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

Tuesday, May 16, 2017
2:00 p.m.
Cypress Room
University Hospital
4502 Medical Drive
San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:
James R. Adams, Chair
Ira Smith, Vice Chair
Dianna M. Burns, M.D., Secretary
Robert Engberg
James C. Hasslocher
Janie Barrera

OTHERS PRESENT:
George B. Hernandez, Jr., President/Chief Executive Officer, University Health System
Bryan Alsip, MD, Executive Vice President/Chief Medical Officer, University Health System
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Lourdes Castro-Ramirez, President, University Health System Foundation
Ted Day, Executive Vice President, Strategic Planning and Business Development, University Health System
Roe Garrett, Vice President/Controller, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.
Jason Higgins, PMP, CSM, Director, Project Management Office, 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
Leni Kirkman, Senior Vice President, Strategic Communications and Patient Relations, University Health System
Karen Krueger, Contract Specialist, Procurement Services, University Health System
Karen McMurry, Interim Chief Legal Officer, University Health System
Bill Phillips, Senior Vice President/Chief Information Officer, University Health System
Kirsten Plastino, MD, President/Medical Dental Staff, University Health System; and Professor, Department of Obstetrics and Gynecology, UTHSCSA
Maulik Purohit, MD, MPH, Vice President/Chief Medical Information Officer, University Health System
Michael Roussos, Hospital Administrator, University Health System
Armando J. Sandoval, Chief of Police, University Health System
Allen Strickland, Vice President/Hospital Administration, University Hospital
Travis Smith, Deputy Chief Financial Officer, University Health System
Mark Webb, Chief Executive Officer/University Children’s Health, University Health System
Francine Wilson, Senior Vice President, Supply Chain Management, University Health System
Trent Krienke, J.D., Reed, Claymon, Meeker, Hargett, PLLC
And other attendees.
CALL TO ORDER AND RECORD OF ATTENDANCE: JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 2:07 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Ms. Luz Maria Castilla of New Creation Church for the invocation, and he led the pledge of allegiance.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE CITY OF SAN ANTONIO FOR THE PURCHASE OF REAL PROPERTY LOCATED AT 1033 ADA STREET AND AUTHORIZING ALL RELATED AND NECESSARY TRANSACTIONS—RICHARD RODRIGUEZ

SUMMARY: In October, 1994 the Board of Managers approved sale of a parcel of land (.5281 acre) to the City of San Antonio for construction of the Bob & Jeanne Billa Learning and Leadership Development Center. The property is located at 1033 Ada Street at the corner of South Gevers and Ada Street adjacent to the University Health System – Southeast Clinic. The Learning Center is a 7,875 square foot metal and wood frame building on a concrete slab foundation, stucco exterior walls with two central HVAC units. The City operated the Learning Center until 2014 when it then leased the facility to the San Antonio Independent School District (SAISD) to continue conducting adult learning classes. The lease between the City and SAISD expired on December 31, 2015 and was not renewed. The building now remains vacant. The City engaged an appraisal firm with the intent of selling this property on the open market. The appraisal, conducted in September 2015, indicated a market value of $207,000. The property appraised lower than comparable sales in the area due to lack of parking. In the fall of 2016, the City had a prospective buyer for the property, but due to right of way issues and lack of parking, the offer was withdrawn. The acquisition of this building allows for future expansion of services at the Southeast Clinic. The facility is particularly suitable for services like CareLink, pharmacy and health promotion/disease prevention programs. The acquisition of this property will be made using capital funds from the Board Designated Capital Account.

RECOMMENDATION: Staff recommends Board of Managers’ approval to enter into a real estate contract with the City of San Antonio to purchase the property located at 1033 Ada Street in an amount not to exceed $207,000.

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

EVALUATION: There will not be any real estate agent fees associated with this transaction.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING CONTRACT WITH CUMBERLAND CONSULTING GROUP, LLC FOR QNXT IMPLEMENTATION SERVICES—GREG GIESEMAN

SUMMARY:
Mr. Gieseman introduced Jason Higgins to the Board. In November 2016, the Board of Managers approved a 5-year contract with TriZetto to begin implementing a new QNXT enterprise core system in 2017. The implementation extends beyond a technical project, into a health plan-wide transformation initiative supported by a new framework. Business processes, technology, human capital and culture must be well coordinated and woven into the implementation. To ensure effective setup and configuration of QNXT that enables sustainable and manageable change, CFHP seeks QNXT expertise and implementation assistance. In February 2017, CFHP issued a Request for Proposals (RFP) for QNXT implementation services and received five proposals. After thoroughly reviewing proposals ranging from $2.97M to $7.62M, CFHP staff recommends engaging Cumberland Consulting Group, LLC (Cumberland) to serve as a subject matter expert and advisor for workflows, business process engineering, system requirements and the QNXT application. The engagement will last 22 months and involve all departments within CFHP. CFHP intends to start the implementation in July 2017 to ensure readiness for a potential STAR+PLUS implementation by January 2019. Initial cost is the Professional Fee is a fixed amount of $2,970,000. This is a fixed-fee contract that doesn’t obligate CFHP to subsequent expenses under the current Statement of Work (SOW). Cumberland’s proposal is the lowest cost alternative. The fixed-fee contract includes travel and out-of-pocket expenses. CFHP is the funding source for all associated costs; the expense is budgeted for 2017. Although Cumberland’s proposal is higher than CFHP’s original estimate and 2017 budgeted amount by $400,000, savings achieved from the contracting process with TriZetto for the QNXT implementation will prevent this from creating a budget variance in 2017. Cumberland has provided a copy of their Equal Employment Opportunity policy, and their most recently reported workforce composition was provided for the Board’s review. Cumberland’s proposal was approved by the CFHP Board of Directors on April 28, 2017.

RECOMMENDATION: CFHP Board recommends approval to contract with Cumberland Consulting Group, LLC in the amount of $2,970,000 for professional services in the implementation of TriZetto’s QNXT enterprise core system.

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

EVALUATION: None.
FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING PARTICIPATION IN THE QUALITY IMPROVEMENT PROJECT PROGRAM (QIPP) FOR SKILLED NURSING FACILITIES WITH LICENSES OWNED BY THE HEALTH SYSTEM AND MANAGED BY TOUCHSTONE COMMUNITIES—TED DAY/BRYAN ALSIP, MD/REED HURLEY

SUMMARY: Mr. Day introduced Attorney Trent Krienke; he represents hospitals, physicians, nursing homes and other healthcare providers in connection
with compliance matters, regulatory and operational issues, and the purchase and sale of healthcare facilities. Mr. Krienke was present to address any legal questions that may arise regarding the Quality Improvement Project Program (QIPP). In February 2015, University Health System entered into a partnership with Touchstone Communities (Touchstone) for three of its skilled nursing facilities (SNFs) within the Health System’s service area under the Minimum Payment Amount Program (MPAP). At that time, the Health System became the license-holder for those three facilities and entered into a management agreement with Touchstone to operate the skilled nursing facilities. Participation period for the Health System was September 1, 2015 through August 31, 2016. As mandated by the Texas 84th Legislature in 2015, a group of key stakeholders from the Texas Health and Human Services Commission (HHSC) and community providers worked through details to develop a new program that was more quality and performance-based for skilled nursing facilities entitled the Quality Incentive Payment Program (QIPP), which begins September 1, 2017. Supplemental payments made to skilled nursing facilities will be based on their ability to improve performance on four specific quality indicators currently utilized by the Center for Medicare and Medicaid Services’ (CMS) star ratings for nursing facilities. The Health System currently owns the licenses for four skilled nursing facilities. The first three sites participated in the MPAP program, with the fourth site was added in February 2016 with the end goal of participating in QIPP. Under the finalized QIPP program design, there are three different components by which a nursing facility can earn incentive payments:

- **Component 1**: Limited to non-state government-owned (NSGO) nursing facilities and is worth 110% of the non-federal share of Intergovernmental Transfer (IGT) funds paid by the NSGO facilities. In order to receive these funds, facilities are required to submit a monthly Quality Assurance Performance Improvement Validation Report.

- **Component 2**: Available to all skilled nursing facilities participating in QIPP, and is worth 35% of remaining QIPP funds after accounting for the funding of component one. In order to receive these funds, facilities are required to demonstrate a certain level of improvement on four specific quality indicators related to the CMS star ratings. Each quality measure is equally weighted for payment each quarter.

- **Component 3**: Available to all skilled nursing facilities participating in QIPP, and is worth 65% of remaining QIPP funds after accounting for the funding of component one. In order to receive these funds, facilities are required to demonstrate a certain level of improvement on four specific quality indicators related to the CMS star ratings. Each quality measure is equally weighted for payment each quarter.

In addition to the specific metrics being monitored through the QIPP program, Health System clinical leadership will also routinely monitor overall performance related to other governmental requirements such as Value Based Purchasing and CMS Star Rating Programs. Through the QIPP, the Health System, as the non-state governmental owner of the nursing facilities, will renew its contract with the Touchstone Communities for the four sites as the “manager” through a Management
Agreement that outlines the financial responsibilities of both entities. As the manager, Touchstone Communities will be eligible to receive a base management fee plus their portion of the supplemental Medicaid payments. Mr. Day described payment funds as: QIPP Intergovernmental Transfer Fund and QIPP Supplemental Payments. The primary financial obligation for the Health System under this partnership arrangement is to provide the IGT funds to support the state portion of the supplemental Medicaid payment. The funds are then returned to the Health System through the payments made by the managed care organizations (Amerigroup, Molina, and Superior HealthPlan). The Health System recoups the IGT funds as well as 50 percent of the supplemental payments. The other 50 percent of the supplemental payments are paid to Touchstone, all of which will be at risk and tied to quality and access measures. The funds are subject to a reconciliation process between HHSC and the Health System, and separately between the manager (nursing home operator) and the Health System on a frequency to be negotiated in the IGT Responsibility Agreement and the Management Agreement. As was the case under MPAP, certain protections will be negotiated and included within the Management Agreement to mitigate risks, both financial and otherwise. Additionally, the Health System envisions expanding the relationship with Touchstone even further within these new management agreements to require that Touchstone collaborates with the hospital to accept a certain number of unfunded transfers, including those patients who are pending SSI/Medicaid enrollment.

RECOMMENDATION: Staff recommends Board of Managers’ approval to participate in the Quality Incentive Payment Program (QIPP) for Skilled Nursing Facilities with Licenses Owned by the Health System and Managed by Touchstone Communities.

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

EVALUATION: Discussion ensued regarding oversight capabilities, liabilities, criteria for admission, nursing metrics, standards for appropriate placing, and financial risks.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORT FOR APRIL 2017—REED HURLEY

SUMMARY: In April clinical activity (as measured by inpatient discharges) was down 3.7 percent for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was down 1.2 percent. Gain from operations was $7.2 million, $545,000 better than budget. The bottom line gain (before financing activity) was $1.5 million, $1.2 million better than budget and was due primarily to lower operating expenses and investment earnings. Debt Service Revenue was $4.7 million which is equal to the budgeted Debt Service payment of $4.7 million. Outpatient activity is better than budgeted with 59,218 unduplicated visits, about 5 percent and prior year by 4 percent. Payer mix is on budget at 73.5 percent funded, year to date is 73.4 percent.
Adjusted discharges are up 2.5 percent for the month, down .6 percent for the year. As the outpatient business grows, there will be less inpatient business from an adjusted standpoint. Inpatient discharges is what drives net patient revenue. Net patient revenue per adjusted discharge is down 2.8 percent for the year. Mr. Hurley reviewed notable increases and/or decreases from the Consolidated Balance Sheet in detail.

Staff recommends acceptance of the financial reports subject to audit.

A MOTION to approve staff's recommendation was made by Ms. Barrera, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

Dr. Burns asked about the ambulatory strategy in assessing true costs. Many things are moving to ambulatory due to Medicare rule changes, do we need to look at it differently due to CMS rules and guidelines? The Health System’s objective and criteria are not clear to some of the Board members. Mr. Hernandez looks at the Health System’s objective in terms of mission, as a responsibility for the community. Over the last 20 years, the Health System set up an ambulatory network, before it was required by the federal government, with the belief that prevention would keep patients out of the hospital. A certain percentage of those patients will need hospital care, and we must have a very efficient hospital system for those patients, so as not to over-use resources. The purpose for having an ambulatory network is for the continuity of care and to keep patients out of the hospital. The hospital can become a revenue engine for certain things, not everything across the board. However, staff is working to fine-tune the operational side by integrating with the School of Medicine. The question would be - how can we work closer together? Current literature indicates that physicians contribute to 60 percent of the decisions; we need dedicated and committed staff and also physicians who are aligned with our interests to succeed. With the opening of the new Robert B. Green Clinical Services Building and in taking over a lease at the Medical Arts and Research Center, staff worked closely with physician leaders to have many cases shifted to the ambulatory side. The strategy as Mr. Banos sees it, are the many outpatient locations in the community. There may be, however, a need for a strategy on how to attract private pay patients.

Mr. Hernandez will interface with several Board members in advance of the next strategic planning session for help in setting the agenda to allow for open discussion on strategies and goals.

PRESENTATIONS AND EDUCATION:

PRESENTATION ON PREMIER ACADEMIC INNOVATOR’S ALLIANCE—BRYAN ALSIP, M.D.

SUMMARY: The Health System is a long-standing member of America’s Essential Hospitals (AEH). America’s Essential Hospitals and Premier, Inc. jointly announced a new partnership of collaboration on August, 1 2016. Under this agreement, Premier joined AEH on January 1, 2017, as a corporate affiliate member recognizing Premier as AEH’s preferred group purchasing organization (GPO). Agreement includes collaboration on quality improvement activities to benefit all members, particularly the needs of essential hospitals and academic medical centers. Premier Inc.
is a healthcare improvement company that includes an alliance of approximately 3,750 hospitals in the U.S. and more than 130,000 other provider organizations. It offers supply chain (GPO), population health management expertise, as well integrated financial, operational, and clinical data and analytics. The Health System has been in discussion with Premier since August 2016 to consider joining a new organization called the Academic Innovator’s Alliance (AIA), which is a joint venture with other Teaching Hospitals and Academic Medical Centers. It offers better GPO pricing and cost savings compared to MedAssets. Population health management expertise that Premier has used to establish over 45 Accountable Care Organizations (ACOs). Potential for Premier to serve as an Enterprise Data Warehouse that would integrate financial. Staff is currently conducting due diligence:

- Considering best opportunities to join the Alliance;
- Legal review of all documents working with Premier;
- Comparison of Premier with existing services;
  - GPO value and pricing, Supply Chain resources, Data Analytics & EDW capabilities, and technology requirements
- Multiple on-site visits and conference calls with Premier leaders and UHS leadership and staff; and
- Sharing opportunities to work with UT Health San Antonio and involvement of UT leadership.

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

**ACTION:** None.

**EVALUATION:** None.

**FOLLOW-UP:** Staff anticipates bringing final proposal for consideration of joining the Alliance to the Board of Managers in June, 2017.

**QUALITY REPORT—BRYAN AL SIP, M.D.**

**SUMMARY:** Dr. Alsip’s quality report covered CMS Hospital Star Rating & Leapfrog for immunizations and maternal care:

- Influenza immunization – eligible inpatients
- Influenza vaccination – healthcare personnel
- Elective delivery prior to 39 weeks of gestation
- Percentage of Caesarean births
- Percentage of antenatal steroid use
- Percent of episiotomies in vaginal deliveries

**Healthcare personnel influenza vaccination**

- Health System = 100%
- National mean = 85%

**Immunization of eligible inpatients**

- Health System = 87%
- Texas = 95%
- National mean = 94%

**Influenza Immunization – Inpatients**

2015-2016 Influenza Season

- Inpatient discharges who were screened for influenza vaccine status and were vaccinated prior to discharge if indicated (age 6 months and older)
- Exclusion: Age less than 6 Months of age, expired prior to discharge, organ transplant during current visit, vaccination supply not
received, Length of stay less than 120 day, transfer or discharge to acute care hospital

- Timeframe: October 2015 – March 2016

CMS Hospital Star Rating - Influenza Immunization

Challenges:
- Surrogate data reports limited
- Untimed orders fall to bottom of nurse task list
- No reminder that immunization orders are outstanding
- Misconceptions on immunizing patients in the ICU setting

Next Steps:
- Create a discharge-centered process with the use of STAT order designation
- Include a “drop-down” to document clinically appropriate exclusions
- CMIO working with clinical teams to establish
- Goal for completion is mid-June 2017

Percent of Elective Deliveries less than 39 Weeks – CMS & Leapfrog - Patients with elective vaginal deliveries or elective cesarean births at less or equal to 37 weeks and less than 39 weeks of gestation completed who are not in labor or have not had a prior uterine surgery.

Accomplishments:
- Shared knowledge and established processes with Medical Staff
- Improved physician documentation
- Better identification of exclusions

Next Steps:
- Continue to report and trend
- Documentation at time of scheduling elective deliveries < 39 weeks with evidence of prior uterine surgery

Percent of Cesarean Births – Leapfrog

Accomplishments:
- UHS currently meeting the standard for Leapfrog at < 23.9%
- Shared knowledge and established processes with Medical Staff

Next Steps:
- Continue to report and trend
- Further analysis of provider specific data over past 6 months with follow up by Clinical Management Teams (CMTs)

Percent of Antenatal Steroids – Leapfrog

Accomplishments:
- Fully meeting the Leapfrog standard in 2017 with for 50 VLBW infants born at UHS
- March of Dimes initiative
- MFM & NICU champions working with staff

Next Steps:
- Continue to report and trend
- Vermont Oxford Network

Percent of Episiotomy in Vaginal Deliveries – Leapfrog

Accomplishments:
- Documentation and coding initiative has been successful in differentiating lacerations
- Quality Management Improvement Team (QMIT)

Challenges and Next Steps:
- Continue to report and trend
ACTION:
  • Maintain 100 percent review of all cases through QMIT

EVALUATION:
  This report was provided for informational purposes only.

FOLLOW-UP:
  None.
  None.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the Board meeting at 4:00 p.m.

James R. Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary