SPECIAL MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Monday, June 30, 2014
11:30 a.m.
Corporate Square, 10th Floor, Conference Room A
4801 N.W. Loop 410
San Antonio, TX 78229-5347

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Linda Rivas, Vice Chair
Dianna M. Burns, M.D., Secretary
Roberto L. Jimenez, M.D., Immediate Past Chair
Robert Engberg
Ira Smith
Robert A. Gilbert

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
Félix Alvarez, Executive Director, Procurement Services, University Health System
Ted Day, Vice President, Strategic Planning & Business Development, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Francisco Scarano-Gonzalez, M.D., Dean, School of Medicine, UTHSCSA
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
C. Reed Hurley, Assistant Chief Financial Officer, University Health System
Leni Kirkman, Vice President, Strategic Communications & Patient Relations, University Health System
Monika Kapur, M.D., Interim Chief Executive Officer, Community Medicine Associates
Mary Ann Mote, Senior Vice President/Chief Revenue Officer, University Health System
Nancy Ray, Senior Vice President/Chief Nurse Executive, University Health System
Carlos Rosende, M.D., Vice Dean for Clinical Affairs, School of Medicine, UTHSCSA
Theresa Scepanski, Vice President/Chief Administrative Officer, University Health System
Kami Stepanik, Patient Safety Officer, University Hospital
Allen Strickland, Vice President, Hospital Administration/Fiscal Management, University Hospital
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System
Roberto Villarreal, M.D., Senior Vice President, Research and Information Management, University Health System
Mark Webb, Senior Vice President/Facilities Administration, University Health System
And other attendees.
CALL TO ORDER AND RECORD OF ATTENDANCE: LINDA RIVAS ON BEHALF OF JIM ADAMS, CHAIR, BOARD OF MANAGERS

Ms. Rivas called the meeting to order at 11:30 a.m.

INVOCATION AND PLEDGE OF ALLEGTENCE:

Ms. Rivas introduced Mr. Kenneth Malone of St. Matthew’s Catholic Church for the invocation, and she led the pledge of allegiance.

CITIZENS’ PARTICIPATION: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING—LINDA RIVAS, VICE CHAIR FOR JIM ADAMS, CHAIR

SUMMARY: Minutes of the regular bi-monthly Board meeting of the Board of Managers for Tuesday, May 20, 2014 were presented for approval.
RECOMMENDATION: Staff recommended approval of the minutes as submitted.
ACTION: A MOTION to approve the minutes was made by Mr. Gilbert SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY
EVALUATION: None.
FOLLOW-UP: None.

REPORT FROM THE HEALTH SCIENCE CENTER – WILIAM HENRICH, M.D., PRESIDENT BY FRANCISCO GONZALEZ-SCARANO, M.D.:  

SUMMARY: Dr. Gonzalez introduced the physician leaders present. He reported that he and Mr. Hernandez and staff are working on updating the master affiliation agreement between the organizations, they are meeting on a regular basis.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None.

CONSENT AGENDA –LINDA RIVAS VICE CHAIR, FOR JIM ADAMS, CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR STAFF MEMBERSHIP –JOHN G. MYERS, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

CONSIDERATION AND APPROPRIATE ACTION REGARDING UNIVERSITY HEALTH SYSTEM POLICY NO. 4.07, RESOLUTION OF EMPLOYEE CONCERNS—THERESA SCEPANSKI

CONSIDERATION AND APPROPRIATE ACTION REGARDING UNIVERSITY HEALTH SYSTEM POLICY NO. 5.01.03, ORGANIZATIONAL PLAN FOR DEVELOPING A CULTURE OF PATIENT SAFETY—NANCY RAY
CONSIDERATION AND APPROPRIATE ACTION REGARDING UNIVERSITY HEALTH SYSTEM POLICY NO. 9.06.02, PRESENCE AND PARTICIPATION OF FAMILIES IN CARE—NANCY RAY

CONSIDERATION AND APPROPRIATE ACTION REGARDING APPOINTMENTS TO THE BOARD OF DIRECTORS OF THE ALAMO AREA COUNCIL OF GOVERNMENTS—JIM ADAMS

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN APPOINTMENT TO THE BOARD OF TRUSTEES OF THE CENTER FOR HEALTH CARE SERVICES —JIM ADAMS/ROBERTO JIMENEZ, M.D.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN APPOINTMENT TO THE UNIVERSITY HEALTH SYSTEM PENSION PLAN BOARD OF TRUSTEES —JIM ADAMS

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN APPOINTMENT TO THE UNIVERSITY HEALTH SYSTEM FOUNDATION BOARD OF DIRECTORS —JIM ADAMS

CONSIDERATION AND APPROPRIATE ACTION REGARDING PURCHASING ACTIVITIES (SEE ATTACHMENT A) –FELIX ALVAREZ/FRANCINE WILSON

SUMMARY: The items above were presented for the Board’s consideration

RECOMMENDATION: Staff recommended approval by the Board of Managers.

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

EVALUATION: Mr. Smith pulled purchasing item no. 7, Modification # 3 for a Contract for Comprehensive Marketing Services with Creative Civilization, Inc., in the amount of $827,000, for elaboration by staff. This request is for additional funding to assist the staff with development of the 2014 Branding campaign, which builds upon the momentum created with the opening of the new Sky Tower. It helps position the organization as a premier Health System of choice for Bexar County and South Texas. These dollars are included in the 2014 budget. Mr. Kirkman has opted to have Creative Civilization pay vendors who provide any type of marketing service rather than receive individual invoices. Creative Civilization then provides the Health System with one re-capped bill with reconciliation at the end of each month. This is a pass through system, there are no fees or mark ups for having invoices handled this way. Mr. Smith suggested that it is time to re-address branding issues in a joint manner with UTHSCSA. Ms. Rivas agreed. The master affiliation agreement with UTHSCSA will require joint branding and marketing efforts. Ms. Kirkman looks forward to working on branding activities with Ms. Rivas and reported that they are scheduled to meet with a consultant soon.

Dr. Burns pulled Policy No., 5.01.03, Organizational Plan for Development a Culture of Patient Safety for discussion. She is interested
in reviewing data and metrics related to adverse events, medication errors, and unsafe conditions. Are they at or below national averages? The written report implies that staff members are unwilling to report such incidents, which causes her some concern. Ms. Ray introduced Ms. Kami Stepanik, the Health System’s Patient Safety Officer, whose job it is to develop a culture of safety within the organization. She explained that recently, the Health System had surveyed its staff about patient safety and found that medication errors are not reported to the degree that they ought to be. The goal, with this system-wide policy, is to encourage incident reporting.

Dr. Jimenez thanked his Board colleagues for approving the appointment of Graciela Cigarroa to The Center for Health Care Services Board of Trustees. Mrs. Cigarroa has an excellent reputation and a wealth of connections throughout the state, she is enthusiastic about serving and is a great addition to the CHCS Board. The Board also approved the appointment of Mr. Gilbert to the Alamo Area Council of Governments; the appointment of Ms. Rivas to the UHS Foundation Board; and re-appointment of David Wallace to the Pension Plan Board of Trustees, which Board members described as exceptional appointees.

FOLLOW-UP:
None.

ACTION ITEMS:
Mr. Jim Adams joined the Board meeting at this time (2:20 pm).

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

UNIVERSITY HOSPITAL:

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR VARIOUS ARCHITECTURAL, MECHANICAL, ELECTRICAL, PLUMBING AND INFORMATION TECHNOLOGY MODIFICATIONS IN THE SKY TOWER AT UNIVERSITY HOSPITAL (GMP #13DD) —MARK WEBB

SUMMARY: To date, twenty-nine (29) guaranteed maximum prices (GMPs) have been developed for the New Sky Tower. This thirtieth GMP #13dd specifically provides for a variety of improvements and revisions to various areas of the Sky Tower. Many of these revisions and additions were already contemplated, but the designs and systems were not fully vetted at the time the original GMP for the Sky Tower was developed. Allowances were established in the budget to cover many of these projected expenses. The revisions include additional design, owner requested, and authorities having jurisdiction changes, as well as additions to mechanical, electrical, and information technology systems throughout the Sky Tower. Mr. Webb described in detail all improvements and revisions associated with this GMP#3dd, control estimates, and actual amounts for a total of $381,369,600. The total control estimate is $361,628,794, and includes the proposed GMP #13dd in the amount of $5,058,533, which will be paid
from project. These additions will improve the workplace environment and provide an efficient operation, better patient care, and increase the operational efficiency of the new tower. These changes are related to the further development of design, requested by staff, and/or required due to operational changes. The proposed GMP #13dd, in the amount of $5,058,533 will be paid from project funds. The summarized budget (includes all project costs—Construction, Professional Fees, FFE, etc.) for University Hospital as well as the Pediatric Project is:

<table>
<thead>
<tr>
<th></th>
<th>Total Budget</th>
<th>Total Committed</th>
<th>Remaining Budget</th>
</tr>
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<tbody>
<tr>
<td>UH CIP Total</td>
<td>$816,937,732</td>
<td>$788,617,975</td>
<td>$28,319,757</td>
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<tr>
<td>Pediatric Project</td>
<td>$14,050,279</td>
<td>$14,011,418</td>
<td>$38,861</td>
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The total remaining budget is currently allocated for the planned renovation projects at University Hospital: 2nd Floor Clinics, Pharmacy Relocation/Expansion and Environmental/Plant Engineering work areas.

The participation goal for SMWVBE is 40% and the local participation goal is 80%. To date, SMWVBE participation of awarded construction projects is 38.3% and local participation is 74.3%. This does not include the dollars associated with the Construction Manager’s Fee or other project administrative costs including this GMP and insurance, bonds, permit fees, etc. Mr. Webb reviewed the SMWVBE numbers achieved for all construction GMPs to date with the Board. GMP dollars awarded to date are $523,513,161. GMP dollars remaining to procure are $11,614,396.

RECOMMENDATION: Staff recommends the Board of Managers approve the GMP #13dd in the amount of $5,058,533 and authorize the President/Chief Executive Officer to execute the amendment to the Zachry Vaughn Layton Construction Management Agreement in the amount of $5,058,533.

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

EVALUATION: The architectural services under GMP # 13dd are owner requested modifications to the behavioral health patient holding area.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR LANDSCAPE AND IRRIGATION REVISIONS; SOUTH LOADING DOCK REPAIRS AND PAVING; RESTRIPPING AT THE WEST PARKING GARAGE; AND ADDITIONS TO WALKWAY AND ELEVATOR WAY FINDING SYSTEMS AT THE NORTH PARKING GARAGE AT UNIVERSITY HOSPITAL (GMP#3J)—MARK WEBB

SUMMARY: To date, nine (9) guaranteed maximum prices (GMPs) have been authorized for the new Hospital Tower project. The scope of this tenth GMP#3J is inclusive of landscape revisions around the fresh air intake at the Sky Tower loading dock; addition to site signage at the existing cooler tower & east/west road at Wurzbach; repaving of existing south loading dock & the UT Health Science Center service drive, Minor restriping within the West Parking Garage to accommodate additional staff handicap parking & restriping on the north/south road; restriping of the WPG heliport and additions to graphics at walkway and elevator wayfinding.
system at the North Parking Garage at University Hospital. These additions and improvements will improve the visitor experience when arriving at University Hospital, both from a parking and wayfinding prospective, improving parking for handicapped staff by providing more accessible parking spaces located in areas within close proximity to the Sky Tower staff entrance and providing an efficient operation for Air Life and other Air Transport providers arriving at the WPG Heliport, and improving green space around the campus. The Tower Project Construction Manager has reviewed the design drawings prepared by the A/E Team, and has provided a Guaranteed Maximum Price (GMP #3h) for the work associated with this GMP package. Mr. Webb described in detail all improvements and revisions associated with this GMP, control estimates, and actual amounts for a total of $68,252,007. The total control estimate is $67,237,291 and includes the proposed GMP #3j in the amount of $562,251, which will be funded with capital improvement project funds. The participation goal for SMWVBE is 40% and the local participation goal is 80%. To date, SMWVBE participation of awarded construction projects is 38.3% and local participation is 74.3%. This does not include the dollars associated with the Construction Manager’s Fee or other project administrative costs including this GMP and insurance, bonds, permit fees, etc. Mr. Webb reviewed the SMWVBE numbers achieved for all construction GMPs to date. GMP dollars awarded to date are $523,513,161. GMP dollars remaining to procure are $11,614,396.

RECOMMENDATION: Staff recommends the Board of Managers approve GMP #3j in the amount of $562,251 and authorize the President/Chief Executive Officer to execute the amendment to the Zachry Vaughn Layton Construction Management Agreement in the amount of $562,251

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

EVALUATION: In terms of background for the new Board members, Mr. Smith thanked Mr. Webb for doing a wonderful job in distributing CIP work to smaller contractors throughout the community. In the early stages of the project, the Health System was criticized by smaller businesses in Bexar County who claimed the Health System was relying only on large, general contractors and not issuing Requests for Proposals. Zachry/Vaughn/Layton (ZVL) is a joint venture which has served as construction manager-at-risk for the tower expansion and renovation to the existing hospital, parking garage, and central plant. The Board made the decision that it was appropriate to use ZVL on all work related to CIP at University Hospital. To satisfy community concerns, Mr. Webb assured all that ZVL’s work would close out in June 2014. Mr. Webb updated the Board that due to the scope of ZVL work, it will actually close out in the July/August timeframe. Ongoing renovation and complex elevator work will close out in the September/October time frame. ZVL’s work will minimize operational impact and additional funds for their work will not be requested.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT TO THE SHUTTLE SERVICES CONTRACT WITH ABM PARKING SERVICES, INC., FOR UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: The original contract for shuttle services with Ampco was approved by the Board of Managers on January 19, 2010, in the amount of **$1,109,615** was based on the provision of shuttle services from March 2010 through November 2013. Since the initial agreement was negotiated and approved, several factors impacted the original cost projections for shuttle service including schedule changes, service level adjustments, and the garage incident. On May 29, 2012, the Board of Managers approved Amendment 1 to the shuttle contract for $639,806. $244,810 of this amount was reimbursed to the Health System from ZVL due to additional expenses incurred related to the garage incident. On November 26, 2013, the Board approved Amendment 2 to the original shuttle contract for $125,438. The total amount of the contract approved to date is $1,874,859. When Amendment 2 was presented to the Board in November 2013, staff estimated the amount required to run the Shuttle Service until the Sky Tower and the visitor garage opened would be $125,438. That estimate presumed a reduction of shuttle services due to the opening of the new staff walkway from the West Parking Garage to the Sky Tower. However, staff quickly realized a negative impact on patient/visitor satisfaction with the reduced shuttle service levels. As such, adjustments were made to correct the situation which impacted staff projections. The revised shuttle operating plan resulted in an additional **$106,910** expense. Shuttle services ceased operation after the Sky Tower opened in April. Operation of the shuttle buses to transport visitors and patients from the garage to the front door or Emergency Center entrance provided Health System patients/visitors an alternative to walking should their health or circumstance inhibit their ability to walk during construction of the Sky Tower. Since the opening of the Sky Tower shuttle services are no longer needed because of the close proximity of the patient/visitor parking to the main entrances. The total for previously approved amendments is **$765,244** and brings the revised contract amount to **$1,981,769**. Fees for this contract amendment will be paid from budgeted Operating Funds.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a contract amendment to the Shuttle Services Contract with ABM Parking Services, Inc., in the amount of **$106,910**.

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

EVALUATION: This item was presented as an after-the-fact ratification. Mr. Webb reported that based on interactions between staff and security ambassadors as well as NRC Picker survey responses, staff has determined that there is no longer a need for shuttle bus services. Mr. Gilbert and Dr. Burns were briefed about the West Parking Garage incident that occurred at University Hospital on February 14, 2011.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH HPG DESIGN GROUP FOR DESIGN SERVICES ASSOCIATED WITH THE 9TH FLOOR HORIZON TOWER RENOVATIONS AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: As part of the opening of the Sky Tower, various functions/service lines in the Horizon Tower were relocated to the new tower leaving some floors completely vacated and others partially vacated. The recommended plan is to renovate these floors to provide clinic and infusion services on the 10th floor for the pediatric HCM/ONC program that is transitioning to the health system July 1, and also to enhance the 9th floor for the pediatric heart program. A building condition assessment of the 9th floor was conducted by HPG Design Group, and their report from that assessment includes recommendations for the renovation of the 9th floor to bring the patient experience more in line with the Sky Tower. Additionally, HPG developed generic schematic plans based on recommended upgrades and provided a tiered cost estimate itemizing a variety of options. This request is to purchase Design Services to produce full construction documents for the 9th floor of the Horizon Tower at University Hospital. From the clinical perspective, the renovation of the floor will offer an enhanced and updated look matching the current branding for the health system: Float and paint over existing wall covering, replace VCT flooring where damaged, replace ceiling tile (existing is random in patterns and stained in several places), replace light fixtures, repair/replace damaged window sills, refurbish nurses stations, repair wall and corner guards, and renovate bathrooms.

This renovation plan for the 9th floor of the Horizon Tower coincides with efforts of the health system to address the Triple Aim Plus initiative to improve patient care experience, quality and outcomes, efficiency, and access. These improvements will provide for a better patient experience by improving the look and feel of the facilities, increase access to services and enhance revenue opportunities. The proposed fee is $45,000 which includes design services and construction administration services. The fees associated with this item will be funded from capital reserves because the total remaining CIP budget is currently allocated for planned renovation projects at University Hospital: 2nd Floor Clinics, Pharmacy Relocation/Expansion and Environmental/Plant Engineering work areas. HPG Design Group is a local, small, minority woman owned company.

RECOMMENDATION: Staff recommends Board of Managers’ approval of the contract for design services with HPG Design Group, LLC in the amount of $45,000 for the 9th floor of the Horizon Tower at University Hospital.

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

EVALUATION: None.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH SELECTED BEST PURCHASING COOPERATIVE (TXMAS OR BUYBOARDS) FOR CONSTRUCTION SERVICES FOR THE RENOVATION OF THE 9TH FLOOR HORIZON TOWER AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: The project will be accomplished in two phases and will include labor and material as required to provide a whole and complete renovation of the floor 9th floor. Any work that may disrupt services will require impact notices to affected departments. This renovation plan for the 9th floor of the Horizon Tower coincides with efforts of the health system to address the Triple Aim Plus initiative to improve patient care experience, quality and outcomes, efficiency, and access.

Once the designs for the floors are complete, the plans will be bid to a minimum of three TxMAS or BuyBoards (Cooperative) contractors. The cost estimates are based on the schematic plans for the renovation of the floor. Bids by the Cooperative contractors will be evaluated by staff to determine the best value to the health system. Based on the bids received, staff will recommend a contractor to the President/Chief Executive Officer for the renovation of the floors. The total cost for the renovation work on the 9th floor is not to exceed $2.0M. The fees associated with this item will be funded from capital reserves.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute an agreement in an amount not to exceed $2,000,000 for construction services with a best value TxMAS or Buyboards contractor to be determined after the completion of the design for the 9th floor of the Horizon Tower at University Hospital.

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

EVALUATION: Mr. Adams requested a follow up report on this authorization to select the best value contractor. In terms of background information, Dr. Jimenez briefly informed the new Board members that Bexar County Commissioners Court had provided them with guidance and encouraged use of the CIP bond money locally. The Board and the staff did as the Commissioners recommended and took the program beyond their expectations. The program became a model for the entire country. It was an interesting time in terms of the legal aspects and also, Mr. Briseno’s work in the community. Mr. Smith took great interest in this area, as did all of the Board members. The Board of Managers is proud of that effort; they saw various large contractors work with, and mentor, many local, minority, and small businesses and engaged them in the capital improvement project, the largest in the history of Bexar County. Mr. Adams interjected that initially the Board was going to use a consultant as full-time construction manager. However, it was their strong sense that the Health System needed internal talent, someone to make decisions on their behalf and deal with the contractors. Mr. Hernandez then recruited Mark Webb, who has done an amazing, first class job, and is now a well-
respected member of the executive team. Mr. Adams also appointed Mr. Engberg as the Board representative to oversee CIP activities.

Dr. Burns asked if other renovations taking place on the 7th, 8th, and 10th floors have been taken into consideration for this particular project on the 9th floor. Mr. Hernandez confirmed that the work on the 9th floor is indeed part of a bigger plan. Mr. Adams reminded staff of the Board’s request to be briefed on such projects in their totality; they are interested in seeing the big picture. Mr. Smith urged the staff to consult Dr. Burns with on all pediatric issues.

**FOLLOW-UP:** Staff will provide a follow up report regarding the selected the best value contractor.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH SODEXO HEALTH CARE SERVICES LIMITED PARTNERSHIP FOR FOOD AND NUTRITIONAL, VENDING AND GIFT SHOP MANAGEMENT SERVICES—ALLEN STRICKLAND**

**SUMMARY:** On April 15, 2011, the Health System entered into a contract with Sodexo Healthcare to provide management oversight for nutrition, vending, and gift shop services at University Hospital. The contract is for a three-year term with two (2) one year renewal options, and will automatically renew on August 15, 2014, unless terminated. Clear goals and objectives were established at the start of the contract, with the key areas of focus being employee engagement, patient satisfaction, cafeteria and bistro customer satisfaction, regulatory compliance, and renovation and program startup support. Mr. Strickland outlined the actions taken, programs implemented, and results achieved by Nutrition Services in each of the areas of focus over the past two and half years in his written report, which he reviewed in detail with the Board. The breakdown for costs associated with this renewal are as follows:

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<th>Amount</th>
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<tr>
<td>Management Expense Reimbursement</td>
<td>$539,166</td>
</tr>
<tr>
<td>Management Fees</td>
<td>$220,666</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$759,832</strong></td>
</tr>
</tbody>
</table>

The net additional cost to Health System for salary and benefits in excess of our anticipated future budgets will be $250,000 per year. These amounts have been more than offset in past years by the savings in annual food costs and increases in sales, and there will be no increase in price for either component during the two (2) one year renewals from the previous three years. As a result of the partnership with Sodexo and the focus of University Hospital Administration to improve nutritional services, the department has flourished. Management is very pleased with the outstanding results of the three-year partnership with Sodexo Healthcare.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of the August 15, 2014 automatic renewal of the contract with Sodexo Healthcare for the management of nutritional, vending and gift shop services as part of the two (2) one year renewal options, and the allocation of funds to support this renewal in the amount of $759,832.
A **MOTION** to approve staff’s recommendation was made by Ms. Rivas, **SECONDED** by Mr. Gilbert, and **PASSED UNANIMOUSLY**.

**EVALUATION:**

Ms. Rivas asked about a previous concern regarding the purchase of food items, pricing and delivery, and whether Sodexo has been able to help in that regard. The main food supplier is a local vendor and the result of a Request for Proposals. Vendors are typically cherry-picked, and the Health System uses more than one food supplier. Mr. Strickland reported improvement in the selection process and in minimizing waste. The cost of food, however, has not gone down and neither has the volume. Cash sales have increased due to volume, and the presentation and quality of food has also improved.

Mr. Gilbert asked if the one year renewal option called for keeping the same food service employees and same pricing. He also asked if Sodexo has a scheme that calls for healthier food to be less expensive. Same employees and pricing are part of the contract renewal, and the best buy in the cafeteria is still the burger. However, staff is currently discussing less expensive healthy options. Dr. Alsip’s involvement on the Mayor’s Fitness Council has been helpful in this regard.

Mr. Engberg noted substantial improvement in patient satisfaction scores regarding freshness, appearance and flavor of food. What are the staff’s thoughts and ideas to keep trends moving in the right direction, given that the industry is telling us we’ve reached a plateau when compare to other magnet hospitals? Once we get the food right, it’s all about service. The food services staff has a large amount of ground to cover as far as square footage, from the kitchen to patient rooms in the Sky Tower. The goal is to get the food there quickly and on time for the patients. Staff can improve on managing that task; however, there are some patients who will not be happy, especially those who do not keep a healthy diet and are re-directed to healthier menus approved by their physician.

Mr. Adams recalled a personal three-day stay at University Hospital during which he experienced the hospital’s *At Your Request – Room Service* dining program. He described it as *upscale*, ensuring each patient’s request fits within their prescribed dietary guidelines. Meals are freshly prepared and delivered to the patient’s room within 45 minutes of their request.

In terms of background, Dr. Jimenez informed Dr. Burns and Mr. Gilbert that initially, Bexar County Commissioners Court did not like the idea of privatization at a Health System facility, it was a tough sale to them; they did not want to upset the workforce. Mr. Adams thanked Mr. Strickland for the informative and helpful presentation.

**FOLLOW-UP:**

Mr. Strickland will follow-up on healthy food pricing as suggested by Mr. Gilbert.
CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR PROFESSIONAL SERVICES WITH FERNANDO LOPEZ, MD—MARY ANN MOTE/BRYAN ALSIP, MD/MONIKA KAPUR, MD

SUMMARY: The Delivery System Reform Incentive Payment (DSRIP) Pool is a component of the 1115 Waiver program of the State of Texas that provides incentives for collaborative initiatives in simultaneous pursuit of three aims: better health care for individuals, including access to efficient, effective care; better health for the population; and lower cost through improvement. This contract supports one of the Health System’s 26 DSRIP project by providing the board certified cardiologist to enhance the skill level of the primary care provider through an education and mentoring program with the goal of improving the clinical experience and outcomes of patients with heart failure and hypertensive disease in the primary care setting. The purpose of this program is to modify the current clinical interaction with patients who have a clinical history of heart failure and or hypertensive disease in ambulatory settings by enhancing the primary care encounter experience and to provide up-to-date training and specialized resources to the primary care physicians to improve the patients’ self management of their disease, improve their quality of life and in the long term minimize their hospitalizations, emergency room visits and other complications. The DSRIP outcome measure is to reduce the readmission rate for congestive heart failure patients by 15%.

The program to be provided includes but is not limited to the following: (1) develop and implement a comprehensive and specialized provider education plan, (2) facilitate communication of clinical data to providers, (3) develop educational tools, (4) assist in planning clinic visits, (5) prepare didactic materials and simulations of clinical situations, (6) mentor providers in face to face sessions or on the phone or by email, (7) provide provider training sessions, (8) provide documentation that demonstrates the success of the training/education program and (9) create and present a summary of clinical performance and feedback to the providers. The services included are (1) presentation/implementation of the program, $35,000 (2) education and training of the primary physicians in the clinic on a schedule established by the Health System not to exceed 20 hours per week under the direction of Dr. Monica Kapur, $208,000 and (3) an incentive bonus if established outcome goals are met of $35,000. The total annual cost of this contract will not exceed $278,000, for a one year period beginning July 1, 2014 through June 30, 2015. The contract has the option to extend for additional one year periods at the discretion of the Health System. The cost of this program is included in the 2014 operating budget and was included in the DSRIP project plan.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a one-year contract with Dr. Fernandez Lopez, in the amount of $278,000.

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

EVALUATION: Mr. Adams introduced Dr. Monika Kapur to the Board, an exceptional physician and effective leader. She serves as interim President/CEO for Community Medicine Associates. He suggested that Mr. Hernandez, Dr.
Gonzalez, and Dr. Alsip work closely together to figure out how UTHSCSA physicians can best utilize results associated with this DSRIP project. In response to Mr. Engberg’s question about the patient volume expected to be served, Dr. Kapur reported that the majority of existing congestive heart failure patients who are referred to University Hospital for admission, come from the Southside of town, specifically University Family Health Center-SE and SW. This is approximately 60 percent of all referrals, or 300 plus individuals. Thirty-five to forty percent are referred by the South East clinic with the remainder coming from the South West clinic. In fact, CMA providers are partnering with Dr. Steven Bailey of UTHSCSA to bring cardiology services to the South East clinic. Dr. Gonzalez reiterated that re-admissions of CHF patients are due to various underlying problems such as diet, inactivity, and smoking. Patients leave the hospital and continue their existing lifestyles. Providers must find a way to transfer treatment and healthy behavior to the home. Dr. Burns described the biggest issue with CHF patients as the continuity of care throughout the community. Her husband’s recent hospitalizations and discharges were difficult because the ability to access medical records by the various providers does not exist at this time. Mr. Hernandez reported that the Health Information Exchange system between UHS and UT Medicine has been in the testing phase for about 2.5 months because errors cannot be tolerated, communication between the two systems must be effective. Staff is moving towards integration of both records and the pilot has been rolled out to most of the Health System clinics. Dr. Jimenez suggested partnering with the Archdiocese of San Antonio to reach a large number of congestive heart failure as well as diabetic patients. He feels that the Catholic Chancery can provide support in educating this predominately Hispanic, Catholic population in San Antonio regarding healthier lifestyles.

FOLLOW-UP:

Mr. Adams asked Mr. Hernandez to consider Dr. Jimenez’s feedback regarding the Archdiocese of San Antonio.

FINANCIAL MATTERS:

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

SUMMARY: During the Board meeting on May 27, 2014 the post audit rebalancing of reserves was presented to the Board. This rebalancing of fiscal year 2013 excess cash reserves produced $26.9 million in unencumbered capital reserve. Due to the current financial operating results, staff has limited the capital request to two very important items totaling $2.6 million. Additional capital requests will be presented to the Board in the future if urgent items are identified. In the meantime staff believes it is prudent to not encumber the majority of the capital at this time. Since 2009 $80.44 million has been funded from capital reserves of which $54.10 has been for CIP enhancements, $14.4 million for Children’s Health Services and $11.94 million for other capital needs. On May 27, 2014, the Board approved an additional $26.9 million for capital funding from the
rebalancing exercise after the 2013 audit which serves as the source of funding. The two capital requests are as follow:

1. Renovations to the 9th Floor Horizon Tower for Pediatric Heart Surgical Line expansion to further develop the program, enhance patient satisfaction, and increase revenue potential. **The request from the Capital Account to fund this project is $2.045 million.**

2. Additional infusion pumps and associated software to improve patient safety, staff efficiency, and support the opening of the new Sky Tower, Ambulatory Surgery Centers, increased activity in Oncology and Transplant services, and the Pediatric expansion has further increased the need for additional infusion pumps. This purchase is for 100 Alaris Brains and 200 Alaris Pump Modules (channels), Guardrail Point-of-Care Software (which is used by Pharmacy to monitor dosing) and 100 Auto-ID units that have to be used with the Brains. **The total purchase price for these additional pumps is $674,640 of which $128,064 will come from the contingency fund and the remainder from the capital account.**

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of $2.045 for Capital Improve Project enhancements and $546,576 for other capital items to be funded from the Capital Account (total $2,591,576) plus $128,064 from the 2014 on-going capital contingency fund. The total of this request is $2,719,640.

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

**EVALUATION:** Ms. Rivas asked if funding for anything outside of capital was being considered at this time, such as any portion of unfunded liabilities for the pension plan. Ms. Deming confirmed that any such designation is at the Board’s discretion.

**FOLLOW-UP:** Mr. Adams asked the staff to touch base with Mr. Engberg and Mr. Smith, Board representatives on the Pension Plan Board of Trustees, regarding any additional funding that might be necessary at this time.

**UPDATE ON NEW 3-YEAR DSRIP PROJECTS—ROBERTO VILLARREAL, MD**

**SUMMARY:** In late May, the Centers for Medicare and Medicaid Services (CMS) initially approved the Health System’s new 3-year DSRIP projects, these projects can now claim DY3 DSRIP funding for achievement of the specified milestones during October 2014 reporting. Per CMS, approval for DY 4 and 5 is contingent on the mid-point assessment:

1. Real-time risk stratification tool allows both inpatients and outpatients diagnosed with a chronic disease to receive a risk score, the risk score will allow providers to quickly identify higher need patients.

2. Skilled nursing facility and long term acute hospital transition to improve access to, and coordination of care for Medicaid and uninsured patients in need of long term acute care.
3. Partnership with the San Antonio Housing Authority (SAHA) to increase access to women’s health services in East Bexar County by establishing a clinical site to enhance access to early preventive care.

The Health System’s new 3-year projects have a total of seven Category 1 & 2 Milestones to be completed during Demonstration Year 3 ending in September 2014. All seven milestones must be completed on or before September 30, 2014 and reported during October 2014 reporting opportunity. Milestones range from opening a clinic and hiring staff to developing Care Transition protocols. These projects face an aggressive timeline due to the delay in the approval process from the Health and Human Services Commission/Centers for Medicare and Medicaid Services. Project staff is working diligently to make sure all milestones are completed during the next three months and reported by the established deadline. The Health System’s DSRIP team reported a total of 40 milestones in Categories 1 and 2 and 33 selected milestones in categories 3, we also reported 3 milestones in category 4 with a total of 66 milestones reported. This will generate a net total of $47,079,810.00. All reported categories were approved by HHSC.

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

ACTION: None.

EVALUATION: As background information, Mr. Hernandez reported that original term of the DSRIP projects submitted in 2012 were for 5 years. However, the state received additional funds for hospitals that serve a large number of uninsured patients and UHS submitted three additional three-year projects discussed today, which received approval from the state yesterday afternoon. Mr. Adams interjected that the Health System has a positive track record throughout the state and is a leader in the region. As the leader for Regional Healthcare Partnership 6, the Health System had the huge task of developing a plan identifying participating partners, community needs, proposed projects and funding distribution for twenty counties. Three of the Health System’s DSRIP projects have been rated in the top 10 for the entire state, and speaks for the respect earned on behalf of this organization. Mr. Hernandez informed the Board that he had made a business decision on the project that calls for partnering with the San Antonio Housing Authority and did not wait to receive approval from the State. This is a community need that must be met. Mr. Adams thanked Mr. Hernandez for his foresight and re-iterated that when staff determines a need to act, please alert the Board in the interest of transparency.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING OPERATIONS AND FINANCIAL REPORT FOR MAY 2014—ROE GARRETTE/PEGGY DEMING/CHRISTANN VASQUEZ

SUMMARY: For the month activity was down 5.2% for the Clinical Services (as measured based on discharges adjusted for outpatient activity). Community First Health Plan (CFHP) fully-insured membership was up
1.6%. From operations, the Health System experienced a loss of $2.5 million which was $2.0 million worse than the budgeted loss of $510,000. An unrealized market gain of $94,000 was recorded in the month. The bottom line loss excluding debt service was $3.5 million which was $3.2 million worse than the budgeted loss of $295,000. CFHP reflected bottom line gain of $1.4 million which was $747,000 better than the budgeted gain of $661,000. Please note that an Experience Rebate of $1.3 million was recorded by CFHP in May due to an estimated contractual share back of health plan profits to the State. Debt Service Revenue was $3.6 million which is equal to the budgeted portion of the Debt Service payment of $3.6 million. Mr. Garrett reviewed notable increases and/or decreases from the Consolidated Balance Sheet with the Board.

**RECOMMENDATION:** Staff recommended approval of the financials subject to audit.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**PRESENTATIONS AND EDUCATION:**

**ANNUAL REPORT REGARDING CARELINK—VIRGINIA MIKA, PHD**

**SUMMARY:** Dr. Mika submitted a detailed, written report, and provided a graphics presentation during which she touched upon the following:

**Average CareLink membership per year from 2008 through 2013** - CareLink avg membership for 2013 was 52,404 which was nearly a 3 percent decrease from 2012. The membership has been decreasing since 2010 and is consistent with the decline in the local unemployment rate.

**Average CareLink Enrollment by Program and Year** - The largest proportion of members continue to be CareLink A and B (those people between 0 and 150 percent of poverty). The Health System has four sites where people can visit and enroll in CareLink. Two are located within clinics, one site is in one of the old preventive health clinics, and the other is in a freestanding retail strip mall. Staff uses an appointment system, but accommodate walk ins as much as possible. One day per week is dedicated to mass re-enrollments. Extended hours are available at each location. The wait times (in days) for enrollment appointments are:

- Downtown 15
- Highway 90 15
- SE 21
- North 21

Board members reviewed a Bexar County map of Bexar County which indicates the Health System continues to see a large concentration of
members within Interstate Highway 410 but also in the northwest and northeast sides of town.

Financial Cost Per Member Per Month Collections – The Health System has a cost of about $201 PMPM or about $2400 per member per year. This includes all services, hospitalizations, ER visits, physician visits, and medications. In 2013, the Health System collected approximately, $18 million from members in monthly obligations and an additional $4.3 million in pharmacy co-pays. Increase in cost is due to outpatient claims by University Hospital submitted to CareLink for payment. Previously, these claims were not submitted if they lacked a diagnosis. Staff now has a true picture of costs.

Medication Assistance Programs (MAP) - For those pharmaceutical drugs that are very expensive, members are often referred to the Medication Assistance Program. In 2013, the Health System saved over $14 million. Since this program started in 2008 through the end of 2013, the Health System has saved over $183 million dollars in drug costs. CareLink has started to see changes to MAP programs in the wake of health care reform in terms of programs that are no longer providing medications to undocumented residents and in requesting letters of denial from the Marketplace. The majority of CareLink members are assigned to providers of Community Medicine Associates (CMA) as their medical home, which has increased over the past year due to increased capacity by CMA for these members.

Impact of Affordable Care Act (ACA) -

Original Goals of ACA (March 23, 2010)

Citizens and legal residents
0 – 138% Federal Poverty Guideline (FPG) – Medicaid
139 – 400% FPG – Insurance

U.S. Supreme Court Decision (June 28, 2012)

Holding: States may opt not to expand Medicaid

Texas has not expanded Medicaid under the ACA

0 - 100% FPG - no public assistance
100 - 400% FPG – Insurance

Business case for Medicaid Expansion –

For the State budget: Expanding Medicaid would bring more than $6 billion a year.

Federal share 2014 – 2016 .................................................. 100%
Federal share 2017 .......................................................... 95%
Federal share 2018 .......................................................... 94%
Federal share 2019……………………………………………………. 93%
Federal share 2020 and beyond……………………………………… 90%

For local taxpayers: Healthcare in Texas is a county responsibility. These dollars will relieve local property taxpayers in Bexar and other large urban counties.

Bexar County Facts –

Total uninsured: 396,000, 23% of the population
Uninsured after Medicaid expansion: 179,000, 10% of the population
About 26,000 of Bexar County’s current CareLink members would be eligible for Medicaid, saving local taxpayers $62.7 million per year.
Projected new net annual Medicaid funding (2014-17) for the Bexar County economy: $503 million per year.

The ACA Marketplace –

Health System’s was to educate and assist members with the Marketplace; it was the member’s choice whether or not to enroll. Members overwhelmingly sought to stay with UHS and CMA and/or UT providers.

Enrollment staff trained and became Certified Application Counselors (CACs); developed and hosted Marketplace workshops for members; and provided enrollment assistance to 3,900 members.

CareLink Membership through Open Enrollment Period

Overall CareLink membership has declined since October 2013 when individuals could first sign up for health insurance through the Marketplace (or the Exchange). At the end of October, there were 50,377 members enrolled in CareLink, and each month thereafter, saw a decrease in membership across all CareLink groups.

Breakdown by Clinical Group

<table>
<thead>
<tr>
<th>Service</th>
<th>Count</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communicare</td>
<td>615</td>
<td>7.29%</td>
</tr>
<tr>
<td>CentroMed</td>
<td>1045</td>
<td>12.39%</td>
</tr>
<tr>
<td>CMA</td>
<td>5363</td>
<td>63.59%</td>
</tr>
<tr>
<td>UT</td>
<td>1250</td>
<td>14.82%</td>
</tr>
<tr>
<td>South Alamo</td>
<td>161</td>
<td>1.91%</td>
</tr>
</tbody>
</table>

Members Marketplace Eligible - In October there were 21,201 potentially Marketplace eligible members (members at or above 100% Federal Poverty Level (FPL) who were also U.S. citizens or legal residents). That number has dropped to 16,323 at the end of March, 2014.

Remaining Account Balances – There are close to 4,000 people who have left CareLink and who have a balance. Staff is working with those who transferred to the Marketplace on affordable payment plans so they can make their premium payments as well.
Current Initiatives – Continue to train enrollment staff on any ACA updates. The next open enrollment period is November 15 through February 15, 2014. The fee also increases to 2% of your income or $325 per adult and $162.50 per child, whichever is higher. Staff will develop workshops regarding terminology and definitions; many members are confused about terms and how insurance works. Marketplace workshops were well received and will continue. Whenever possible, staff is trying to keep CareLink members with UHS whenever they do have other funding. Staff continues monthly review of frequent Emergency Center users as well as those with multiple admissions to better address these issues.

RECOMMENDATION: None.
ACTION: None.
EVALUATION: Action – 1) Review ambulatory? 2) Talking piece of Medicaid Expansion for BOM 3) why don’t we get Medicare/Medicaid Business plan?
FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

REPORT REGARDING 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

ANNUAL REPORT ON MEASURABLE IMPROVEMENT TARGETS FOR ADVERSE EVENTS AND MEDICATION RECONCILIATION—MARY ANN MOTE

SUMMARY: Mr. Adams directed the Board’s attention to the written reports above. He urged his colleagues to contact staff with specific comments, questions, or suggestions.

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

CLOSED MEETING:

Mr. Adams announced the meeting closed to the public at 2:55 p.m. pursuant to TEX. GOV’T CODE, Section 551.085 (Vernon 2004) to receive information on and/or deliberate regarding pricing, market data and/or financial and planning information relating to the arrangement or provision of proposed new services and/or product lines. The following Board members were also present: Robert “Bo” Gilbert, Robert Engberg, Ira Smith, Dr. Dianna M. Burns, and Dr. Roberto Jimenez. The following staff members were present: George Hernandez, Christann Vasquez; Ted Day, Michael Hernandez, and Dr. Bryan Alsip. After discussion, no action was taken by the Board. Mr. Adams announced the closed meeting ended at 3:02 p.m., and the public meeting reconvened.
ADJOURNMENT:

There being no further business, the public meeting adjourned at 3:03 p.m.

__________________________________ ______________________________
Jim Adams     Dianna M. Burns, M.D.
Chair, Board of Managers   Interim Secretary, Board of Managers

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Sandra D. Garcia, Recording Secretary