BOARD MEMBERS PRESENT:

Ira Smith, Vice Chair
Dianna M. Burns, M.D., Secretary
Robert Engberg
Janie Barrera
James Hasslocher

BOARD MEMBERS ABSENT:

Jim Adams, Chair
Roberto L. Jimenez, M.D., Immediate Past Chair

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Tommye Austin, Ph.D., Senior Vice President, Chief Nurse Executive, University Health System
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Ted Day, Executive Vice President, Strategic Planning and Business Development, University Health System
Donald Finley, Director, External Communications/Corporate Communications, University Health System
Woodson “Scott” Jones, M.D., Vice Dean, Graduate Medical Education/Designated Institutional Official, UT Health San Antonio
Rob Hromas, M.D., Dean, Long School of Medicine, UT Health San Antonio
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Sherrie King, Deputy Chief of Police/Protective Services, University Health System
Leni Kirkman, Senior Vice President, Strategic Communication and Patient Relations, University Health System
Robert Leverence, M.D., Chief Medical Officer, UT Health San Antonio
Kirsten Plastino, M.D., President, Medical/Dental Staff, University Health System; and Professor, Department of Obstetrics & Gynecology, UT Health, San Antonio
Serina Rivela, Interim Chief Legal Officer, University Health System
Don Ryden, Vice President/Project, Design, and Construction, University Health System
Travis Smith, Deputy Chief Financial Officer, University Health System
Allen Strickland, Vice President, Hospital Administration, University Hospital
CALL TO ORDER AND RECORD OF ATTENDANCE: JIM ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Smith called the meeting to order at 2:02 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Smith introduced Ms. Anne Welch, Calvary Church of San Antonio, for the invocation and he led the Pledge of Allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

JUNE 26, 2018 (REGULAR MEETING)

SUMMARY: The minutes of the Board meeting of Tuesday, June 26, 2018, were presented for Board approval.
RECOMMENDATION: Staff recommended approval of the minutes as submitted.
ACTION: A MOTION to APPROVE staff’s recommendation was made by Mr. Engberg, SECONDED by Mr. Hasslocher, and PASSED UNANIMOUSLY.
EVALUATION: None.
FOLLOW-UP: None.

CONSENT AGENDA – IRA SMITH, VICE CHAIR:

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT TO THE LOCAL MATCH MEMORANDUM OF UNDERSTANDING WITH THE CENTER FOR HEALTH CARE SERVICES – SALLY TAYLOR, M.D.

SUMMARY: The purpose of this Amendment to the Local Match Memorandum of Understanding (MOU) is to amend the current cycle of the Local Match agreement, by adding $40,642.00 for state fiscal year 2018 (from Sept. 1, 2017 to Aug. 31, 2018), to match the additional funding the Center has received from the State. This local match is calculated as 9 percent of the general revenue received by the Center from the Texas Health & Human Services Commission. During the 85th Legislature (2017), approximately $7.3 million in funding to address the growing waitlist was appropriated over the biennium to the Local Mental Health Authorities (LMHA). The Center expected to receive approximately $1.6 million to address the current waitlist of 498 (as of February, 2018). However, this funding was reduced to
$903,151.00. The Center is currently serving at 104 percent (6,103 individuals) of the required state target of 5,878. With the additional funds, the Center’s new target increased by 560 to a total of 6,438 individuals. This MOU does not create an employment relationship, partnership, or joint venture between the Center, its subcontractors or employees and the Health System. The current amount of the Health System’s FY 2018 local match contribution is $2,465,925, the equivalent of 9 percent of the Center’s General Revenue Funding, as required by the Center’s FY 2018 HHSC Mental Health Performance Contract. As required by the FY 2018 HHSC Mental Health Performance Contract with the new allocation, the Health System’s Local Match requirement increases by $40,642.00 for the current state fiscal year (Sept. 1, 2017 – Aug. 31, 2018). This amount was included in the Health System’s 2018 budget. The Center’s workforce composition data was provided for the Board’s review.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval to execute an amendment to the current Memorandum of Understanding for Local Match with The Center for Health Care Services in the amount of $40,642.00 for the Center’s FY18 (September 1, 2017 – August 31, 2018).

**ACTION:** There being **NO OBJECTION**, staff’s recommendation **CARRIED**.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**ACTION ITEMS:**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING PROFESSIONAL SERVICES AGREEMENTS WITH THE FOLLOWING ORGANIZATIONS FOR THE RYAN WHITE PROGRAM, SERVING HIV AFFECTED CLIENTS, AND FUNDED THROUGH THE TEXAS DEPARTMENT OF STATE HEALTH SERVICES:**

**ALAMO AREA RESOURCE CENTER TO PROVIDE PHARMACEUTICAL ASSISTANCE, EARLY INTERVENTION SERVICES, EMERGENCY FINANCIAL ASSISTANCE, FOOD BANK/HOME DELIVERED MEALS, HEALTH INSURANCE PREMIUM COST SHARING ASSISTANCE, MEDICAL AND NON-MEDICAL CASE MANAGEMENT, MEDICAL NUTRITION, MEDICAL TRANSPORTATION, MENTAL HEALTH, OUTPATIENT AMBULATORY HEALTH SERVICES, AND SUBSTANCE ABUSE IN THE AMOUNT OF $598,643 - ROBERTO VILLARREAL, M.D.**

**SUMMARY:** On August 9, 2017, the Administrative Agency (AA) and related Ryan White grant funding transferred from Bexar County to Bexar County Hospital District. The AA administers the funds by contracting with health care providers and non-profit agencies to provide services to affected individuals. This contract will facilitate access to medical care for HIV/AIDS affected patients residing in the San Antonio Transitional Grant Area (TGA), to include the following counties: Bexar, Comal, Guadalupe and Wilson; and Health Service Delivery Area (HSDA) of San Antonio which includes: Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina and Wilson. The Ryan White Grants consist of multiple parts, with each part having its own budget and objectives. Dr. Villarreal’s written report included a list of categories of services to be provided by AARC during fiscal years 2018-19 under this
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agreement, September 1, 2018 through August 31, 2019:

<table>
<thead>
<tr>
<th>Contract Amount</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Services</td>
<td>$252,623.00</td>
</tr>
<tr>
<td>State Rebate</td>
<td>$279,020.00</td>
</tr>
<tr>
<td>State Rebate Eligibility Worker</td>
<td>$67,000.00</td>
</tr>
</tbody>
</table>

Total $598,643.00

The funding source is TDSHS for this agreement, contract number HHS000084300001. HIV services shall be invoiced monthly for actual costs incurred, and will be reimbursed. It is a cost reimbursement contract.

The Ryan White Program is a payer of last resort. This program provides financial and social services to those not covered by other resources.

AARC’s workforce composition data was provided by the Board’s review.

RECOMMENDATION: Staff recommends approval of a new agreement with the Alamo Area Resources Center (AARC), a sub-recipient of Ryan White HIV/AIDS Program funds, to enhance services for Ryan White-eligible patients, for a total of $598,643.00.

ACTION: A MOTION to APPROVE staff’s recommendation was made by Ms. Barrera, SECONDED by Mr. Hasslocher, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

SAN ANTONIO AIDS FOUNDATION TO PROVIDE PHARMACEUTICAL ASSISTANCE, EMERGENCY FINANCIAL ASSISTANCE, FOOD BANK/HOME DELIVERED MEALS, MEDICAL AND NON-MEDICAL CASE MANAGEMENT, MEDICAL TRANSPORTATION, MENTAL HEALTH, ORAL HEALTH AND OUTPATIENT/AMBULATORY SERVICES IN THE AMOUNT OF $290,521 - ROBERTO VILLARREAL, M.D.

SUMMARY: Ryan White Program funds are administered by the U.S. Department of Health and Human Services, Health Resources and Services Administration’s (HRSA) HIV/AIDS Bureau (HAB). Grant funding is made available through federal funding directly to Bexar County; additional funds are available through Texas Department of State Health Services (DSHS) grants to Bexar County. The Administrative Agency resides within the University Health System and administers the funds by contracting with health care providers and non-profit agencies. Those contracted agencies provide services to HIV affected individuals residing in the San Antonio Transitional Grant Area (TGA), to include the following counties: Bexar, Comal, Guadalupe and Wilson; and Health Service Delivery Area (HSDA) of San Antonio which includes: Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina and Wilson. The Ryan White Grants consist of multiple parts, with each part having its own budget and objectives. Dr. Villarreal’s written report included a list of services to be provided by the State Services Program through the San Antonio AIDS Foundation during fiscal years 2018-19 under this agreement, September 1, 2018 through August 31, 2019:

<table>
<thead>
<tr>
<th>Contract Amount</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Services</td>
<td>$178,566.00</td>
</tr>
<tr>
<td>State Rebate</td>
<td>$78,955.00</td>
</tr>
<tr>
<td>State Rebate Eligibility Worker</td>
<td>$33,000.00</td>
</tr>
</tbody>
</table>

Total $290,521.00
The Bexar County to Bexar County Hospital District has been the steward of Ryan White funding since August 9, 2017. The funding source for this scope of work is TDSHS, contract number HHS000084300001. This is a cost reimbursement contract and the HIV services will be invoiced and reimbursed monthly for actual costs incurred. The RW Program is a payer of last resort that provides financial and social services to those not covered by other resources. The San Antonio AIDS Foundation’s workforce composition data was provided for the Board’s review.

**RECOMMENDATION:** Staff recommends approval of this new agreement with the San Antonio AIDS Foundation, a sub-recipient of Ryan White HIV/AIDS Program funds, to enhance services for Ryan White eligible patients for a total of $290,521.

**ACTION:** A **MOTION** to **APPROVE** staff’s recommendation was made by Mr. Hasslocher, **SECONDED** by Ms. Barrera, and **PASSED UNANIMOUSLY**.

**EVALUATION:** None.

**FOLLOW-UP:** None.

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**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH DECOCRETE, INC. TO REPLACE OPERATING ROOM FLOORING—DON RYDEN**

**SUMMARY:** When the Sky Tower was built, seamless vinyl flooring was specified and installed in thirty-four (34) Operating Rooms (ORs). After four (4) years of operation, the seamless flooring, with heavy OR equipment use, has failed and developed tears and penetrations thus creating infectious control issues. The seamless flooring is being damaged and difficult to properly maintain to meet infection control standards. This process involves removal of the existing, old floor and installation of new flooring in twenty-two (22) operating rooms on floors two and three within the Sky Tower. This purchase is exempt from the competitive bid process because DecoCrete, Inc. is the only LSP-approved flooring contractor in the state of Texas and has proprietary rights granted by Life Science Products, Inc. Staff has reviewed pricing for flooring services and recommends approval of for flooring replacement in the amount of $344,941. This purchase is being funded from operational funds. DecoCrete, Inc. provided services in 12 previous rooms and there have been no concerns reported with the previous floors replaced. The vendor’s workforce composition data was provided for the Board’s review.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of a contract with DecoCrete, Inc., in the amount of $344,941, to provide flooring replacement for 22 operating rooms in the Sky Tower.

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

**EVALUATION:** Mr. Hasslocher cautioned the staff that a certain odor is part of the installation process. Each room takes about seven (7) days to complete. Mr. Banos informed the Board that as a trial of the flooring product, twelve (12) of the more seriously damaged floors were replaced with an epoxy-based flooring system that was evaluated and determined to provide a durable product that
includes a UV-cured top coat that is resistant to staining, meets the OR operational requirements and is consistent with the Sky Tower’s LEED Gold standard as issued by the U.S. Green Building Council. MD Anderson in Houston installed this type of flooring and has been able to maintain it for more than two years now. Ms. Barrera asked the staff to take note of the type of flooring to be used in the Women’s and Children’s Tower.

FOLLOW-UP: Mr. Smith asked Mr. Ryden to spend time with Mr. Hasslocher outside of the Board meeting for a brief discussion regarding his experience with same flooring.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH STRAIGHT LINE MANAGEMENT, LLC., TO PROVIDE AMERICANS WITH DISABILITIES ACT (ADA) AND SIDEWALK IMPROVEMENTS AT THE TEXAS DIABETES INSTITUTE — DON RYDEN

SUMMARY: The Texas Diabetes Institute (TDI) was built in 1999. In the 19 years since the building first opened there has been instability and shifting of the soils. The uneven soil has also contributed to drainage issues to include water ponding in the sub-level exterior elevator and the patient waiting area. These soil shifts have also affected the ADA parking spaces and will need to be corrected to be in compliance with Texas Accessibility Standards. Staff engaged the civil design firm, Intelligent Engineering Services (IES) to conduct an assessment of the sidewalk drainage and accessibility issues at the Texas Diabetes Institute facility. This was an operational cost of $45,746. IES prepared engineering, design, and detailed construction documents to correct identified issues. A formal solicitation for construction services was prepared and advertised, RFCSP-218-04-015-CNST. Responses were received from four firms: Ace Company, ARS Specialty, RCO Construction, and Straight Line Management LLC. The selection committee evaluated the responses based on the following selection criteria included in the RFCSP: Organizational stability and longevity; experience and safety record; project schedule; and pricing. Based upon the scoring and ranking, the selection committee recommends that Straight Line Management be awarded the contract for this scope of work. As part of this Board submittal, appropriation of funds is requested for costs associated with the construction of the ADA and Sidewalk Improvements at TDI. The total project budget follows:

<table>
<thead>
<tr>
<th>Budget Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative / Impact Fee Costs</td>
<td>$3,000</td>
</tr>
<tr>
<td>Design and Consultant Costs (encumbered)</td>
<td>$45,746</td>
</tr>
<tr>
<td>Construction Materials Testing</td>
<td>$6,500</td>
</tr>
<tr>
<td>Construction Cost (contract requested per this Board Item)</td>
<td>$299,611</td>
</tr>
<tr>
<td>Owner Allowance</td>
<td>$53,229</td>
</tr>
<tr>
<td>Total Project Cost (Amount request per this Board Item)</td>
<td>$408,086</td>
</tr>
</tbody>
</table>

The vendor’s workforce composition data was provided for the Board’s review.

RECOMMENDATION: Staff recommends Board of Managers’ approval of funding in the amount of $408,086, as well as a contract with Straight Line Management, LLC., in the amount of $299,611, and
ACTION: A MOTION to APPROVE staff’s recommendation was made by Mr. Engberg, SECONDED by Mr. Hasslocher Barrera, and PASSED UNANIMOUSLY.

EVALUATION: This is a multi-phase, stand-alone project. Straight Line Management, LLC previously provided services at the Dr. Robert LM Hilliard Center, so the staff has some knowledge of their work. According to Mr. Engberg, the most critical part of this project is the engineering aspect, considering the unknowns of a 19-year-old facility, and he wanted to know more about Intelligent Engineering Services (IES), the vendor that provided the assessment of the sidewalk drainage and accessibility issues at TDI. This is a firm that the Health System has used quite frequently in the past. The staff is tapping the firm for its civil engineering component as Mr. Engberg correctly stated. There are plans in the future to develop an additional formal, competitive solicitation to have all of the remaining parking lots at TDI repaved and striped to complete the entire parking lot process. As soon as the staff develops a scope of work for the TDI parking lot project, they will return to the Board to obtain approval to proceed.

FOLLOW-UP: Mr. Hasslocher inquired about the thickness of the asphalt for the parking lot work at TDI. He suggested that full-depth asphalt will ensure stronger, more stable parking lots under a wider range of climate and loads. Mr. Ryden will touch base with Mr. Hasslocher regarding future request for solicitations for TDI parking lots.


SUMMARY: Mr. Ryden greeted the Board of Managers and introduced four (4) members of the Marmon Mok/ZGF team who were in attendance in support of today’s presentation:

- Steve Souter, Marmon Mok Architecture (Local)
- Tiffany Robinson Long, Marmon Mok Architecture (Local)
- Doss Mabe, ZGF
- Jhia Chang, ZGF

Mr. Hernandez reported that the A/E team was tasked with reviewing the 90-day study that was produced by Blue Cottage because of the perplexity of the University Hospital campus. The slope of the land has been a major challenge, with a 50 foot drop from the main lobby to the corner of Medical and Wurzbach. During this 90-day period, the team reviewed the fit, adjacencies with the Sky Tower, fit, slope of the land, and more importantly, how the public will access the facilities.

Vision for the Women’s and Children’s Tower – Build a state-of-the-art Women’s and Children’s facility; Build a heart and vascular/advanced endoscopy institute. Goals include: Leverage the Sky Tower to maximize interaction and operational efficiency for integrated delivery of Women’s and Children’s services; Create new branding and identity for Women’s and Children’s Tower; Achieve a culturally relevant, welcoming, inspiring, comfortable, and evidence-based healing environment that will be the pride of Bexar County and beyond; and provide for future growth.
Blue Cottage Report – The Health System retained Blue Cottage Consulting fall of 2017 to develop the initial functional space program. The process for defining the space program began with key stakeholder input, including ten working groups involving medical, administrative, nursing, and support teams. The program was updated and revised with robust volume projections, capacity modeling and detailed user group room-by-room space program reviews. This step was necessary because of hospital site complexity and the need to functionally leverage Sky Tower resources and maximize operational efficiencies over the life of the building. The work helped refine the project needs from wants, and helped conceptualize the initial scope of the project which would later be reviewed and validated by the A/E team. Blue Cottage identified a space program for the new capital improvement project (CIP), excluding the parking garage, of approximately 546,500 square feet (new tower 500,000 square feet and HVI finish out 46,500 sf).

90-day Day Study (Existing Site Analysis, Intent, Defining the Model of Care, and Resulting Master Plan) - The Health System engaged Marmon Mok/ZGF in March 2018, to provide the first phase (Phase I) of design and planning services for this Project. Phase I included master planning, program validation, scope alignment, site investigations, and budget development. Mr. Hernandez reviewed the design tasks performed by the A/E team that occurred over a 13-week period, including:

- Review and validation of the Blue Cottage report as to space program requirements
- Conducted mechanical, electrical, and plumbing (MEP) and information technology (IT) workshops with appropriate user groups
- Investigated site conditions and existing utility infrastructure systems
- Completed a preliminary parking study
- Developed selected schemes, stacking alternatives, and blocking diagrams
- Prepared cost estimate, conceptual drawings, and final report

Marmon Mok/ZGF completed the Phase I Study in June 2018. The study confirmed the scope and functional space programming for women’s and children’s services for the Project. The study also developed a proposed phasing strategy for the main components of the Base Project, including the build out of the Heart Vascular Institute, parking structure construction, demolition of existing North parking garage, construction of the Women’s and Children’s podium and tower, and the addition of core and shell space for a future phase. The Base Project will provide 179 new licensed beds. The core and shell of the tower will be designed for an additional 123 licensed beds to be built-out in future phases. Utilizing a construction cost estimating consultant, as well as a medical equipment planner and I.T. planner, Marmon Mok/ZGF prepared an overall estimated project budget for the base project. This project budget for this phase consists of two main categories:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Costs</td>
<td>$313M</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$139M</td>
</tr>
<tr>
<td>Sub Total</td>
<td>$452M</td>
</tr>
<tr>
<td>Board Contingency</td>
<td>$23M</td>
</tr>
<tr>
<td>Total</td>
<td>$475M</td>
</tr>
</tbody>
</table>
The construction costs include the build-out of HVI, demolition, construction of a new garage and the women’s and children’s podium and tower. The soft costs include design fees, medical equipment, I.T., and other miscellaneous costs. A 5 percent or $23 million Board contingency is being requested to cover any unforeseen issues and or inflation rates higher than currently projected. Mr. Ryden’s presentation included an existing campus backbone, with renderings of the proposed “utility spine” connecting all four towers, i.e., Rio, Horizon, Sky, and the Women’s and Children’s at the University Hospital campus, and a continuous pathway for the automated guided vehicles (AGV) from tower to tower. Also depicted in the renderings was the proposed parking strategy, as follows:

- New surface parking lot (128 space) from UT Health San Antonio
- Women’s and Children’s Parking Garage (target 1,1150 spaces)
- West Garage Expansion (if needed)

Discussion ensued regarding a time and cost benefit parking option (temporary use for residents), and the proposed phasing strategy was presented as follows:

**Phase 1** – Build east half of Medical Drive parking structure; buildout HVAE

**Phase 2** – Demolish North Parking garage

**Phase 3** – Build the Women’s & Children’s Podium and Tower; Build the remainder of Medical Drive parking garage

**Phase 4** – Build a future expansion shell area (206,692 square feet).

*Phase 4 is not a funded part of the plan.*

**Proposed Concept** - A massing view of the University Hospital campus revealed separate emergency department (ED) entrances for each specialty - adults, pediatrics, and women’s. The existing main entrance of University Hospital will remain as is; lobbies for all towers will connect. The program stack for the phase 3 finish out indicates Women’s and Children’s total future operating bed compliment will be 302 (does not include nursery). The program stack also laid out the current column stacks for the Rio/Horizon Towers, Sky Tower, future expansion possibilities, and a four level proposed parking structure. The 90-day study resulting build-out plan for phase 3 base projects, phase 3 finish-out, and phase 4 finish-out were reviewed and discussed extensively.

Area summaries for Phase 3 Base Project W&C Tower:

- Finish-Out: 393,308 SF
- Shell Space: 206,692 SF
- Gross Area: 500,000 SF
- Finish-Out HVI: 46,500 SF
- 179 Beds

Area Summary for Phase 3 Finish Out W&C Tower:

- Finish-out: 206,962 SF
- Core plus Shell: 123 Beds
- (Phase 4) 136,000 GSF

Phase 4 Finish-Out (future expansion possibilities):

- Kitchen, Imaging, AP + RR Labs, Interventional Radiology, HVI
Expansion, HVI – (1) Cath Lab fit-out, and Dining/Servery.

Mr. Hernandez presented a cost model with area summaries (square footage) for Women’s and Children’s Tower and associated projects to include estimated direct construction costs (total construction budget at $313 million), total soft costs at $139 million, phase 3 base project total cost at $452 million, Board contingency at $23 million for a grand total of $475 million. The workforce composition for Straight Line Management, LLC, was provided for the Board’s review.

RECOMMENDATION: Staff requests approval to unencumber the $19,977,522 which was encumbered on June 27, 2017, for the expansion of the West Parking Garage due to an updated parking design. Staff also requests approval to encumber $73 million in additional funding out of the Board’s Designated Capital account for planning, design and construction of the Women’s and Children’s Tower, buildout of HVI/Advanced Endoscopy area, and associated parking structures.

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

EVALUATION: Mr. Engberg asked staff to clarify use of the term “validated program,” as it relates to the Blue Cottage report. What is the A/E team validating? Mr. Ryden provided a cross-walk summary to demonstrate the difference between the Blue Cottage Report which was completed and handed over to the A/E team in March 2018. Blue Cottage started off by estimating a need for 250 beds. After they met with various stakeholders, users, worked up volume projections, and discussed capacity issues, the A/E team developed a room-by-room analysis to confirm, or validate, the need for inpatient rooms, various diagnostic areas, clinic and treatment areas. The total project areas requirements submitted by Blue Cottage is 606,890 square feet (see first column of validated program summary), whereas the A/E team now estimates a total project area of 672,641 square feet, with shell space for future growth. Mr. Engberg also asked about a long range plan for University Hospital to be presented in financial form to the Board. Also needed for the long range plan will be operational information for the Women’s & Children’s Tower– the Health System needs a thoughtful plan of what we want to do, what it’s going to cost, and when we’re going to do it. Mr. Hernandez agreed; staff wants the project laid out in phases, it may be a 10 year project, but we can lay it out now. Staff feels that this is the right approach for the Sky Tower, even if phase 4 cannot be completed due to lack of funding this time around. The staff will be glad to provide the Board with information to fill in the blanks; it is too difficult to predict all of the aspects at this point in the project. Dr. Hromas interjected that there is a real need for more beds at University Hospital, to which Mr. Hernandez replied that the staff is looking at ways to speed up production. Dr. Burns asked about the percentage of market share the Health System is expected to take after the project is complete. What will make us unique enough to attract that market share? Dr. Hromas informed the Board that next year, UT Health will kick off two market penetration initiatives: One is a faculty only pediatric practice to attract funded patients; and the second project involves UT Faculty working with Gordman Hartman’s efforts for Morgan’s Wonderland. He also noted that UT Health had stopped expanding its Ob/Gyn service due to lack of beds at University
Mr. Smith suggested that the Board needs to sit, review and digest all of the information available on the Women’s & Children’s Tower, including a long term plan for University Hospital campus and the business plan for the Women’s & Children’s Tower.

**FOLLOW-UP:** Staff will schedule a four hour Board session in September after the tax rate budget is set.

**ADJOURNMENT:**

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

Jim Adams  
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary