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

Tuesday, May 24, 2016
2:00 p.m.
Cypress Room
First Floor, 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

BOARD MEMBERS ABSENT:

Roberto L. Jimenez, M.D, Immediate Past Chair
Janie Barrera

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
Felix Alvarez, Executive Director, Procurement Services, University Health System
Awoala Banigo, Senior Vice President/Chief Revenue Officer, University Health System
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Lisa Beebe, Executive Director/Marketing Strategist, University Health System
Sergio Farrell, Senior Vice president/Ambulatory Services, University Health System-Robert B. Green Campus
Don Finley, Senior Writer, Corporate Communications, University Health System
James Garcia, Executive Director/Financial Accounting, University Health System
Roe Garrett, Vice President/Controller, University Health System
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
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
Monika Kapur, M.D., President/Chief Executive Officer, Community Medicine Associates
Bill Phillips, Senior Vice President/Chief Information Officer, University Health System
Kristen Plastino, M.D., President/Medical-Dental Staff, University Health System; and Associate Professor, Department of Ob/Gyn, UTHSCSA
Nancy Ray, Senior Vice President/Chief Nurse Executive, University Health System
CALL TO ORDER AND RECORD OF ATTENDANCE:  JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 2:08 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Dr. Robert E. Weston of Northminster Presbyterian Church for the invocation, and he led the pledge of allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):  MARCH 29, 2016 (REGULAR MEETING)

| SUMMARY: | The minutes of the regular bi-monthly meeting of Tuesday, March 29, 2016 were submitted for approval. |
| RECOMMENDATION: | Staff recommended approval of the minutes as submitted. |
| ACTION: | A MOTION to approve the minutes was made by Mr. Engberg, SECONDED by Dr. Burns, and PASSED UNANIMOUSLY. |
| EVALUATION: | None. |
| FOLLOW-UP: | None |

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): APRIL 19, 2016 (REGULAR)

| SUMMARY: | The minutes of the regular bi-monthly meeting of Tuesday, April 19, 2016, were submitted for approval. |
| RECOMMENDATION: | Staff recommended approval of the minutes as submitted. |
| ACTION: | A MOTION to approve the minutes was made by Mr. Hasslocher, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY. |
| EVALUATION: | None. |
| FOLLOW-UP: | None |

CONSENT AGENDA –JIM ADAMS, CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR STAFF MEMBERSHIP –KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF
CONSIDERATION AND APPROPRIATE ACTION REGARDING A RESOLUTION IN SUPPORT OF EXPANSION OF AFFILIATED HOSPITALS PARTICIPATING IN THE TEXAS MEDICAID SECTION 1115 EXPANSION WAIVER PROGRAM—REED HURLEY/GEORGE B. HERNÁNDEZ, JR.

CONSIDERATION AND APPROPRIATE ACTION REGARDING PURCHASING ACTIVITIES (SEE ATTACHMENT A)–FELIX ALVAREZ/FRANCINE WILSON

SUMMARY: The items listed above were presented for the Board’s consideration as consent items.

RECOMMENDATION: Staff recommended approval of the items on the consent agenda.

ACTION: A MOTION to approve the items listed on the consent agenda was made by Dr. Burns, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None

ACTION:

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE EXTERNAL AUDITOR’S REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR 2015—BKD, LLP/REED HURLEY/GEORGE B. HERNÁNDEZ, JR.

SUMMARY: Mr. Engberg reported that earlier in the day, the Board’s Audit Committee met with BKD audit partners, Mr. Tom Watson and Mr. Chris Clark, who were engaged to examine the financial statements of the Health System and CFHP. BKD presented the required communication, a draft of the audited financial statements and other documents to the Audit Committee, and informed them that they would issue an unmodified or clean opinion. The CFHP audit report was presented to the CFHP Board on May 10, 2016, and audits on three other entities, the Pension Plan, Foundation and Financial Assistance Programs were performed by a Garza, Gonzalez Associates. The audits for the Pension Plan and Foundation are complete and were presented to the respective Boards of those organizations at their scheduled meetings in May. The Pension Plan financial statements are included in the Health System audit report which requires that the audit be complete prior to BKD issuing the Health System audit report. Mr. Engberg yielded the floor to Mr. Watson for a brief presentation on the auditors’ findings. Areas of audit emphasis included the management override of control, revenue recognition, and significant estimates. He reviewed 2015 highlights and impact of unusual items, such as the adoption of GASB statement no. 68, Network Access Improvement Program (NAIP), Nursing facility Upper Payment Limit Program, Issuance of Series 2015 Certificates of Obligation, Current funding levels for the 1115 Medicaid Waiver, and Alternative Payment Models. Mr. Watson introduced Mr. Milo Martinez of Garza, Gonzalez Associates, and Mr. Clark to the Board, and provided an overview of the Health System’s balance sheets, days cash and investments on hand, net days in accounts receivables, unrestricted cash and long-term debt, long-term debt to capitalization, statements of revenues and expenses, uncompensated care/gross revenue, property tax revenue (compared against Dallas, Harris, Tarrant and El Paso Hospital Districts),
RECOMMENDATION: The 2015 audited financial statements were presented for discussion, deliberation, and approval by the Board of Managers.

ACTION: A MOTION to approve the audited financial statements as presented by the BKD auditors was made Mr. Engberg, SECONDED by Mr. Hasslocher, and PASSED UNANIMOUSLY.

EVALUATION: Discussion ensued regarding GASB Statement No. 68, effective for the fiscal year ending December 31, 2015, fund balances, assumptions, and implications on future funding of the defined pension plan benefit. The pension plan expense for 2015 was $20.1 million. Prior to the adoption of GASBE 68, the only liability that the Health System recognized in its books was the deficiency in the amount of payment made on an annual basis compared to the actuaries’ report. Under GASBE 68, the Health System must recognize a liability as employees earn their pension benefits. To the extent that the Health System’s long term obligation exceeds the value of the assets in the plan available to pay benefits, there is a Net Pension Liability reported on the Statement of Net Position/Balance Sheet. For most governments, this has resulted in the recognition of a significant liability because most governments have not fully funded their employee pension plans. The Net Pension Liability at December 31, 2015 is $118.3 million with $90 million of that being a reduction in net assets based on initial adoption of the defined plan. The Health System’s pension benefit is 68 percent funded versus the 75 percent funded average for all government plans in the United States. Mr. Watson reviewed a 5-year historical balance sheet indicating that over the last 5 years total assets have increased from $1.9 billion to over $2.4 billion, total debt is $711,941 million, and for 2015, Net Patient Service Revenue plus Supplemental Revenue equals $693,220 million, total discharges for 2015 were 26,425, and two year average capital purchases were $113,421 million. Because the Health System has issued very little debt, most of the asset growth has come from positive operating results. Mr. Watson reiterated that the change in net position, which dropped from $1,012,048 billion in 2014 to $990,201 million in 2015, is due to the adoption of the GASB 68 standard. For 2015, the Health System recorded a $70 million positive bottom line which limits the impact of the GASB 68 standard. Operating losses for 2015 were recorded at ($240,699), an improvement over 2014 which was at ($267,941), and as compared to prior years. Days cash and investments on hand is 199 days versus 206 days recommended by Moody’s Bond Rating Corporation. Days of uncollected cash is at 67 days compared to Moody’s recommended average of 50 days. New in 2015 is the positive cash to debt ratio which are both at $700,000,000 million compared to Moody’s recommended amounts for unrestricted cash at $1,000,000,000 billion to debt at $700,000,000 million. Long-term debt to capitalization has dropped from 48 percent in 2011 to 46 percent in 2015, with the Hospital District average being 38 percent. Five-year comparison of income statements indicates that net patient service revenue has grown from $386,160 million in 2011 to $693,220 million in 2015.

FOLLOW-UP: Mr. Hasslocher urged the staff to closely monitor the pension plan funding issue and increase funding on a regular basis as much as
possible, as it is an important responsibility to the staff. He thanked Mr. Engberg and the UHS team for their continued hard work in this area. Mr. Smith asked Mr. Hurley keep the Chair of the Pension Plan Board appraised of the Board’s concerns as they relate to this employee benefit. At this time, Mr. Hurley introduced the most recent addition to the UHS staff, Mr. Travis Smith, Deputy CFO. Travis spent the past seven years with the Baylor Scott and White System, serving as Chief Financial Officer for various entities including the McLane Children’s Hospital and Clinics. He also introduced James Garcia, Director of Financial Accounting; and Jeanette Vigil, Director of Patient Business Services.

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

UNIVERSITY HOSPITAL:

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE AN AMENDMENT TO THE CONSTRUCTION CONTRACT WITH BYRNE CONSTRUCTION SERVICES FOR THE REMAINING PEDIATRIC CARDIAC CARE UNIT (PCCU) RENOVATIONS AT UNIVERSITY HOSPITAL - 9TH FLOOR, HORIZON TOWER (GMP #2)—MARK WEBB

SUMMARY: The work included in this GMP will repair the HVAC Systems, bring the 9th floor into compliance with the latest Texas Department of State Health Services (TDSHS) codes and also includes minor refinements to meet functional needs identified by staff. This will require amending the contract with the recently selected Construction Manager Byrne Construction Services to include the Cost of the Work (labor and materials) and related General Requirements, General Conditions and fees as required moving forward with this work for the PCCU. The additional funds requested are required for the expanded renovation needs of this floor in the Horizon Tower. The work will include the replacement of the malfunctioning HVAC system and will take corrective actions so the newly renovated space meets current TDSHS pediatric code requirements. Mr. Webb provided an analysis of the estimated 9th Floor Horizon Tower project budget, a detailed description of work required, and estimated totals at completion. The grand total for all of these projects is $9,466,536, currently funded amounts are $2,801,541, and additional funds required are $2,801,541. The amounts previously approved by the Board in February, 2016 total $9,287,884. The project requires an additional $4,616,495 to meet the estimated revised construction total (this request does not cover funding required for Active IT, FF&E, or medical equipment). At this time, Mr. Webb informed the Board that staff has revisited the originally-proposed pediatric stacking plan and budget to ensure appropriate financial stewardship while meeting critical patient care needs and standards. He presented a revised plan that defers approximately $25.5M in capital spending which can be set aside for future planning purposes. Staff now recommends that pediatric inpatient services (with the exception of the
pediatric cardiac care unit) remain on the 7th floor of the Sky Tower, which will allow the 12th floor Horizon Tower to be utilized for adult patients with only minimal work, the 10th floor to be utilized as NICU expansion space at a significantly reduced cost from the original plan, and the 6th floor Horizon Tower rehab unit to remain in place. The current pediatric projects currently underway, including the new Horizon Tower ground floor Emergency Department and the 9th floor Horizon Tower (PCCU), will be completed as originally planned. He provided detailed costs by floor for each of the projects and total project changes and associated financial impact as follows:

**Pediatric Program (Horizon Tower):**
- Estimated total at completion: $31,528,521
- Currently funded: 22,083,045
- Funds needed: 9,445,476
- Cost previously presented to Board: $57,014,076

**Pediatric Enabling Projects**
- Estimated total at completion: $1,934,595
- Currently funded: 1,934,595
- Funds needed: 
- Cost previously presented to Board: $2,987,397

**Adult Program (Horizon Tower)**
- Estimated total at completion: $7,501,782
- Currently funded: 1,476,007
- Funds needed: 6,025,775
- Cost previously presented to Board: $1,900,000

**Infrastructure (not needed for pediatric program):**
- Estimated total at completion: $7,501,782
- Currently funded: 1,476,007
- Funds needed: 6,025,775
- Cost previously presented to Board: $1,900,000

For comparison purposes, Mr. Webb provided the original stacking plans by floor/unit for the pediatric program in the Horizon, Rio, and Sky Towers and the proposed stacking plans associated with the costs above:

**Original Stacking Plan:**
- Pedi ACU Beds 38
- Pedi ICU Beds 25
- PCCU 26
- Total Pedi Rooms 89
- Added NICU Beds to decompress 5th floor 28
Proposed Stacking Plan:

- Pedi ACU (Universal) Beds 46
- Pedi ICU Beds (Sky Tower) 26
- PCCU 26
- Total Pedi Rooms 98
- Added NICU Beds to decompress 5th floor 25

The project participation goal for SMWVBE is 35 percent and the local participation goal is 80 percent. Byrne Preston Banks is a joint venture company made up of two SMWBE certified companies. Byrne Construction Services is certified by the South Central Texas Regional Certification Agency (SCTRCA) as a Minority Business Enterprise (MBE) and a Veteran Business Enterprise (VBE). Preston Banks Construction Company, LLC is certified by the South Central Texas Regional Certification Agency (SCTRCA) as an African American Business Enterprise (AABE), Emerging Small Business Enterprise (ESBE), Minority Business Enterprise (MBE), and a Small Business Enterprise (SBE). Byrne has a total of 103 employees and Preston Banks has a total of 6 employees. The workforce composition data of each company was broken down for the Board.

RECOMMENDATION: Staff recommends Board of Managers’ approval for funding in the amount of $6,237,661 ($1,621,166 of available funds and $4,616,495 from capital reserves) and authorization to execute a contract amendment with previously selected Byrne Construction Services in the amount not to exceed $6,237,661 for construction labor and materials.

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

EVALUATION: Board members acknowledged quite a reduction from the original plan, which was up to $57 million, with no guarantee of the unknown risks. Mr. Engberg asked if the newly revised stacking plan would impact the quality of services provided. The revised plan will not detract from providing quality care, and will be less disruptive for the children’s health brand that is being developed. The Pediatric Emergency Department will serve as the front door for many of the patients and less re-education of patients will be required. Further, the intensivists and trauma surgeons are much more comfortable with having two operating units rather than three so that the pediatric surgeons will always have an extra pair of hands available to help in emergency situations, unlike now on the 11th floor. Dr. Plastino agreed that in her opinion the staff is working appropriately with physicians, they are aware of proposed changes and the trauma surgeons especially feel that consolidation of operating rooms is better. Mr. Adams cautioned staff to pay attention to capital expenditures and flag issues with the Horizon Tower appropriately, since it is likely that space issues at University Hospital will continue. Mr. Webb will closely monitor SWMBE local participation to ensure goals are met.

FOLLOW-UP: As indicated above.
CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH PEDIATRIX MEDICAL SERVICES, INC., FOR PEDIATRIC SURGICAL SERVICES—

ALLEN STRICKLAND

SUMMARY: The current agreement with Pediatrix Medical Services expires June 30, 2016. The renewal of this agreement supports the strategic goal of expanding pediatric surgical services and the entire pediatric program, and will ensure that the Health System maintains access to high-quality pediatric health care. All physicians providing services pursuant to this agreement are credentialed through The University Health Science Center at San Antonio (UTHSCSA). UT Pediatrics is supportive of this agreement which complements the current UT Pediatric practice at University Health System. Under the terms of this agreement, Pediatrix will provide on-call coverage 24 hours per day, seven days per week, urgent and elective pediatric surgical services, including those related to ECMO and surgical consults as requested and authorized for inpatients, including those in the Pediatric Intensive Care Unit, and the outpatient follow up clinics. Pediatrix shall make every reasonable effort to respond to cases within sixty (60) minutes of notification or make every reasonable effort to respond in a time considered medically appropriate for the case, and provide complete medical record documentation accurately and timely, in accordance with Health System polices and Joint Commission requirements. Pediatrix is a multi-specialty group practice that has an excellent reputation for providing specialized pediatric surgical services in the community. Their workforce composition data is currently unavailable and will be provided to the Board of Managers upon receipt.

RECOMMENDATION: Staff recommends Board of Managers approval of a contract with Pediatrix Medical Services, Inc. for specialized pediatric surgical services in the amount of $300,000 for a 12 month period, beginning July 1, 2016 ($25,000 per month).

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

EVALUATION: Mr. Adams reiterated that in light of the Health System’s ongoing alignment efforts with the School of Medicine, and to the degree that which funding by CMS and other payers is now much more based upon joint relationships, as opposed to fee-for-service, there is a need to focus continually and diligently on pursuing innovative joint arrangements that allow for maximum payment for both the Health System and the School of Medicine. Dr. Burns again advised that there is value in seeking collaboration opportunities in the community in lieu of growing subspecialty services by UTHSCSA that are not volume-driven.

FOLLOW-UP: None
CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT AMENDMENT WITH MLC GROUP, LLC FOR PROFESSIONAL SERVICES—ALLEN STRICKLAND

SUMMARY: The transplant program at University Health System is a comprehensive, signature service line that provides multi-organ transplantations to adult and pediatric patients from the San Antonio community and across Texas. Annually over 10,000 visits occur, most requiring extensive laboratory and radiologic testing, consultations, and other procedures prior to, and post, transplantation. Following the retirement of the previous medical director from UTHSCSA in 2014, the Health System contracted the services of MLC Group to provide interim medical director oversight for the Histocompatibility Lab (HLA), as well as consulting services for other key initiatives. During the initial period of this contract, the MLC Group has served as the HLA lab’s interim medical director providing guidance to ensure compliance with national regulations and clinical guidelines. Additionally, through consultative services provided by the MLC Group, the HLA lab has progressed to modern evidence-based medicine and quality though improvements in equipment, supplies, processes, and staff training. UTHSCSA has recently successfully recruited a new HLA lab medical director. However, as MLC Group transitions leadership to the new medical director, staff is requesting a six month extension amendment to the agreement with MLC Group for continued interim medical director and consultative services. The MLC Group are recognized experts in the field of HLA strategic development, growth, and operational improvement. The emphasis of this engagement has been to ensure the quality of care delivered to our patients and the optimization of operational efficiencies. Optimization of each of these areas ensures transplant program sustainability and will ultimately improve access to these services for pre and post-transplant patients, improve the patient experience and outcomes, and enables the Health System to provide quality transplant care to the South Texas region, which tie into the Health System’s Triple-Aim Plus strategic framework. The scope of the agreement and the amendment of the contract between MLC Group and the Health System are comprised of interim medical director and consultation for the transition to the permanent medical director. MLC Group fulfills all of the roles and responsibilities of the medical director for the HLA laboratory and ensures the laboratory provides high quality and comprehensive histocompatibility and immunogenetics testing. MLC Group provides 24 hour per day, 7 days week coverage for consultation and has a frequent on-site presence. MLC Group will provide consultation for the transitioning of the HLA lab to the new medical director to ensure stability for the UHS transplant service line. Total compensation for services rendered during the contract period shall not exceed $132,500. The budget for the renewal period is $90,000 for medical director services; $26,500 for consulting services; and $16,000.00 for travel expenses. The compensation rates shall be as established under the Agreement. It is also understood that the Health System will not fund both the MLC Group and the UTHSCSA medical director simultaneously. MLC Group is classified as a Small Business Enterprise (SBE), and has a total of three employees. The workforce composition data was provided.
RECOMMENDATION: Staff recommends Board of Managers’ approval of an amendment to the contract with MLC Group for medical director and consulting services in the amount of $132,500, for the period beginning June 1, 2016 through November 30, 2016.

ACTION: A MOTION to approve the minutes was made by Mr. Hasslocher, SECONDED by Dr. Burns, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONSTRUCTION MANAGER SERVICES CONTRACT WITH TURNER|STRAIGHTLINE, A JOINT VENTURE, FOR THE DESIGN PHASE AND CONSTRUCTION MANAGEMENT SERVICES FOR THE NEW EASTSIDE CLINIC—MARK WEBB

SUMMARY: University Health System solicited Request for Proposals (RFP) for Construction Manager at Risk Services for the new Clinic on the Eastside. The site of the new clinic is 601 Runnels Avenue, San Antonio TX 78208. This clinic will serve as the prototype for future Health System clinics and as such needs to be modular in design and expandable to meet the demands of diverse area demographics. The proposals were evaluated based on the criteria provided to the firms in the RFP. Solicitations were issued on March 17, 2016 and proposals were received on April 20, 2016, from the following firms: Turner|Straightline Joint Venture and Stoddard Construction Management, Inc. Of these firms, Turner|Straightline demonstrates competence, price, and qualifications to perform the services. The proposed contractual approach is similar to that used for Sky Tower Project (ZVL), Robert B. Green Campus Project (Bartlet Cocke), and Phase 2 Renovations (Joeris). Specific services will include:

- Pre-construction scheduling services and construction planning
- Estimating and cost consultation
- Value analysis
- Constructability reviews
- Subcontract bidding
- Construction and related follow up thru the warranty period

The Selection Committee for this project was comprised of staff from Facilities Development, Ambulatory, and Information Technology evaluated the firms, and their recommendation is based on the ranking of the Respondents using the provided selection criteria with a total maximum grade of 100.

<table>
<thead>
<tr>
<th>Turner</th>
<th>Straightline</th>
<th>Stoddard Construction Management, Inc.</th>
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<tbody>
<tr>
<td>Grand Total CM Fees, GC Cost &amp; Fee</td>
<td>$ 564,000</td>
<td>$ 717,642</td>
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<tr>
<td>Committee Scoring</td>
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<td>48.6</td>
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Based upon the review of the proposals, the selection committee recommends that the Turner|Straightline team be selected to provide Construction Management services on this project. The Construction Manager at Risk will provide design phase and construction phase
services that will optimize the use of available funds while providing the highest quality construction within established project schedule and budget. The proposed fees, in the amount of $207,500, will be paid from project funds. At a later date, staff will bring forward the construction cost GMPs for the project once design has been completed. The overall projected budget for this project is approximately $5M:

<table>
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<tr>
<th>Services</th>
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<tbody>
<tr>
<td>Design</td>
<td>$500,103</td>
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<tr>
<td>Construction</td>
<td>3,449,897</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$5,000,000</strong></td>
<td><strong>$5,000,000</strong></td>
</tr>
</tbody>
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*Includes Construction Manager Fees and General Conditions of $207,500*

Turner | Straightline is a joint venture made up of Turner and Straightline, a SMWBE certified company. The Turner | Straightline team has established a target of 35% for SMWVBE participation. In addition, Straightline Construction Management, which is a local African-American firm certified by the South Central Texas Regional Certification Agency (SCTRCA) as a Small Business (SB), Small Disadvantaged Business (SDB), Woman Owned Small Business, and an Economically Disadvantaged Woman-Owned Small Business (EDWOSB), is 10 percent partner in the Joint Venture with Turner. Turner is a national company, their local office has a total of 379 employees. Straightline has a total of 140 employees. The workforce composition data of both vendors was provided for the Board.

RECOMMENDATION:
Staff recommends the Board of Managers approve the selection of Turner | Straightline as Construction Manager at Risk for the Eastside Clinic and authorize the President/Chief Executive Officer to execute the Construction Manager at Risk Services contract with Turner | Straightline in the amount of $207,500.

ACTION: A MOTION to approve the minutes was made by Mr. Smith, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION: Mr. Webb touched upon the timeline for the new clinic. Once the project design has been completed, staff will bring to the Board two more GMPs in July or August. Site work for actual turning of dirt will take place in August. Staff will return later in the year with the remaining contracts that are needed to complete the building, the goal is for it to be completed by next July or August, 2017. Mr. Adams reminded Mr. George Hernandez of their previous commitment to fully brief both Dr. Burns and Mr. Smith, outside of the Board meeting, regarding this new clinic. Dr. Burns voiced a concern that from the initial presentation to the Board, and after her review of the RFP, this project looks different, price-wise and in size (square footage). She is now concerned about services and schematics. Board members agreed to move forward with staff’s recommendation today, and Mr. Hernandez agreed to schedule the briefing as soon as possible.

FOLLOW-UP: As indicated above.
CONSIDERATION AND APPROPRIATE ACTION REGARDING THE ACQUISITION OF REAL PROPERTY LOCATED AT 2 HAVEN FOR HOPE WAY—RICHARD RODRIGUEZ/REED HURLEY

SUMMARY: One of the properties for sale by the San Antonio Independent School District is a Food Service Warehouse located at 2 Haven for Hope Way. This facility is a 66,000 square foot flex food distribution facility on 4.035 acres. The warehouse has approximately 4,900 square feet of administrative office space, ample warehouse space as well as walk-in coolers and freezers. The loading dock has seven truck bays and is fenced to protect their vehicles at night. The majority of the Health System’s warehousing functions occur at University Hospital. The purchase of a consolidated service center will be instrumental in relocating administrative functions from much needed space at University Hospital and the ambulatory sites. The potential consolidation of services and storage could include such departments as, Asset Management, Fleet Services, Ambulance Services, Copy Center, Mail Room, Child Life Safety, Plant Engineering, Bio Medical Engineering, and Information Technology. On a longer term basis, this property could be used for the expansion of clinical services and parking at the Robert B. Green facility. Sealed bids will be received by SAISD until Thursday, May 26, 2016 at 4:00 pm. Under the terms of the solicitation, the relocation time-frame is up to eighteen (18) months, which means SAISD can take up to a year and a half to transition out of the building. A cashier’s check or bid bond up to five percent (5%) of the total amount of the bid must be payable to SAISD as payee or oblige and must be effective when the bids are open and up to 180 days thereafter. Staff has engaged an appraisal company to assess the market value of this property. Based on the results of the appraisal, and with the Board’s concurrence, the Health System will make an offer for the acquisition of this property. Since the transition time will take up to eighteen (18) months, this will allow Health System staff to develop other options and alternatives to expand the uses of the consolidated service center. This plan will include the operating and capital budgets, space requirements, as well as options to determine the optimum configuration of the consolidated service center.

RECOMMENDATION: Staff recommends Board of Managers’ authorization to submit a bid not to exceed the appraisal amount to the San Antonio Independent School District for the Food Service Warehouse located at 2 Haven for Hope Way.

ACTION: No action was taken by the Board of Managers.

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING OPERATIONS AND FINANCIAL REPORT FOR APRIL 2016—REED HURLEY/EDWARD BANOS

SUMMARY: In April clinical activity (as measured by inpatient discharges) was up 5.5% for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was down 0.5% due to lower membership in STAR Medicaid. The bottom line gain (before financing
activity) was $2.5 million, $507,000 better than budget and was due primarily to lower than budgeted depreciation expense below budget by $967,000. Debt Service Revenue was $4.5 million which is equal to the budgeted Debt Service payment of $4.5 million. Mr. Hurley reviewed notable increases and/or decreases from the Consolidated Balance Sheet in detail with the Board. Also reviewed were April inpatient discharges, outpatient activity, payer mix, budget to actual and a monthly financial performance outlook. Mr. Banos provided a brief overview of the Skylight CareNavigator, an innovative interactive patient care system that uses common communication devices including televisions, computers, and mobile devices to address patient and family needs in health education, services provided, and communication with the health care team. The system is currently being used in the Sky Tower of University Hospital as a patient satisfaction tool; it provides patients with personal and hospital information, allows them to submit feedback and requests, teaches them about their illness or injury, and provides relaxation videos to help them manage their pain and anxiety. For the second quarter of 2016, patients viewed a total of 1,439 health education videos on various health topics and during the first quarter, patients viewed 23,666 relaxation videos. While the patient is hospitalized, the system administers a nursing survey that contains six yes or no questions and a nutrition survey that contains three questions. The percentage of positive nursing survey responses received (by unit and by question) for the period April 1 to May 15, 2016 were reviewed with the Board. Staff receive these responses in real time and are able to address a patient’s concern immediately. The expectation is that all non-positive survey responses will be addressed by a patient care coordinator, charge nurse, supervisor, or director. Nutrition survey responses for the same time period were also reviewed.

RECOMMENDATION: Staff recommends acceptance of the financial reports subject to audit.
ACTION: An MOTION to approve staff’s recommendation was made by Mr. Engberg, SECONDED by Mr. Hasslocher, and PASSED UNANIMOUSLY.

EVALUATION: None.
FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

REPORT REGARDING MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS —KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

UPDATE ON FACILITIES DEVELOPMENT ACTIVITIES—MARK WEBB

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN

2016 QUARTER 1 SUPPLIER DIVERSITY REPORT—FRANCINE WILSON

REPORT ON NURSE STAFFING EFFECTIVENESS—MICHELLE GONZALES/NANCY RAY
SUMMARY: Mr. Adams directed the Board members’ attention to the four (4) written reports above. He urged his colleagues to contact staff with specific comments, questions, or suggestions.

RECOMMENDATION: These reports were provided for informational purposes only.

ACTION: No action by the Board of Managers was required.

EVALUATION: None.

FOLLOW-UP: None.

CLOSED MEETINGS:

There being no further business, Mr. Adams adjourned the public portion of the Board meeting at 3:44 p.m. for a closed meeting pursuant to TEX. GOV’T. CODE, Section 551.072 to deliberate the purchase, exchange, lease or value of real property. The following Board members were present: James Adams, Ira Smith, Dr. Dianna M. Burns-Banks, Robert Engberg, and James Hasslocher. The following staff were also present: George B. Hernández, Jr.; Ed Banos; Reed Hurley; Bryan Alsip, M.D.; Sally Taylor, M.D.; Michelle Ingram; Richard Rodriguez; and Michael Hernandez. After discussion, no action was taken in closed session. Mr. Adams announced the first closed meeting ended at 4:04 p.m.

The Board of Managers went into a second closed session at 4:04 p.m., to evaluate the quality of medical and/or health care services as permitted by Section 161.032 of the TEX. HEALTH & SAFETY CODE. The following Board members present: James Adams, Ira Smith, Dr. Dianna M. Burns-Banks, Robert Engberg, and James Hasslocher. The following staff were also present: George B. Hernández, Jr.; Ed Banos; Reed Hurley; Bryan Alsip, M.D.; Sally Taylor, M.D.; Michelle Ingram; Richard Rodriguez; and Michael Hernandez. After discussion, no action was taken in closed session. Mr. Adams announced the second closed meeting ended at 4:40 p.m., and the public meeting reconvened.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the Board meeting at 4:41 p.m.