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

Tuesday, November 17, 2015
2:00 p.m.
Board 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
Janie Barrera

BOARD MEMBERS ABSENT:

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

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
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
Jeanne Bennett, Chair, University Health System Foundation
Ted Day, Senior Vice President, Strategic Planning & Business Development, University Health System
Theresa De La Haya, Senior Vice President/Health Promotion, Clinical Prevention, Texas Diabetes Institute
Sergio Farrell, Senior Vice President, Ambulatory Services, Robert B. Green Campus
Don Finley, Senior Writer, Corporate Communications, University Health System
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
Michael Hernandez, Vice President/Chief Legal Office, University Health System
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health System
Jennifer Milton, Clinical Assistant Professor/University Transplant Center, University Hospital
CALL TO ORDER AND RECORD OF ATTENDANCE: JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 2:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Chaplain Robert Pfennig of the Spiritual Care Services Department for the invocation, and he led the pledge of allegiance.

CITIZENS' PARTICIPATION:

Mr. Hernandez introduced Mr. Daniel Meza, Deputy Chief of Staff for Congressman Will Hurd, Texas 23rd Congressional District, who addressed the Board of Managers regarding the health care provided to the Congressman’s Field Director at University Hospital after a serious car accident in Del Rio, Texas, on November 11, 2015. He expressed gratitude for the hospitality extended to the patient’s family and her colleagues, but most of all for the high quality care.

Mr. Adams acknowledged Ms. Mary Ann Mote, Senior Vice President/Chief Revenue Officer for her contributions and dedication to the Health System as she prepares for retirement in January, 2016, after 35 years of employment. On behalf of the Board, he thanked her for support and wished her a very happy retirement. Mr. Hurley introduced her replacement, Mr. Awoala Banigo.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): SEPTEMBER 29, 2015 (REGULAR MEETING)

SUMMARY: The minutes of the regular bi-monthly meeting of Tuesday, September 29, 2015, were submitted for approval.

RECOMMENDATION: Staff recommended approval of the minutes as submitted.

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

EVALUATION: None.

FOLLOW-UP: None.
REPORT FROM THE HEALTH SCIENCE CENTER – WILLIAM HENRICH, M.D., PRESIDENT/FRANCISCO GONZAELZ-SCARANO, M.D. DEAN, SCHOOL OF MEDICINE/KIRSTEN A. PLASTINO, M.D., PRESIDENT OF THE MEDICAL/DENTAL STAFF

SUMMARY: Physician partners were not at today’s meeting due to prior travel and clinical commitments.

RECOMMENDATION: None.

ACTION: None.

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 PURCHASING ACTIVITIES (SEE ATTACHMENT A) – FELIX ALVAREZ/FRANCINE WILSON

SUMMARY: Due to re-organization of the managing department, Mr. Hernandez pulled Item #6 from the Purchasing Activities Consent Agenda, for additional review of pricing and the scope of work. The Contract is for Generator Preventive Maintenance and Repair Services with Clifford Power Systems in the amount of $967,833. Medical-Dental Staff recommendations for staff membership and the remaining items on the purchasing consent agenda were presented for the Board’s review and approval.

RECOMMENDATION: Staff recommends approval of the consent agenda as submitted, without item #6 under purchasing activities.

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

EVALUATION: None

FOLLOW-UP: None.

PRESENTATIONS AND EDUCATION:

TRANSPLANT PROGRAM UPDATE—JENNIFER MILTON

SUMMARY: As part of a recent regulatory change that states transplant quality information must be routinely reported to the Board of Managers, Ms. Milton provided an overview of the University Transplant Center and an explanation of quality information in two key areas 1) Survival Outcome Requirements, and 2) Regulatory Oversight to include the Centers for Medicare and Medicaid Services (CMS) Conditions of Participation (CoP) and United Network for Organ Sharing (UNOS).

Survival Outcome Requirements: Post-transplant survival rates are rigorously monitored by CMS and UNOS. A key quality metric of
excellence is a post-transplant survival over one year. An excellent Observed Outcome/Expected Outcome ratio has become the primary requirement to achieve designation as Centers of Excellence by private insurers, and thus one year patient survival has serious quality and program implications.

Regulatory Oversight: Medicare Conditions of Participation (CoP) - In 2008, CMS published an extensive set of performance standards called the ‘Conditions of Participation’ for Transplant Programs. Focused Quality Assessment and Performance Improvement Survey (F-QAPI,) was an expansion of the Quality provision of the CoP standards put into place in 2013. CMS performs two separate types of unannounced surveys to ensure compliance.

United Network for Organ Sharing (UNOS) - UNOS governs organ donation and transplant programs in the United States. UNOS monitors performance and compliance through an audit process, and UTC performed exceedingly well in our most recent reviews.

Program Readiness - With the application of the 2013 CoPs a more challenging survey is anticipated from dedicated federal auditors, known for their transplant and quality experience. The survey process, called Focused - Quality Assurance/Process Improvement (F-QAPI) mirrors other well established CMS QAPI programs (Hospital, Renal, Ambulatory Surgical, Skilled Nursing Facilities). The program maintains readiness for unannounced regulatory surveys at all times.

The adult lung and liver program lead Texas in one year survival and are in the top 10 percent in the United States. The kidney program has the best one year survival in the designated donor service area of South and Central Texas. The living donor, adult, and pediatric transplant programs are past due for a routine unannounced Medicare (CMS) survey. Given the five transplant programs with CMS approval, staff expects 5-7 CMS auditors onsite for about five business days. Coordinated efforts to demonstrate the integration of transplant quality, publicly reported metrics and process improve are ongoing.

The University Transplant Center has had a favorable payer mix and a period of growth starting around 2012 which is attributable to excellent outcomes, successful marketing and the execution of multiple strategic business decisions. Significant growth in market share has been seen in the number of transplants, waitlist size, and downstream activity, highlighted by a nearly doubling of the waiting list during this period of time and over 100 new patient referrals monthly. With waiting times for organ transplant up to six years, this new patient activity and growth on the waiting list will ensure sustained transplant activity for many years to come. The staff has developed a comprehensive outreach program, including nine (9) satellite locations across Texas, and is also increasingly incorporating telemedicine visits. Due to this comprehensive outreach program, 40 percent of the transplant patients come from greater than two hours away.
RECOMMENDATION: This report was provided for informational purposes only; no action was required by the Board of Managers.

ACTION: None.

EVALUATION: Dr. Burns thanked Ms. Milton for the impressive report and offered the Board’s assistance in outreach efforts to educate the workforce and/or the community regarding the shortage of minority donors and the importance of such. Ms. Milton informed the Board that University Hospital achieves extraordinarily high minority consent rates, which she attributed to the work of the patient care services team, specifically Charles Reed and Susan Gerhart.

FOLLOW-UP None.

ANNUAL UHS FOUNDATION REPORT—THERESA SCEPANSKI

SUMMARY: Ms. Scepanski introduced and yielded the floor to Ms. Jeanne Bennett, Chair of the UHS Foundation, who summarized two of the Foundation’s programs:

Medical Miracles Gala - In 2015, the Health System celebrated the 10th anniversary of this annual event with almost 700 guests in attendance. In 2015, the Gala netted $186,784 and in its 10 year history has netted a total of $1,659,788 to support projects and programs of University Health System. Ms. Bennett acknowledged the work of the 2015 Medical Miracles Gala Committee, Frank Garza, Chair and members Yvonne Gonzales, Al Hartman, III, Rachel Jack, Norma R. Reyes and Karla Wentworth.

Nursing Scholarship Program - With the Health System’s recent Magnet re-designation, RNs are actively encouraged to return to school to obtain their BSN. With the Nursing Scholarship Fund having such a healthy balance in 2013 ($855,400), the nursing scholarship committee recommended and was approved by the full Board of Directors to increase the yearly scholarship award level to: Year One - $2,500; Year Two - $3,000; and Year Three - $3,000, as well as requiring all future scholars achieve a BSN degree. Beginning with the 2014-2015 scholar class, the increased scholarship dollars and the requirement to obtain a BSN was in effect. As of August 31, 2015, the current balance in the Nursing Scholarship Fund is $889,661.

The staff’s written report included data on the two programs above in addition to information regarding new Foundation Board member development, Employee Giving Campaign, Our Sons & Daughters Scholarship Program, and the UHS Campaign.

RECOMMENDATION: This report is provided for information only; no action by the Board of Managers is required.

ACTION: None.

EVALUATION: Mr. Adams thanked Ms. Bennett for her report and noted that with such influential members serving on both the Board of Managers and the Foundation Board of Directors, we ought to raise 10-15 times more than reported today because that kind of power exists in this city. He appreciates the Foundation’s efforts to expand, and suggested that every
member of this Board should be a donor. The Board of Managers needs to show that it whole heartedly supports these fundraising efforts. Mr. Hasslocher shared a simple note he recently received from another Board he serves on, which stated “...we are asking every Board member to commit to raising” a certain amount “over the next ten years.” Mr. Adams encouraged staff and Board members to bring potential donors to tour the Sky Tower, and perhaps use the Heart Vascular Institute as a point of attraction so that the public is aware that we serve the people of Bexar County. He would like to help find the best way to begin to accelerate fundraising to a whole new level. Ms. Pruett announced an upcoming Harley bike ride that will benefit the University Transplant Center, and is also an effort to raise awareness and recruit organ donors. The Circle for Life is an official Fiesta event taking place in April. Two of its founding members are also Foundation Board members. The UHS Foundation will fully support the bike ride and staff is working hard to recruit not only sponsors for the event, but media sponsors as well. On behalf of the UHS Foundation and the staff, Ms. Pruett and Ms. Scepanski presented Ms. Bennett with a token of appreciation for her hard work and dedication; she has served the Foundation Board for a total of eight years, six of those years in various leadership positions.

FOLLOW-UP: None.

REPORT REGARDING MAGNET STATUS RE-DESIGNATION FOR UNIVERSITY HEALTH SYSTEM—NANCY RAY

SUMMARY: Ms. Ray reviewed the Magnet Journey timeline indicating the Health System’s journey started in 2003, was first recognized in 2010, and recognized again in 2015 by the commission on Magnet. During the three day visit, July 15 – 17, 2015, three Magnet reviewers visited all inpatient units, Emergency Department, Operating Room and Rehab Unit. All Hospital Ambulatory Clinics were visited as well as the Robert B. Green, Texas Diabetes Institute, Salinas and Kenwood Clinics. Ms. Ray described the Health System’s achievement of the Magnet Model as follows:

- Transformational Leadership met the Magnet expectation for all 18 components.
- Structural empowerment met the Magnet expectation for 18 components with 3 exceeding Magnet expectations (exemplars).
- New knowledge, innovation, and improvements all 10 expectations met.
- Evidence based practice 38 expectations met with 3 exceeding Magnet expectations (exemplars); and with three deficiencies.

Magnet defines an exemplar as a concept, practice, or program worthy of imitation. There were six exemplars cited in the Magnet Executive Summary of the Health System’s designation:

- Diabetic Educators from the Texas Diabetes Institute improved all of the nurses’ expertise in the diabetic teaching of patients.
• Effective transition of graduate nurses into the nurse practice environment through the Health System's Nurse Residency Program (NRP).

• Support for clinical nurse involvement in community healthcare outreach is well demonstrated with the Nurse Family Partnership (NFP).

• Encouragement of nurses to make nursing care decisions (within the full scope of their practice) in the clinical care of patients.

• Nurse Ethics Council, with its charge to address organizational ethical issues such as lateral violence, bullying, moral distress, and social media was specifically cited by the surveyors.

• Data for Stroke Education at University Hospital outperformed the national benchmark statistic for all eight quarters.

Deficiencies - Surveyors identified deficiencies in the Patient Satisfaction categories of Pain, Careful Listening, and Courtesy & Respect.

The Health System’s Magnet designation is for four years. An interim report is due in 2017 that will include a progress report with metrics concerning deficiencies.

RECOMMENDATION: This report was provided for informational purposes only; no action by the Board of Managers is required.

ACTION: None.

EVALUATION: Work is underway to correct deficiencies identified by the surveyors to improve patient satisfaction scores to the 25th percentile; to promote professional staff development through certification and education; and obtain Nurse Residency Program accreditation. Multiple initiatives are underway to address patients perception of Nurses “doing everything possible to relieve my pain,” including advance training classes, and preoperative and postoperative discharge education of the patient to alleviate their anxiety. Mr. Smith asked about nurse-physician relationships. One of the items evaluated in the annual nurse satisfaction survey addresses the physician-nurse relationship. It has been one of the top areas for nurses, in terms of rating that item. Nurses continue to have strong positive relationships with the physicians. Some of the structures now in place are going to make those relationships even stronger. Mr. Adams commended today’s presenters; their reports are among the best he has heard. They were succinct, gratifying and brought out things that need work, but also highlighted those things we do well. Mr. Smith asked Ms. Ray to relay his appreciation and pride to all UHS nurses.

FOLLOW-UP As indicated above to correct deficiencies.
CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS RELATED TO THE CAPITAL IMPROVEMENT PROJECT:

UNIVERSITY HOSPITAL:

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE CLOSEOUT OF GUARANTEED MAXIMUM PRICE (GMP) FOR THE DEMO MAKE READY PROJECTS AND PHASE 0 & 1 RENOVATIONS AT UNIVERSITY HOSPITAL (GMPS #9 & #15)—MARK WEBB

SUMMARY: In September 2010 the Board approved GMP #15a for the Imaging/Prep Recovery Suite in the 1981 Building (Horizon Tower). Additional GMPs were developed for a series of renovation projects to support the CIP Program and the Master Facilities Plan which identified the need for renovations of the existing hospital. Two GMPs were developed for the Demo Make Ready Projects (GMP #9) and ten GMPs for the Renovation Projects (GMP #15). All work has been completed and the Construction Manager has provided a final credit to close out GMP #9c and GMP #15k. A combined credit for GMP #9c & #15k in the amount of $1,514,538 will be returned to the Health System and allow funding of other needed projects in order to maintain the goals of Triple Aim Plus to improve patient care experience, quality and outcomes, efficiency, and access by continuing the implementation of the long range Master Facility Plan. Mr. Webb reviewed the amendment authorizations to the ZVL Construction Management Agreement for work associated with GMP #15, and reported that ZVL has provided a final credit Guaranteed Maximum Price (GMP #15k) in the amount of $1,512,472. The participation goal for SMWVBE was 40 percent and the local participation goal was 80 percent. The SMWVBE participation of awarded construction projects was 38 percent and local participation was 74 percent. This does not include the dollars associated with the Construction Manager’s Fee or other project administrative costs including this GMP and insurance, bonds, and permit fees. Mr. Webb reviewed SMWVBE numbers achieved for all construction amendments to date.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute an amendment to the existing ZVL Construction Management Agreement in the credit amount of $1,514,538.

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

EVALUATION: None.

FOLLOW-UP None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING THE CONTRACT WITH JOERIS GENERAL CONTRACTORS ACTING AS CONSTRUCTION MANAGER AT RISK TO INCLUDE A GUARANTEED MAXIMUM PRICE PROPOSAL FOR THE INTERIOR FINISH-OUT TO GROUND FLOOR HORIZON TOWER AND RECONFIGURATION OF THE EMERGENCY DEPARTMENT ACCESS DRIVE TO ACCOMMODATE THE NEW PEDIATRIC EMERGENCY DEPARTMENT AT UNIVERSITY HOSPITAL (GMP #4B)—MARK WEBB

SUMMARY: In May 2015, the Board of Managers approved GMP #4 to cover the costs for Construction Management Services, and an amount for initiating the preliminary work on the Pediatric Emergency Department. Approval was granted with the understanding that future Board actions would be required to cover additional construction costs depending upon the final design of the Pediatric Emergency Department. This GMP provides for the costs of the interior renovation (including HVAC and electrical work) and finish-out to ground floor Horizon Tower Pediatric Emergency Department and reconfiguration of the Emergency Department access drive to accommodate the new pediatric emergency department at a total cost of $4,785,251. Scope of services include interior finish-out to ground floor Horizon Tower and reconfiguration of the Emergency Department access drive to accommodate the new Pediatric Emergency Department. From a construction standpoint, GMP 4b provides final funding needed to complete the project. The participation goal for SMVWBE is 35% and the local participation goal is 75%. To date, SMWVBE participation of awarded construction projects is 30% and local participation is 100%. This does not include the dollars associated with the Construction Manager’s Fee or other project administrative costs including this GMP and insurance, bonds, and permit fees. Mr. Webb provided the SMWVBE numbers achieved for all construction GMPs to date. GMP dollars awarded to subcontractors to date is $8,309,207. Joeris General Contractors, Ltd. has a total of 311 employees. The workforce composition data was provided for the Board’s review.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute an amendment to the Joeris General Contractors, Ltd. Construction Management Agreement in the amount of $4,785,251 for GMP #4b.

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

EVALUATION: The electrical subcontractor for this GMP is not known at this time.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A PROFESSIONAL SERVICES CONTRACT WITH CHESNEY MORALES PARTNERS TO PROVIDE ARCHITECTURAL/ENGINEERING SERVICES FOR 11TH FLOOR OR PACU RECOVERY EXPANSION AND WAITING ROOM, 12TH FLOOR NEONATAL ICU RENOVATIONS AND IDF IMPROVEMENTS AT VARIOUS FLOORS IN THE HORIZON TOWER AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: On a parallel track to the implementation of the pediatric program at
University Hospital is the need for expanded capacity in the Neonatal Intensive Care Unit (NICU) to meet ongoing expansion of demand for services to NICU patients. The projects below will support the ability of the health system to meet these expanded business opportunities. Chesney Morales Partners (CMP) served as the architect for the initial phases of the Pediatric project when UTHSCSA Pediatric program moved to University Hospital in 2013. During the implementation of these projects, CMP became familiar with the users involved in the Pediatric program. CMP also worked with the health system to develop plans for the previous NICU Project that would have expanded the NICU to the 5th floor of the Rio Building. CMP's familiarity with the Pediatric program, and the Rio and Horizon Towers, provides critical knowledge that will facilitate expedited planning and design services while yielding high quality results. CMP was also one of four firms that had been selected through a competitive review of qualifications to act as one of the select firms the health system can work with to produce projects on an expedited schedule. Chesney Morales Partners have provided a proposal to develop designs and engineered solutions to include the preparation of construction documents. Scope of services and amount requested for these services follow:

- PACU/Recovery Expansion and Cardiac Cath Lab Relocation on the 11th Floor Horizon Tower - Basic A/E Services for Horizon 11th Floor Design for PACU Recovery Expansion and Cath Lab - $440,973
- 12th Floor NICU expansion - Basic A/E Services for Conversion of Existing Horizon 12th Floor to NICU - $612,359
- Telecommunication Room Improvements for Horizon Tower - Basic A/E Services for Horizon IDF Rooms - $144,565

Fees for this contract will be paid from project funds established for the pediatric capital projects, and is within the previously Board approved amount. Chesney Morales Partners is a local, small, minority owned firm.

**RECOMMENDATION:** Staff recommends Board of Managers' approval of a professional services contract with Chesney Morales Partners in the amount of $1,197,397.

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

**EVALUATION:** Some of the construction work related to this GMP has been performed by Joeris; however, staff is working with procurement services to secure other construction companies. Mr. Webb explained that four firms had previously been selected through a competitive review of qualifications to act as a select firm the Health System can work with to produce projects on an expedited schedule. Dr. Burns would like to better understand the process for selecting construction firms; she does not want the appearance that contractors were pre-selected. She asked the staff to ensure that local and minority vendors are provided an opportunity to bid for the various jobs. Mr. Hasslocher noted that most contractors work with certain subcontractors on a regular basis, from job to job; Mr. Webb agreed that this is where SMVWBE vendors will make
an impact because subcontractors do 90 percent of the work. Mr. Adams reiterated the importance of diversifying work opportunities within the Bexar County community. He tasked Mr. Webb with relaying the Board policy to the various contractors.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A PROFESSIONAL SERVICES CONTRACT WITH MARMON MOK ARCHITECTS FOR ARCHITECTURAL/ENGINEERING SERVICES FOR 6TH AND 8TH FLOOR PEDIATRIC RENOVATIONS IN THE HORIZON TOWER AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: Marmon Mok were the architects for the original Horizon Building, and on a number of the build-out projects, so their team is well positioned to provide the expedit ed services required for some of the Health System’s time sensitive projects. Marmon Mok was also one of four firms previously selected through a competitive review of qualifications to act as one of the firms the Health System can work with to produce projects on an expedited schedule. Marmon Mok has provided a proposal to develop designs and engineering solutions as follows:

- **8th Floor Horizon Tower** - The ultimate plan is for Pediatric Administration to remain on this floor and to have the rest of the floor utilized for pediatric outpatient functions. The three pediatric outpatient functions that are planned for this floor include Hematology Oncology (both Infusion and Clinics), Specialty Clinics and Audiology. This proposal provides for the completion of design, production of construction documents and provision of construction administration services. Cost is $389,850.

- **6th Floor Horizon Tower** - The future plan for the 6th Floor of the Horizon Tower is to locate pediatric Acute Care Beds on this floor in an all private room configuration. This proposal provides for the completion of design, production of construction documents and provision of construction administration services. Cost is $380,968.

Fees for this contract will be paid from project funds established for the pediatric capital projects. Marmon Mok is a local firm.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a professional services contract with Marmon Mok in the amount of $770,818.

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

EVALUATION: None.

FOLLOW-UP: Mr. Adams requested a clear accounting, capital and otherwise, on all dollars spent to date for the pediatrics service line, to be recorded in regular reference during discussions with UTHSCSA leadership.

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:
CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, SAN ANTONIO FOR PEDIATRIC ENT SERVICES—TED DAY

SUMMARY: Currently, the Health System/UTHSCSA partnership does not have a sufficient number of pediatric ENT providers to cover the demands for inpatient and outpatient activity at University Hospital. Both UTHSCSA Departments of Pediatrics and Otolaryngology (ENT) are supportive of this recruitment agreement as it represents critical support to several of the pediatric specialty service lines, including trauma, neonatology, and congenital heart services. Representatives of those departments, and several others, have been closely involved in the recruitment process of this difficult-to-find pediatric subspecialty. The recruitment of this Pediatric Ear Nose and Throat attending physician enables continuity of care and expanded call coverage capability for providing specialized pediatric ENT services in the community, and will ensure that the Pediatric Program has a sufficient number of qualified physicians available. The proposed contract will be on a two academic year basis, renewable, beginning on or about August 1, 2016. The anticipated average annual outlay for this contract over the two-year period is $325,000, net of collections. This is a partially planned expense in the Pediatrics Business Plan as the Health System will potentially be able to decrease some external call coverage expenses once this physician is onboard. Additionally, the Health System has an active Network Access Improvement Program (NAIP) project that can provide funding support to expand access to this much needed service within the Bexar County service area.

RECOMMENDATION: Staff recommends Board of Managers’ approval of an agreement with UTHSCSA for Pediatric Otolaryngology Services in the average amount of annual outlay for this contract over a two-year period of $325,000, net of collections.

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

EVALUATION: None.

FOLLOW-UP None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, SAN ANTONIO FOR PROFESSIONAL SERVICES FOR CARELINK MEMBERS—VIRGINIA MIKA, PHD/ROBERTO VILLARREAL, M.D.

SUMMARY: The purpose of this agreement is to secure primary care and specialty care services for CareLink members, such as radiation therapy, surgical procedures, and both inpatient and outpatient care. The term of this contract is for a one year period, beginning January 1, 2016. In 2014, UTHSCSA provided services to 24,520 CareLink members. Through September 30, 2015, UTHSCSA has provided services to 17,333 CareLink members. The agreement includes performance standards that address quality of care, access, appropriate utilization, and patient satisfaction. In 2014
CareLink paid UT Medicine $18,261,750. As of September 30, 2015 (last month of completed claims data available due to 90 day lag on claims) CareLink has paid UT Medicine $10,074,174.57. Staff anticipates the 2016 approved claims for CareLink members will be at $14,820,000. Dr. Mika provided a hand out with updated workforce composition for UTHSCSA, indicating a total of 5,286 employees.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute an Agreement with UTHSCSA through its Department of UT Medicine for a total estimated contract amount of $14,820,000.

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

EVALUATION: The estimated amount of $14,820,000 for 2015 includes a conservative increase due to possible CareLink enrolment reversals as a result of the Affordable Care Act.

FOLLOW-UP Mr. Adams would like for the staff to find a way to provide the Board with estimated patient volumes, to which Mr. Hernandez replied that the staff will provide ranges to give the Board a better feel for these numbers.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH ALLIED BARTON FOR SECURITY SERVICES—CHIEF AJ SANDOVAL, III

SUMMARY: Allied Barton Security Services has provided quality security services to the Health System under existing contracts since 2007. A request for contract pricing was submitted for commercial security services under the TxMAS government program for a three year contract beginning December 1, 2015 and through November 30, 2018. This contract is considered competitively bid. The number of hours requested for contracted security service hours is 791 hours per week. This is the equivalent of twenty (20) additional FTEs. The average annual salary for a Health System Security Ambassador with benefits is $38,439.80. In comparison, the annual cost of a contract employee without associated benefits is $35,942.40. In addition, the average cost to hire a Health System employee is approximately $2,036, which includes the cost of advertising, recruiting, employee registration, benefit enrollment, orientation and pre-employment physicals. These additional recruitment expenses will be avoided through the amendment of the existing contract, resulting in cost avoidance savings of approximately $149,844 over a 3 year period. The three year contracted cost for commercial security services is 2,189,503.68. Funds for the Allied Barton Security Services contract are included in the department operational budget. This contract assures continued security services at nine University Health System locations in support of UHS values, providing a safe environment for patients, visitors and staff. Allied Barton has provided quality customer service that upholds the System’s customer service mission. Allied Barton is a national commercial security provider and provides local employment opportunity. Chief Sandoval provided a national Equal Opportunity Employment spreadsheet for Allied Barton.

RECOMMENDATION: Staff recommends Board of Managers’ approval to execute a three year contract renewal with Allied Barton Security Services in the amount of $2,189,503.68.
ACTION: A MOTION to approve staff’s recommendation was made by Mr. Hasslocher, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.

EVALUATION: Mr. Adams initiated the following security discussion. He asked about training and qualifications of the Protective Services team to approach and make inquiries of suspicious individuals who may or may not belong in the facility. Chief Sandoval emphasized that his team has been trained not to profile. Rather, they are trained in proper screening techniques through Homeland Security and the Texas Department of Public Safety using measures that allow the officers to safely protect the infrastructure. There are three tiers of security personnel at UHS facilities: Peace officers, security ambassadors, and contract security. Security ambassadors and contract security are not armed. Further, the internal police department is extremely connected with the intelligence community at the federal, state, and local levels. The protective services team does their work quietly and efficiently realizing that VA facilities, universities and hospitals are all target areas. As for the open carry law that becomes effective in January, there is a provision in the law that allows the Health System to opt out of open carry. The signage currently posted at all facilities will be modified to comply with requirements.

FOLLOW-UP: Board members expressed an interest in security issues and have become aware of heightened security measures at other places. Mr. Adams requested future periodic reviews and Board discussion of security matters in either an open or closed session.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT BETWEEN COMMUNITY FIRST HEALTH PLANS AND MCKESSON INTERQUAL® TO PROVIDE SOFTWARE FOR HEALTHCARE CRITERIA MANAGEMENT—GREG GIESEMAN

SUMMARY: CFHP currently has a healthcare management criteria software program, McKesson InterQual®. The 5-year term contract with McKesson is expiring on December 31, 2015. Throughout the contract term, CFHP has been satisfied with the product and service provided by McKesson. A Request for Information (RFI) was issued to evaluate any other prospective vendor who could provide healthcare management criteria software. Two vendors responded to the RFI. These are the only two vendors providing evidence based healthcare management criteria software at this time. The vendors were the existing software provider, McKesson InterQual®, and MCG (formerly known as Milliman Care Guidelines). McKesson InterQual® is a long-standing vendor for CFHP and is offering pricing of $1,257,221 over five years. There are no associated implementation fees and no training fees needed as the CFHP clinical and IT support staff are well trained in the use and maintenance of this software. MCG would be a new vendor for CFHP and is offering pricing of $2,413,522 over five years. There are no implementation fees, however implementation processes would need to occur and would take from 90 to 120 days. Additionally, training would need to occur for all clinical and IT users. Mr. Gieseman provided a breakdown of the cost (per year) for the McKesson InterQual® Contract.
RECOMMENDATION: Staff recommends approval of a Contract between Community First Health Plans and McKesson InterQual® to Provide Software for Healthcare Criteria Management at a cost of $1,257,221.76 over a period of 5 years. Renewal of the McKesson InterQual® contract was presented and approved by the CFHP Board of Directors on October 30, 2015. The Health System’s sponsorship agreement requires ratification by the Board of Managers.

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

EVALUATION: Staff’s recommendation to continue with McKesson InterQual® is based on the following: Existing relationship with CFHP - positive customer service and product functionality; Competitive rate - $1,156,301 less than the competitor over a term of 5 years; No additional training required; No implementation required - business would continue uninterrupted; No additional fees would be due during the terms of the contract if CFHP were to elect to move from TCS Acuity to a new medical management system.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING OPERATIONS AND FINANCIAL REPORT FOR OCTOBER 2015—REED HURLEY/EDWARD BANOS

SUMMARY: In October clinical activity (as measured based on discharges adjusted for outpatient activity) was up 17.1% for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was down 5.6% due to lower membership in STAR Medicaid and CHIP. The bottom line gain excluding debt service was $14.2 million, $15.3 million better than budget and was due to the sale of AirLife and higher operating revenues. Debt service revenue was $3.7 million which is equal to the budgeted portion of the debt service payment of $3.7 million. Mr. Hurley reviewed and discussed notable increases and/or decreases from the Consolidated Balance Sheet and Mr. Banos provided the following update related to operations:

• Continue to prepare for the Joint Commission survey that is expected to be at UHS in the next 30 days;
• Finalize construction and renovation of Ob/Gyn emergency center in the next 2-3 weeks improving Ob/Gyn patient flow and satisfaction; and
• Had second meeting with UT/UHS Joint Conference Committee. Sharing a lot of ideas, information and dialogue.

RECOMMENDATION: Staff recommended acceptance of the financial reports subject to audit.

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

EVALUATION: Mr. Hurley noted that cash collections for November and December will be impacted by the conversion to ICD 10, the international statistical classes of diseases listing provided by the World Health Organization. There is currently a delay in getting bills coded in a timely fashion due to the learning curve. All health care systems are in the same position at
this time, with coders being in high demand. As coders learn the new coding system, they will be faster in the billing function. Mr. Adams observed that the sale of Airlife at $10.6 million will appear to the general public that the Health System is making a lot of money. These are big dollar amounts and it should be clear to all that the Health System is preparing for the uncertainties that exist in health care, such as DSRIP and uncompensated care funding. Unfortunately, due to the lack of Medicaid expansion in Texas, the Health System has serious financial issues ahead. The reality is that excess dollars offset the real costs of health care. The people of Bexar County are fortunate to have a quality health institution that is looking out for their needs and is doing so on the basis that only 23-24 percent of its revenue comes from property taxes. Second of all, we are all fortunate that the leadership we have now is working hard to forecast health needs of the community, which allows the institution to provide high quality without fear that utility bills will go unpaid. This is money that will be spent on what is ahead and the numbers need to be discussed in reality. Regarding the second UHS/UTHSCSA joint conference meeting, Mr. Adams believes that joint planning and joint communication will be the real test in judging what was expressed in the newly signed master affiliation agreement.

FOLLOW-UP:
None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING BEXAR COUNTY HOSPITAL DISTRICT D/B/A UNIVERSITY HEALTH SYSTEM’S OPERATING, DEBT SERVICE AND CAPITAL BUDGETS FOR FY 2016—GEORGE B. HERNÁNDEZ, JR./REED HURLEY

SUMMARY:
Staff presented University Health System’s proposed budget for 2016. The Consolidated Budget reflects a gain from operations of $103.6 million, non-operating income/expense of $(86.3) million and a bottom line gain of $17.3 million. Non-operating income/expense includes $(89.2) million in depreciation expense and interest income of $2.9 million. The Budget includes debt service and property taxes in support of $53.8 million in debt payments due on the outstanding bonds in 2016. The recommended Capital Budget is $33.6 million funded from cash flow from operations. The Clinical Services reflects a gain from operations of $(99) million, non-operating income/expense of $(86) million and a bottom line gain of $13.1 million. Non-operating income/expense includes $(88.3) million in depreciation expense and interest income of $2.4 million. A request for capital in the amount of $32.3 million is provided and will be funded from cash flow from operations. The Health System’s managed care organization, Community First Health Plans, Inc. (CFHP) reflects a gain from operations of $3.7 million, non-operating investment income of $532,000 and a bottom line gain of $4.2 million. A request for capital in the amount of $(1.3) million is provided and will be funded from cash flow from operations. Uncertainty related to the expiration/extension of the 1115 waiver, ongoing growth associated with the Pediatric transition plan, and many unknown changes related to State and Federal funding will impact the financial performance in 2016.
RECOMMENDATION: Staff recommends Board approval of the Proposed Operating, Debt Service and Capital Budget for Fiscal Year 2016, and that the Board of Managers of the Bexar County Hospital District recommend the Budget favorably to Commissioner’s Court for their final approval on December 8, 2015.

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

EVALUATION: Mr. Hernandez provided a handout of all University Health System contracts with The Center for Health Care Services (CHCS) for 2016 and their respective amounts, for a total budgeted payment to CHCS of $4,159,110. The handout was provided to allow a separate vote, if needed, due to Dr. Roberto Jimenez’s new role at The Center for Health Care Services’ Crisis Center. Mr. Adams reminded Board members that binders of backup data are maintained on any line item of the budget, which they are welcome to review. A major change in the 2016 budget is the prefunding of capital. The capital amount requested includes a contingency for a total of $32 million. Mr. Hurley reported that he and Mr. Banos implemented other checks this year to ensure that all of the capital requested is truly needed; the staff feels that $32 million is sufficient for 2016. During this year’s budget process, anything that had not been spent by the end of September was removed from the capital list and replaced with other projects that needed funding. Staff is also working from a hospital operations standpoint by reviewing long-term schedules to determine life span of major equipment. This list will be provided to Mr. Smith for review. Mr. Engberg touched upon labor costs for 2016, over $400 million and an 8 percent increase in staffing. His only concern is monitoring and control of these costs. He feels that staff did a good job this current year, costs were on budget on a year to date basis. He is aware that items are underway to further enhance management’s ability to monitor the labor situation for efficiency and quality. These efforts bring strength to the future of operations, it is not a small area, but is one that can be benchmarked. He referred to the monthly benchmark report presented to the Board. This report lists important budget items that staff is focused on that gives easily identifiable hints when compared to budget. Further, staff has implemented a productivity standards check that takes place every two weeks. Any requisition for FTE’s must be reviewed through this process. Mr. Engberg commended staff on the management techniques being used and stated he is pleased with the capital program. Discussion ensued regarding the major difference of $43 million between 2015 and 2016 revenue projection on Waiver funding. The 2016 projection is based on what happened in Florida with the state’s Waiver request and more recently in California. The federal government has approved half of what was requested in both cases. The staff believes it has provided the best estimate at this time, a 50 percent shortfall for the last quarter of 2016, which is an assumption that a Waiver will be approved in some form or fashion for the state of Texas. Regarding purchased services, Mr. Smith reminded the staff that it would be helpful for the staff to provide running cumulative amounts in their written Board reports for those contracts that relate to provider and patient care services with organization, such as CHCS, CentroMed, CommuniCare, as well as...
UTHSCSA. Mr. Hernandez thanked Mr. Hurly, Mr. Banos, Mr. Gieseman and Ms. Holmes for their leadership during this year’s budget process. Board members did the same.

FOLLOW-UP: Mr. Banos will provide Mr. Smith with a copy of the capital list as soon as it is finalized, and provide cumulative contract amounts for purchased services from the various organizations. Mr. Hernandez will share his presentation to Commissioners Court on December 8 with the Board.

INFORMATION ONLY ITEMS:

- **REPORT REGARDING MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS —KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF**
- **UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES—MARK WEBB**
- **REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN**
- **2015 QUARTER 3 SUPPLIER DIVERSITY REPORT—FRANCINE WILSON**
- **ANNUAL REPORT ON UNIVERSITY HEALTH SYSTEM PENSION PLAN AND OTHER POST-EMPLOYMENT BENEFITS—THERESA SCEPANSKI**

**SUMMARY:** Mr. Adams directed the Board’s attention to the five (5) 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.

**ADJOURNMENT:**

There being no further business, Mr. Adams adjourned the public Board meeting at 4:55 pm.

James R. Adams    Dianna M. Burns, M.D.
Chair, Board of Managers    Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary