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

Tuesday, July 22, 2014
2:00 p.m.
Corporate Square, 10th Floor, Conference Room A
4801 N.W. Loop 410
San Antonio, TX 78229-5347

MINUTES

BOARD MEMBERS PRESENT:
James R. Adams, Chair
Dianna M. Burns, M.D., Secretary
Roberto L. Jimenez, M.D, Immediate Past Chair
Robert Engberg
Ira Smith
Robert Gilbert

BOARD MEMBERS ABSENT:
Linda Rivas, Vice Chair

OTHERS PRESENT:
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Felix Alvarez, Executive Director, Procurement Services, University Health System
Karen Bryant, Vice President, Hospital Operations, University Hospital
Ted Day, Vice President, Strategic Planning & Business Development, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Sherry Johnson, Vice President/Integrity Services and Compliance, University Health System
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, 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.

MEDIA:
Peggy O’Hare, San Antonio Express News

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

Mr. Adams called the meeting to order at 2:00 p.m.
INVOCAION AND PLEDGE OF ALLEGIENCE:

Mr. Adams introduced Mr. Dan Aguirre of Oasis of Light Church for the invocation, and he led the pledge of allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

TUESDAY, MAY 27, 2014 (REGULAR MEETING)

SUMMARY: The minutes of the Board meeting of Tuesday, May 27, 2014, were presented for Board approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

ACTION: There being NO OBJECTION, the minutes were approved as submitted.

EVALUATION: None.

FOLLOW-UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER SAN ANTONIO SOUTH TEXAS REFERENCE LAB FOR TIME SENSITIVE LABORATORY TESTING FOR TIME SENSITIVE LABORATORY TESTING – KAREN BRYANT

SUMMARY: Ms. Bryant submitted a detailed, written report and provided a graphics presentation at the meeting. In the form of background, she and Mr. Adams reported that in March, 2014 the Board of Managers had approved a contract between the Health System and Quest Diagnostics (Quest), based on their proposed cost savings, expertise, continuous access for consultation, and utilization management. After a great deal of consideration, Quest took over testing that had been historically sent to South Texas Reference Laboratory (STRL) at The University of Texas Health Science Center at San Antonio (UTHSCSA). This change did not have the full support of the UTHSCSA; however, the issues were real and staff made the business decision to transition the contract to Quest. Ms. Bryant provided the following update:

Key milestones of the transition:

- March - Test list finalized and transition occurred.
- April - Turn around time monitored on a weekly basis; UT pathologist visited Quest operations; provided training on new technologies; turnaround time for specific time sensitive tests was identified as not being optimal.
- May/June/July - Quest and UHS collecting baseline utilization data for both routine and time sensitive tests since implementation. An in depth review of the tests sent to Quest will begin in August. This will include physician education and utilization management. All tests have met defined turn around time goal 95% of the time.
Improvements since implementation:

- A dedicated line, available 24/7, is available for Pathologists to speak to a Quest pathologist.
- An additional pick up time was added late in the day to facilitate late requests for testing.
- Monthly Quality Assurance meetings with Pathology leadership and Quest.
- Implementation of Quest’s Care360 software system which allows the Pathologists to access results and identify in real-time where the specimen is in the testing process.
- Implementation of Quest’s Inscape system which allows for remote reading of scanned studies. By using this new approach, the turnaround time for results will decrease.
- Quest is validating a RemoteFlow digital technology to support the flow cytometry at UHS in this same fashion.

Cost Savings:

- To date, expenditures are on track to achieve annual savings target.
- Growth in pediatrics and adult hematology oncology patient population may skew this data.
- Quest has been collecting baseline utilization data to identify opportunities in over utilization of tests ordered. This could result in further savings for the health system.

UHS has identified a menu of tests that are particularly time-sensitive:

- For these tests, results are needed to treat the patient faster than a laboratory’s published turnaround time for that test.
- This list of diagnostic studies include tests that are critical to determining the direction of patient care for adult and pediatric acute leukemia, lymphoma, and renal patients.

The majority of reference laboratory testing will continue to be sent to Quest, while these critical time-sensitive tests will be sent to STRL.

RECOMMENDATION: Staff recommends Board approval for a contract with STRL to provide reference laboratory testing for the small menu of tests (127) that were determined to be time-sensitive and that Quest cannot meet the physician’s desired turnaround times. The term of the contract is for one year beginning in March 2014, in the amount of $176,778.

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

EVALUATION: None.

FOLLOW-UP: None.
PRESENTATIONS AND EDUCATION:

COMMUNITY FIRST HEALTH PLANS, INC., BIANNUAL OPERATIONS REPORT – GREG GIESEMAN

SUMMARY

Mr. Gieseman provided an in-depth written report and provided a graphics presentation at the meeting. He reviewed Medicaid market share data for the Bexar County service area for the period July 2013 through July 2014, as well as Medicaid membership, Children’s Health Insurance Program (CHIP) market share, and CHIP membership. He also reviewed quality initiatives and preliminary 2013 at risk measures for STAR and CHIP products (subject to Health & Human Services Commission verification and risk adjustment). He provided an update on other quality initiatives, such as 2014 HEDIS efforts, the 7.6 percent reduction in emergency department utilization per 1,000 annualized for all lines of business, and 6.5 percent reduction in hospital readmissions within 30 days for all lines of business. Regarding the National Committee for Quality Assurance (NCQA) accreditation initiative, Mr. Gieseman reported that Community First had applied for interim status in September 2013, achieved interim accreditation in April 2014 with a score of 49.7 out of 50 for Commercial, Medicaid and marketplaces lines of business. The first full NCQA survey is scheduled to take place in August 2015.

Mr. Gieseman described the following:

Operational Initiatives:

- TDI Triennial audit
- ICD-10 preparation
- Upgrade core operating system to Amisys 6.3.1
- Premium billing/collection for individual marketplace enrollees
- Implemented medical analytics software
- Participation in community-wide Affordable Health Care Act events during open enrollment and through special enrollment period
- Successful rebid of ERS for PY2014 and Evergreen contract award for PY2015

Medium/Long Term Opportunities:

- Commercial lines of business (Marketplace, Administrative Services Only)
- STAR Kids (Request for Proposals to be released 7/2014; response 10/2014; effective 9/2016)
- Core operating system plan (Recommendation to CFHP Board 10/2015)
Short Term Issues:

- Behavioral health carve-in preparation for 9/14 effective date
- Premium rate reductions from HHSC effective 9/2014
  - Utilization opportunities by risk group
  - Methodist contract renegotiations
- Baptist participation
- Marketplace participation
  - Final decision 10/2014
  - Enrollment period 11/2014; effective 1/2015

Finally, Mr. Gieseman reviewed CFHP’s financial performance year to date through June 2014. He compared actual membership of 803,006 to budgeted membership of 796,447, a favorable difference of 6,159, or .08 percent. Actual net income is at $6,238,751 compared to budgeted income of $924,537, a favorable difference of $5,314,214, or 575.8%.

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

ACTION: None.

EVALUATION: Dr. Jimenez asked about the future of CFHP, what value is there for the Health System to continue its sponsorship of CFHP? Mr. Adams informed the Board that soon after the Affordable Care Act was enacted, a determination to “wait and see” its true impact upon the community was made. It is quite possible under some scenario that CFHP will be a valuable asset. There have been some cases in the past by which CFHP was hindered by the Health System’s inability to take certain positions regarding rates because adoption of those rates would have the opposite affect on the Health System. We want to be sure that CFHP offers something to UHS and vice versa. There have been heart-to-heart discussions and after careful consideration, we want to see what will happen with the Affordable Care Act. Mr. Gieseman agreed that as an organization, the sponsorship conversation needs to occur. Mr. Gieseman confirmed the Health System’s efforts to expand the pediatrics line of service will impact CFHP due to the increased costs.

Mr. Adams led a discussion regarding action plans for improving financial projections for the Health System. He asked the staff to comment regarding ongoing initiatives and actions. The objective is for the Board to understand, over time, where the Health System is headed. He reiterated that although the Board directs a majority of questions towards the finance team, these projections are the responsibility of operations staff. Ms. Deming confirmed that the staff is making important, concerted efforts to improve in certain areas and have identified 58 management initiatives. Although some of those projects are complex, 14 out of 58 have already been achieved. For example, Ms. Vasquez cited reduction of overtime pay as one of those projects. Ms. Ray has a 100 percent opportunity to improve this by working with all patient care directors, and together, they have made a 30 percent improvement on incidental overtime so far. The remainder of that improvement should come through during the month of July. This is also the most sophisticated project that is happening on the 9th floor. Staff is
actually posting the percentage of overtime on a centralized board on a daily basis with their goal being 100 percent improvement. Staff all agree that they will clock in on time because when someone is late, they create a domino affect on the unit due to patient hand off reports that are required at the change of every shift. The unit is using Lean methodology to make this improvement and they are all excited to own the project. The executive team rounds on this unit every other week, and supports this best practice within the organization.

In another example, staff became aware of a certain community that did not have a huge need for a certain clinic. That clinic was moved to RBG to create a more comprehensive clinic and reduce costs. The service at RBG was picked up by UT Medicine Department of Ob/Gyn. Further, all of the contracts with external providers are under review. For continuity of care, some of the contracts will be maintained; however, there is some advantage to moving as many of those patients back with CMA providers. Ms. Vasquez confirmed that the contract with CentroMed for CareLink patients is one that will be maintained. Mr. Adams and Mr. Smith concurred that as the Health System has more capacity available, staff needs to ensure that Health System facilities and providers are being utilized. Mr. Adams asked the staff to be very astute about how contracts with external providers are managed while taking into consideration the Health System’s investments.

For July, Ms. Vasquez reported that the case mix index looks better than it did in June, a good indication from a financial perspective. The length of stay is a little higher than anticipated, with four patients having a length of stay over 20 days. From a discharge perspective, this is being tracked on a daily basis. The adult side was off by 45 discharges, and last month actual budget was missed by 19. In pediatrics, we are 60 admissions off, where last month we were 150 admissions off budget.

Dr. Burns asked if external providers are obligated in any way to admit patients to University Hospital. CareLink patients are supposed to be directed to University Hospital. Patients or providers for whatever reason may choose to go to a different hospital; however CareLink will only cover hospitalizations at University Hospital.

Dr. Jimenez suggested a report from staff regarding reasons for the extended lengths of stay, and Dr. Burns would like to see a follow up report on the re-admissions rates at University Hospital.

Mr. Adams informed the staff that the Board will be very interested in monthly financial/operations reports regarding the actions taken by staff and not the reasons for negative variances. The Board is interested in knowing how the staff is fixing the major causes, and is holding the appropriate operations staff accountable for activity and projections.

Another item of interest to Dr. Burns has to do with penalties under the Affordable Care Act for those hospitals that do not meet quality indicators since payers are now paying for value, not fee for service. Mr.
Adams asked Dr. Alsip to be more active in aggressively impacting the practitioners about metrics considered important by the Health System. Also discussed briefly was Dr. Jimenez’s point that many prestigious hospitals are re-examining their academic affiliations given that Medical Schools are under extreme challenges to meet teaching and research missions.

On a final note, Mr. Adams informed meeting attendees that Ms. Rivas was not at today’s meeting due to an important event at the White House with the U.S. Department of Labor.

Mr. Hernandez is not in attendance today due to his mother’s passing last Thursday. Services will be held on July 23 and 24, 2014.

Dr. Burns’ husband’s passed away a couple of weeks ago. It was extremely uplifting for Mr. Adams to learn how much both Dr. Burns and her husband mean to this community.

Ms. Vasquez has accepted a position in Austin, Texas. Mr. Adams thanked her for helping to lead the Health System during her tenure.

Mr. Webb will serve as Chief Operating Officer on an interim basis. Mr. Adams and Board members pledged to support Mr. Webb in his new role.

FOLLOW-UP:
None.

ADJOURNMENT:
There being no further business, Mr. Adams adjourned the public meeting at 3:25 p.m.

James R. Adams  
Chair, Board of Managers

Dianna M. Burns, M.D.  
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary