REGULAR MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Tuesday, June 30, 2015
6:00 p.m.
Board Room
Texas Diabetes Institute
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

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

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
Felix Alvarez, Executive Director, Procurement Services, University Health System
James Barker, M.D., Vice President/Clinical Services, University Health System
Jacque Burandt, Executive Director, Center for Learning Excellence, University Health System
Ted Day, Senior Vice President/Strategic Planning & Business Development, University Health System
Theresa De La Haya, Senior Vice President, Health Promotion/Clinical Prevention, University Health System - Texas Diabetes Institute
Sergio Farrell, Senior Vice President, Ambulatory Services, University Health System - Robert B. Green Campus
Don Finley, Senior Writer, Corporate Communications, University Health System
Roe Garrett, Vice President/Controller, University Health System
Francisco Gonzalez-Scorano, M.D., Dean, School of Medicine, The University of Texas Health Science Center at San Antonio
William Heinrich, M.D., President, The University of Texas Health Science Center at San Antonio
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Michelle Ingram, Vice President/Chief Quality Officer, University Health System
Lt. Sherrie King, Protective Services, University Health System
CALL TO ORDER AND RECORD OF ATTENDANCE: IRA SMITH FOR JIM ADAMS, CHAIR, BOARD OF MANAGERS:

Mr. Smith called the meeting to order at 6:00 p.m.

INVOCATION AND PLEDGE OF ALLEGENC:

Mr. Smith introduced Ms. Pam Haley of Westover Hills Church and UHS Volunteer Chaplain for the invocation, and he led the pledge of allegiance.

PRESENTATION OF THE FRANK TEJEDA POLICE OFFICER OF THE YEAR AWARD - CHIEF ARMANDO J. SANDOVAL AND MR. ROBERT GILBERT:

SUMMARY: Chief Sandoval introduced Sergeant of Operations, Fernando Padron, as recipient of the 2015 Senator Frank Tejeda Officer of the Year Award. During his 7-year tenure with the Health System, Sgt. Padron has demonstrated outstanding performance regarding numerous crime prevention and community service activities. Chief Sandoval presented a list of Sgt. Padron’s accomplishments and described them as a fraction of his contributions towards the Health System’s mission. Health System leadership expressed confidence that Sgt. Padron will continue to succeed in his area of expertise and motivate other employees to emulate his exceptional dedication to public safety and customer service.

RECOMMENDATION: This report was provided for recognition purposes only.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None.

CITIZENS’ PARTICIPATION: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

CORRECTION TO MINUTES – TUESDAY, JANUARY 20, 2015 – (REGULAR MEETING)
SUMMARY: A correction to the minutes of the regular meeting of the Board of Managers of Tuesday, January 20, 2015. The correction was noted under the caption “Consideration and Appropriate Action to Invest in Three Touchstone Communities Skilled Nursing Facilities through the Minimum Payment Program, which was presented by Ted Day/Dr. Jim Barker/Mary Ann Mote/Reed Hurley.” The approved minutes incorrectly reflect that “A MOTION to approve initiation of this transaction only was made by Mr. Smith, SECONDED by Dr. Jimenez, and PASSED UNANIMOUSLY. Approval to execute agreements finalizing this transaction was not granted by the Board at this time, pending clarification and follow up of certain items as indicated below.”

The correct wording should read:

A MOTION to approve the initiation of this transaction for three Touchstone Communities Skilled Nursing Facilities through the Minimum Payment Program was made by Mr. Smith, SECONDED by Dr. Jimenez, and PASSED UNANIMOUSLY. Approval to execute agreements finalizing this transaction was granted by the Board. However, the Board requested clarification, and follow up of certain items as indicated below.

RECOMMENDATION: Staff recommended approval of the correction to the minutes as indicated above.

ACTION: A MOTION to approve the minutes with the correction as indicated was made by Mr. Gilbert, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.

TUESDAY, APRIL 10, 2015 - (SPECIAL MEETING)

SUMMARY: Minutes of the special meeting of the Board of Managers of Tuesday, April 10, 2015 were presented for approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

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

EVALUATION: None.

FOLLOW-UP: None.

TUESDAY, APRIL 21, 2015 - (REGULAR MEETING)

SUMMARY: Minutes of the special meeting of the Board of Managers of Tuesday, April 21, 2015 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. Hasslocher, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None.
TUESDAY, APRIL 28, 2015 - (REGULAR MEETING)

SUMMARY: Minutes of the special meeting of the Board of Managers of Tuesday, April 28, 2015 were presented for approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

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

EVALUATION: None.

FOLLOW-UP: None.

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

SUMMARY: Dr. Henrich reported that work on the master affiliation agreement continues; he thanked Mr. Ted Day and Mr. George Hernandez for their partnership in working through this long and detailed odyssey. He noted that on today’s Board agenda, there is an extension request for 60 days to finalize the process. The negotiations have forced the staff to fine-tune the details for the good of both institutions, a complicated task in 2015 by a number of factors. Dr. Henrich attributed many successes to the long standing partnership between the Health System and the UTHSCA, which staff wants to preserve and build upon for the future. Based on the draft agreement that is available today, both organizations have succeeded. Both Mr. Hernandez and Dr. Henrich anticipate having a final draft for the Board within weeks. Dr. Henrich expressed optimism about completing the agreement in this timeframe and he appreciates the Board’s patience. Discussions have been fruitful and necessary to arrive at this point. He yielded the floor to Dr. Gonzalez for introduction of the physician leaders present and a recruitment announcement that has major implications for the Health System. Dr. Gonzalez echoed Dr. Henrich’s comments about working with Mr. George Hernandez and staff on the master affiliation agreement. He reported that Arthur McFee, MD, Professor Emeritus, UTHSCSA Department of Surgery, and a member of the founding faculty in 1968, passed away about 10 days ago, a memorial service was held this past Saturday. The Class of 2019 White Coat Ceremony will be held on Saturday, July 18, 2015 from 10:00 a.m., to 12:30 p.m., in the Holly Auditorium on the UTHSCSA campus. Board members were invited to contact Dr. Gonzalez if interested in attending.

Finally, the School of Medicine is in the midst of recruiting a Chair for the Department of Medicine. There are a number of candidates who will be selected for interviews by the Search Committee, which will include a Health System representative. In conclusion, Mr. Hernandez expressed his appreciation for the essence of the new affiliation agreement. The original agreement has been in place since 1968 and was updated in 1992. Healthcare has changed dramatically since 1968, with new concepts and technological changes continually taking place. The new agreement will help both institutions adjust and be nimble enough for future healthcare changes. The agreement will be on the books for the next 15-20 years, and the staff did not want to rush through the process. The staff was deliberate in their discussions for future generations.

RECOMMENDATION: None.
ACTION: This report was provided for informational purposes.
EVALUATION: On behalf of the Board, Dr. Jimenez thanked Messers Hernandez, Day and Adams for leading this difficult process and answering all of Board questions and inquiries. Mr. Smith interjected that the most important attribute for a transaction of this magnitude is trust, which has apparently been achieved by both parties.
FOLLOW-UP: None.

NEW BUSINESS:

CONSENT AGENDA –IRA SMITH, VICE CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR STAFF MEMBERSHIP –KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

CONSIDERATION AND APPROPRIATE ACTION REGARDING APPOINTMENT/REAPPOINTMENT TO THE CENTER FOR HEALTH CARE SERVICES BOARD OF TRUSTEES—ROBERT ENGBERG, CHAIR, NOMINATING COMMITTEE

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 of the consent agenda items by the Board of Managers.
ACTION: A MOTION to approve staff’s recommendation by Mr. Engberg, SECONDED by Mr. Gilbert, and PASSED UNANIMously.
EVALUATION: Dr. Jimenez pulled the nomination of Judge Polly Jackson Spencer to the The Center for Health Care Services Board of Trustees for elaboration. He briefly reviewed her list of honors, which he described as unbelievable. He highlighted the many charities she is active with, and highlighted those activities with the church and mental health agencies in Bexar County. She is a grand person, not only for the State of Texas, but at the national level as well. Mr. Hernandez will send a note to Judge Spencer confirming her appointment on behalf of the Board of Managers.
Ms. Mary Rose Brown is also re-appointed to the CHCS Board of Trustees at this time.
FOLLOW-UP: As indicated above.

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

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE GUARANTEED MAXIMUM PRICE WITH JOERIS GENERAL CONTRACTORS ACTING AS CONSTRUCTION MANAGER AT RISK FOR PHASE 2 RENOVATIONS TO INCLUDE PROCUREMENT OF STEEL AND HVAC EQUIPMENT FOR THE PHARMACY, CLINICS, AND PLANT ENGINEERING SHOPS PROJECTS AT UNIVERSITY HOSPITAL (GMP#5) –MARK WEBB

SUMMARY: As previously reported to the Board, Phase 2 Renovation projects
generally consist of renovations to the original 1968 building (Rio Tower) and 1981 building (Horizon Tower). Joeris General Contractors was selected as the Construction Manager for the Phase 2 work which is comprised of the following work:

1. Follow-up Clinics – Second Floor, Rio Tower  
2. Pharmacy and Adjacent Corridors – Ground Level Rio Tower and Horizon Tower  
3. Plant Engineering Shops– Ground Level Rio Tower

This Guaranteed Maximum Price is related to pre-purchase of steel and HVAC equipment to support the Phase 2 Renovation of the follow up clinics and pharmacy projects in accordance with the Construction Documents prepared by HDR Architects at a cost of $651,322. If approved by the Board, Joeris General Contractors will purchase 40 tons of steel for the new third floor mechanical room, new ground level mechanical room, and new Automated Guided Vehicle (AGV) corridor. In addition this package includes three major air handling units that will supply air to the second floor of the Rio Tower and the ground level of Rio/ Horizon. Mr. Webb provided details regarding previously approved GMPs in his written report to the Board. Total funds committed to date, including GMP #6, is $11,135,355, with the control estimate set at $10,708,383. The total estimated project cost of the Original Phase 2 was $30 million with $23.3 million allocated for construction. In addition, as referenced above, the Joeris contract has been expanded to include elements that have been added to the originally contemplated scope of the Joeris contract. These include costs for renovation and IDF reconstruction for relocation of System Administration personnel to the Rio Tower from Corporate Square ($2,527,402) and the work related to the interior and site reconstruction for the new Pediatric Emergency Department ($1,500,000). The participation goal for SMWVBE is 35% and the local participation goal is 75%. To date, SMWVBE participation of awarded construction projects is 32% and local participation is 100%. 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 provided SMWVBE numbers achieved for all construction GMPs to date and reported that GMP dollars awarded to subcontractors to date is $5,153,435. GMP dollars remaining to procure is $5,330,598. Joeris General Contractors, Ltd., has a total of 311 employees, the workforce composition data was provided in Mr. Webb’s written report.

RECOMMENDATION: Staff recommends Board of Managers approval of an amendment to the Joeris General Contractors, Ltd. Construction Management Agreement in the amount of $651,322.

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

EVALUATION: None.

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

(Mr. Jim Adams, Chairman, Board of Managers arrived at this time, 6:35 p.m.).

CONSIDERATION AND APPROPRIATE ACTION REGARDING A LEASE WITH METHODOIST HEALTHCARE MINISTRIES OF SOUTH TEXAS, INC. FOR THE NORTHWEST FAMILY HEALTH CENTER—SERGIO FARRELL

SUMMARY: The University Family Health Center – Northwest is located at 7726 Louis Pasteur, is operated by University Health System and owned by Methodist Healthcare Ministries of South Texas, Inc. As part of this five-year agreement, which expires July 31, 2015, Methodist Healthcare Ministries extended an in-kind for the purpose of providing services to a subset of their patients. Additionally, this location is utilized by Community Medicine Associates to provide primary care services to patients seeking care within the Northwest Region, a large population with one of the highest funded rates within the Ambulatory Division at 88 percent. The demand for primary care services within this geographic area continues to increase. Also, due to its close proximity to University Hospital, this location provides services for many employees and dependents. Over the past five (5) years Northwest Clinic has provided more than 120,000 visits cumulatively. It is projected that this location will provide more than 25,000 visits during 2015. This is a request to renew the primary lease for a period of two years beginning August 1, 2015 through July 31, 2017, and includes an option to extend the term for three additional one year periods. The lease rate of $15.25/sq. ft., triple net, is below fair market value, which is approximately $21-$22/sq. ft., triple net. With 16,589 square feet of rentable space and a $0.46 increase per square foot in year two, the total base rent for this two year period shall be $513,595.44. The impact for 2015 (August through December) is $105,409.27. A plan has been developed to offset this expense, which includes increasing primary care capacity and adding specialty (endocrinology) services. For the period, August through December 2015, the revenue associated with enrolling these patients into an alternative funding source and adding specialty services is estimated at $349,608, which will offset the $105,409.27 lease expense for 2015. The services provided through UFHC-NW support the Health System’s strategic focus of achieving Triple AimPlus goals.

RECOMMENDATION: Staff recommends Board of Managers’ approval to renew the current lease agreement for the UFHC-Northwest located at 7726 Louis Pasteur.

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

EVALUATION: Mr. Gilbert asked about long term plans for the NW location. It’s apparent that the clinic will continue to grow and he is concerned that even with this two year lease, the Health System will eventually look for more space. Mr. Adams reported that he is aware of the staff’s work on long range capital planning; there are some needs beyond the normal replacements. The Health System will need a facility and facilities cost
money. Staff has proposed this two-year lease while they continue to map out prioritization of capital needs in addition to the normal replacements. Staff will bring a prioritized capital list to the Board so that they can spend time talking about priorities, funding, and other ideas. Mr. Smith asked if Geriatrics services are provided at this location. Dr. Kapur replied that although 20 percent the population at this facility are Medicare funded, CMA has not hired any Geriatricians. CMA is looking into expanding services, however, the facility itself needs to be inviting to this subset of patients. Dr. Jimenez asked Dean Gonzalez if he had given any thought in terms of increasing the training of residents through the ambulatory clinics. Although the real issue is funding of these positions, there are quite a number of medical students rotating through CMA clinics, such as those in Pediatrics and Family Medicine. Mr. Adams noted that one of the many positive things as a result of the new master affiliation agreement, will be the ability to plan jointly, as partners, and review priorities collectively, because the environment is more positive than it’s ever been. Mr. Hernandez informed the Board that staff will have a prioritization plan for the Board’s review within 30 days.

FOLLOW-UP:
Mr. Hernandez and Dr. Gonzalez will coordinate a presentation to the Board of Managers regarding medical school and residency training in the ambulatory setting.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, SAN ANTONIO FOR PEDIATRIC OTOLARYNGOLOGY SERVICES—TED DAY

SUMMARY: At the April 21, 2015 meeting, the Board approved the renewal of a contract with UTHSCSA to support the retention of a Pediatric ENT physician in the average amount of annual outlay for this contract over the two-year period of $200,000, net of collections. The Board originally approved this contract on August 27, 2013, to support the recruitment and retention of a Pediatric ENT physician during the transition of specific children’s health services into the system. This coverage and on-going patient care support is critical to the overall success of the pediatric program at the Health System. At this time, staff proposes to expand this agreement in two ways, first, to include compensation for call coverage provided beyond minimum required and, second, for medical direction activities, both of which would begin on July 1, 2015. Due to the anticipated growth of pediatric ENT services at the Health System, this contract expansion will provide for changes to the base call obligation from one-in-three to one-in-five, plus allow for additional compensation for physicians taking call beyond the one-in-five requirement as well as support compensation for Medical Directorship services. These Medical Director services are necessary to provide focus on expanding the pediatric ENT service line, a critical support function as the pediatric service line grows within the Health System.

Due to the additional call coverage and Medical Director services set to begin July 1, 2015, staff is recommending Board approval for an additional $85,000 annually over the two year period of this Agreement.
This is inclusive of the maximum level of compensation for call coverage and medical director services. As Children’s Health Services continue to grow within the Health System, the Pediatric and Trauma services require the full-time availability of qualified pediatric ENT specialists to provide services within the Emergency Department, the Pediatric Intensive Care Units, and the Janey Briscoe pediatric ward. This expansion is a component of the overall pediatric ENT services required to support Health System activities, but additional recruitment efforts are also currently underway. UTHSCSA has provided a copy of their Equal Opportunity plan in lieu of the workforce composition data.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a renewal agreement with UTHSCSA for Pediatric Otolaryngology Services in the average amount of annual outlay for this contract over a two-year period of $285,000, net of collections ($200,000 previously authorized, plus $85,000 new request).

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A SIXTY-DAY EXTENSION OF THE AFFILIATION AGREEMENT BETWEEN THE BEXAR COUNTY HOSPITAL DISTRICT D/B/A UNIVERSITY HEALTH SYSTEM AND THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, SAN ANTONIO—TED DAY

SUMMARY: The Health System and UT System entered into a Master Affiliation Agreement on June 11, 1992 that established the Health System as a clinical affiliate of the UT System, UT as an academic affiliate of the Health System, and collectively the two as an academic medical center. This Affiliation Agreement expired on December 31, 2014, and the Board approved two, separate, ninety (90) day extensions in December 2014, and in March 2015. Negotiations have continued in earnest during these extension windows between the Health System and the UTHSCSA with input from UT System on a new, replacement agreement. While these negotiations have been fruitful and much progress has been made, especially in recent weeks, the new agreement will not be completed this month before its expiration on June 30, 2015. A proposed, final extension of this current agreement for an additional 60 day period is designed to allow time to refine a few final details in the negotiation of the new affiliation agreement, slated to run for 15 years beginning in August of 2015. The parties have spent a significant amount of time discussing concepts and language that would enable the development of this new agreement that would be relevant for that long stretch of time in what is and will continue to be a dynamic healthcare delivery environment. Key tenets of this proposed new agreement center around collaboration in various forms and include, among others:

- Building a financially sustainable academic medical center together
- Developing centers of excellence together
• Comprehensive, compassionate, state-of-the-art patient-centered care for South Texas
• Provision and maintenance of excellent teaching programs in medical education, nursing, and allied health

Development of clinical delivery of the highest quality is the ultimate goal of this affiliation both for today’s services and in the development of physicians and other clinical leaders to deliver high quality care in the future. Further, collaboration between the entities around pursuit of operational efficiency and patient satisfaction is prescribed in the agreement, in light of the high importance of both of those aspects of healthcare delivery. This agreement doesn’t dictate fiscal terms for the Health System directly, but has significant indirect implications on system financials, especially in implied financial support of UTHSCSA in such services provided to the Health System as medical direction, program leadership, call coverage, clinical service provision, and resident oversight. The total expense for these services is approximately $144M, excluding support of residents. The Affiliation Agreement provides the foundation of the philosophical, financial and legal basis for aligning Health System facilities, physicians and other providers with UT System physicians and providers across the health care continuum. The fundamental principles outlined in this agreement have far-reaching implications for the overall strategic direction of the Health System as it defines the parameters of the relationship with one of the Health System’s principal partners. Physician alignment, including that specifically with the UT System, is a key element of the Health System’s strategic plan. UTHSCSA has provided a copy of their Equal Opportunity plan in lieu of the workforce composition data.

RECOMMENDATION:
Staff recommends Board of Managers’ approval to execute a 60-day extension to the Affiliation Agreement with The University of Texas Health Science Center, San Antonio.

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

EVALUATION: None.
FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR CANCER, DREAD DISEASE AND ICU INSURANCE WITH ALLSTATE – THERESA SCEPANSKI

SUMMARY:
This contract was competitively bid on RFP-212-02-016-SVC in 2012. A total of ten bid responses were received. Allstate (through National Benefits Group of America, Inc.) provided the best value for the following reasons: (1) rate guarantee, (2) no minimum participation requirements, (3) no conversion policy needed, (4) unchanged premium rates, (5) comparable benefit offerings and (6) ability to transmit eligibility information in various electronic formats. Allstate (through National Benefits Group of America, Inc.) offers an option to renew the contract for one additional year. Ms. Scepanski summarized the current schedule of services and estimated cost for the Cancer, Dread Disease, and ICU Insurance benefit for a one-year renewal period encompassing the 2016 plan year. There will be no change in current premium monthly rates and dependent coverage has been enhanced. She also provided low and high
coverage options for the various benefits in her written report. There are currently 1,029 participants enrolled in this benefit. Overall participation in this voluntary benefit offering has increased 15 percent over the current term of the contract. The contractual value is 100 percent contributory in nature and is accrued through employee premiums. The Health System does not incur a cost for this contract. Based on current utilization, the contract is valued at an estimated amount of $387,682.33 for 2016.

Allstate (through National Benefits Group of America, Inc.) has a total of 30,077 employees, and the workforce composition data was provided to the Board.

**RECOMMENDATION:** Staff recommends the Board of Managers approve the contract with Allstate (through National Benefits Group of America, Inc.) for Cancer, Dread Disease and ICU insurance benefits in the estimated amount of $387,682.33 annually for a one-year period beginning January 1, 2016, and ending December 31, 2016 unless terminated pursuant to the Health System’s Standard Purchase Terms and Conditions.

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

**EVALUATION:** Mr. Engberg asked if the staff had received feedback from the workforce about having this benefit available. The first year this benefit was offered, less than 100 employees enrolled, however, interest is gradually increasing as indicated by the current participation rate which is at 15 percent. Human Resources personnel provide educational sessions for employees throughout the year regarding the electronic tools and on-line tutorials available. A benefit booklet is available in electronic format and by hard copy for employees to learn about their coverages. Further, during open enrollment all vendors are on site educating the employees on all benefits. Dr. Jimenez asked about the term “dread disease” and what type of diseases fall in that category. The term “dread disease” is an old insurance phrase which categorizes certain conditions, such as one with high classified premiums or one that may lead to terminal illness, such as cancer, but the term varies from policy to policy, and is not necessarily synonymous with the term “rare disease.” For this reason, Dr. Alsip reiterated the need to educate the workforce regarding their benefits. In this regard, Dr. Burns asked if the University Family Health Plan provides adequate coverage for such diseases, to which Ms. Scepanski replied that the Plan provides excellent, comprehensive coverage; the Health System and UTHSCSA serve as primary network providers and the dread disease policy is an added, supplemental benefit. It is not one that is required due to the comprehensive nature of the University Family Health Plan. Currently, there are 13,000 lives covered by the Health Plan. All of the diseases are outlined for the workforce in the benefits booklet. Ms. Scepanski assured the Board that the Health System continues to abide by all current rules and regulations as they pertain to the Affordable Care Act.

**FOLLOW-UP:** The workforce will be appropriately trained and educated regarding their benefits during open enrollment in November 2015.
CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR HMO
DENTAL BENEFITS WITH GUARDIAN LIFE INSURANCE COMPANY OF AMERICA—

THERESA SCEPANSKI

SUMMARY: This contract was competitively bid on RFP-212-02-017-SVC in 2012. A total of five bid responses were received. Guardian Life Insurance Company of America, (through Benefits Source, Inc.) provided the best value for the following reasons: (1) number of providers in the local and surrounding area, (2) cost of employee monthly premiums, (3) conversion and implementation process, (4) number of services provided at “no charge” and (5) dependent coverage availability. Ms. Scepanski summarized the current schedule of services and estimated cost for the HMO dental benefit for a one-year renewal period encompassing the 2016 plan year. There will be no change in current premium monthly rates, enhanced dependent coverage availability, significant “no charge” services, and an increased provider network. She also summarized the dental benefit services offered in her written report. There are currently 2,100 participants enrolled in this benefit. Overall participation in this voluntary benefit has increased 64 percent over the current term of the contract. The contractual value is 100 percent contributory in nature and is accrued through employee premiums. The Health System does not incur a cost for this contract. Based on current utilization, the contract is valued at an estimated amount of $522,178.00 for 2016. Guardian Life Insurance of America (through Benefits Source, Inc.) has a total of 5,174 employees, and the workforce composition data was provided to the Board.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a contract with Guardian Life Insurance of America (through Benefits Source, Inc.) for HMO dental benefits in the estimated amount of $522,178.00 annually for a one-year period beginning January 1, 2016 and ending December 31, 2016, unless earlier terminated pursuant to the Health System’s Standard Purchase Terms and Conditions.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR VISION
BENEFIT SERVICES WITH EYEMED VISION CARE, LLC— THERESA SCEPANSKI

SUMMARY: This contract was competitively bid on RFP-215-01-002-SVC earlier this year. A total of nine responses were received: Vision Service Plan (VSP), AlwaysCare Benefits, MetLife, Avesis, Eyemed Vision Care, LLC, Superior Select Southwest, Superior National Network, National Vision Administrators (NVA) and Davis Vision. The bids were reviewed for responsiveness to RFP specifications. The bids were then weighed utilizing administrative and financial criteria. EyeMed Vision Care, LLC (through Benefits Source, Inc.) provided the best value for the following reasons: (1) large provider network; (2) increased employee discounts; (3) extensive plan implementation support; and (4) plan design. Benefits
Source, Inc. was selected as the broker based on the outstanding quality of service they have provided to full and part time employees, house staff, and retirees, and also due to their responsiveness to staff’s administrative needs. Ms. Scepanski summarized the covered vision care services in her written report and provided in-network member costs and out-of-network reimbursement amounts. There are currently 4,157 participants enrolled in the current vision benefit. Overall participation in this voluntary benefit has increased 24 percent over the current term of the contract. There is no increase in the premium rates for the 2016 – 2019 benefit plan years, and the contractual value is 100 percent contributory in nature accrued through employee premiums. The Health System does not incur a cost for this contract. Based on current utilization, the contract is valued at an estimated amount of $471,780 annually ($1,887,120 over a four-year period). EyeMed Vision Care, LLC (through Benefits Source, Inc.) has a total of 451 employees, and the workforce composition data was provided as follows:

RECOMMENDATION: Staff recommends Board of Managers’ approval of a four-year contract (January 2016 through December 2019) with EyeMed Vision Care, LLC (through Benefits Source, Inc.) for a total estimated amount of $471,780 annually, or $1,887,120 over the four-year period.

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

EVALUATION: None.
FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH SHUR MED EMS, LLC FOR BACK-UP AMBULANCE SERVICES – RICHARD RODRIGUEZ

SUMMARY: In September 2014, the Board approved a one year contract with a one-year option to renew with Shur Med EMS and Rapid Care in an amount not to exceed $453,854, for back-up ambulance services. Since that time, Health System ambulance transports have increased due to the implementation of two DSRIP projects which target patients who traditionally access the emergency department for psychiatric intervention and crisis stabilization, for the period October 1, 2014 through September 2015. The ambulance services back-up contract approved in September 2014 did not include the projected volumes for psychiatric transfers. The two DSRIP projects have been highly successful towards the goals to divert a total of 1,002 individuals from the emergency department to other psychiatric facilities in the community. For the first five months of 2015, 553 psychiatric patients were transported with 75 percent of these transports occurring after hours. By the end of 2015, psychiatric transports are expected to reach 1,350. This contract assures that patients will be provided with quality and timely emergency medical services. In consultation with Dr. Sally Taylor, Mr. Rodriguez informed the Board that for every psychiatric inpatient admission that is diverted from University Hospital, the Health System recognizes a cost avoidance of approximately $7,790 versus a transport fee of $175. The total cost of unbudgeted transports is $132,300 for the period October 2014 thru May
2015. The estimate for the additional cost for the remaining term of the contract period, June 2015 thru September 2015 based on current data, is 442 psych transports for a sum of $77,350. The additional funding request for backup ambulance service for the remainder of the contract period is $209,650. The estimated number of back-up calls for the option extension period from October 1, 2015 through September 30, 2016 is 2,714 of which 1,900 are BLS and 815 are projected to be ALS/MICU. Based on the original contract rates of $175 for BLS and $275 for ALS/MICU plus 21,600 out of town miles at $3 per mile, the projected expenditure for the next contract period is $621,425. Mr. Rodriguez described efforts to reduce the cost of backup ambulance services to include a wheelchair van service as a lower cost mode of transportation ($15) and purchase of an additional ambulance unit. Shur Med EMS is a local, Small, Veteran-Owned Business Enterprise and has been in operation since 2010. Rapid Care Ambulance is a local, Small Minority-Owned Business Enterprise and has been in business since 2008. Shur Med EMS has a total of 28 employees. The workforce composition data was reviewed with the Board.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of an amendment to the agreements with Shur Med EMS and Rapid Care EMS for the period June 2015 through September 2015 for an increase in the amount of $209,650, and a one year extension through September 2016, in an amount not to exceed $621,425.

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

**EVALUATION:** Mr. Adams asked Mr. Rodriguez to elaborate on the term “back-up ambulance services.” The Health System operates an ambulance service with a fleet of six units for transporting emergent and non-emergent patients from the ambulatory sites to University Hospital’s Emergency Department, and is also responsible for transporting Bexar County adult and juvenile detention patients to University Hospital. Back up ambulance services ensure that EMS transportation is available 24/7 for after-hours coverage, out of town ground transport, and during peak transport hours. Mr. Engberg asked about the cost avoidance net of transport evening fees in the amount of $6,512,374 - is this amount overstated? That amount is correct, assuming that all of these patents would have been admitted. Dr. Taylor explained that patients under the DSRIP psychiatric emergency service project receive outpatient treatment for up to 48 hours, which is often enough time to stabilize the crisis, and then the patient is referred to outpatient care. In the past most of these patients might have been admitted because staff did not have this option available. Another DSRIP project is one for crisis intervention, which can be up to a 14-day length of stay, and is a step down from a full, bonafide inpatient unit. The monthly metrics for both DSRIP projects indicate that patient satisfaction is high and the quality of care is high, the staff has developed an alternative to inpatient admissions. Dr. Jimenez brought up another aspect - the shortage of psychiatric beds in Bexar County and South Texas. The State of Texas has allotted funding for 27 MCO beds, which are managed by The Center for Health Care Services, and are for indigent patients who have no resources. Oftentimes, these patients will come into the psychiatric emergency service for two or three days of
treatment, and if the patient is not stabilized within that period, the patient will be sent to a less intense area until The Center for Health Care Services is able to qualify them for one of these MCO beds, after which time, the patient can then go to a general psychiatric unit. A large percentage of the patients that come from University Hospital’s Psychiatric Emergency Service are very sick, many of them require more than stabilization. Crisis intervention units are a step down and costs are reduced dramatically for University Hospital, and any other hospital. Dr. Jimenez reiterated that the DSRIP programs in Bexar County are remarkable. The problem with mental patients in every Emergency Room in the United States is horrendous. They affect trauma services, costs to patients are staggering, and they impact security because some of the patients are violent. This is not the case in Bexar County, and speaks highly of the training taking place at University Hospital. Most of the residents who rotate through the Emergency Department know how to appropriately work up psychiatry patients.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH ACADIAN AMBULANCE SERVICE, INC. FOR NICU BACK-UP SERVICES—RICHARD RODRIGUEZ

SUMMARY: In March 2013, the Board of Managers approved a contract with Acadian Ambulance for a two year period through June 2015, in the amount of $155,606. This contract ensures that EMS transportation is available 24/7 to NICU and complicated PICU patients, for after-hours coverage, out of town ground transport, and during peak transport hours. San Antonio AirLife continues to provide NICU and PICU air medical transports when appropriate. As a result of staff efforts to increase pediatric market share in Bexar County and South Texas, the Health System has realized an increase in complicated cases, which in turn increases the need for PICU ambulance transports from such areas as Laredo, Eagle Pass, Del Rio, Uvalde and Seguin. This contract was competitively bid as RFP-215-03-006-SVC earlier this year. Two ambulance firms submitted bids for the NICU and complicated PICU back-up ambulance service. The bid specifications noted that there would be a total of 175 NICU and complicated PICU transports per year during the three year contract period. The two firms that submitted bids were Acadian Ambulance and Rapid Care. Mr. Rodriguez provided a break-down of the calculated costs submitted by each of the vendors in his written report to the Board. The difference in cost over a three year period between both respondents is $122,269. Although Acadian submitted the higher bid amount of $494,269, staff has determined that Acadian will provide the best value due to quick response times and a larger fleet of ambulances with the ability to provide compressed medical air for critical Pedi and NICU patients. Acadian is also the preferred vendor with pediatric and neonatology physicians, and meets or exceed TDSHS and Health System requirements in accordance with Joint Commission for emergency medical services. Acadian Ambulance Services has a total of 3,919 employees. The workforce composition data
RECOMMENDATION: Staff recommends Board of Managers’ approval of a three year contract, effective July 1, 2015, with Acadian Ambulance Services for back-up emergency medical transport services for NICU and complicated PICU patients in an amount not to exceed $494,269.

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

EVALUATION: Mr. Engberg expressed his appreciation for today’s presentation and the business-like approach for the internal ambulance department. It is a production department looking at itself and outsourcing to supplement the need. Mr. Adams urged the staff to consider reviewing all ambulance services in a comprehensive fashion while posing the following question - what is the best for the patients, for the Health System, for the community?

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING OPERATIONS AND FINANCIAL REPORT FOR MAY 2015—ROE GARRETT/REED HURLEY/EDWARD BANOS

SUMMARY: In May clinical activity (as measured based on discharges adjusted for outpatient activity) was up 1.4% for the month compared to budget. Adjusted discharged for the month of May were at 3,903 as compared to the budgeted 3,851. Year to date adjusted discharges were 19,553 as compared to the budgeted 18,886. Payer mix for the month of May was as follows: Unfunded – 15.8 percent; UHS – 3.0 percent; CareLink – 9.3 percent; Funded – 71.9 percent, as compared to 71.5 percent budget. For the year, payer mix is as follows: Unfunded - 14.5 percent; UHS 3.0 percent; CareLink - 9.8 percent; Funded - 72.7 percent. Community First Health Plan (CFHP) fully-insured membership was down 5.0% due to lower membership in STAR Medicaid and CHIP. The bottom line gain excluding debt service was $2.4 million, $847,000 better than budget and was due to higher patient revenue and lower operating expense. Debt Service Revenue was $3.7 million which is equal to the budgeted portion of the Debt Service payment of $3.7 million. Other highlights for the month include hospital average length of stay, which was over budget by 0.5 days at 6.2 days and equal to prior year. Employee compensation was over budget by $55k with salary cost per adjusted discharge at $8,196 below budget of $8,545 and below prior year by $8,416. Supply expense was under budget by $6k, over budget year to date by $479k. Supply expense per adjusted discharge was at $3,356 under budget by $3,403, and over prior year by $3,282. Mr. Reed reviewed notable increases or decreases from the Consolidated Balance Sheet in detail with the Board.

RECOMMENDATION: Staff recommended acceptance of the financial reports, subject to audit.

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

EVALUATION: Mr. Adams challenged the staff to work hard the remaining months of 2015 to get budget planning capabilities stronger than accomplished in the past, the Board likes to know that the staff has a handle on what is happening, and is an appropriate objective for both the finance and
operations teams. Mr. Gilbert requested that staff provide brief explanations regarding any budget deviation (either positive or negative) to help the Board understand what is happening. Mr. Adams noted the positive funded payer mix for the month and attributed that number to the pediatrics service line. He urged the staff to think about communicating more effectively with the community, the message being that UHS is the place for the entire family. Mr. Adams invited Dr. Plastino to provide feedback regarding any of today’s presentations. He noted that the Board regularly hears from Dr. Henrich and Dr. Gonzalez-Scorano, but they would like to hear more from the physicians because they are closer to the issues at hand. Dr. Plastino conveyed that the discussion on trust between the Health System and the School of Medicine earlier in the meeting was a wonderful thing to hear, and she feels other physicians will react positively to those words since many of them are very loyal to the Health System. Mr. Adams agreed that it has taken a long time to get where we are today and, trust is how partnerships function. It is a symbol of the reality where we stand today and an opportunity for the physicians to be much more comfortable with both organizations, such as what has happened with the Department of Pediatrics.

Mr. Smith thanked Dr. Plastino for her service as past Chair of the Quality/Risk Management Committee and reminded his colleagues that each of them has been appointed to serve one of several Medical/Dental Staff Committees, another way to interact with the faculty physicians.

FOLLOW-UP: As indicated above.

PRESENTATIONS AND EDUCATION:

ANNUAL CARELINK REPORT—VIRGINIA MIKA, PHD/ROBERTO VILLARREAL, M.D.

SUMMARY: Dr. Mika provided a brief history of the CareLink financial assistance established in 19997 for the uninsured residents of Bexar County; it is not an insurance plan, but has a defined Provider Network. It creates a payment plan for services received within the Health System and its network of providers, she emphasized that patient responsibility is a cornerstone to this program. Members must be residents of Bexar County at or below 100 percent of the federal poverty level (FPL). However, the program allows enrollment over 100 percent FPL for those individuals who have either an exemption or denial letter from the Marketplace (income calculated differently - Modest Adjustment Growth Income vs. Adjusted Growth Income). CareLink average membership for 2014 was 40,685 which is a decrease of 52,404, or 23 percent from 2013. Membership has been decreasing since 2010 due to the Affordable Care Act (ACA). It is due to the successful enrollment into in Marketplace plans, and also, local unemployment rates. During first open enrollment period, 78,000 individuals in the Bexar County area were enrolled, and over 110,000 were enrolled during the 2014-2015 period. CareLink staff provided in-person assistance to over 7,700 members. CareLink staff has been able to educate community members about the Marketplace, Medicaid, and CHIP due to a grant obtained by the Health System from the U.S. Department of Health and Human Services’ Office of Minority
Health. Dr. Mika reviewed Bexar County population density and CareLink membership numbers by zip code. She also reviewed per member per month (PMPM) costs of Medicaid in Texas by category: Aged and/or Disabled, Adults, and Children for 2011 and 2013. Also reviewed were financial cost/member collections for the period 2008 through 2014 and partial 2015 and compared to Medicaid PMPM Cost, PMPM Cost, and PMPM Collections. The cost is approximately $220 PMPM or about $2600 per member per year. This includes all services, hospitalizations, Emergency Department visits, physician visits, and medications. In 2014, the Health System collected approximately, $15 million from members in monthly obligations and an additional $3.1 million in pharmacy co-pays. When CareLink costs are compared against that of Aged and/Disabled, they are significantly less. Medical Homes of CareLink members are distributed as follows: South Alamo – 2 percent; UT Medicine – 19 percent; CommuniCare – 7 percent; CentroMed – 9 percent; and Community Medicine Associates – 62 percent. The staff works hard to utilize the Medication Assistance Program for those drugs that are expensive as much as possible. Last year, the Health System saved over $12 million and since this program started in 2005 through the end of 2013, savings total over $195 million dollars in drug costs. Staff has also started to see changes to Medication Assistance programs in the wake of health care reform in terms of programs no longer providing medications to undocumented residents and asking for letters of denial from the Marketplace. Savings per member per year ranged from $328 in 2005 to $308 in 2014. As for addressing the future, Dr. Mika reported that the staff will continue to educate patients about the programs they qualify for (Marketplace, Medicaid, CHIP, etc.); host workshops for members on what insurance is and how to use it, due to much confusion among members regarding terminology – co-pays, deductibles, etc., and continue to look for ways to improve the CareLink program in a changing healthcare environment. The Marketplace workshops have been well-received by the community, the Health System’s goal is to keep CareLink members who become eligible for other funding.

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: None.
EVALUATION: Mr. Smith reiterated the value of the program. He asked the staff to provide an economic projection if the CareLink financial assistance program was not available to Bexar County residents, or, how the lack of such would affect emergency department visits, and society, in general. Mr. Gilbert commended the education piece of the staff’s work, which Dr. Villarreal explained is possible due to the grant from the U.S. Office of Minority Health. Forty (40) staff members willingly became educators in 2014, a change from 2013, when they were certified assistants and had many restrictions. By mid-2013 as the staff developed experience, senior leadership determined it was in the Health System’s interest to have educators on staff so that they could advise the individuals about their best options.
FOLLOW-UP: CareLink economic projection report as requested by Mr. Smith.
INFORMATION ONLY ITEMS:

Report regarding Medical-Dental Staff Committees and Departments — Kristen A. Plastino, M.D., President, Medical/Dental Staff

Update on Capital Improvement Program Activities—Mark Webb

Report on Recent Recognitions and Upcoming Events—Leni Kirkman

84th Legislative Session Final Report—Andrew Smith

Annual Report on Learning and Development—Jacque Burandt/Theresa Scepanski

Report on Nurse Staffing Effectiveness—Augustine Conejo, Staff Nurse III/Nancy Ray

SUMMARY: Mr. Adams directed the Board’s attention to the six (6) 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: Mr. Hernandez reported that University Hospital is celebrating its 60th anniversary this month. Board members were invited to have birthday cake after the Board meeting. In two years, the Robert B. Green facility will be 100 years old.

FOLLOW-UP: None.

ADJOURNMENT:

There being no further business, the public meeting adjourned at 8:15 p.m.

James R. Adams
Chairman, Board of Managers

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

Sandra D. Garcia, Recording Secretary