully-insured membership declined 4.4%. From operations, the Health System experienced a gain of $9.5 million which was $9.9 million higher than the budgeted loss of $450,000 due to higher operating revenue. Meaningful use incentive of $407,000 was recorded and was $80,000 over budget due to the CMA portion which was not budgeted. Investment income was under budget by $73,000 due to slightly lower interest rates than budgeted. An unrealized market loss of $69,000 was recorded in the month. The bottom line gain excluding debt service was $10.1 million which was $9.9 million higher than the budgeted gain of $197,000. CFHP reflected bottom line loss of $528,000 which was $192,000 off from a budgeted loss of $336,000. Debt Service Revenue was $3.5 million which is equal to the budgeted portion of the Debt Service payment of $3.5 million. Mr. Garrett reviewed notable increases and decreases from the Consolidated Balance Sheet in detail with the Board.

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 Ms. Rivas, and PASSED UNANIMOUSLY.

EVALUATION: Mr. Smith asked what the gain in operations of $9.9 million (higher than the budgeted loss of $450,000) was attributed to. Mr. Garret replied that this was due to a Medicaid rate change that occurred in late 2011, which made a huge difference. DISPRO and UPL changes have affected the last 3-4 years, and some changes that relate to the State’s budget year which ended last September are still pending. These numbers are never very solid. Additionally, Mr. Hernandez reminded the Board that the 1115 Waiver was approved late in December 2011 after the UHS budget had been presented to Bexar County Commissioners Court. There are a
lot of potential pit falls related to the waiver and the staff budgets according to the information that is available at planning time.

Ms. Rivas noted that salaries are not getting better. Numbers are very high for both overtime and compensation and have been for several years. This is a challenge for a lot of organizations and it is very important to staff appropriately to avoid overtime as much as possible. She is concerned about additional staff that might be needed for the new facilities, the pediatric services program that is being considered, and the market in general where there are other hospitals and clinics looking for the same type of individual. Mr. Adams acknowledged that the Board has historically been interested in two areas - salaries and supplies. Ms. Rivas will discuss the issue with Mr. Hernandez, outside of a Board meeting.

FOLLOW-UP:

REPORTS AND EDUCATION:

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN

STATUS REPORT ON PROJECT BUDGETS, ENHANCEMENT PRIORITIES AND CONTINGENCY LEVELS FOR THE CAPITAL IMPROVEMENT PROJECT—MARK WEBB

SUMMARY: Mr. Adams directed the Board’s attention to both reports above. He urged his colleagues to review and to contact staff with questions. Mr. Hernandez announced that in light of the Board’s interest in the CIP budget, enhancements, and contingency levels, He would be asking Mr. Webb to return with a full presentation to the Board.

RECOMMENDATION: These reports were provided for informational purposes only
 ACTION: None.
 EVALUATION: None.
 FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

REPORT REGARDING YEAR 2012 MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS—JOHN G. MYERS, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES—MARK WEBB

UPDATE ON CLINICAL SERVICES BUILDING OPERATIONAL ACTIVITIES—SERGIO FARRELL/GARY MCWILLIAMS, M.D.

FEDERAL AND STATE LEGISLATIVE REPORT FOR 2013—ANDREW SMITH

SUMMARY: Mr. Adams directed the Board’s attention to the four reports above. He urged his colleagues to review them and to contact staff with questions.
CONSIDERATION AND APPROPRIATE ACTION REGARDING CHILDREN’S SERVICES TRANSITION FOR UNIVERSITY HEALTH SYSTEM FACILITIES—TED DAY/CHRISTANN VASQUEZ

SUMMARY: Staff provided a detailed written proposal for the Board’s review, which was described as a key strategic opportunity for the Health System to significantly enhance its position to emerge as a recognized leader in the provision of children’s services to the community. This is an opportunity to create value in these services that we build and operate. Staff intends to leverage the opportunities of receiving the transition of children’s inpatient services from CHRISTUS Santa Rosa to the Health System’s advantage as staff expands the reach and impact of its children’s services network. At this point Mr. Hernandez informed the meeting attendees that today’s presentation would take place in closed session because the information involves competitive, marketing and proprietary data.

CLOSED SESSION:

Mr. Adams announced the Board meeting closed to public at 7:55 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 and planning information relating to the arrangement or provision of proposed new services and/or product lines. All Board members were present. Also present were George Hernandez, Christann Vasquez, Peggy Deming, Ted Day, Mark Webb and Michael Hernandez, Bryan Alsip. No action was taken during the closed session.

The public meeting reconvened at 9:43 p.m.

RECOMMENDATION: Staff recommends Board of Managers’ endorsement of the proposed concepts and initiatives for expansion of University Health System’s Children’s Services Network.

ACTION: None. The Board of Managers was not prepared to take action on this item today.

EVALUATION: After closed session, Mr. Adams addressed Dr. Mayes, asking him to communicate to the School of Medicine that there is value for everyone in this relationship. The Health System will need to be part of a broader vision of the relationship with UTHSCSA. Board members feel that the relationship has not been equal but rather, a “you fund or do” situation. The organizations do not always talk as equals and are not open about their respective inner workings. Mr. Adams asked that the School of Medicine consider specific arrangements about how the organizations will do joint planning, and reiterated that this must be done together. He also noted the need to consider how the organizations operate, show mutual respect, and recognize each other’s contributions. As both organizations move further along with defining and clarifying terms,
there is no need to rush into something that is not fully understood. This matter must be taken care of promptly but as co-equals, with a wider understanding of what is being done. The Board’s first priority are the needs of this community. Mr. Adams offered to be available to meet with UTHSCSA leadership to ensure open communication. The Board of Managers as a whole has a very strong desire to work together with UTHSCSA on a larger platform as co-equal partners moving forward. He thanked Dr. Mayes for staying after the closes session and expressed appreciation and respect for him.

On another matter, Mr. Hernandez informed the Board of the need to re-examine the model of care provided through San Antonio AirLife because of changes in the industry, the aging fleet, and the need to protect the brand. Although the Health System has ownership right now, there are at least two other models available. There's a community based model, and a hybrid. Staff will bring this AirLife item to the Board for consideration because AirLife is losing market share and losing a valuable commodity. Mr. Smith encouraged all of the Board members to provide input at the appropriate time.

FOLLOW-UP:
None

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the public meeting at 9:53 p.m.

James R. Adams
Chair, Board of Managers

Rebecca Q. Cedillo
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary