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

Tuesday, July 30, 2013
6:00 p.m.
Board Room
University Health System - Texas Diabetes Institute
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

Linda Rivas, Vice Chair
Rebecca Q. Cedillo, Secretary
Roberto L. Jimenez, M.D., Immediate Past Chairman
Robert Engberg
Alex Briseño
Ira Smith

BOARD MEMBERS NOT PRESENT:

James R. Adams, Chair

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
Tim Brierty, Chief Executive Officer, University Hospital
Ted Day, Vice President, Strategic Planning & Business Development, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Roe Garrett, Vice President/Controller, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.
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
Francine Wilson, Vice President, Materials Management, University Health System
Virginia Mika, Ph.D., Executive Director, CareLink Financial Assistance Program, University Health System
Priti Mody-Bailey, M.D., President, Community Medicine Associates
Nancy Ray, Vice President/Chief Nursing Officer, University Health System
Richard Rodriguez, Vice President/Facilities, University Health System
Theresa Scepanski, Senior Vice President/Chief Administrative Officer, University Health System
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System
CALL TO ORDER AND RECORD OF ATTENDANCE:  LINDA RIVAS, VICE CHAIR, BOARD OF MANAGERS

Ms. Rivas called the meeting to order at 6:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Ms. Liliana De La Torre introduced Rev. Dr. Dale Tremper of Travis Park Methodist Church for the invocation and Ms. Rivas led the pledge of allegiance.

SPECIAL RECOGNITION:

Bryan Alsip, M.D., acknowledged the physicians listed below for having received The University of Texas System Regents’ Outstanding Teaching Awards:

- Glenn Medellin, M.D., Chief, Division of General Pediatrics, UTHSCSA
- Rajam S. Ramamurthy, M.D., Chair, Developmental/Environmental Neonatology, UTHSCSA; Neonatal Intensive Care Unit, University Hospital

Bryan Alsip, M.D. also acknowledged Jason Morrow, M.D., Ph.D. for having received the Alpha Omega Alpha Honor Medical Society’s Edward D. Harris Professionalism Award for demonstrating a personal dedication to teaching and research for his project entitled Ethical Lives of Residents: Promoting Professionalism in Graduate Education to be implemented at University Health System facilities.

Board members extended their congratulations to the physicians and thanked them for their contributions and commitment to the patients of University Health System and the people of Bexar County.

The Board of Managers recognized the following employees:

Professional: Jason Proulx  
(Nursing) Staff Nurse III, Surgery Intensive Care Unit

Professional: Verlecisia Lee  
(Non-Nursing) Certified Respiratory Therapist, Respiratory Therapy-RBGC

Management: Teri Morrison  
Patient Care Coordinator, Hartman Surgical Pavilion

Technical: Clifford Jones  
Emergency Center Tech, Emergency Center

Clerical: Marie Diaz de Leon  
Sr. Administrative Assistant, Human Resources
Service: Anthony Curiel
Ambassador, Protective Services-UH

Volunteer: Mabel Hesdorff
Volunteer, Volunteer Services

Physician: Juanito Lomboy, MD
CMA Staff Physician, Northwest Clinic MHCM

Team: Clinical Nurse Educator Team - Charlotte Sherman, Debra Fraley, Elaine Jones, Lucia Kistler, Lois Weisinger, Jeanie Sauerland, Bonnie Schranner, Annette Jonatchick, Hazel Lee, Mario Noli Legarde, III, Marina Martinez, Bonnie Jones, Allison Clarke, Nanette Brokaw, Lisa Castellanos

All of this year’s quarterly recipients will be special honored guests at the Annual Recognition Awards Ceremony at the Omni Hotel on February 20, 2014. Employees of the Quarter receive a plaque, embossed pen and an opportunity to select one of numerous awards valued at $100 on the Employee Recognition website.

CITIZEN PARTICIPATION:

James Rodarte, President/CEO of Train Delays, Inc., addressed the Board of Managers regarding congestion caused by train traffic at the intersection of Zarzamora and Frio City Road. Mr. Rodarte described Train Delays, Inc., as a non-profit organization intended to unify the many constituencies that are seeking a solution to this issue. He informed the Board that access to Highway 90 West is unavailable and blocks drivers going South on Zarzamora from taking an alternate route at this intersection which affects not only businesses and schools in the area, but many patients of the University Health System, especially those en route to the Texas Diabetes Institute at 701 S. Zarzamora, 1.9 miles away. Mr. Rodarte asked the Board of Managers for assistance in addressing this problem by providing a letter of support for uninterrupted access, such as an overpass, across rail lines at South Zarzamora and Frio City Road. Mr. Rodarte provided each of the Board members with written background information on the train delays in that part of town.

APPROVAL OF MINUTES OF PREVIOUS MEETING:

June 11, 2013 (Regular Meeting)

SUMMARY: The minutes of the regular meeting of Tuesday, June 11, 2013, were presented for the Board’s approval.

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

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

EVALUATION: None.

FOLLOW-UP: None.
SUMMARY: Dr. Luci Leykum represented Dr. Henrich and Dr. Gonzalez-Scarano this evening. She thanked the Board for recognizing Drs. Lichtenstein, Medellin, Ramamurthy, and Morrow, and acknowledged the other physician leaders present. She thanked the Emergency and Operating Room staffs for their recent involvement in the care and treatment of two faculty physicians – Dr. David Lindler and Dr. Carlos Diaz-Duval, both deceased at University Hospital. Dr. Leykum specifically thanked Chief AJ Sandoval for promptly working with city officials to have a 35-mile per hour speed limit implemented at the site of Dr. Lindler’s accident on Wurzbach Road.

On Sunday, July 21, 2013, School of Medicine faculty welcomed 220 members of the Class of 2017 during this year’s White Coat Ceremony. The first 10 residents of the Emergency Room Residency Program started the rigorous three-year program on July 1, 2013, and will graduate in July 2016. Ten new residents will begin the program each year until the residency reaches its final complement of 30 physicians. Further, the Department of Internal Medicine will make a clerkship available to third year residents in the Emergency Room of University Hospital this year. Dr. Leykum yielded the floor to Dr. Tom Mayes for an update on pediatrics. Dr. Mayes informed the Board that the pediatric residency program is not in limbo as stated in an article that appeared in the San Antonio Express News this morning. Mr. Hernandez provided Board members with a copy of Dr. Mayes’ letter to the pediatrics faculty, staff, fellows and house staff physicians which described the statement as “absolutely without basis and categorically false.” Dr. Mayes thanked the Board for honoring the two faculty physicians from the Department of Pediatrics earlier today; they are incredible educators, role models and are extremely active in the care that the Department of Pediatrics provides within the Health System. He also thanked Health System leadership for making things happen so quickly and so positively when the pediatrics clinic moved to the Robert B. Green Clinical Pavilion in June. The faculty and housestaff involved felt absolutely welcomed, which was a big change from what they had been experiencing a few days before. Staff has also worked hard in transitioning some inpatient programs, which is also going very well. The first outpatient pediatric program, pediatric pulmonology, was moved about one week ago and is temporarily housed on the 4th floor at the Robert B. Green. That move was very positive, and the entire transition plan is being executed flawlessly. Dr. Mayes reiterated that the ultimate goal for a free standing children’s hospital has not changed. On a personal note, Dr. Mayes informed the Board that he had become a grandfather on Sunday, and that the child was born at University Hospital. The baby received the same care any other baby receives and it was extraordinary.

RECOMMENDATION: None.

ACTION: This report was provided for informational purposes only and no action was required by the Board of Managers.
EVALUATION: Mr. Smith encouraged the staff to publicize the children’s services available at the Robert B. Green campus as soon as programs are set to handle maximum capacity. Ms. Rivas thanked Dr. Mayes for providing the best health care to the children of Bexar County.

FOLLOW-UP: None.

CONSENT AGENDA – JIM ADAMS, CHAIR

A. Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Staff Membership – John G. Myers, M.D., President, Medical/Dental Staff

B. Consideration and Appropriate Action Regarding Appointment/Reappointment to the Board of Directors, Community First Health Plans—Rebecca Cedillo, Chair, Nominating Committee

C. Consideration and Appropriate Action Regarding 2nd Quarter 2013 Investment Report—Roe Garrett/Peggy Deming

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

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

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

ACTION: A MOTION to approve items A-C of the consent agenda was made by Mr. Engberg, SECONDED by Mr. Briseno and PASSED UNANIMOUSLY.

EVALUATION: Mr. Briseno pulled item D, Purchasing Activities, for discussion and clarification of item 11, a modification to a contract with Next Phase Healthcare for professional services of a financial planning consultant in the amount of $175,000. The contract period is for six months and is an extension of an existing contract to assist the staff in the fiscal area in developing skills relative to short term and long term financial planning. The consultant will provide comprehensive financial services, expertise, insight, and consultation by teaching and guiding staff in the development of a short term financial plan for use in setting the tax rate, 2014 budgeting, and updating the long range financial projections developed as part of the Master Facility Plan. This is an unbudgeted expense that will be paid from budgeted but unfilled positions in the 2013 operating budget. It is being requested as an exempt contract due to the level of expertise, familiarity with the systems in place, and previous work conducted by the consultant on an original business plan developed in support of financial planning. The original contract in the amount of $75,000 was awarded administratively and approved by Mr. Hernandez. The total value of this contract including Modification # 1 is $250,000. Next Phase Healthcare is classified as a regional, sole proprietorship, small and woman-owned business enterprise. Ms. Deming elaborated that this contract provides an opportunity to obtain the services of a very experienced individual who is familiar with the Health System and will help in development of staff of...
seven (7) staff members in the finance area to enhance their skills and is 
teaching them how to improve processes. These services are necessary due 
to the promotion of the former budget director to a vice president position 
in a different area. The consultant is currently working on some Board 
deliverables such as the tax budget, financial planning for the new trauma 
tower at University Hospital, children’s health services, and is putting 
together a financial model that can be used for future budgets. Further, 
when the Health System went to the rating agencies with the Master 
Facility Plan for the Capital Improvement Project the first time, this 
individual is the one who helped develop that plan. The plan now needs to 
be updated to include better information that has become available. Mr. 
Hernandez added that when the budget director was promoted, he made the 
decision to act quickly and gave administrative approval of the original 
contract for $75,000, due to the some of the weaknesses identified earlier 
in the year in the finance area. This consultant is a former Chief Financial 
Officer of Harris County Hospital District. The staff has worked with her 
in the past and her work is known to Mr. Hernandez. Mr. Briseno 
expressed concern that the original contract amount of $75,000 has grown 
to $250,000, which is a significant increase. He is also concerned with the 
fact that the consultant’s business is regional, not local, and further, that an 
RFP was not issued and other proposals were not reviewed. Mr. 
Hernandez reported that this particular consultant has the hospital budget 
tools necessary to do the job in a very complex area; the Health System 
needs someone who is very experienced. Mr. Hernandez expressed his 
commitment to bring an assistant Chief Financial Officer on board as soon 
as possible. He assured the Board that the assistant CFO will also take 
advantage of these tools, which will remain with the Health System. At the 
present time the consultant is setting up a base foundation, documenting 
procedures, and teaching the staff how to use these tools. Originally, the 
staff anticipated having an assistant CFO on board within 90 days; 
however, Ms. Deming was informed this morning that the entire process 
will take at least six (6) months. This delay is due to a 90-day process 
necessary by the search firm to screen candidates, additional time to 
schedule interviews, plus a 30 day notice for the individual that is selected. 
Mr. Engberg asked how this contract would address the long range needs 
of bringing this area to its full complement of employees. Mr. Hernandez 
emphasized that the consultant’s role with the Health System is temporary. 
She is an excellent teacher and a very good leader, she is working on 
growing the staff’s skills and the plan is for the assistant CFO to have the 
tools and staff ready to work upon his/her arrival.

Ms. Rivas acknowledged that the Board’s audit committee was informed 
elier in the year of the Health System’s deficiency in the fiscal 
department. She asked that Mr. Hernandez seek Mr. Engberg’s and/or Mr. 
Briseno’s input in the selection process for the assistant CFO. Mr. 
Engberg is pleased to learn that deficiency is being worked on and that the 
Mr. Hernandez is in the process of bringing a competent person on board to 
strengthen the current staff. Ms. Rivas reminded her colleagues of Mr. 
Hernandez’s commitment to bring an assistant CFO on board as soon as 
possible.
Mr. Smith pulled item 13 of the Purchasing Activities, for clarification regarding the savings attached to the contract with Roche Diagnostics in the amount of $2,214,978. The contract provides reagents and consumables for CMV DNA quantitative molecular tests that are performed in the immunology laboratory. The tests are primarily requested by Transplant and HIV services, and are currently provided by the UTHSCSA Molecular Laboratory at a cost of $305,600 annually. Through the contract with Roche, the services will now be performed in-house through the use of newly approved Roche Diagnostic technology. As compared to the previous contract with UTHSCSA, there is a 22.5% ($642,190) savings. The components of this savings are: 9.6% ($274,610) related to the addition of CMV test supplies which is offset by 32.1% ($916,800) savings related to the elimination of outsourced reference laboratory fees. Mr. Hernandez reiterated that it is less expensive to perform this function in-house.

ACTION: A MOTION to accept staff’s recommendation for approval of a contract with Next Phase Healthcare for a six month period in an amount not to exceed $175,000 was made by Mr. Engberg, SECONDED by Mr. Briseno, and PASSED UNANIMOUSLY.

FOLLOW-UP: Staff will seek input from Mr. Engberg and/or Mr. Briseno regarding the final selection of the assistant CFO.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT AMENDMENT WITH COMMUNICARE HEALTH CENTERS FOR DENTAL SERVICES IN SUPPORT OF THE HEALTH SYSTEM’S ORAL HEALTH SERVICES DSRIP PROJECT

1.8.6—THERESA DE LA HAYA

SUMMARY: This DSRIP project will focus on establishing a coordinated dental health services program that incorporates patient navigation within the medical home model of care by partnering with two local Federally Qualified Health Centers, CommuniCare and CentroMed. These efforts will result in delivery of timely, accessible, integrated and patient-centered preventive dental health care services for economically underserved populations with chronic disease residing in Bexar County. Published studies link oral health, particularly periodontal (gum) disease, to several chronic health conditions that include diabetes and heart disease. Diabetes increases the probability of developing gum disease; gum disease also increases the risk of poor glycemic control in people with diabetes when compared to those individuals with diabetes without gum disease. Fortunately, periodontal treatment can improve glycemic control by improving oral health. The anticipated 5 year goal for this project is to increase the number of CareLink patients with chronic disease that access quality dental health services following a referral from a primary care/medical provider. The program includes a patient navigator who will work as the liaison between the primary care team and the dental care team to ensure patients are
appropriately referred, scheduled and navigated through dental health services. The secondary goal is to establish the clinical linkages and referral patterns and to build the infrastructure necessary for the delivery of oral health services for the target population. Program activities also firmly coincide with its strategic focus of addressing the Triple Aim Plus in healthcare. CommuniCare offers patients multiple access points to receive both preventive and restorative oral health services (Access). The placement of the dental clinic co-located with medical services, as well as the function of the patient navigator, will offer an efficient and convenient way for patients with diabetes to receive the services in a timely manner (Patient Experience and Efficiencies). This type of coordinated care will lead to a positive health service experience and adherence to care leading to improved oral health outcomes for patients (Quality and Outcomes). It is estimated that the annual dental cost for each chronic disease patient will be $2,200. These cost estimates are based on a list of procedures calculated at 100% of Usual and Customary Fees (UCF) for dental services. The Health System has negotiated a reduced cost for these procedures and will only reimburse CommuniCare at 50% of UCF. This contract will be for a 14 month period and will be renewed up to two 12 month periods. The DSRIP goal for the entire three year period is 485.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval to execute a contract with CommuniCare Health Centers in an amount not to exceed $135,000 for a 14 month period.

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

**EVALUATION:** The 485 patients that will receive dental services under this contract are unduplicated. It is an estimate of the number of patients the Health System anticipates serving during the initial 12 months. On the patient compliance level, after three missed appointments, a new patient will be selected to replace a non-compliant patient. This DSRIP project will target patients with diabetes and cardiovascular disease, patients who are really sick and will get sicker without appropriate dental care. Patients will be selected through medical records review and contacted by navigators. CommuniCare has two clinics that provide dental services while CentroMed has three. Geographic accessibility will cover the west, east and south quadrants of Bexar County. Each one of the FQHC sites selected has over 1,000 diabetic CareLink patients enrolled in their medical home models.

**FOLLOW UP:** Future requests for money to implement a program will reflect the selected criteria, metrics, and outcomes in the body of the report. All DSRIP projects are being identified as pilot programs.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH CENTROMED HEALTH CENTERS FOR DENTAL SERVICES IN SUPPORT OF THE HEALTH SYSTEM’S ORAL HEALTH SERVICES DSRIP PROJECT 1.8.6—THERESA DE LA HAYA**

**SUMMARY:** The contract for DSRIP Project 1.8.6 with CentroMed Health Centers, is identical to the contract with CommuniCare Health Centers.
RECOMMENDATION: Staff recommends Board of Managers’ approval to execute a contract with CentroMed Health Centers in an amount not to exceed $135,000 for a 14 month period.

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

EVALUATION: Same as above.

FOLLOW-UP: Same as above.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH SATELLITE HEALTHCARE, INC. FOR ADULT INPATIENT DIALYSIS SERVICES—NANCY RAY

SUMMARY: To ensure the success of the Pediatric Transplant Program, space will be required for the operation of the Pediatric Outpatient Dialysis Services. After careful review, the best solution is to provide the current space that is used for the Inpatient Dialysis and transfer all inpatient dialysis treatments to the bedside. RFP 213-06-034-SVC was issued in June 2013 to determine the cost of having an outside dialysis program provide 100% of the future needs of adult inpatient dialysis that will be performed at the bedside. The contract is for two years and will cover the span of the current expansion of the hospital.

Satellite Healthcare, Inc. scored the highest per the RFP Decision Criteria Matrix. The score included financial impact and the vendor’s ability to work in partnership with University Health System and its Outpatient Dialysis Clinics. The additional cost is the overall lowest of the three vendors who submitted proposals for this contracted service. The new service will improve patient care by performing 100% dialysis at the bedside, and allow for the Health System to continue focusing on its expanded dialysis line in pediatrics. The partnership will continue to promote hospital dialysis and outpatient dialysis continuity of care. Responses to RFP 213-06-034-SVC were received in July 2013, from the following vendors:

<table>
<thead>
<tr>
<th>Vendor and Cost Proposal/Year</th>
<th>% above Operational Spend</th>
<th>Local/SMWVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satellite Healthcare, Inc.</td>
<td>9.74%</td>
<td>None</td>
</tr>
<tr>
<td>DaVita HealthCare Partners, Inc.</td>
<td>10.77%</td>
<td>None</td>
</tr>
<tr>
<td>Fresenius Medical Care</td>
<td>20.73%</td>
<td>None</td>
</tr>
</tbody>
</table>

The evaluation process included review by one of the MedAssets consultant who specializes in the field of dialysis, a pre-award meeting
with all vendors to describe current needs of the Health System, its
expectations of a dialysis service, and formal presentation. The process
included inpatient dialysis management, bio-med, and administrative
leadership. After a thorough review and evaluation by the MedAssets
consultant and the project team, a scoring matrix was completed. Scores
indicated that Satellite Healthcare, Inc. had the overall best value for the
Health System and could also provide the best partnership between
hospitalized dialysis patients and the outpatient programs. Based on
pricing provided by the vendor, the following cost is associated with this
purchase. The expected increase is $169,350 (9.7%) over the current
operational spend per year, from $1,224,460 to $1,393,810.

Full Service Scope Description Fee includes: machines (water treatment
and dialysis, biomedical support with 24/7 coverage, RN/tech to provide
service as indicated below, back up RN support via phone, tubing's,
dialyzer/s, solutions, blood draws during therapy, drug administration
required to maintain therapy and other miscellaneous, excludes gloves,
syringes, isolation gown, masks/eye shields, cost of non-tunneled and
tunneled catheters. (Projected yearly amount does not account for increased
dialysis growth, or fees related to cancellation after equipment set up).

This purchase in the amount of $1,393,810.00 / per year will be paid from
operational funds. Additional in-service volumes related to CRRT and PD
will be provided by nursing staff after receiving additional training. Overall
savings and value include decreased capital cost for the procurement of
additional dialysis machines, decreased cost related to bio-medical upkeep
and repair of dialysis equipment, improved customer satisfaction by
providing all dialysis care at the bedside, and provides variable versus
fixed cost related to dialysis treatment. In addition to these cost savings,
funds will not need to be allocated for space necessary for the Pediatric
Transplant Dialysis Program. Due to the nature of the medical equipment
industry, there is limited opportunity for SMWVBE, however this service
is currently offered in Austin, Texas and employees providing this service
to the Health System will be offered employment at the local level.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a two-year contract
with Satellite Healthcare, Inc., in the amount of $2,787,620, for inpatient
dialysis services at University Hospital.

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

EVALUATION: Ms. Ray clarified for Mr. Smith that only one pediatric dialysis clinic will
be available within Health System facilities at University Hospital, which
is necessary for those children who might need immediate medical
attention. Dr. Jimenez informed staff that it was his understanding from
several sources that the Health System has serious problems with the adult
dialysis clinics. He expressed reluctance to issue a dialysis service contract
until the Board of Managers receives a full report on all adult dialysis
activities. Mr. Hernandez reported that last December during a series of
typical state surveys, management was informed of several deficiencies in
the adult dialysis area. Over the months, however, the staff has made a
serious effort to improve and has addressed all but a few minor issues with
the state. Mr. Hernandez reiterated that the pediatrics dialysis function at University Hospital is absolutely critical to the safety of the patients. Staff will provide a full written report on the status of the outpatient adult renal dialysis clinics at a future Board meeting.

FOLLOW-UP: Staff will provide a full written report on the status of the outpatient adult renal dialysis clinics at a future Board meeting.

DISCUSSION AND APPROPRIATE ACTION REGARDING APPROPRIATION OF FUNDS FOR ENHANCEMENTS TO THE CAPITAL IMPROVEMENT PROJECT AND THE FUNDING OF OTHER CAPITAL ITEMS—PEGGY DEMING/CHRISTANNA VASQUEZ

SUMMARY: Staff identified current and future capital needs of the Health System and developed a prioritized list of Capital Improvement Project enhancements and other capital items of projects for funding. This list includes prioritized items for the University Hospital and the Robert B. Green campuses, as well as a complete listing of all enhancements, including those already funded. These enhancements create the opportunity for strategic growth of ambulatory services and maximize the potential for hospital productivity. While each of the items on the enhancement lists have merit and add value, they were not originally contemplated when the budgets for each project were established. In addition to the UH enhancements, there are other urgent capital items that have been identified that ensure patient safety and upgrade critical systems. The items identified were prioritized by staff in order of importance based on their stakeholder impact, alignment with board strategic issues, operational productivity/efficiency, and financial impact. In 2009 the Health System implemented a process to maximize the value of capital funding available after the audit and rebalancing of reserves. This process plays an important role in providing a funding source outside of the CIP plan of finance for vital CIP enhancements as well as other urgent capital items that have been identified. Since 2009 $60.01 million has been funded from capital reserves of which $43.03 has been for CIP enhancements, $11.30 million for Children’s Health Services and $5.6 million for other capital needs. On May 21, 2013, the Board approved an additional $20.44 million for capital funding from the rebalancing exercise after the 2012 audit which serves as the source of funding.

Maximize potential for Hospital Productivity and Efficiency – New Trauma Clinic, Telemetry for Existing Buildings, Equip the 10th Floor of the new tower, Patient Interactive System, and new Cafeteria at UH

As design and construction of the New Tower progresses, CIP staff continues working with various stakeholders to ensure that the finished project provides the most efficient and technologically advanced facility that allows for the highest level of patient care while at the same time minimizes operating expense and maximizes staff effectiveness. The following are the priority enhancements for the UH project.

- **Build out Trauma Follow-up Clinic to increase staff efficiency and patient convenience** - This provides for the relocation of the Trauma Follow-up Clinic from the 2nd floor of the existing facilities to the 3rd
floor in the space currently occupied by PT/OT. This new location, which will be in close proximity to the main elevator bank, will provide convenient access to patients while also providing an accessible location for staff that split time between the ORs and Emergency Center located in the adjacent New Tower. The total cost for the Trauma Clinic portion of the project is $3.05M. Over the past two years, the Board has funded $2.05 million towards this project. This proposed allocation adds the final $1 million to the project. Because the proposed area for the Trauma Follow-up Clinic is located in existing, occupied space, this work would not begin until 2014 after the New Tower is completed. The request from the Capital Account to fund this project is $1.0 million.

- **Provide Telemetry in the existing buildings to improve patient care** - The Healthcare industry is moving towards IP telemetry systems for patient monitoring rather than traditional proprietary telemetry systems currently used in the existing hospital. The Health System has standardized on Phillips monitoring for the new tower, which is an IP based system. In an effort to improve patient care between the new tower and existing buildings, as well as standardize on a single type of telemetry system, the patient monitoring system in the existing buildings needs to be upgrade to match the new tower. The request from the Capital Account to fund this project is $2.6 million.

- **Equip the 10th Floor of the new tower** - This provides for medical equipment, beds, monitoring equipment, and furniture for the sixty bed 10th floor of the new tower. Originally, the 10th floor of the new tower was to be utilized for future growth of inpatient needs. However, because of the children’s health initiative and the need to occupy the seventy-two bed 7th floor of the new tower for pediatric patients, it has become necessary to equip the 10th floor for patient care. The request from the Capital Account to fund this project is $3.2 million.

- **Provide Patient Experience System** - This provides an interactive system with full functionality of educational content, entertainment, hospital services, and medical information delivered to each patient’s room. These unique experiences address the distinct strengths and challenges of varying patient demographics. The result is a more personalized, intuitive patient experience that enhances utilization for improved education and satisfaction. The request from the Capital Account to fund this project is $800,000.

- **Build out the new Cafeteria** - This provides for constructing and equipping a state of the art food service area to replace the existing cafeteria on the 3rd floor. This new area will allow for greater diversity in food offerings, accommodate future growth of patient/visitor volume (approximately twice the size of the existing cafeteria), ensure continuity of design with the new tower, and provide a more convenient and accessible location, all of which will enhance the patient/visitor experience at the UH campus. The total cost for the new Cafeteria is $7.70M. This request provides approximately ½ of the
funding with the remainder to be provided as part of the 2014 Routine Capital. Because the proposed area for the new Cafeteria is located in existing, occupied space, this work would not begin until after the new tower is competed. The request from the Capital Account to fund this project is $3.47 million.

- **Initiate AlertMD System** - This system is a mobile application that enables providers to securely communicate via text messaging with each other. This workflow can be adapted to enable a nurse on the floor to text message a physician on call. The system will utilize the on call calendar to automatically identify the correct provider. The workflow can also be adapted to send lab values, images and other supporting information to facilitate an efficient interaction. The software also has additional capabilities, such as an ICD10 browser, alerts for readmission, alerts for utilization, length of stay alerts and others. This will be rolled out to Trauma physicians as a proof of concept and then expanded throughout the enterprise. The request from the Capital Account to fund this project is $100,000.

- **Develop and Implement Strategic Ambulatory Services Growth Plan** - This provides initial funding to develop a strategic plan for growth of the ambulatory network, as well as sets aside preliminary funding for future capital needs associated with the implementation of the initiative. The request from the Capital Account to fund this project is $4.28M.

- **Develop Fleet Services Facility** - This provides initial funding to develop a Fleet Services Facility to accommodate the maintenance of the health system’s fleet vehicles, as well as provide a secure location for the mobile mammography and mobile children’s clinic units. Currently, the health system has 54 vehicles in the fleet, ranging from police vehicles to large delivery trucks, as well as 2 trailers, 1 tractor, and 15 transportation carts. The proposed site for the fleet services facility is on a portion of the vacant land at the Southwest Clinic on Highway 90. Mr. Briseno encouraged collaboration with another local agency regarding these services. The request from the Capital Account to fund this project is $1.0M.

- **Provide Acuity System** - This system allows staff to more accurately assess the conditions and needs of the patient, and then assign nursing staff to treat the patient based on skill set and expertise. The request from the Capital Account to fund this project is $464,000.

- **Purchase Desktop Computers** - The Health System currently has 2,046 desktop computers in use that were manufactured in 2004. These devices are antiquated and replacement parts for repair are no longer available. As such, this would be the first replacement increment (650 units) in an effort to replace the outdated technology. Approximately 1,000 devices will be replaced during the migration to the new tower. The request from the Capital Account to fund this project is $423,000.
RECOMMENDATION: Staff recommends Board of Managers’ approval of the prioritized CIP enhancements and other capital items identified by staff today to be funded from the Capital Account in the amount of $20.44 million. Total available for future capital is $37.41 million.

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

EVALUATION: Smaller capital items not related to CIP will be reviewed by the capital committee and accounted for during the annual budget process. Mr. Hernandez noted that the items presented today are exceptional, and necessary in addition to those that will be proposed during budget planning. Mr. Smith encouraged a Board financial planning session, particularly important this year with the opening of the new trauma tower next year. Dr. Jimenez suggested the gathering of data from inpatients at University Hospital, which would be useful in terms of planning services, especially in the ambulatory arena. Further, the information gathered would have incredible implications in the prevention of disease and in the care provided by the Health System. Mr. Briseno asked for a future report regarding annual costs and operating implications tied to the $16.9 million total obligation approved by the Board against reserves for the pediatrics program. Ms. Rivas encouraged staff to meet individually with Board members who have special interests and expertise in certain areas.

FOLLOW-UP: As indicated above.

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

SUMMARY: For the month, activity was up 4.8 percent for the clinical services as measured based on discharged adjusted for outpatient activity. Community First Health Plan’s fully insured membership was up 2.8 percent. From operations, the Health System experienced a gain of $442,000 which was $2.1 million, lower than the budgeted gain of $2.6 million due to higher operating expenses. Meaningful use incentive of $46,000 was recorded for the achievement of incentive awards for the electronic medical record implementation. Investment income was under budget by $66,000 due to slightly lower interest rates than budgeted. An unrealized market loss of $899,000 was recorded in the month due to an increase in interest rates during June. The bottom line loss excluding debt service was $238,000 which was $3.2 million lower than the budgeted gain of $3.0 million. CFHP reflected a bottom line gain of $1.6 million which was approximately equal to the budgeted gain as significant improvements were noted in June in light of new provider contracts that have been completed. Estimated DSRIP revenue of $2.4 million was recognized to offset actual cost in June of $326,000 and $1.2 million Health Information Exchange capital costs and $933,000 to catch up on DSRIP related operating costs from January through May that were identified by enhanced processes established to track DSRIP related costs. 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/or decreases from the consolidated balance sheet.
RECOMMENDATION:  Staff recommends acceptance of the financial reports subject to audit.
ACTION:  A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.
EVALUATION:  None.
FOLLOW-UP:  None.

INFORMATION ONLY ITEMS:

REPORT REGARDING YEAR 2013 MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS —JOHN G. MYERS, M.D., PRESIDENT, MEDICAL/DENTAL STAFF
UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES—MARK WEBB
REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN
REPORT ON NURSE STAFFING EFFECTIVENESS FOR SAFE OUTCOMES—NANCY RAY, RN, SENIOR VICE PRESIDENT/CHIEF NURSING OFFICER
REPORT ON HEALTH INSURANCE EXCHANGES—VIRGINIA MIKA, PHD/ROBERTO VILLARREAL, M.D.

SUMMARY:  The written reports listed above were provided for the Board’s review.
RECOMMENDATION:  None.
ACTION:  None.
EVALUATION:  None.
FOLLOW-UP:  None.

CLOSED MEETING:

The Acting Chair, Roberto L. Jimenez, M.D., announced this meeting closed to the public at 8:45 p.m., with the following Board members present: Roberto L. Jimenez, M.D., Rebecca Q. Cedillo, Robert Engberg, Ira Smith, and Alexander E. Briseño. Staff present: George B. Hernandez, Jr.; Christann Vasquez; Peggy Deming; Bryan Alsip, M.D.; Ted Day; and Michael Hernandez. The closed meeting was held pursuant to TEX. GOV’T CODE, Section 551.085 (Vernon 2004) to receive information on and/or deliberate regarding pricing or financial planning information relating to a bid or negotiation for the arrangement or provision of services or product lines to another person if disclosure of the information would give advantage to competitors of the hospital district. After discussion, no action was taken in closed session. The Acting Chair, Robert L. Jimenez, M.D., announced that the closed meeting ended at 9:35 p.m.
ADJOURNMENT:

There being no further business, Dr. Jimenez adjourned the public meeting at 9:36 p.m.

James R. Adams
Chair, Board of Managers

Rebecca Q. Cedillo
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary