REGULAR MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Tuesday, March 27, 2012
6:00 p.m.
University Health System - Texas Diabetes Institute
(formerly known as University Center for Community Health)
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Linda Rivas, Vice Chair
Rebecca Q. Cedillo, Secretary
Roberto L. Jimenez, M.D., Immediate Past Chairman
Robert Engberg
Alex Briseño
Ira Smith

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
Tricia Aleman, Director, Marketing, University Health System
Tim Brierty, Chief Executive Officer, University Hospital
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Theresa De La Haya, Senior Vice President, Community Health and Clinical Preventive Programs,
University Health System
Sergio Farrell, Vice President, Ambulatory Services, University Health System
Andrew Garza, Operations Service Managers, University Family Health Center – North
Roe Garrett, Vice President/Controller, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc., and Vice
President Managed Care, University Health System
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Francisco Gonzalez-Scarano, Dean, School of Medicine, UTHSCSA
Michael Hernandez, Vice President, Legal Services and Risk Management, University Health System
Sherry Johnson, Vice President/Integrity and Regulatory Services, University Health System
MEMBERS OF THE PRESS:

Richard Marini, 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 6:10 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Ms. De La Torre introduced Mr. Steve Sewell for the invocation. Mr. Adams led the pledge of allegiance.

CITIZEN PARTICIPATION: None.

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

SUMMARY: Dr. Gonzalez-Scarano acknowledged the physician leaders present. He congratulated Jason Morrow, M.D., Ph.D., Director of the Inpatient Palliative Care Consult Service at UHS; and Assistant Professor of Medicine at UTHSCSA, for receiving the 2012 Hasting Center Cunniff-Dixon Physician Award in recognition of his leadership in advancing the art of medicine for patients near the end of life. A reception was held at University Hospital on March 23 to celebrate this honor. Dr. Gonzalez also provided a brief update on the searches for the Chairs of the Departments of Radiology, Urology, and Ophthalmology. Dr. Pam Otto will assume the interim position of Chair for the Department of Radiology.
RECOMMENDATION: This report was provided for information purposes only.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None.

NEW BUSINESS

CONSENT AGENDA – JAMES R. ADAMS

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

Consideration and Appropriate Action Regarding Resolution Supporting Participation in State Purchasing Cooperative Group—Francine Crockett

Consideration and Appropriate Action Regarding Appointments/Reappointments to University Health System Pension Plan Board of Trustees—Rebecca Cedillo

Consideration and Appropriate Action Regarding Appointments/Reappointments to Community First Health Plans Board of Directors—Rebecca Cedillo

Consideration and Appropriate Action Regarding UHS Policy No. 5.01.01, Clinical Risk Management Plan, and UHS Policy No. 5.01.02, Clinical Quality Improvement Performance Improvement Plan —Bryan Alsip, M.D.

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

RECOMMENDATION: Staff recommended approval of the items listed on the consent agenda.
ACTION: A MOTION to approve staff’s recommendation for the items listed on the consent agenda was made by Mr. Smith, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.
EVALUATION: None.
FOLLOW-UP: None.

ACTION ITEMS:

SELECTED PURCHASING ITEMS RELATED TO THE CAPITAL IMPROVEMENT PROJECT:

UNIVERSITY HOSPITAL -

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR PRECONSTRUCTION SERVICES RELATED TO INFORMATION TECHNOLOGY (IT) ACTIVE EQUIPMENT PLANNING AND ESTIMATING (GMP #13N)—MARK WEBB

SUMMARY: Guaranteed Maximum Price Proposal (GMP #13n) provides for a detailed design effort managed by the IT design-assist contractor. The scope of services includes verification of program assumptions,
interaction with Health System departments to identify true needs, quantity reports, online plan drawings, and detailed cost estimates for the active networking and VOIP systems. Funding is available through Bond Proceeds. The participation goals for SMWVBE and local firms is 40% and 80% respectively. To date, SMWVBE participation of awarded construction projects is 44% and local participation is 74%. This does not include the dollars associated with the Construction Manager's Fee or other project administrative costs (i.e., insurance, bonds, permit fees, etc.).

The original contract in the amount of $44,451,753 was approved by the Board of Managers in September 2009. Modifications #1 through 48 total $504,683,020 and were for GMPs #1, 2, 2-R, 3a, 3b, 3c, 3d, 4, 4b, 5a, 5b, 5-R, 6, 7, 8, 8-R, 9a, 9b, 9b-R, 10, 11, 12, 13a, 13b, 13c, 13d, 13e, 13f, 13g, 13h, 13i, 13j, 13k, 13l, 13m, 14, 15a, 15b, 15c, 15d, 16c, and 16b. The total value of this contract including Modification #49 is $549,424,043. As compared to the Control Estimate, GMP #13n is under budget by $10,130.

**RECOMMENDATION:** Staff recommends the Board of Managers approve the GMP #13n in the amount of $289,270 and authorize the President/Chief Executive Officer to execute the amendment to the Zachry Vaughn Layton Construction Management Agreement in an amount of $289,270.

**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.

**CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH PERKINS+WILL FOR ADDITIONAL ARCHITECTURAL SERVICES ASSOCIATED WITH THE NEW HOSPITAL TOWER, CENTRAL UTILITY PLANT AND SITE DEVELOPMENT PROJECTS—MARK WEBB**

**SUMMARY:** Contract is being amended to develop designs and engineered solutions for a number of issues that will help to better facilitate construction activities and betterment to ongoing projects which include: addition of construction access to the basement beneath the new tower to minimize operations disruption during future construction; modification in the design of the exterior ramp at the existing loading dock; addition of provisions for catastrophic flood protection in the CUP to avert potential damage due to loss of off-site drainage capability in a 100 year storm; and sidewalk relocation and drainage modifications to enhance pedestrian safety at the UT parking lot exit drive. Funding is available through Bond Proceeds Participation goals for this contract are 38% for SMWVBE and 60% for local firms. The original contract in the amount $45,310,513 was approved by the Board of Managers in July 2009. Modification #1 through #4 total $3,818,235. The total value of this contract including Modification #5 is $49,186,328.

**RECOMMENDATION:** Staff recommends the Board of Managers approve a contract increase for design services in the amount of $57,580 and authorize the
President/CEO to execute the amendment to the Perkins+Will agreement in that amount.

**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.

**ROBERT B. GREEN CAMPUS -**

**CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR LOW VOLTAGE INFORMATION TECHNOLOGY (IT) SYSTEMS (RBG-GMP 3B; RBG-GMP 6F)—MARK WEBB**

**SUMMARY:** Guaranteed Maximum Price Proposals (GMP #3b & #6f) include all aspects of low voltage IT that prepare the building for active low voltage systems such as conduit, outlets, cable trays, racks, physical security systems, overhead paging, and nurse call. These active low voltage IT systems have been identified in this later package so the most recent, up-to-date systems could be procured at the latest possible moment and not affect the project schedule. The inclusion of the IT network, phones, Distributed Antennae Systems (DAS), employee time clocks, RFID, refrigerator monitors, computers, and OR Integration and Scheduling in the Construction Manager's contract will allow single point coordination with schedule and construction activities. Funding is available through Bond Proceeds. The participation goals for SMWVBE and local firms are 56% and 95% respectively. To date, SMWVBE participation of awarded construction projects is 64.9% and local participation is 99.3%. This does not include the dollars associated with the Construction Manager's Fee or other project administrative costs (i.e., insurance, bonds, permit fees, etc.). The original contract in the amount of $5,202,068 was approved by the Board of Managers in October 2009. Modifications #1 through #13 total $79,701,704 for GMPs #1, 1a, 2, 2a, 3, 3a, 4, 5, 6, 6a, 6b, 6c, 6d, 6e, 7, 7a, and 7b. The total value of this contract including Modification #14 is $89,228,996.

**RECOMMENDATION:** Staff recommends the Board of Managers approves the RBG-GMP 6f in the amount of $3,522,478 and RBG-GMP 3b in the amount of $167,519 and authorizes the President/CEO to execute the amendment to the Bartlett-Cocke Construction Management Agreement in an amount of $3,689,997, as well as increase the Construction Cost Limit to $92,169,868.

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

**EVALUATION:** Messrs. Briseno and Adams suggested that staff conduct a mid-project reassessment on the use of contingency funds, to review any items that might be anticipated, for both the medical center and downtown projects.

**FOLLOW-UP:** Presentation on the use of CIP contingency funds in the near future as requested by Messrs Briseno and Adams.
CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RTKL FOR ARCHITECTURAL SERVICES TO DESIGN REPLACEMENT EXTERIOR WALLS FOR THE PHARMACY—MARK WEBB

SUMMARY: Modification #8 provides design services for the exterior walls of the new Pharmacy Building (formerly known as the Milagros Building). Mold, which had been hidden and encapsulated in the exterior wall cavity, was discovered in the drywall during building renovations. Environmental studies were performed subsequent to the mold discovery. Using these studies and considering constructability, cost, schedule, building longevity, and campus design it was determined that the best course of action would be to remove the exterior walls in their entirety and replace them with brick walls. This will be accomplished without damage to the roof or building structure, and will now tie the Pharmacy Building into the aesthetic feel of the new clinical building. Funding is available through the Project Contingency Fund. The same level of local and SMWVBE participation goals as negotiated in the original contract is expected. The original contract in the amount of $7,728,795 was approved by the Board of Managers in September 2009. Modifications #1 through #7 total $1,837,656. The total of this contract including Modification #8 is $9,580,251.

RECOMMENDATION: Staff recommends the Board of Managers approves the amendment to the contract with RTKL in the amount of $13,800 for additional architectural services at the Robert B. Green campus.

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

EVALUATION: Mr. Smith asked if general contractors are aware of the amounts available in the contingency fund. Yes, it is public information, but the contingency fund is well monitored and they do not have any control over those funds. Mr. Adams suggested that staff conduct a presentation summarizing all the enhancements approved by the Board of Managers thus far. He commended staff for the professional monitoring of the CIP process, and thanked Mr. Engberg for his invaluable counsel in this regard.

FOLLOW-UP: Provide summary of all enhancements and their costs approved by the Board thus far.

SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER FOR PROFESSIONAL SERVICES PROVIDED TO SPONSORED PATIENTS—THERESA SCEPANSKI/GARY MCWILLIAMS, M.D.

SUMMARY: The Sponsored Care Provider Agreement provides reimbursement to University of Texas Science Center at San Antonio (UTHSC-SA) for unfunded patients who receive health care in the Health System's Emergency Center. The majority of Sponsored Care patients receive
services through the Emergency Center with services being limited to the treatment of urgent/emergent conditions and required follow up to assure that the condition has responded appropriately to the treatment. Additionally, payments under this agreement will only be made for professional services that are not covered under the CareLink Provider Agreement, the based care contract paid by the Bexar County Clinical Services (BCCS), or other third party payers including payments made by the patient. This is a planned expense and operating funds have been included in the Year 2012 Operating Budget. As compared to the previous contract, there is a 9.6% ($302,274) decrease in cost. This decrease is based on estimated utilization and activity in 2012. This agreement includes performance standards that address quality of care, access, appropriate utilization, and patient satisfaction. This agreement includes performance standards that address quality of care, access, appropriate utilization, and patient satisfaction. UTHSC-SA has an Affirmative Action Plan or Policy in effect. UTHSC-SA has a total of 5,015 employees. The Workforce Composition Data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers approval of the Sponsored Care Provider Agreement for a one year period with UTHSCSA for an estimated amount of $2,847,726.

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

EVALUATION: The agreement is presented for approval retroactive to January 2012 due to a 90 day lag period on the processing of medical claims. Staff will be in better position to provide an actual total for 2011 in 45-60 days and will return to the Board with that information.

FOLLOW-UP: Provide estimated and actual totals for 2011 under this contract as a follow up report.

CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR FEBRUARY 2012 FINANCIAL STATEMENTS—ROE GARRETT/PEGGY DEMING

SUMMARY: For the month activity was up 3.8% for the Clinical Services (as measured based on discharges adjusted for outpatient activity). Community First Health Plan (CFHP) fully-insured membership was down 2.0%. From operations, the Health System experienced a gain of $2.7 million which was $3.7 million better than the budgeted loss of $1.0 million due to lower operating expense. Meaningful use incentive of $327,000 was recorded and this equaled budget. Investment income was over budget by $53,000 due to higher interest rates than budgeted. An unrealized market loss of $257,000 was recorded in the month. The bottom line gain excluding debt service was $3.1 million which was $3.5 million better than the budgeted loss of $387,000. Including the $520,000 (reversing 1/8 of the amount recorded in December 2011) of the Premium Deficiency Reserve, CFHP reflected bottom line gain of $322,000 which was $1.2 million better than the budgeted loss of $857,000. Debt Service Revenue was $3.5 million which is equal to the budgeted portion of the Debt Service payment of $3.5 million. Notable
increases or decreases from the Consolidated Balance Sheet were reviewed in detail with the Board.

RECOMMENDATION: Staff recommended acceptance of the financial report subject to audit.
ACTION: A MOTION to approve staff’s recommendation was made by Mr. Engberg, SECONDED by Ms. Rivas, AND PASSED UNANIMOUSLY.
EVALUATION: None.
FOLLOW-UP: None.

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS - LENI KIRKMAN

SUMMARY: Ms. Kirkman provided a detailed, written report on recent recognitions received by the Health System, media highlights as well as upcoming events.
RECOMMENDATION: This report was provided for informational purposes only.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

REPORT REGARDING YEAR 2011 MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS - NICOLAS WALSH, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

SUMMARY: This monthly report was provided to the Board pursuant to a Joint Commission Medical Staff standard which states that the medical staff executive committee will review, act, and report to the Board of Managers the activities of all Medical/Dental staff committees.
RECOMMENDATION: This report was provided for informational purposes only.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None.

REPORT ON NURSE STAFFING EFFECTIVENESS FOR SAFE OUTCOMES – NANCY RAY

SUMMARY: Ms. Ray provided a detailed, written report on behalf of the Nurse Staffing Effectiveness Committee, which indicates that the Committee continues to achieve its goal of continued data analysis and for being the voice for staff nurses. A nursing survey, with an 88% participation rate, was thoroughly analyzed by several focus groups to determine more fully the meaning of the nurses’ responses. Nursing staff will determine those areas in which improvement is needed and the specific initiatives required for improvement.
RECOMMENDATION: This report was provided for informational purposes only.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None.
UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES – MARK WEBB

**SUMMARY:** Mr. Webb provided a detailed, written report along with photos of progress made since the last update provided in February 2012.

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

**ACTION:** None.

**EVALUATION:** Mr. Briseno commended Mr. Webb for the comprehensive CIP SMWVBE Status Report. The report is the best he has seen and he has used it as an example for other organizations he works closely with.

**FOLLOW-UP:** None.

**ADJOURNMENT:**

There being no further business, Mr. Adams adjourned the public meeting at 7:10 p.m.

_________________________ ______________________________
James R. Adams   Rebecca Q. Cedillo
Chair, Board of Managers Secretary, Board of Managers

_________________________
Sandra D. Garcia, Recording Secretary