REGULAR MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Tuesday, June 28, 2011
6:00 p.m.
Board Room, University Center for Community Health
701 S. Zarzamora
San Antonio, Texas

MINUTES

BOARD MEMBERS PRESENT:

Roberto L. Jimenez, M.D., Chair
Ira Smith, Secretary
Alex Briseño
Linda Rivas
Rebecca Q. Cedillo

BOARD MEMBERS ABSENT:

James R. Adams, Vice Chair
Robert Engberg

OTHERS PRESENT:

George B. Hernández, Jr. President/Chief Executive Officer, University Health System
Tricia Aleman, Director, Corporate Communications and Marketing, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Francine Crockett, Vice President, Supply Chain Management, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Theresa De La Haya, Senior Vice President, Community Health and Clinical Preventive Programs,
   University Health System
Sergio Farrell, Vice President, Ambulatory Services, University Health System
Roe Garrett, Vice President/Controller, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc., and Vice
   President Managed Care, University Health System
William Henrich, M.D., President, The University of Texas Health Science Center at San Antonio
Michael Hernandez, Vice President, Legal Services and Risk Management, University Health System
Sherry Johnson, Vice President/Integrity and Regulatory Services, University Health System
Sherri King, Lieutenant, Protective Services, University Hospital
Leni Kirkman, Vice President, Strategic Communications and Social Relations, University Health System
Gary McWilliams, M.D., Executive Vice President/Chief Ambulatory Services Officer, University Health System
Virginia Mika, Ph.D., Executive Director, CareLink Financial Assistance Program, University Health System
CareLink Management Staff: Gilbert Martinez; Gabriel Barfield; Rudy Garza; Dionisio Gonzales; John Douthwaite; Sonya Cruz; Sylvia Villarreal; Diana Torres; Rafael Maldonado; and Christine Gonzalez
Priti Mody-Bailey, M.D., President/Chief Executive Officer, Community Medicine Associates
Mary Ann Mote, Senior Vice President of Operations/Chief Revenue Officer
Bill Phillips, Vice President/Chief Information Officer, Information Services, University Health System
A.J. Sandoval, Chief of Police, University Health System
Theresa Scepanski, Senior Vice President, Organizational and Strategic Development, University Health System
Andrew Smith, Director, Government Relations, University Health System
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System
Roberto Villarreal, M.D., Vice President, Community Initiatives, University Health System
Nicolas Walsh, M.D., President, Medical/Dental Staff, University Health System; and Professor and Chair, Department of Rehabilitation Medicine, UTHSCSA
And other attendees.

MEMBERS OF THE PRESS:

Richard Marini, San Antonio Express News

CALL TO ORDER AND RECORD OF ATTENDANCE: ROBERTO L. JIMENEZ, M.D., CHAIR, BOARD OF MANAGERS

Dr. Jimenez called the meeting to order at 6:05 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Ms. De La Torre introduced Reverend Otis Mitchell, Pastor of Mt. Zion First Baptist Church for the invocation, and Dr. Jimenez led the pledge of allegiance.

CITIZEN PARTICIPATION: None.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS OF THE BOARD OF MANAGERS:

MAY 24, 2011 – SPECIAL BOARD MEETING:

SUMMARY: The minutes of the special Board meeting of May 24, 2011, were submitted for approval by the Board of Managers.

RECOMMENDATION: Dr. Jimenez recommended approval of the minutes as submitted.

ACTION: A MOTION for approval of the recommendation was made by Ms. Cedillo, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.
MAY 31, 2011 – REGULAR BOARD MEETING:

SUMMARY: The minutes of the regular Board meeting of May 31, 2011, were submitted for approval by the Board of Managers.

RECOMMENDATION: Dr. Jimenez recommended approval of the minutes as submitted.

ACTION: A MOTION for approval of the recommendation was made by Mr. Briseno, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None

REPORT FROM THE PRESIDENT OF THE HEALTH SCIENCE CENTER – WILLIAM HENRICH, M.D.:

SUMMARY: Dr. Henrich received word today that the Texas House has rejected the fiscal matters bill and sent it back to the Senate. Senators will be asked to reconcile some matters and it is not anticipated that the budget will change much from the report that will be presented later this evening on the estimated impact of legislative actions. In summary, he expects that both UTHSCSA and the Health System will struggle with significant budget reductions; however, Dr. Henrich is confident that the partnership between the Health Science Center and the Health System will prevail in finding ways to manage these budget cuts so that the citizens of Bexar County are well served by the respective missions. Joint strategic planning becomes critical for the future, as discussed between HSC and Board of Managers leadership earlier today. Board members agreed with Dr. Henrich that the strong relationship between the organizations will be helpful in prevailing during hard economic times. As an example, Dr. Henrich cited the creation of the UHS heart station at the UT Medical Arts and Research Center. This joint venture depends on both organizations to be successful and is an unprecedented step forward in the partnership. On behalf of Dr. Gonzalez, Dean of the School of Medicine, Dr. Henrich introduced the physician leadership present.

RECOMMENDATION: This report was provided for information purposes only.

ACTION: None.

EVALUATION: Mr. Briseno expressed an interest in learning more about joint opportunities for strategic planning with the Health Science Center. The best example thus far is the heart station, but all opportunities to collaborate are being carefully reviewed by staff. Another good example under review is the ambulatory surgery center for the downtown campus, and another business arrangement with the Federally Qualified Health Centers. The best estimate right now is about a $15 million impact from legislative cuts. As the HSC and the Health System move further along into the strategic planning process, and during the tax and budget setting process, the Board of Managers will have to make deliberate and careful service decisions, without compromising the quality of care, with limited resources.

FOLLOW-UP: Staff will brief the Board regarding important strategic and collaboration items in the near future.
NEW BUSINESS

CONSENT AGENDA – ROBERTO JIMENEZ, M.D.:

Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Staff Membership – Nicolas Walsh, M.D., President, Medical/Dental Staff

Consideration and Appropriate Action Regarding Consideration and Appropriate Action Regarding University Health System Policy No. 4.13, Personal Use of Social Media—Leni Kirkman

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) - Francine Crockett

RECOMMENDATION: Staff recommends approval of the items listed on the consent agenda.

ACTION: A MOTION to approve staff’s recommendation regarding the items listed on the consent agenda was made by Mr. Briseno, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY.

EVALUATION: Regarding purchasing activities, Mr. Briseno encouraged improvement with minority business enterprises. He re-emphasized the Board’s purpose in area working with Small, Women, Minority-owned Business enterprises.

FOLLOW-UP: None.

ITEMS RELATED TO PLANNING & OPERATIONS – LINDA RIVAS, CHAIR, PLANNING & OPERATIONS COMMITTEE

UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES – MARK WEBB

SUMMARY: Mr. Webb provided a detailed written report regarding CIP activities on both campuses. He reviewed safety information for the month, workforce statistics, building/site modifications and changes, traffic changes and parking, as well as, Leadership in Energy and Environmental Design efforts. He provided a breakdown of GMPs approved to date by the Board of Managers and included cost for control estimates, GMP amounts, savings from GMPs under contract, and overall savings. Regarding community outreach and education, he informed the Board that his area had recently hosted its third blood drive to support the efforts at the University Hospital Blood Bank with 25 pints of blood collected. The next drive will be held around August 3, 2011. Finally, he provide a current summary of SMWVBE participation levels and reported that additional initiatives are underway to increase utilization of African American Business Enterprise firms in the CIP project, as requested by Mr. Smith. Next month’s SMWVBE participation levels should include a $3.9M contract for framing, drywall and acoustical ceiling work at the RBG campus.

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

ANNUAL CARELINK REPORT – VIRGINIA MIKA, PH.D., AND GARY MCWILLIAMS, M.D.

SUMMARY: Drs. Mika and McWilliams submitted a detailed written report regarding 2010 CareLink financial assistance program activities. Dr. Mika introduced her department managers and provided a graphics presentation that included an overview of CareLink memberships by year which she cited at 50,950 in 2008; 54,601 in 2009; and 59,562 in 2010. She reviewed the average CareLink enrollment by various programs and years as well as membership demographics by the top 10 zip code areas. Also discussed were the members’ ethnic composition (all plans combined); primary care assignments; per member per month collections and costs; as well as the net costs and collections per member. Disease prevalence among the membership was described as being, hypertension, diabetes mellitus, obesity, and lipid disorder. Dr. Mika reviewed patient referral data to community providers and reported that staff works diligently to maintain specialist referrals within the Health System, and over the last several years has refined and improved the external referral process by utilizing nationally recognized guidelines to ensure that referrals are both appropriate and timely. Dr. Mika reviewed admissions and EC visit statistics and discussed program eligibility and enrollment criteria with the Board.

RECOMMENDATION: This report was provided for informational purposes.

ACTION: None.
EVALUATION: Mr. Smith initiated a discussion regarding the Health System’s capability to increase membership and the funding for such; and Mr. Briseno asked about the program’s marketing strategy. The Health System does not actively market the CareLink program since it is the payor of last resort. Marketing of the program is done via community outreach at health fairs and by the members themselves. If a patient qualifies for CareLink, he is enrolled so that he can get the preventive care he needs. The goal is to reduce hospital admissions and complications as much as possible. At this time there are 400,000 people who are uninsured in Bexar County - that is one out of seven individuals. Looking ahead to 2014, there will be a mad rush to enroll people in the federal program, with a gradual reduction of local programs. Expectant mothers and children who qualify are referred to the Medicaid and CHIP programs and few older individuals qualify for both Medicare and CareLink. The enrollment system used by CareLink is very sophisticated and helps to make the appropriate referrals to other third party payors. Dr. McWilliams reminded the Board that the Methodist Health Care Ministries sponsors a clinic for uninsured individuals at the University Health Center – Northwest. Those individuals who do not meet the CareLink enrollment criteria can receive health care that is funded by Methodist at that location. Dr. McWilliams also informed the Board that the limited supply of providers will restrict us from expanding membership. According to the American Medical Association, the national average for
active primary care providers is 79 for every 100,000 patients. In Texas, this number falls to 61. In Bexar County alone, we would need 288 more providers to meet the national average. The Health System must manage the CareLink program as much as possible. Mr. Briseno expressed an interest in reviewing the costs per member vs. costs per patient without insurance.

The Medication Assistance Program was described as being very successful having saved the Health System $14 million in 2010. The various membership groups are based upon member income relative to the Federal Poverty Level and dictate the amount of the co-payments that are expected. CareLink does not offer any dental services, except for coverage of emergency extractions. Wait times and accessibility has improved over the years, with an average wait for the initial enrollment appointment being about two weeks. More office space was recently provided near the University Family Health Center – North, and representatives are stationed at various facilities in every quadrant of Bexar County. There is not an assigned representative at University Hospital because a trial period revealed that inpatients were not prepared with the necessary enrollment documents. CareLink enrollment appointments for inpatients without health insurance are issued for the same day as their follow up appointments and this process has proven to be more convenient for the patient.

Finally, Dr. McWilliams reported that the impact of the challenging economic conditions was evident in 2010, especially in the CareLink A membership category, where enrollment increased by 500 during the months of October and November.

**FOLLOW-UP:** None.

**UPDATE ON THE 82ND LEGISLATIVE FIRST CALLED SESSION – ANDREW SMITH**

**SUMMARY:** The Regular Session of the 82nd Texas Legislature ended on Monday, May 30, 2001 but the Governor called a Special Session which began on May 31st. Special Sessions may last up to 30 days and may only be called by the Governor, who also has control of the agenda. The major unresolved issues that required the Special Session related to budget items, specifically legislation that would either raise “non-tax” revenue or would provide cost savings to the state. Several bills from the regular session, related to healthcare, SB 7, 8 and 23, were among the issues included in the Governor’s proclamation. These bills are projected to generate $468 million in savings; address Medicaid Managed Care expansion; trauma/Medicaid matching Funds; reduce hospital emergency room use for non-urgent care; Texas Emergency and Trauma Care Education Partnership Program; family planning services; and an abortion amendment. The $4.8 billion underfunding of Medicaid will not be addressed and will remain until the 83rd Legislature convenes in 2013.

Mr. Smith reviewed other special session issues relating to: the operation of the Texas Windstorm Insurance Association; the use of federal Secure
Communities Program by law enforcement agencies; the issuance of driver’s licenses and personal identification certificates; the abolishment of sanctuary cities in Texas; and the prosecution and punishment for the offense of official oppression of persons seeking access to public buildings and transportation.

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

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP:** None.

ITEMS BEING RECOMMENDED BY THE BUDGET AND FINANCE COMMITTEE – **ALEX BRISENO FOR ROBERT ENGBERG, CHAIR, BUDGET & FINANCE COMMITTEE**

**REPORT ON THE ESTIMATED FISCAL IMPACT OF THE 82ND LEGISLATIVE SESSION ON UNIVERSITY HEALTH SYSTEM — **PEGGY DEMING**

**SUMMARY:** Ms. Deming provided a detailed written report regarding staff’s best estimates of the known impact of State budget cuts. The largest cut identified in the State budget as it now stands is to the Health and Human Services (HHS). It is reduced $11.3 billion or 17.2% in all funds. Legislative budget cuts impacting the Health System which are known at this time are:

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<tr>
<th></th>
<th>2011</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td>Termination of Federal Stimulus Assistance to Medicaid Federal Medical Assistance Percentages:</td>
<td>($2.6m)</td>
<td>($7.7)</td>
</tr>
<tr>
<td>State and Federal Grant Terminations/Reductions to Women’s Health and Prevention Services:</td>
<td>($0.9m)</td>
<td>($2.6m)</td>
</tr>
<tr>
<td>State Medicaid and CHIP Changes in Reimbursement:</td>
<td>($1.3m)</td>
<td>($4.3)</td>
</tr>
<tr>
<td>Reduced Trauma Funding:</td>
<td>$0.0</td>
<td>($0.9)</td>
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<tr>
<td><strong>Total Estimated Impact</strong></td>
<td><strong>($4.7m)</strong></td>
<td><strong>($15.5m)</strong></td>
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Overall, the magnitude of the cuts determined with the best information available to date is $4.7 million starting September 2011 and $15.5 million in 2012.

Other legislative initiatives with impact at amounts not yet determined:

- The development of Statewide Medicaid Standard Dollar Amount (SDA)
- Submittal of a Medicaid 1115 Waiver

In light of the overall negative impact anticipated by the proposed cuts made during the 82nd Legislative Session, the executive team has met and has identified initiatives beyond those in process to date that focus on becoming even more efficient in how we acquire supplies and pay for
physician services, how we measure productive and non-productive employee costs, CareLink benefits as well as revenue enhancements being pursued on signature services.

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

**ACTION:** None.

**EVALUATION:** Board members are extremely interested in knowing the relative impact to the Health System from the $15.5 million cut. Between now and 2012 budget setting, the Board would like a retreat to review service delivery reductions, system design changes, and/or any staffing needs that might become necessary. Although the full impact is not known at this time, the intent is to maintain appropriate staffing levels to provide quality health care.

**FOLLOW UP:** Staff will continue to update the Board as more information is available on the proposed rules. Details on staff’s plans to mitigate the losses will be provided as part of the tax rate budget currently being developed. Mr. Hernandez will update the Bexar County Commissioners Court and Bexar County Judge Nelson Wolff as soon as possible regarding the estimated fiscal impacts discussed this evening.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR MAY 2011 FINANCIAL STATEMENTS – ROE GARRETT AND PEGGY DEMING**

**SUMMARY:** For the month activity was up 3.9% for the clinical services (as measured based on discharges adjusted for outpatient activity). Community First Health Plan (CFHP) fully-insured membership was down 3.8%. From operations, the Health System experienced a loss of $507,000 which was $1.1 million below the budgeted gain of $586,000 due to lower operating revenue. Investment income was over budget by $32,000 due to higher interest rates than budgeted. An unrealized market gain of $146,000 was recorded due to a decrease in interest rates as the economy continues to show signs of weakness. The bottom line gain in excess of expenses excluding debt service was $87,000 for the month which was $915,000 lower than budgeted gain of $1.0 million. Included in the above results is CFHP which experienced a $381,000 bottom line gain ($108,000) better than the budgeted gain of $273,000. Debt service revenue was $3.6 million which is equal to the budgeted portion of the debt service payment of $3.6 million. Notable increases and/or decreases from the consolidated balance sheet were reviewed with the Board.

**RECOMMENDATION:** Staff recommended acceptance of the financial statements for May 2011, subject to audit.

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

**EVALUATION:** Ms. Rivas requested an overview of AirLife’s financial performance, and asked staff to follow up with a similar report outlining the savings and/or revenue enhancements that can be attributed to the work performed by the various consultants. Mr. Briseno stated that similar presentations on a
quarterly basis regarding the ambulatory side of the operation and on the CareLink financial, program would be helpful to him

**FOLLOW UP:** As indicated above.

**REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN**

**SUMMARY:** Ms. Kirkman provided a detailed written report on recent recognitions received by the Health System and media highlights as well as upcoming events.

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

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**INFORMATION ONLY ITEMS:**

**REPORT REGARDING YEAR 2010 MEDICAL/DENTAL STAFF COMMITTEE AND DEPARTMENTS – NICOLAS WALSH, M.D., PRESIDENT, MEDICAL/DENTAL STAFF**

**SUMMARY:** Dr. Walsh submitted detailed, written reports, as required by Joint Commission Medical Standard 02.01.01, from each of the following: Drug Usage Evaluation Committee; Cancer Committee; Department of Medicine; Department of Surgery; and the Oral and Maxillofacial Surgery Department.

**RECOMMENDATION:** These reports were submitted for informational purposes only.

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP** None.

**ADJOURNMENT:**

There being no further business, Dr. Jimenez adjourned the public meeting at 8:45 p.m.

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Robert L. Jimenez, M.D.   Ira Smith
Chair, Board of Managers   Secretary, Board of Managers

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Sandra D. Garcia, Recording Secretary