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

Tuesday, March 18, 2014
2:00 p.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
Rebecca Q. Cedillo, Secretary
Roberto L. Jimenez, M.D, Immediate Past Chair
Robert Engberg
Alex Briseño
Ira Smith

OTHERS PRESENT:

George B. Hernández, Jr. President/Chief Executive Officer, University Health System
Felix Alvarez, Executive Director, Procurement Services, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Tim Brierty, Chief Executive Officer, University Hospital
Ted Day, Vice President, Strategic Planning & Business Development, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Don Finley, Senior Writer, Corporate Communications, University Health System
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
C. Reed Hurley, Vice President/Assistant Chief Financial Officer, University Health System
Sherry Johnson, Vice President/Integrity Services and Compliance, University Health System
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health System
Nancy Ray, Senior Vice President/Chief Nursing Officer, University Health System
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
Francine Wilson, Vice President, Materials Management, University Health System
And other attendees.

MEDIA:

Peggy O’Hare, San Antonio Express News
CALL TO ORDER AND RECORD OF ATTENDANCE: JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 2:03 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Mr. Alfonso Orocio, CHRISTUS Santa Rosa Hospice Chaplain, for the invocation and the led the pledge of allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

TUESDAY, JANUARY 21, 2014 (REGULAR MEETING)

SUMMARY: The minutes of the Board meeting of Tuesday, January 21, 2014, were presented for the Board’s approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

ACTION: There being NO OBJECTION the minutes were approved as submitted.

EVALUATION: None.

FOLLOW-UP: None.

ACTION ITEMS:

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

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

SUMMARY: To date, twenty-seven (27) guaranteed maximum prices (GMPs) have been developed for the new hospital tower project. Mr. Webb reviewed the details of these GMPs with the Board. This GMP #13bb provides for a variety of improvements and revisions to various areas of the new patient tower. Many of these were already contemplated, but the designs were not fully developed at the time the original GMP for the patient tower was developed. Because of that, allowances were established in the budget to cover these projected expenses. A good example of these revisions relate to the design enhancement program in which the concepts were identified, but not fully designed. Specifically, this amendment includes the cost for: Ultrasonic changes in Medisafe at SPD, Hardware Changes to Corridor Door on levels 5-10, PPE Cabinet Revisions, Upgrade to Nurse Call Staff Terminal Units in EC, Trauma Bridge/WPG Corridor Code Revisions, Additional Plumbing at Blood Bank, Demo Work at Existing ER Waiting Room, and IT Equipment Additions at a cost of $1,908,595, which will be paid from project funds and allowances. The Construction Manager has reviewed the design drawings, and has provided a Guaranteed Maximum Price (GMP #13bb)
for the work associated with this GMP package. The control estimate for this contract with GMP 13bb is $361,628,794 and the actual total is $376,161,651. 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.

These project changes will improve the workplace environment to best suit the needs of patients and staff in the new Tower providing for more efficient operations and better patient care, and increase the operational efficiency of the new tower. These changes were related to the further development of design, requested by staff, and/or required due to operational changes. 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 74.2%. Mr. Webb reviewed the SMWVBE numbers achieved for all construction GMPs to date, which Mr. Smith commended. GMP dollars awarded to date is $527,346,506. GMP dollars remaining to procure is $11,990,840.

RECOMMENDATION: Staff recommends Board of Managers’ approval of an amendment to the Zachry Vaughn Layton Construction Management Agreement in the amount of $1,908,595 for GMP #13bb.

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

EVALUATION: Mr. Webb informed the Board that he anticipates presenting one final GMP associated with this contract for approval in May.

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH JACOBS PROJECT MANAGEMENT COMPANY, WHICH INCLUDES SUB-CONSULTANTS GGC ENGINEERS, INC., H. MUNOZ AND COMPANY, INC., FOR STAFF PROJECT MANAGEMENT AUGMENTATION IN THE RENOVATION OF UNIVERSITY HOSPITAL – MARK WEBB

SUMMARY: This item was pulled by Mr. Adams. He asked Board members to familiarize themselves with the staff’s request for an amendment to the professional services contract with Jacob’s. Mr. Webb and Mr. Hernandez are available to clarify and/or elaborate further on this request. The item will be re-posted to the Board’s agenda for the next meeting.

RECOMMENDATION: None.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: None.

OVERVIEW OF THE OPERATIONAL PLAN FOR UNIVERSITY HOSPITAL UPON COMPLETION OF THE NEW PATIENT TOWER – GEORGE HERNANDEZ/CHRISTANN VASQUEZ/TED DAY

SUMMARY: The basic design of the new patient tower incorporates an efficiency factor. Staff estimates little if any patient transfers between rooms during a patient’s hospital stay. This should be true, in part, from Health
System emphasis during the design phase of the tower on patient centered care, evidenced based best practice, and efficiency. The Plan for the new patient tower incorporates improved staffing efficiency before recruitment and hiring of additional staff. Based on the positive outcomes from the simulation services provided by RTKL at the Robert B. Green campus and the simulation modeling services provided for the Heart and Vascular Institute, RTKL was asked to submit a proposal for simulation modeling for the Operating Rooms in the new patient tower to ensure and reaffirm the correct number of operating rooms will be operational when the new tower opens, as well as provide a benchmark standard for staff to utilize in the future to help determine when built but not equipped operating rooms will need to be brought on line. A review of the RTKL analysis indicates a potential Health System gain in staff efficiency. Operational planning during construction includes the establishment of bench marking indicators, efficiency and sustainability through labor management tools such as LEAN methodologies, EPSi Dashboards, staff alignment, a strong, skilled and flexible float pool, an acuity staffing system, and a best practice staffing model as a result of the MedAssets Phase II contract. Efficient and timely movement of supplies, trash, linen and equipment will occur with the deployment of Automated Guided Vehicle (AGV) technology both in the new patient tower and existing hospital. AGV’s will provide a reliable and cost effective means to move the supplies and other needed items from the entry point into the hospital, to/from all patient floors in the new tower, to the basement of the existing hospital buildings and to an exit point from the facility. This technology will result in the ability to reassign the personnel who perform the tasks today to more critical materials management duties. Staff will still be required to move the items within each patient floor in the new tower, because the AGV will not travel in the same areas that patients and visitors are located.

In the new patient tower, PAR Excellence technology is being expanded to incorporate all ancillary functions such as daily linen replenishment, based on daily actual usage, and environmental consumables used in patient rooms, eliminating the need to stock over $75K in bulk inventory. In addition, medical/surgical supplies will be placed in medication rooms and respiratory therapy rooms making them one stop shops for nursing eliminating the need to travel to multiple locations to find needed additional supplies. PAR Excellence is the first truly automated healthcare replenishment system, engineered to remove caregivers entirely from inventory processes associated with current technologies. PAR Excellence is revolutionizing the supply chain, providing nursing with the confidence to know that the right supplies will be in the right place, at the right time at the right cost. This technology enables measuring and managing PAR location product usage in near real time, supply decisions are made proactively rather than reactively. Hours spent on reconciliation and requisition can be re-deployed to better serve patients.

The Blueprint for Excellence program was formed several years ago to drive all the activities needed to facilitate an effective transition to the new
patient tower. A specific initiative for training staff was developed in this context. The Get Your Move On! multi-disciplinary Education Task Force has been working for two years on providing the education needed by the Health System’s healthcare team to deliver exceptional patient care with safety as the top priority in the new patient tower, the existing hospital and the community. This comprehensive plan provides every employee the learning opportunities needed to find, access, and use space, systems, equipment and supplies in the new patient tower and throughout the Health System, without adverse events, while delivering exceptional service. Prior to the move, all impacted staff will receive learning specific to their roles, including tours, orientations, classroom instruction, drills and simulations. A copy of the Blueprint for Excellence was provided for the Board’s review.

All Triple-Aim Plus goals will be targeted through service line enhancements with common themes focused on customer service and access, quality and safety outcomes, and financial improvements. Staff reported on the various service lines (Ambulatory, Children’s Health, Diabetes, Geriatrics, Hart & Vascular, Neurosciences, Oncology, Orthopaedics, Renal Dialysis, Transplant, Trauma, and Women’s Health, and Neonatal) and key initiatives. Service line achievements will be driven through LEAN and performance dashboards and have three key components: key metrics identified and tracked monthly, deeper dive with data for focus areas needing improvement, and plans and follow-up on efforts to drive improvement. The plan is to maintain and grow volume in targeted areas while continuing and increasing the level of quality and customer service delivered in the process. The combination of lean management and labor management will be used in tandem to increase efficiency and reduce cost of care delivery. The pursuit of effective quality and safety outcomes is a key goal of the Health System. Each service line references areas of quality emphasis unique to that service line. Taken together, these quality and safety initiatives combine into a strong focus on continuous quality improvement and high quality standards being actively pursued across the Health System.

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

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP:** None.

**UPDATE ON DRSIP PROJECTS – ROBERTO VILLARREAL, M.D.**

**SUMMARY:** Mr. Adams postponed this presentation in the interest of time.

**RECOMMENDATION:** None.

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP:** None.
CLOSED MEETING:

Mr. Adams announced this meeting closed to the public at 3:34 p.m., pursuant to TEX. GOV’T CODE, Section 551.074 (Vernon 2004) to evaluate the performance and duties of the President/CEO. The following Board members present: Linda Rivas, Rebecca Cedillo, Roberto L. Jimenez, M.D., Robert Engberg, Ira Smith and Alex Briseño. After discussion, no action was taken in closed session. Mr. Adams announced that the closed meeting ended at 3:43 p.m., and the public meeting re-convened.

CONSIDERATION AND APPROPRIATE ACTION REGARDING ANNUAL EVALUATION OF THE PERFORMANCE AND DUTIES OF THE PRESIDENT/CEO – JIM ADAMS

SUMMARY: Mr. Briseno reported that the Board’s Personnel Committee had met with Mr. Hernandez, and reviewed his performance for the past year. The full Board has been briefed on these discussions. Overall, this has been a successful year for Mr. Hernandez. He has run a top level health system while building a new hospital, while operating the newly opened Clinical Pavilion at the Robert B. Green campus, and dealing with an uncertain funding environment. He has had to manage with changes in the finance structure of the state, and the DSRIP program for Health System projects, and through the region. Beyond that, his leadership and service with the Texas Hospital Association has been recognized. As such, the Personnel Committee recommends an increase in base salary from $550,000 to $595,000, effective January 1, 2014, and incentive pay of $70,000 for his performance in 2013. These amounts catch him up with other public entities in the state, such as Fort Worth. The statewide average was about $660,000 last year. It is recognition of his performance and leadership in organizing an excellent team, and preparing the Health System forward into the future with new facilities. In addition, the Board has not reviewed his cell phone and car allowance since 2005, and the Board shall meet with Mr. Hernandez to set a reasonable amount in the future. Mr. Adams added that the committee has had four face-to-face meetings, over many hours, and three meetings at which the board has discussed this matter at some length. The recommendation is the result of that intensive review, data points, and achievements reached as a result of goals set for 2013.

RECOMMENDATION: The Personnel Committee recommends an increase in base salary for the President/CEO from $550,000 to $595,000, effective January 1, 2014, and incentive pay of $70,000 for his performance in 2013.

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

EVALUATION: Dr. Jimenez noted the Board's appreciation of Mr. Briseno for conducting a thorough review and taking all factors into consideration. The Health System and this Board are very fortunate to have Mr. Briseno serve this community because he's lived here and contributed. Mr. Hernandez is similar in this regard, having lived in the community for most of his life. Mr. Briseno reiterated his belief that University Health System is one of the best kept secrets in the community, always ready to
serve in a crisis or emergency, all over the community. Bexar County residents are receiving excellent services, while at the same time gaining national and statewide recognition. Mr. Adams reported that the Personnel Committee did in fact discuss the fact that high quality CEOs are hard to attract and keep in this industry. He has been concerned for some time that Mr. Hernandez is a desirable President/CEO and if the Board is not careful with its decisions, he might move elsewhere without appropriate compensation. Mr. Hernandez thanked the Board for their trust in his leadership. He also thanked the staff for helping to make his success possible. This is a big enterprise and the entire management team has their plates full.

**FOLLOW-UP:**

Board will meet with Mr. Hernandez to review cell phone and car allowance to set a reasonable reimbursement amounts.

**ADJOURNMENT:**

There being no further business, Mr. Adams adjourned the public meeting at 3:50 p.m.

James R. Adams  
Chair, Board of Managers

Rebecca Q. Cedillo  
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary