BOARD MEMBERS PRESENT:

Jim Adams, Vice Chair
Ira Smith, Secretary
Robert Engberg
Alex Briseño
Linda Rivas
Rebecca Q. Cedillo

BOARD MEMBERS ABSENT:

Robert L. Jimenez, M.D., Chair

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Tim Brierty, Chief Executive Officer, University Hospital
Francine Crockett, Vice President, Materials Management, University Health System
Andrew Garza, Administrative Resident, University Health System
Michael Hernandez, Vice President, Legal Services and Risk Management, University Health System
Sherry Johnson, Vice President, Integrity & Regulatory Services, University Health System
Leni Kirkman, Vice President, Strategic Communications & Patient Relations, University Health System
John Olson, M.D., Ph.D., Professor, Department of Pathology, UTHSCSA; and Medical Director, Pathology Services, University Health System
Theresa Scepanski, Vice President, Organization and Strategic Development, University Health System
Art Sosa, Project Manager/Architect, Facilities Development & Project Management, University Health System
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System
Mark Webb, Vice President, Facilities and Project Development, University Health System
Dave Mulvany, Jacobs Engineering Group
And other attendees.
CALL TO ORDER AND RECORD OF ATTENDANCE: JAMES ADAMS, VICE CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 1:30 p.m.

INVOCATION AND PLEDGE OF ALLEGENCIE:

Ms. De La Torre said the invocation and Mr. Adams led the pledge of allegiance.

Mr. Adams yielded the floor to Ms. Crocket for details regarding the 2010 Supplier Diversity Excellence Award she accepted in Las Vegas, Nevada last month and showcased at today’s meeting. The award was presented to the University Health System for demonstrating an organizational commitment to support diverse suppliers through an established program. The award also acknowledges Ms. Crocket’s personal contributions to the Health System’s supplier diversity program.

CITIZENS’ PARTICIPATION: None.

NEW BUSINESS:

ITEMS RELATED TO PLANNING & OPERATIONS – LINDA RIVAS, CHAIR, PLANNING & OPERATIONS COMMITTEE

REPORT ON THE AMBULATORY SURGERY CENTER (ASC) AT THE ROBERT B. GREEN CAMPUS - MARK WEBB

SUMMARY: Early in the design phase of the downtown facility, CIP members met with Texas Department of State Health Services (TDSHS) regarding the design feasibility for the Clinical Services Building (CSB). TDSHS indicated that the RBG project did not fall under TDSHS review since it was a clinic and the levels of anesthesia administered at the clinic were minimal.

In late March 2010, Interventional Radiology (IR) was added to the project. Design changes were made to include IR without schedule or construction cost impacts. In part, due to the addition of the IR suite to the CSB, the CIP team resurrected discussions about licensing, procedure types and levels of anesthesia used in clinics now planned to go into the new CSB and additional information gathering commenced.

As such, the CIP team met with TDSHS at the end of Design Development. Per this meeting, clinic departments included in the RBG design could be built and operated in the new CSB; however, Medicare will not reimburse Endoscopy, Interventional Radiology and ENT/OMS procedures (as defined by TDSHS) performed in the building unless performed in a licensed Ambulatory Surgery Center. The ENT/OMS procedures currently performed at the existing campus have a ‘grandfather’ status using the Health System’s hospital provider number for Medicare.
Based on the discussions with TDSHS, the CIP team and Health System staff met and discussed ASC design options, cost estimates and cost mitigation options. It was determined that a minimum ASC was necessary along with all of the clinics deemed to need the ASC setting for licensure, namely ENT/OMS, Endoscopy and IR to ensure that the necessary services could be provided at the Robert B. Green campus.

Staff initially presented the ASC issue to the Board of Managers during the November 2010 Board meeting. At that time, staff requested and Board approval of the design fees associated with the ASC. During the meeting, staff indicated that final construction costs, and a funding recommendation associated with the additional costs of the ASC, would be brought back to the Board after the main GMP for the CSB was developed.

The addition of the ASC to the Robert B. Green campus will allow various outpatient procedures to be performed at the downtown campus instead of the University Hospital campus which in turn will improve the patient/visitor experience, as well as provide for a more efficient and cost effective delivery of the service.

In order to incorporate the ASC into the current project scope, schedule, and budget, additional design, construction management, project management, and commissioning will be required as this addition requires multiple upgrades and new modalities.

The ASC requires its own license and address and must be physically separated from the rest of the clinic. The proposed plan segregates the ASC on the 5th floor where it can be addressed by a suite number. The ASC must have its own waiting area, patient intake area, and have at least one operational Operating Room (OR) and all the functional support that an OR requires, such as PACU, pre-op and post-op dedicated dressing areas, restrooms, locker rooms, and class-c pharmacy. While the ASC is designed for two OR’s to maximize operational efficiency, one will initially be shelled and the other built as an OR/IR hybrid. Finally, the ASC must have upgraded and dedicated mechanical and electrical systems to provide OR air quality, increased medical gasses and emergency power and alarm services.

It is anticipated that inclusion of the ASC in the Clinical Services Building will affect the overall building schedule by approximately 3 months. In order to retain the December 2012 move-in schedule, the CIP team will develop a transition plan to ensure completion of unaffected departments on schedule.

Although the original cost for the ASC was estimated to be approximately $5.6M, the project team worked diligently to minimize the cost impact and decreased the cost for the ASC to $4,093,088. Mr. Webb provided a breakdown of the costs as follows: medical equipment $906,555; IT equipment $164,570; EEI Commissioning $47,400; and consultant fees $194,909.
Using bid savings from the project to date ($1,950,547) the additional funds needed for the project are $2,142,541. This figure includes the savings in GMPs presented today.

RECOMMENDATION: This report was provided for informational purposes.

ACTION: None.

EVALUATION: Board members agreed that it would be more feasible to plan for two operational OR suites at this time, rather than one. They asked staff to re-calculate the numbers and return with the updated cost implications. Messrs. Adams and Briseno asked Mr. Webb to provide a tab of accumulated savings to date for both sites, which will be incorporated into the monthly CIP update, and in every GMP-related subsequent Board report.

FOLLOW-UP: Staff will bring a proposal to the Board of Managers regarding funding from capital reserves at a later date if additional project savings are not forthcoming. To assure that the downtown project is not delayed, ASC costs will be included in subsequent GMPs or contract amendments brought forward to the Board of Managers for consideration. Staff will also return with the costs of two operational OR suites, and provide savings to date on future reports.

ITEMS RELATED TO BUDGET & FINANCE – ROBERT ENGBERG, CHAIR, BUDGET & FINANCE COMMITTEE

UNIVERSITY HOSPITAL:

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR THE HOSPITAL TOWER—SUPERSTRUCTURE, CONTROLS DESIGN ASSIST PRE-CONSTRUCTION SERVICES AND CONSTRUCTION SERVICES (GMP#13i)—MARK WEBB

SUMMARY: Guaranteed Maximum Price Proposal (GMP #13i) provides materials and construction services to construct the tower superstructure, design the building controls, and provide for building HVAC operations. The following work is included in this GMP: concrete foundation and structure; structural steel and metal stairs; site development; Mechanical, Electrical, Plumbing, and Fire Protection Sleeves and Inserts; Design Assist and Construction Services for HVAC controls and HVAC Test and Balance of Equipment and Systems. Funding is available through the bond proceeds. The participation goals for local firms and SMWVBEs are 80% and 40%, respectively. To date, SMWWBE participation of awarded construction projects is 46.04% and local participation is 82.24%. 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 BCHD Board of Managers in September 2009. Modifications #1 through #81 total $212,457,875 and were for GMPs #1, 2, 2-R, 3a, 3b, 3c, 4, 5a, 5b, 5-R, 6, 7, 8, 8-R, 9a, 9b, 10, 11, 12, 13a, 13b, 13c, 13d, 13e, 13f, 13g, 14, 15a, 15b, and 16a. The total value of this contract including Modification #82 is $304,740,401.
As compared to the Control Estimate, GMP #13i is under budget by $1,392,381.

RECOMMENDATION: Staff recommends Board of Managers approval of GMP #13i in the amount of $47,830,673 and authorization for the President/CEO to execute the amendment to the Zachry Vaughn Layton Construction Management Agreement in the amount of $47,830,673.

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

EVALUATION: Messrs. Adams and Briseno asked Mr. Webb to provide a tab of accumulated savings to date for both sites. He will incorporate into the monthly CIP update, and in every GMP related subsequent Board report.

FOLLOW-UP: As indicated above.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR LOW VOLTAGE, IT, CONTROLS, SITE WORK, OXYGEN TANK UPGRADES FOR THE CENTRAL UTILITY PLANT PROJECT (GMP#16B)—MARK WEBB

SUMMARY: Guaranteed Maximum Price Proposal (GMP #16b) is the second package for the Central Utility Plant (CUP) and includes structural steel, dock lifts, oxygen tank, casework, roofing, communications, security & access control, controls, test & balance, and cooling tower screen. This GMP completes the balance of work remaining with the CUP and Basement Utility Tunnel Project. Funding is available through the Bond Proceeds. The participation goals for local firms and SMWVBEs is 80% and 40%, respectively. To date, SMWBE participation of awarded construction projects is 46% and local participation is 82.24%. 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 BCHD Board of Managers in September 2009. Modifications #1 through #82 total $260,288,648 and were for GMPs #1, 2, 2-R, 3a, 3b, 3c, 4, 5a, 5b, 5-R, 6, 7, 8, 8-R, 9a, 9b, 10, 11, 12, 13a, 13b, 13c, 13d, 13e, 13f, 13g, 13h, 13i, 14, 15a,15b, and 16a. The total value of this contract including Modification #83 is $308,411,842. As compared to the Control Estimate, GMP #13g is $10,605 under budget.

RECOMMENDATION: Staff recommends Board of Managers approval of GMP #16b in the amount of $3,671,441 and authorization to execute the amendment to the Zachry Vaughn Layton Construction Management Agreement in the amount of $3,671,441.

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

EVALUATION: Messrs. Adams and Briseno asked Mr. Webb to provide a tab of accumulated savings to date for both sites. He will incorporate into the monthly CIP update, and in every GMP related subsequent Board report.

FOLLOW-UP: As indicated above.
ROBERT B. GREEN CAMPUS:

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR THE OUTPATIENT PHARMACY AT ROBERT B. GREEN CAMPUS (RBG-GMP #03A)—MARK WEBB

SUMMARY: Guaranteed Maximum Price Proposal (GMP #3a) is for necessary renovations of the acquired space for the Outpatient Pharmacy and Medication Assistance Program (MAP) to be located at the Robert B. Green Campus. Funding is available through Bond Proceeds. The participation goal for SMWVBEs and local firms is 56% and 95% respectively. To date, SMWVBE participation of awarded construction projects is 81.34% and local participation is 99.42%. 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 #8 total $25,960,885 for GMPs #1, 1a, 2, 2a, 3, 4, 5 6a, 6b, 6c and 7. The total value of this contract including Modification #9 is $33,298,616. As compared to the Control Estimate, GMP 3a is $466,800 under budget.

RECOMMENDATION: Staff recommends Board of Managers approval of the RBG-GMP 3a in the amount of $2,135,663 and authorization to execute the amendment to the Bartlett-Cocke Construction Management Agreement in the amount of $2,135,663.

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

EVALUATION: A discussion ensued regarding the community outreach plan and SMWVBE local participation rates for this vendor. Mr. Webb clarified the applicable dollar amounts and percentages, specifically, the amounts contracted to African American business owners. Mr. Adams asked him to closely monitor the inter-related SMWVBE percentages.

FOLLOW-UP: The purchasing department’s portion of GMP 3-A will be updated to indicate cost control estimates for all of GMP’s to date.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR CLINICAL SERVICES BUILDING INTERIOR AND EXTERIOR FINISHES AND BUILDING SYSTEMS AT ROBERT B. GREEN CAMPUS (RBG-GMP #06D)—MARK WEBB

SUMMARY: Guaranteed Maximum Price Proposal (GMP #6d) includes the cost for exterior building shell; mechanical, electrical, plumbing, and fire protection; low voltage; interior finish-out; and remaining exterior site improvements for the Clinical Services Building (CSB) at the Robert B. Green Campus. This GMP also includes the additional scope associated with the construction of the Ambulatory Surgery Center (ASC) which was not planned in the original design of the new CSB. Funding is available through Bond Proceeds. The participation goal for SMWVBE
firms and local participation is 56% and 95% respectively. To date, SMWVBE participation of awarded construction projects is 81.3% and local participation is 99.4%. This does not include the dollars associated with the Construction Manager's Fee or other project administrative cost (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 #9 total $28,096,548 for GMPs #1, 1a, 2, 2a, 3, 3a, 4, 5 6, 6a, 6b, 6c, and 7. The total value of this contract including Modification #10 is $82,735,773. As compared to the Control Estimate, GMP #6d is over budget by $1,173,674. Additional construction costs of $2,779,654 have been included for the ASC. Had these costs not been included, the GMP would be significantly under budget.

**RECOMMENDATION:** Staff recommends Board of Managers approval of RBG-GMP 6d in the amount of $49,437,157 and authorization for the President/CEO to execute the amendment to the Bartlett-Cocke Construction Management Agreement in an amount of $49,437,157 as well as increase the Construction Cost Limit to $88,124,227.

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

**EVALUATION:** Mr. Webb updated the Board on staff efforts to produce additional savings for the Health System's CIPs by: 1) purchasing whole procurements as much as possible; 2) closely working with Med-Assets Health Care Supply Management for share-back dollars; and 3) communicating with his counter part at Parkland Hospital District to appropriately time purchases to maximize quantity discounts. Mr. Adams thanked Mr. Webb for his innovative efforts and asked that staff provide a tab of accumulated savings to date for both sites in all subsequent reports. Mr. Smith initiated a discussion regarding inter-facility transportation for patients and family members of the RBG campus.

**FOLLOW-UP:** Board members requested a presentation in the near future regarding 1) the Health System's inter-facility traffic plan; and 2) efforts to integrate transportation needs with other community agencies, such as VIA Metropolitan Transit.

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**CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR SITE WORK AND LANDSCAPING FOR THE BACKFILL PROJECT AT ROBERT B. GREEN CAMPUS (RBG-GMP #07A)—MARK WEBB**

**SUMMARY:** Guaranteed Maximum Price Proposal (GMP #7a) includes the cost to perform work in the areas of the existing B and MRI Building. The scope of work for this GMP includes landscaping, irrigation, parking lot striping, traffic controls, and hardscape improvements. The first phase of the MRI lot is underway with geotechnical testing and permitting; this phased work will tie into the final parking lot design. Funding is available through Bond Proceeds. The participation goal for SMWVBE firms is 56% and the local participation goal 95%. To date, SMWVBE
participation of awarded construction projects is 81.34% and local participation is 99.42%. This does not include the dollars associated with the Construction Manager's Fee or other project administrative cost (i.e., insurance, bonds, permit fees). The original contract in the amount of $5,202,068 was approved by the Board of Managers in October 2009. Modifications #1 through #10 total $77,533,705 for GMPs #1, 1a, 2, 2a 3, 3a 4, 5 6a 6b,6c, 6d, and 7. The total value of this contract including Modification #11 is $83,148,373. As compared to the Control Estimate, GMP #7a is under budget by $46,162.

RECOMMENDATION: Staff recommends the Board of Managers approval of RBG GMP 7a in the amount of $412,600 and authorization for the President/CEO to execute the amendment to the Bartlett-Cocke Construction Management Agreement in an amount of $412,600.

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

EVALUATION: Mr. Briseno reminded staff about the Green Shade Tree rebates available through CPS Energy for landscaping.

FOLLOW-UP: Board members again acknowledged staff’s good work in all matters related to the CIP.

SELECTED PURCHASING ITEM(S):

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH SODEXO HEALTHCARE FOR NUTRITION, VENDING, AND GIFT SHOP SERVICES —TIM BRIERTY

SUMMARY: This proposed contract provides Food, Nutritional, Vending and Gift Shop Services. This Management Services Only Agreement provides an industry experienced management team and training resources to assist the Health System staff with a successful implementation of the room-service delivery model, expansion of vending and retail offerings and improvement of current operations. The addition of an industry experienced management team and training resources will give Health System staff the tools needed to succeed in making the necessary improvement to current service offerings. All current Nutrition Services department staff will remain employees of the Health System and ultimate authority of decisions about the Nutrition Services department will reside with the Health System. This "Management Services Only" approach is consistent with hospital industry trends and provides the Health System flexibility if at a later time a decision is made to change or eliminate the food management company. Additionally, Sodexo will fully manage all Health System vending operations and will pay the Health System a percentage of the gross receipts of all vending machines. This is a planned expense and operating funds have been included in the 2011 operating budget. This is a new contract which includes two (2) one-year renewal options. Sodexo will provide five management level staff members. The net additional cost to the Health System for salary and benefits in excess of the anticipated future budgets
will be $250,000 per year. Additionally, the Health System will pay an annual management fee of $220,666. However, these costs will be more than offset by the savings in annual food costs of approximately $600,000. This is a budget neutral transaction, or a slightly positive impact based on anticipated increased sales volume. The components of the three year costs are $1,617,498 for Management Expense Reimbursement (salaries & benefits) and $661,998 for Management Fees. Sodexo Health Care Services has an Affirmative Action Plan and a total of 115,093 employees. The workforce composition data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers approval of Sodexo Healthcare’s proposal to manage nutritional, vending and gift shop services pursuant to a three (3) year contract with two (2) one year renewal options under the same terms.

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

EVALUATION: A full discussion ensued regarding the pros and cons of this business approach. Mr. Brierty shared the most recent HCAHPS patient satisfaction scores regarding 1) the accuracy of food items ordered - 72.7 percent; 2) taste of food - 62.5 percent; and 3) temperature of food - 68.9 percent as compared to other hospitals in the area. He also provided a regional client listing, a proposed organizational chart for the affected food service area, and a list of value, fiscal and CIP reasons to proceed with this proposal.

Board members expressed concern with how the workforce might react to this change. Mr. Brierty informed the Board that he has previously briefed some of the food service employees, and overall, met some resistance, but he believes this partnership with Sodexo is in the best interest of the Health System. Employees will have access to education and training they currently do not have, which will in turn allow them to raise their level of professionalism. Nothing will change for the employees except that they will report to a different general manager; all existing personnel policies will continue to apply.

There are currently four vacant positions in the nutrition services department estimated at $289,166 per year that will be substituted with five management positions from Sodexo at a total cost of $539,166. This amount exceeds future budgets by $250,000 per year, plus an annual management fee of $220,066. From a management perspective, Mr. Briseno believes this has the potential to lead to morale problems. How much do we compensate the general manager, and how much do we pay the food services director? How does this fit into our structure without leading to a morale problem? Staff’s reply to these inquiries was that the Health System is buying the company’s experience and qualifications to improve patient satisfaction scores so that we can focus on providing health care. In exchange for the management services fee, Sodexo will help UHS achieve the following goals:
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Tuesday, May 24, 2011
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- Improve patient and customer satisfaction;
- Provide patient education through diet/improved nutritional value;
- Train staff to succeed in new food service delivery model;
- Maintain quality of services during renovation of existing kitchen;
- Reduce wait time for customer; and
- Increase cash handling and sales data accuracy.

Savings will come through lower food costs by bulk purchasing for all of their clients; however, the proposed contract continues to afford opportunity for local vendors to bid for food products and supplies through competitive bidding with UHS. If this proposal is approved by the Board today, UHS management will meet over the next 6 months with Sodexo leadership to set standards and expectations, and it is expected to take about one full year to implement a room service delivery model. Mr. Engberg expressed support for the proposal.

FOLLOW-UP: Mr. Briseno requested quarterly updates regarding this business transaction, especially as it relates to the transitioning of the employees, as well as the actual dollars in savings and revenues at the follow up presentation. Ms. Rivas is interested in knowing the impact of this major change among the workforce, as well as any change in statistics regarding patient satisfaction scores.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH GUARDIAN LIFE INSURANCE COMPANY OF AMERICA, INC. FOR HMO DENTAL BENEFITS—THERESA SCEPANSKI

SUMMARY: Modification #1 exercises the option to renew the contract for HMO Dental Benefits for regular, full and part-time staff, house staff and retirees of University Health System. This is a planned expense and operating funds will be included in the 2012 Operating Budget. The original contract for $1,793,303 was approved by the Board of Managers in June 2008 (for the 2009/2010 Year) and included an option to renew for one additional one-year term; this contract exercises that option. The total value of this contract including Modification #1 is $2,340,603. The total $547,300 contractual value of this benefit is shared between the Health System and employees. Based upon current utilization, the estimated annual cost for the HMO dental benefit to the Health System will be $138,471 and the cost to the employees will be $408,828. There is no change in the premium rates for the 2012 Plan Year. Guardian Life Insurance Company of America has an Affirmative Action Plan or Policy in effect and has a total of 4,923 employees. The Workforce composition data was reviewed with the Board.

RECOMMENDATION: Staff recommends approval of a one-year contract renewal of the HMO dental benefit with Guardian Life Insurance Company of America, Inc. (through The Benefits Source, Inc.) for a total estimated cost in the amount of $547,299.60 for a one-year period.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Smith, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.
EVALUATION: All employee benefits, their premiums, and any new proposals are first reviewed by a benefits committee composed of employees. Mr. Briseno expressed an interest in reviewing the UHS employee benefits packet comprehensively.

FOLLOW-UP: None.

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

SUMMARY: This contract provides vision benefits to University Health System employees, house staff and retirees. The contractual value is 100% contributory in nature and is accrued through employee premiums. There is no cost to the Health System for the provision of this benefit. The total contract value will be accrued through employee premiums. As compared to the current contract, there is no change in vision premium rates. EyeMed Vision Care does not have an Affirmative Action Plan. However, a copy of their EEO-1 report was submitted and they have a total of 451 employees. The Workforce Composition Data was reviewed with the Board. EyeMed Vision Care has been the Health System’s vision benefit provider since 2008.

RECOMMENDATION: Staff recommends approval of a four-year contract for vision benefits with EyeMed Vision Services for a total estimated amount of $348,835 annually ($1,395,340 over a four-year period).

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH AMERICAN HERITAGE LIFE INSURANCE COMPANY D/B/A ALLSTATE BENEFITS FOR CANCER, DREAD DISEASE AND ICU COVERAGE BENEFIT SERVICES—THERESA SCEPANSKI

SUMMARY: Modification #1 exercises the option to renew the Cancer, Dread Disease, and ICU Insurance Benefits for regular full and part-time employees. This is a planned expense and operating funds have been included in the 2012 Operating Budget. The original contract included an option to renew for one additional one-year term; this contract exercises that option. The total value of this contract including Modification #1 is $1,012,135. The contractual value is 100% contributory and is accrued through employee premiums. Additionally, as compared to the previous contract there is no increase in the 2012 premium rates. Allstate Benefits has an Affirmative Action Plan or Policy in effect and a total of 30,077 employees. The Workforce composition data was reviewed with the Board.
RECOMMENDATION: Staff recommends Board of Managers approval of the renewal contract for Cancer, Dread Disease and ICU insurance benefits with Allstate in the estimated amount of $338,344.00 for a one-year period.

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

EVALUATION: None.

FOLLOW-UP: None.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the public meeting at 4:05 p.m.

___________________________________ ______________________________
Robert L. Jimenez, M.D., Chair    Ira Smith, Secretary
Bexar County Hospital District    Bexar County Hospital District
Board of Managers                Board of Managers

Sandra D. Garcia, Recording Secretary