MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair  
Roberto L. Jimenez, M.D, Immediate Past Chair  
Robert Engberg  
Ira Smith  
James C. Hasslocher

BOARD MEMBERS ABSENT:

Dianna M. Burns, M.D., Secretary  
Robert Gilbert

OTHERS PRESENT:

George B. Hernandez, Jr., President/Chief Executive Officer, University Health System  
Bryan Alslip, MD, Executive Vice President/Chief Medical Officer, University Health System  
Felix Alvarez, Executive Director, Procurement Services, University Health System  
Jim Barker, M.D., Medical Director/Clinical Services, University Health System  
Francisco Cigarroa, M.D., Professor of Surgery, Hepatobiliary and Transplant Surgery, Director of Pediatric Transplantation, Ashbel Smith Professorship in Surgery, UTHSCSA  
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 for Ambulatory Services, University Health System – Robert B. Green Campus  
Don Finley, Senior Writer, Corporate Communications, University Health System  
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.  
Byron C. Hepburn, M.D., Maj. Gen. USAF (Ret.), Associate Vice President, Military Health Institute, UTHSCSA  
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  
Sherry Johnson, Vice President/Integrity & Regulatory Services, University Health System  
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health System
CALL TO ORDER, WELCOME, AND RECORD OF ATTENDANCE: JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 2:05 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Ms. Pam Haley of Westover Hills Assembly of God, and he led the pledge of allegiance.

SPECIAL RECOGNITION:

CEREMONIAL SWEARING IN OF JAMES C. HASSLOCHER - THE HONORABLE SERGIO "CHICO" RODRIGUEZ, BEXAR COUNTY COMMISSIONERS, PRECINCT I

SUMMARY: Comm. Rodriguez attended this portion of the meeting for the ceremonial swearing in of his appointee, Mr. James C. Hasslocher. He thanked Mr. Hasslocher for accepting the enormous task.

RECOMMENDATION: None.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

TUESDAY, DECEMBER 16, 2014 – SPECIAL MEETING:

SUMMARY: Minutes of the regular meeting of the Board of Managers for Tuesday, December 16, 2014, were presented for approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

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

EVALUATION: None.

FOLLOW-UP: None.

TUESDAY, JANUARY 20, 2015 – REGULAR MEETING:

SUMMARY: Minutes of the regular meeting of the Board of Managers for Tuesday, January 20, 2015 were presented for approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.
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.

TUESDAY, JANUARY 27, 2015 – REGULAR MEETING:

SUMMARY: Minutes of the regular meeting of the Board of Managers for Tuesday, January 27, 2015, were presented for approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

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

EVALUATION: None.

FOLLOW-UP: None.

BRIEF REMARKS BY FRANCISCO G. CIGARROA, M.D., PROFESSOR OF SURGERY, HEPATOBILIARY AND TRANSPLANT SURGERY, DIRECTOR OF PEDIATRIC TRANSPLANTATION, ASH BEL SMITH PROFESSORSHIP IN SURGERY, UTHSCSA

SUMMARY: Dr. Cigarroa thanked the Board of Managers for the opportunities afforded to him since his initial arrival at UTHSCSA in 1995 when the Health System and this Board put so much trust in him to establish a pediatric transplant program. During his tenure as President of UTHSCSA, he worked with Mr. Hernandez and the Board of Managers regarding significant issues, and had no idea that nine years later, he would be asked to serve as Chancellor of the UT System. At the end of it all, he has realized what he loves to do is perform pediatric transplant surgery. He is thoroughly impressed with all of the magnificent changes that have taken place at the Health System. The new Sky Tower is beautiful and unbelievably staffed with the very best professionals, he is extremely proud of the affiliation, and he strongly believes that alignment is critical to the successful care of our patients. The Health System and the School of Medicine now have the opportunity to establish the very best Center of Excellence in Pediatric Transplant Surgery, with the finest physicians. University Hospital is the best choice for people all over Texas and the United States. His team is beginning to see referrals from Latin America and Mexico for liver transplants, and they hold their heads high every day. Finally, he asked the Board of Managers to consider the importance of branding. University Hospital stands front and center among all of the distinguished institutions he has served in his career. He is the happiest person in the State of Texas, and is very grateful to the Board of Managers.

RECOMMENDATION: None.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: None.
SPECIAL PRESENTATION REGARDING THE MILITARY HEALTH INSTITUTE AT UTHSCSA—BYRON C. HEPBURN, M.D., MAJ. GEN. USAF (RET.), ASSOCIATE VICE PRESIDENT, DIRECTOR MILITARY HEALTH INSTITUTE

SUMMARY: As requested by the Board of Managers, Dr. Hepburn provided an overview of UTHSCSA’s newly established Military Health Institute. San Antonio, Texas, also known as Military City, USA has 189,148 military employees and activities at a cost of $27.7 billion. The San Antonio Military Health System (Military Medical City, USA) is composed of the 59th Medical Wing (component command structure) consisting of four subordinate units throughout San Antonio. Brooke Army Medical Center (component command structure) consists of five subordinate units throughout San Antonio and the City of Schertz.

The Military Health Institute was established October 1, 2014 by UTHSCSA to strengthen and expand collaboration with the Department of Defense and the Veterans’ Administration.

A Military Health Working Group reports to the UT System’s Office of Federal Relations and consists of the Military Health Institute at UTHSCSA; UTHSC-Houston; UTMB – Galveston; UT Southwestern-Dallas; UT Health Northeast – Tyler; UT MD Anderson Center – Houston. Local collaborations include The University of at San Antonio, BioMed SA, UTHSCSA – School of Public Health, Texas Biomedical Research Institute, and Southwest Research Institute.

The mission of the Health Science Center’s Military Health Institute is to improve the health of our nation’s military service members, veterans and their families through collaborative education, research and clinical care. In that regard, Dr. Hepburn reviewed the Health Science Center’s longstanding military collaborations, as well as the existing educational programs available for active military service members with the UTHSCSA Schools of Medicine, Dentistry, Nursing, Graduate School of Medical Sciences, and Health Professions. Further, following a successful pilot program at the Health Science Center in 2012, the Army signed a five-year, $8.4 million contract with the UTHSCSA’s Department of Emergency Health Sciences to train 120 flight medics through four classes each year, for a total of 600 flight medics.

Dr. Hepburn summarized potential research opportunities that the Military Health Institute will endorse, present and champion, and will specifically target new, local and national research collaborations with the Department of Defense and Veterans’ Administration that align directly with Defense Medical Research and Development Programs, TriService, Nursing Research Programs, and VA Cooperative Studies Program. Also reviewed were the Military Health Institute’s priorities and existing research partnerships and military collaborations with the University Health System.

The Military Health Institute seeks to enhance the level of military/VA beneficiary participation with UT Medicine, and will seek opportunities
on process improvement, patient safety and new practice models. He noted that six percent of UT Medicine patients are funded by TRICARE.

**RECOMMENDATION:**

**ACTION:**

**EVALUATION:**

This report was provided for informational purposes only.

Dr. Jimenez expressed his concern and interest in helping members of the armed forces who are addicted to war, suffer severe emotional trauma as a result, and struggle to lead normal civilian lives. Dr. Cigarroa asked about the potential for expanding research partnership opportunities to University Hospital, where other clinical trials occur. Dr. Hepburn reiterated the value of the Military Health Institute's work for years to come in by tracking the type of military data Dr. Jimenez refers to, and he will explore all research opportunities that will benefit military service members and their dependents. Because approximately 11 percent of the Health System's current workforce is active military, Mr. Adams agreed that such issues are extremely important and are another reason for better alignment between the Health System and UTHSCSA. He thanked Dr. Hepburn for all of his work with the Military Health Institute in such a short period of time.

**FOLLOW-UP:**

None.

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**CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A LEASE AGREEMENT WITH BRASS CENTERVIEW 2012, LLC FOR SPACE TO PROVIDE CENTRALIZED CALL CENTER FUNCTIONS FOR UNIVERSITY HEALTH SYSTEM—SERGIO FARRELL/RICHARD RODRIGUEZ**

**SUMMARY:**

The purpose of this lease agreement is to obtain space for a centralized call center that will both enhance the customer experience and decrease costs/inefficiencies through consolidation and centralization. The Board was previously briefed on this proposal at its February 2015 meeting. The current facility under review for lease is the Chisolm Building, located at 4400 NW Loop 410. The space was previously used as a call center and includes abandoned cubicles, which the Landlord has agreed to leave in place during the term of the lease at no additional cost. The use of the approximate 125 cubicles will save the Health System approximately $100,000 in budgeted office furniture costs. Under the current sixty-four (64) month proposal, the Health System will lease 16,934 square feet at an annual rate of $22.00 per square foot. The Landlord will abate the first four (4) months of rent while the Information Technology and Communication infrastructure is built to bring the call center into operation. The rate per square foot will increase by $0.50 per year during the term of the lease. The Landlord is also offering a $10.00 per square foot or $169,340 build out allowance for the leased space. The total base rent will be $1,961,522 or an annual average lease expense of $367,785. The average rental base rent per square foot for the full sixty-four months is $21.72. Mr. Rodriguez provided a comparison table with the lease rate for the Chisolm Building versus other properties in and around the Medical Center area. The
implementation of an in-house centralized call center will result in numerous quality enhancements, which Mr. Rodriguez reviewed in detail with the Board. This project is also instrumental in meeting the specific, defined 2015 strategic goals for the Health System by creating cost efficiencies, enhancing the customer service experience, and integrating a comprehensive call center staff and services ready to assist both patients and providers with accessing the right level of care. Board members asked questions related to the building’s condition, HVAC system, and back-up power generators, all answered to their satisfaction. Mr. Farrell will return with capital requirements for approval.

RECOMMENDATION: Staff recommends that the Board of Managers give approval to the President/CEO to enter into to a sixty-four (64) month lease agreement for the Chisolm Building located at 4400 NW Loop 410 for the purpose of establishing a centralized call center, at a total base rent of $1,961,522.

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

EVALUATION: At this time, Mr. Adams appointed Mr. Gilbert as the Board’s liaison on this project due to his professional experience with call centers at USAA. He urged the staff to consult Mr. Gilbert as needed.

FOLLOW-UP: Although AT&T has historically provided all UHS communications infrastructure, staff will confirm the communications/connectivity courier to be used for this project, as requested by Mr. Hasslocher. Staff will also present call center capital requirements for Board approval in the near future.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH AIR METHODS, INC. FOR THE PURCHASE OF THE AIR MEDICAL SERVICES PROGRAM—MICHAEL HERNANDEZ/RICHARD RODRIGUEZ

SUMMARY: Recognizing the changing fiscal and operational environment of the air medical industry, the staff assessed the future of this program as requested by Board leadership. Staff conducted interviews with key stakeholders of the AirLife program to include members of the medical community as well as executive staff of the Health System. The interviews concluded that AirLife has brand recognition, an excellent reputation of clinical and aviation safety, and plays a key role in the regional Trauma mission. Many of the stakeholders commented that AirLife should also be used to help market our NICU, Maternal Health and PICU programs in the South Texas area. However, they also recognize that it is very costly to operate an air medical program in terms of capital infusion, local competition and uncertainty in future reimbursement. The general consensus from the interviews with all stakeholders was that the Health System should maintain a relationship with the AirLife program. Mr. George Hernandez yielded the floor to Mr. Engberg, who serves as one of the Board’s representatives on the AirLife Board of Directors, the other is Mr. Smith. Mr. Engberg reported that this item has been a matter of consideration for some time. The Board of Managers recognizes that the association with AirLife, and Baptist Health System as a partner, is one that the Board can be proud of,
it has been effective, and a real benefit for the Health System and the region. He emphasized that a lot of thought was given to make this change, and reiterated the fact that because the air ambulance program is not a core competency for the Health System, we are losing money. At least $15 million will be called for soon because the aircraft are aging and are efficiency-obsolete. There is also more competition now than there was 10 years ago. The staff has done a fine job of structuring an arrangement that will allow the Health System to maintain the beneficial aspects of Airlife without looking for capital funds to buy new aircraft. Ms. Hernandez interjected that this arrangement will transition the current Airlife model to be more competitive in the region. The Health System has not solicited recommendations from other air medical programs because of the competitive nature of the business. However, at the present time, Airlife contracts with Air Methods to provide pilots, perform operations management and helicopter maintenance. The sale of the air medical program to Air Methods will allow staff to continue to meet the goals of the Triple Aim Plus by improving the patient care experience, access, quality and outcomes and efficiency. To strengthen the air ambulance program, the Health System and Baptist Health System staff invited Air Methods to develop a proposal of a community based model to compare to the existing structure. In July 2014, the Air Methods Corporation made an offer of $10.7 million for the acquisition of the Health System’s proportionate share of the Airlife program plus the two owned Bell 430 helicopters. The breakdown of the purchase price was $9.3 million for the Health System’s share of the Airlife program plus $700,000 for each helicopter. In order to test the fair market value of the Bell 430 helicopters, the Health System engaged a firm to assess the valuation of the aircraft based upon age and flight hours of the mechanical components. The results of the third party valuation showed that the helicopters had a fair market value of $1.7 million each. After presenting this information to Air Methods, they revised their offer from $700,000 to $1.6 million per helicopter. The revised offer to the Health System was increased from $10.7 million to $12.5 million. Staff summarized additional details related to this agreement in their written report.

RECOMMENDATION: Staff recommends that the Board of Managers approve the contract for sale of the Health System’s two Bell 430 helicopters and the proportionate share of the San Antonio Airlife program to Air Methods, Inc.

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:

PRESENTATION OF THE UHS OPERATIONAL EXCELLENCE SCORECARD—REED HURLEY/MARK WEBB/BRYAN ALSIP, M.D.

SUMMARY: The Operational Excellence Scorecard is a performance management tool which has been implemented to track a specific set of key metrics on
a monthly basis. This tool will help leadership understand current operational goals and level of achievement for those goals. The metrics on this version of the scorecard were selected by senior leadership and determined to be of high importance. The Quality metrics are driven by the Center for Medicaid and Medicare Services. The Scorecard will measure quality of care, patient experience, cost and efficiency, access, and operational efficiency. Mr. Hurley provided a sample Scorecard and summary of data definitions currently being developed. Staff solicited the Board’s feedback.

**ACTION:**
None.

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

**EVALUATION:**
Mr. Adams asked Mr. Hurley and Dr. Alsip to ensure Scorecard results are used to hold staff accountable and are tied to performance review summaries, evaluation rates, and performance incentive pay. Mr. Engberg asked if the metrics used are verifiable and tied to a consistent and reliable system that can be audited. Mr. Hurley confirmed the integrity of the data stating that all of the metrics are tied to the same data source, and are indeed auditable. Future versions of the Scorecard will include the most up-to-date data that is available. Mr. Adams suggested that frontline staff be invited to present the data related to their respective departments.

**FOLLOW-UP:**
Staff will take the Board’s input today and integrate as requested. The Scorecard will be a monthly Board presentation.

**AMBULATORY NURSING PRACTICE—NANCY RAY/Theresa De La Hay/Angela Casias/Diana Gonzales**

**SUMMARY:**
Ambulatory Services has 220 Registered Nurses (RNs), including the nurses working in detention health services. The RNs serve as clinic supervisors, case managers, patient educators, provider extenders, advanced practitioners, lactation consultants, quality assurance monitors, direct patient caregivers and community liaisons. Ambulatory Services also has 37 Nurse Practitioners (NPs) that work among the provider teams, and are employed through Community Medicine Associates. These NPs independently staff many of the Preventive and Women’s Health Clinics. The transformation of ambulatory nursing over the past year has been significant with growth in care coordination, provider extenders, and women’s & children’s health. Staff reviewed in detail the various, pivotal roles nurses fulfill within the following service lines: Care Coordination, Women & Infants, Pediatrics, Primary Care, Renal Dialysis, Detention Health Services, and Research. The Ambulatory Nursing Council was developed in 2014 as a Magnet initiative to promote Collaborative Governance among the multiple ambulatory areas. This multidisciplinary group meets monthly. To increase the expertise of ambulatory nursing, a certification course specific to ambulatory care was developed and provided to nursing staff. In addition, the role of the Nurse Liaison was developed to ensure each nurse has an identified expert within their practice. Through the Magnet Journey, the Nursing Role in ambulatory will continue to expand
throughout all service lines. Advanced nurse practitioners will continue to grow as independent care providers. The leadership is currently investigating the potential hiring of midwives in FY 2015 and fully support registered nurses’ return to school for higher education and certification. The Health System has a close working relationship with the School of Nursing with continued plans to support our nursing staff to work toward advance nurse practices. Ms. Ray informed the Board that staff recently submitted an application for Magnet re-accreditation by the American Nurses Credentialing Center.

**ACTION:** None.

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

**EVALUATION:**
Mr. Smith expressed appreciation for the nursing profession and the various roles they fill. Although he understands the reason several of the service lines specifically target women, he would like for the Health System to emphasize that services for men are also available, as well as for the entire family. All of the Health System facilities are family health centers, however, there is a greater effort among the staff to include men in marketing efforts. Dr. Jimenez asked if a dedicated nursing team was available to provide outreach and training for families of asthmatic children. Not at this time, however, Dr. Kapur reported that the Health Science Center has a small-scale program that does exactly what Dr. Jimenez asked about, and staff will continue to explore all such outreach opportunities for the pediatric service line. In closing, Mr. Adams encouraged the staff to regularly evaluate each of the service lines for their respective usefulness and adjustment as needed. Further, because some service lines will naturally require local travel between several Health System’s facilities, he reminded the staff that managing such groups will require a tremendous amount of effort. Often times, management does not balance resources in the most effective way, or measure progress and/or performance appropriately. He encouraged strong, managerial governance.

**FOLLOW-UP:**
None.

**CLOSED MEETING:**

Mr. Adams announced the public meeting closed at 4:21 p.m., pursuant to TEX. GOV’T CODE, Section 551.085 (Vernon 2004) to receive information on and/or deliberate regarding pricing or financial planning information relating to a bid or negotiation for the arrangement or provision of services or product lines to another person if disclosure of the information would give advantage to competitors of the hospital district. The following Board members were present: James Adams, Ira Smith, Dr. Roberto Jimenez, Robert Engberg, and James C. Hasslocher. The following staff members were also present: George B. Hernández, Ted Day, Reed Hurley, Dr. Bryan Alsip, and Michael Hernandez. Mr. Adams announced the closed meeting ended at 4:36 p.m. During the closed meeting, no action was taken.

Mr. Adams announced a second closed meeting at 4:37 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 were present: James Adams, Ira Smith, Dr. Roberto Jimenez, Robert Engberg, and James C. Hasslocher. Mr. Adams announced this closed meeting ended at 5:12 p.m., at which time he reconvened the public meeting.
ADJOURNMENT:

There being no further business, Mr. Adams adjourned the Board meeting at 5:13 p.m.

James R. Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary