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

Tuesday, November 26, 2013
3:00 p.m.
Foundation Room, 5th Floor, Robert B. Green Clinical Pavilion
903 W. Martin
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Linda Rivas, Vice Chair
Rebecca Q. Cedillo, Secretary
Alex Briseño
Robert Engberg

BOARD MEMBERS ABSENT:

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

OTHERS PRESENT:

George B. Hernández, Jr. President/Chief Executive Officer, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Karen Bryant, Vice President/Clinical Operations, University Health System
Ted Day, Vice President, Strategic Planning & Business Development, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Don Finley, Senior Writer, Corporate Communications, University Health System
Roe Garrett, Vice President/Controller, University Health System
Francisco Gonzalez-Scarano, M.D., Dean, School of Medicine, UTHSCSA
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans
Sherry Johnson, Vice President/Chief Integrity Officer, Integrity Services & Compliance, University Health System
Leni Kirkman, Vice President, Strategic Communications & Patient Relations, University Health System
Sally Taylor, M.D., Vice President/Chief, Behavioral Medicine, University Health System
Michelle Ryerson Senior Vice President, Chief Nursing Officer/Chief Operating Officer, Pediatric Clinical Services, University Health System
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System
Mark Webb, Senior Vice President/Facilities Administration, University Health System
CALL TO ORDER AND RECORD OF ATTENDANCE: JIM ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 3:05 pm.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Chaplain Tomas Hernandez introduced Rev. Kay Johnson of Evangelical Lutheran Church for the invocation and Mr. Adams led the pledge of allegiance.

SPECIAL RECOGNITION: QUARTERLY EMPLOYEE RECOGNITION AWARDS - GEORGE B. HERNÁNDEZ, JR./BOARD MEMBERS

The Board of Managers recognized the following employees:

Professional: Chuchi Pontillano
(Nursing) Staff Nurse III, Pediatrics ICU

Professional: Jessica Tarcin
(Non-Nursing) Child Life Specialist II, Child Life Program

Management: Tricia Aleman
Executive Director, Marketing Communications, Corporate Communications

Technical: Julio Arrambide
Network Support Specialist, Information Technology Service Delivery

Clerical: Elaine Gonzales
Unit Clerk, Emergency Center

Service: Herbert Alvarado
Sr. Maintenance Specialist, Maintenance & Minor Construction, University Hospital

Volunteer: Rosalinda Guajardo
Volunteer, Volunteer Services

Physician: Holly Kaufman, MD
CMA Staff Physician, Southeast Clinic

Team: The Human Resources Position Management Team
Jenna Rose, William Moreno, Arlena Jonas, Dedaimia Kozlovsky, Rosalinda Macias

All of this year’s quarterly recipients will be special honored guests at the Annual Recognition Awards Ceremony at the Omni Hotel on February 20, 2014. Employees of the Quarter receive a plaque, embossed pen and an opportunity to select one of numerous awards valued at $100 on the Employee Recognition website. Ms. Cedillo addressed the employees on behalf of the Board. She acknowledged the quality of their work, commitment and dedication in providing the best healthcare in San Antonio.
She asked them to remember that public servants give more than anybody. It is the staff, such as those recognized today, that provide a sense of calm, both personally and professionally, for our patients. It is the perfect time of the year to thank each and every employee for their work, which is deeply appreciated by the Board of Managers.

CITIZENS’ PARTICIPATION:

Bexar County resident and University Health System patient Mr. Robert Ritterbach addressed the Board of Managers regarding customer service issues at University Family Health Center – North. He feels he has been mistreated and ignored by the staff. Recently, he attempted to reach two administrators to brief them of the issues. His phone calls to one of the administrators were not returned, which in his view, is very disrespectful. The staff works for the community, the community does not work for the staff. He will not put up with being treated like a piece of trash or garbage and this is the reason he routinely calls the Office of President/CEO for assistance. Mr. Ritterbach has had the same primary care provider for 12 years and is now considering leaving as a result of his most recent patient experience. He reminded the Board of Managers that he addressed Bexar County Commissioners regarding the need for a clinic on the North side of town, and now he wishes the clinic would shut down. He also wishes certain individuals would be fired. On November 7, Mr. Ritterbach appeared for his 10:30 a.m. appointment. He requested an early appointment due to lack of transportation. His appointment was booked by the operations manager at the North clinic. At 11 a.m., the receptionist informed him that there were four patients ahead of him. According to his own calculations, he wasn’t going to be seen by the doctor until at least 1 p.m., so he left the clinic without being seen. He doesn’t understand why the staff double-books the physicians. He is fed up and tired of being mistreated and will not put up with it. Mr. Adams thanked Mr. Ritterbach for his feedback and reminded him of the Board’s policy for public participation at Board meetings: The Board of Managers does not comment or engage in discussion during a citizen’s participation. Defamatory, inflammatory, and negative statements about the staff and officers are not allowed; and citizens are asked not to mention names. As such, Mr. Adams informed Mr. Ritterbach that his complaint would be addressed through guidelines set out in the patient grievance policy.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

September 24, 2013 (Regular Meeting)
 SUMMARY: The minutes of the regular meeting of Tuesday, September 24, 2013, were presented for the Board’s approval.
 RECOMMENDATION: Mr. Adams recommended approval of the minutes as submitted.
 ACTION: A MOTION to approve the minutes as submitted was made by Mr. Briseno, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY.
 EVALUATION: None.
 FOLLOW-UP: None.

October 15, 2013 (Regular Meeting)
 SUMMARY: The minutes of the regular meeting of Tuesday, October 15, 2013, were presented for the Board’s approval.
 RECOMMENDATION: Mr. Adams recommended approval of the minutes as submitted.
 ACTION: A MOTION to approve the minutes as submitted was made by Ms. Rivas, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.
 EVALUATION: None.
 FOLLOW-UP: None.
REPORT FROM THE HEALTH SCIENCE CENTER – WILLIAM HENRICH, M.D.,
PRESIDENT BY DR. FRANCISCO GONZALEZ-SCARANO

SUMMARY: Dr. Gonzalez apologized for not having attended the last several Board
meetings. He acknowledged the physician leaders present and reported
that since his last report to the Board, the Liaison Committee on Medical
Education had lifted the accreditation with probation status for the slight
deviations found in the curriculum of the undergraduate medical
education program of the School of Medicine. An official notification
was sent to the Board of Managers earlier in the year. The new academic
learning and teaching center on the main campus is moving along and
can be seen from University Hospital’s main entrance. The sole purpose
of the building is to house state of the art equipment for student
simulation training. Dr. Gonzalez thanked the Board for their support
this past year and wished them a Happy Thanksgiving.

RECOMMENDATION: None.

ACTION: This report was provided for informational purposes and no action was
required by the Board of Managers.

EVALUATION: None.

FOLLOW-UP: None.

CONSENT AGENDA –JIM ADAMS, CHAIR

Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Staff
Membership –John G. Myers, M.D., President, Medical/Dental Staff

Consideration and Appropriate Action Regarding University Health System Policy No. 6.05, Recall of
Drugs, Medical/Surgical Supplies, Devices, Equipment and Other Related Hazards—Francine Wilson

Consideration and Appropriate Action to Approve an Appointment to the Board of the University Health
System Foundation—Rebecca Cedillo, Chair, Nominating Committee

Consideration and Appropriate Action to Approve an Agreement with Nix Hospitals System LLC for
Behavioral Health Services Related to DSRIP Projects—Ted Day

Consideration and Appropriate Action Regarding Commissioning of Amy Ximenez as a Peace Officer for
Bexar County Hospital District—Mark Webb

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) –Francine
Wilson

SUMMARY: The items listed on the consent agenda were presented for the Board’s
approval. Ms. Cedillo requested that the item regarding the Agreement
with Nix Hospitals System be pulled for further deliberation by the
Board.
RECOMMENDATION: Staff recommended approval of all other items on the consent agenda.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE AN AGREEMENT WITH NIX HOSPITALS SYSTEM LLC FOR BEHAVIORAL HEALTH SERVICES RELATED TO DSRIP PROJECTS—TED DAY

SUMMARY: At Ms. Cedillo’s request, this item was pulled from today’s Consent agenda for further review by the Board of Managers. Mr. Day reported that on May 24, 2013, University Health System issued a solicitation for Psychiatric Emergency Services (PES) and/or Crisis Intervention Unit (CIU) (RFP-213-04-028-SVC). This solicitation is directly related to two of the Health System’s 1115 Waiver DSRIP projects:

- Develop and implement crisis stabilization services to address the identified gaps in the current community crisis system: Psychiatric Emergency Services (PES)
- Develop and implement crisis stabilization services to address the identified gaps in the current community crisis system: Crisis Intervention Unit (CIU)

The Health System elected to pursue an outsourced option to deliver these services by an entity specializing in delivering such services. These two projects are currently in DSRIP Year 3 with focus on program development. Patient treatment services are slated to begin at the beginning of DSRIP Year 4 on October 1, 2014. Sealed proposals were due to the Health System by June 24, 2013 and a total of one bid was received from Nix Hospitals System, LLC d/b/a Nix Behavioral Health Services (Nix). An evaluation team composed of key representatives from the following functions evaluated the proposal: business development, legal, Health System DSRIP oversight, Pharmacy, Chief Nursing Officer, Chief Behavioral Medicine Officer, CareLink Administration, and Procurement Services. This same team has met with Nix representatives in a series of meetings to work through the details of the proposed agreement. The agreement with Nix will be for a term of about three years commencing on September 1, 2013. The nature of this agreement is a capitated model where the Health System will pay Nix to provide services for the anticipated patient population and require the Nix to successfully fulfill milestones built into the two DSRIP projects. Unsuccessful or untimely satisfaction of those milestones would result in financial penalties commensurate with slow-down or loss of DSRIP funds. The anticipated financial outlay for this agreement is $16,300,000 over about three years. This is a planned expense. The FY2014 portion is included in the FY2014 budget. Future fiscal year expenses will be included in those fiscal year budgets. It is expected that these services
provided by Nix will address a broadly recognized gap in available services in the community. Successful launch of such services will expand the system of care and increase access to an underserved patient population in the community. Further, successful execution of these services should enable the provision of services in a more appropriate care setting for the target patient population. Specifically, the Crisis Intervention Unit will enable provision of care in a safe environment for those patients who do not require acute care hospital admissions. The Psychiatric Emergency Services project will build capacity to accommodate voluntary and involuntary patients with mental illness and in acute crisis. It offers an alternative to medical emergency rooms for those patients not requiring emergent/urgent evaluation and/or stabilization of physical medical conditions. The workforce composition data was reviewed with the Board in detail.

RECOMMENDATION: Staff recommends Board of Managers’ approval to enter into an agreement with Nix Hospitals System, LLC, in the amount of $16,300,000 over three years for Psychiatric Emergency Services and a Crisis Intervention Unit.

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

EVALUATION: Ms. Cedillo asked why the term of the contract was retroactive to September 2013. Mr. Day elaborated that there are a couple of pending payments contemplated in the contract for funds upon approval by the Board of Managers. These funds will pay for the physical construction of a new clinical delivery site that will be used to carry out the project. There is a presentation by Dr. Sally Taylor scheduled for later this evening regarding two DSRIP projects which relate to this contract. The contract carries out the work contemplated in the DSRIP projects. Ms. Rivas asked how much of the $16.3 million over three years would be used to provide services only. The majority of the funds will be used for the provision of services; however, $2.5 million is allocated for construction because neither type of facility currently exists in San Antonio. The Nix System will have to build out their own facilities to accommodate at least 2,500 patient visits per year for Psychiatry Emergency Services (PES), which is the minimum number of visits that the Department of Health & Human Services has set as a threshold. Historically, the Health System has exceeded 2,500 PES visits per year. Reimbursement is not a dollar to patient calculation. If more patients are seen, there will not be any more money supplied. The concept is a minimum threshold of patients seen overall. A certain percentage of the patients seen must be the target population of uninsured and/or Medicaid patients, which is true with all of the DSRIP projects. Ms. Rivas asked, what, if any, is the residual benefit to the Health System after the Nix builds their facilities? Was there any consideration given to not spending funds on construction, only services? The property owned by the Nix is located on Babcock Road near Luis Pasteur. The Health System does not have a claim on the physical space after this DSRIP cycle. There may be a renewal and/or interest in considering a future project utilizing the same space; however because no such facility exists in San Antonio it is not feasible to not include funds for facility build
out. The reality is that the Health System does not have the physical space or staff capacity necessary to provide these services. Mr. Adams noted that the Nix is a for-profit entity. Is there a vehicle to assure that these particular construction costs are not charged to the Hospital District, a public entity? The arrangement is unusual. Mr. Hernandez informed the Board that there is no distinction by the state or the federal government of an organization’s status. The concept of the 1115 Waiver is transformation of access to health care and results. He reiterated that these are not Hospital District funds being forwarded to help a for-profit agency with construction costs. The DSRIP projects are about building infrastructure, adding staff, expanding capacity and expanding access to target patient populations. There is no requirement that ownership of the facility be retained by the entity that is receiving the dollars. Mr. Day added that there is additional funding available from another source after the end of this DSRIP cycle to serve the same target patient population. The Nix could elect to continue serving this patient population in three years; however the staff is confident that the Nix can meet and exceed milestones and sustain the project for the first three years. Mr. Briseno asked how many responses to the RFP had been received. Staff had anticipated a total of two responses after advertising for the customary 30 days; however, only one response to the RFP was received from the Nix. Ms. Rivas asked if the RFP included a clause on construction build-out costs. The RFP was written with the implication that the appropriate physical space would be required to deliver these services, and included that construction could be part of the funding, if necessary. Additional funds were not made available because the Nix said they did not have the space. Mr. Briseno noted for the record that Dr. Roberto Jimenez, immediate past Chair, is not at today’s Board meeting. Dr. Jimenez also serves as Medical Director of Nix Behavioral Services, and will not vote on this item. This led Mr. Adams to ask if there was any pressure by Dr. Jimenez to award this contract to the Nix. Both Mr. Day and Mr. Hernandez replied that neither one had had any conversation about either DSRIP project with Dr. Jimenez. When asked if he was comfortable with this transaction as presented to the Board of Managers, General Counsel Michael Hernandez replied that there are no indications, in his professional opinion, of any act of policy violation or impropriety. The General Counsel is extremely comfortable having himself participated in the negotiations. There are no conflicts of interest where Dr. Jimenez is concerned. Mr. Briseno asked if it would be feasible for the Health System to disregard the revenue opportunity associated with this DSRIP project and pay for the space and the staff required to provide these services. Ms. Deming replied with the estimated cost and funding of the PES project over the entire Waiver period as follows: The total cost over the three year period is $12.8 million (due to overhead) and the revenue is $25.6 million in total. There is a potential for the Health System to receive $2.4 million if the Nix achieves 100% of the objectives. Mr. Hernandez clarified that 60% of the funding will come from federal dollars while the remaining 40% will be paid by the Health System. Mr. Briseno stated that he would have preferred having a more detailed valuation on each of the projects and also that staff needed to do a better job of coordinating the Board
reports to avoid confusion. Mr. Adams noted that someone should have also pointed out in the written report why this program benefits the Health System and the community. Mr. Briseno asked why an important, $16.3 million item was posted to the Consent Agenda as opposed to the Action Agenda. Mr. Hernandez replied that in retrospect, the staff should have presented the DSRIP proposals that are intended to address identified gaps in the current community crisis system, followed by the proposed contract with the Nix. Dr. Sally Taylor is scheduled during the Presentation and Education portion of the meeting to brief the Board about those identified gaps, and is ready to do so at this time, if the Board so chooses. Mr. Adams cautioned that staff to be careful regarding items that are selected for placement on the Consent Agenda.

FOLLOW-UP:
None.

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

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONSTRUCTION SERVICES CONTRACT WITH STRUCTURE TONE SOUTHWEST, INC. FOR THE ANESTHESIA PRE-OP CLINIC AT THE PAVILION AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: As part of the initial Capital Improvement Program, the Anesthesia Pre-Operations Clinic was to be located on the first floor of the new Tower. However, in an effort to provide the best patient experience and increase operational efficiency, it was determined that it should be located in an ambulatory clinic building outside of the hospital. The Pavilion, which is located on Medical Dive across from University Hospital, consists of support departments such as Pharmacy, Radiology and other like departments that will help reduce patient stress by offering easier clinic and parking access. The intent of this request is to purchase labor and materials for the renovation and relocation of the Anesthesia Pre-Operations Clinic - Phase II from University Hospital to the Pavilion Building. The total gross square footage for the renovated space is approximately 5,518 square feet. The scope of work involves renovation of a portion of the sublevel at the Pavilion Building. Once completed, the space will have eight (8) New Exam Rooms, Phlebotomy Drawing Room, Waiting Area/Registration, Offices, Work Rooms and a consolidated Building Break Room. The pneumatic tube system will also connect the Anesthesia Pre-Operations Clinic to the new Hospital Tower. Special attention to colors and warm décor also define the space and contribute to enhancing the overall environment of care. This renovation project will enhance patient care and services and minimize procedure cancelations by providing a more accessible ambulatory clinic setting, as well as increasing operational efficiency, improve patient safety, allow patients greater opportunities to ask questions, participate in their care, and decrease anxiety. Six (6) construction firms attended the mandatory pre-bid meeting and the following three (3) submitted bids for RFCSP-213-09-048-CNST:
• Alpha Building Corporation - $1,446,035.82 - 120 calendar days
• Breda Construction, Inc. - $1,295,595.00 - 120 calendar days
• Structure Tone Southwest, Inc. - $1,395,000.00 - 110 calendar days

Although the number of calendar days was initially stated on all proposals, this is superseded by all the three (3) construction firms confirming that they would all be able to complete the construction project by March 17, 2014. Proposals were evaluated and staff found Structure Tone Southwest, Inc. to be the most responsible and best value at $1,395,000.00 due in large part to their ability to complete this project by March 17, 2014. Although Structure Tone Southwest’s proposal is $100,000 more than the lowest bid, Structure Tone included premium time with two (2) teams working double shifts, six days a week. Structure Tone will also have two (2) management staff positions on-site at all times consisting of one (1) Project Engineer and one (1) Superintendent and will work overtime in order to meet the March 17, 2014 deadline. Structure Tone Southwest, Inc. provided the best solution to meet the Health System’s goal. Staff recommends Structure Tone Southwest, Inc. as the general contractor for the Anesthesia Pre-Operations Clinic at the UHS Pavilion as the best value option.

The total construction cost of this project is $1,395,000. Capital funds were previously allocated to support the budget cost of the renovations of the Anesthesia Pre-Operations Clinic Phase II at the UHS Pavilion project under BRN 613060 for $1,200,000.00. From this budget, $911,419.00 remains due to project costs already incurred leaving a funding shortfall of $483,581.00. As such, staff is recommending the shortfall be funded by CIP funds since this project was originally a part of the CIP and is being relocated as part of the overall CIP program.

RECOMMENDATION: Staff recommends Board of Managers’ approval of a contract with Structure Tone Southwest for construction, labor and materials in the amount of $1,395,000, to accomplish this project.

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

EVALUATION: None.
FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A GUARANTEED MAXIMUM PRICE (GMP) FOR PROCUREMENT OF MEDICAL EQUIPMENT AND MODIFICATIONS TO INFORMATION TECHNOLOGY AND THE MECHANICAL AND ELECTRICAL SYSTEMS TO OPERATING ROOM 19 FOR THE PEDIATRIC HEART PROGRAM AT UNIVERSITY HOSPITAL (GMP#17E)—MARK WEBB

SUMMARY: At the February 26, 2013 Board, the Board approved an agreement with UT-Medicine for Children’s Transition Services. The Health System continues to execute its strategy to expand the reach and effectiveness of its ambulatory network and inpatient pediatric services to serve the pediatric population.
Since the Board approved the original GMP, work has progressed in
developing 23 pediatric beds at University Hospital for the Children’s
Health program. Prior to construction of the beds beginning, a clinic,
several offices, and call rooms have to be relocated from the 5th and 11th
floors of the ’68 building. All staff relocations to accommodate this
project have taken place and the beds are operational.

Subsequent to the Children’s Health program and associated
construction/equipment budgets being approved by the Board in
February, improvements that enhance service delivery and capabilities
have been recommended that affect the original schedule and budget.
These enhancements to service delivery include Pediatric Outpatient
Dialysis, Children’s Heart Program, Emergency Services, as well as
equipment changes to increase flexibility and capability in providing
care. As such, an additional GMP was approved at the June 25, 2013
Board meeting to cover the additional work.

Since that time staff has been made aware of unique operating room
requirements in order to perform children’s heart surgeries at University
Hospital. These requirements include the need to cool the operating
room to 62 degrees and specialized equipment. As such, an additional
GMP was approved at the September 17, 2013 Board meeting to cover
the additional work. Shortly after that meeting, staff was informed that
the scheduled completion date of December for OR18 was not acceptable
and that a solution to provide an OR capable of achieving 62 degrees to
allow children’s heart surgeries was necessary to begin November 4,
2013. The only viable solution was to upgrade OR19 on a temporary
basis while the upgrade approved for OR18 (permanent solution) was
being considered. Due to the eminent nature of the situation, staff
proceeded with and completed the work prior to November 4, 2013.
Details of the work associated with this GMP are outlined in the analysis
section below. Since November 4, five pediatric heart cases have been
performed and two more are currently scheduled to be performed before
OR 18 is completed. These service enhancements will improve the
patient experience, improve quality and outcomes by including a more
comprehensive offering of services, as well as provide key services that
support other programs. Although there are additional costs associated
with these service enhancements, the Children’s Transition Business
Plan continues to forecast a positive contribution margin associated with
the additional volumes projected with the new service lines.

The scope of this GMP includes the cost to convert the 11th Floor
Operating Room 19, which currently performs adult orthopedic trauma
surgeries, into a temporary pediatric cardiac surgery unit until Operating
Room 18 is complete. The work involved included mechanical and
electrical upgrades and significant modifications to an air handling unit.
This GMP also provides for the purchase of Endoscopy/colonoscopy
medical equipment for pediatric gastrointestinal (G.I.) and liver patients,
as well as echocardiography equipment and various Information
Technology equipment necessary for the pediatric program.
ZVL construction manager, in conjunction with RTKL equipment planners and the project team have thoroughly reviewed the GMP provided for the work and equipment associated with this package and recommend approval:

OR 19 - Construction Costs & Fees, $409,095
Non OR 19 - Equipment Purchases and Modifications, $138,509
Non OR 19 - Information Technology Purchases and Modifications which included Amacom Messenger Responder 5 (integration of nurse call monitoring system), $149,621

**Total $697,225**

Next month, staff will present an item to the Board accepting $2.0 million in savings from the Robert B. Green 6th floor pediatric work that will be returned to the Routine Capital fund. Mr. Webb summarized the GMPs associated with this contract and their amounts. The proposed GMP #17e in the amount of $697,225 will be paid from Routine Capital funds. The participation goal for SMWVBE is 40% and the local participation goal is 80%. To date, SMWVBE participation of awarded construction projects is 38% and local participation is 74%. This does not include the dollars associated with the Construction Manager’s Fee or other project administrative costs (i.e., insurance, bonds, permit fees, etc.). The SMWVBE numbers achieved for all construction GMPs to date were reviewed in detail. GMP dollars awarded to date is $523,391,682. GMP dollars remaining to procure is $21,075,792.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of an amendment to the Zachry Vaughn Layton Construction Management Agreement in an amount of $697,225 for GMP #17e in the amount of $697,225.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

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**CONSIDERATION AND APPROPRIATE ACTION TO APPROVE AN ART SERVICES VENDOR CONTRACT WITH ROBERT GROTHUES (D/B/A ART INC.) FOR DESIGN, SUPPLIES, STORAGE, FABRICATION, AND INSTALLATION OF PUBLIC ART AT UNIVERSITY HOSPITAL—MARK WEBB**

**SUMMARY:** As outlined in the Design Enhancement/Public Art (DEPA) Program plan approved by the Board of Managers on July 27, 2010, the DEPA committee, which includes a Board member, has identified a number of design enhancement and public art opportunities for the University Hospital campus. A variety of interior spaces in the new tower and its exterior landscape have been identified by the CIP team as optimal locations to exhibit artists’ work. Public art elements serve as “positive distractions” to patients, staff and visitors while encouraging an atmosphere of healing. Solicitations for various art services were
requested by the DEPA Program Manager. The proposals were evaluated according to the installers that met the criteria. The Art Program Manager interviewed the candidates, and reviewed the proposals prior to selecting Art Incorporated based on their 30+ years of experience, familiarity with the public art process, and the budget that best addressed the needs of the project. Art Incorporated is a small, women-owned business, located in San Antonio. The scope of work for Art Incorporated includes:

Installation of all artwork - $80,000  
Hanging systems, supplies, cleat, glue, insurance for glass - $50,000  
Framing of Purchased artwork for Medical Center DEPA Program - $100,000

The total of $230,000 will be paid from budgeted project funds included in the design enhancement/public art fund.

RECOMMENDATION: Staff recommends Board of Managers approval of a contract with Robert Grothues (dba Art Inc.) for design, supplies, storage, fabrication, and installation of public art pieces in the total amount of $230,000.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE SHUTTLE SERVICES CONTRACT WITH AMPCO SYSTEM PARKING, INC. FOR CONTINUED OPERATION OF THE SHUTTLE SYSTEM AT UNIVERSITY HOSPITAL—MARK WEBB

SUMMARY: The original agreement with Ampco System Parking, Inc., in the amount of $1,109,615 was approved by the Board of Managers on January 19, 2010. The purpose of the original agreement was to secure transportation services from the West Parking Garage to University Hospital for patients, visitors, and staff during construction of the new trauma tower from March 2010 through November 2013. Since the initial agreement was negotiated and approved, several factors have impacted the original cost projections for shuttle service including schedule changes, increased service levels, and the garage collapse. On May 29, 2012, the Board of Managers approved the first Amendment to the shuttle contract for $639,806. $244,810 of this amount was reimbursed to the Health System from ZVL due to additional expenses incurred related to the garage collapse. The amendment also included a schedule adjustment to January 2014. However, now that the final logistics of the new tower opening scheduled for April 2014 have been determined, additional funding is needed to keep the shuttle service operational to provide the appropriate patient/visitor experience. The shuttle bus provides approximately 6000 pickups at the garage, from the front of the Hospital Entrance and the Emergency Center (EC) on a
weekly basis. This equates to approximately 3000 individuals being transported from and back to the garage. The factor that impacted the original cost projections for shuttle services involves the schedule update of an additional 4 months of operation that are needed to coincide with the tower completion date of April 2014. During construction of the new hospital tower, operation of the shuttle buses to transport visitors and patients from the garage to the front door of the existing hospital or Emergency Center has enhanced the level of customer service and provided a safe, convenient way to access the hospital campus facilities. The fees for the additional services are $125,438 and the revised contract amount is $1,874,859. Fees for this contract amendment will be paid from Operating Funds.

RECOMMENDATION: Staff recommends Board of Managers’ approval of an amendment extending the original term of the contract through April 30, 2014 and increasing the contract amount by $125,438 for a total of $1,874,859.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING BEXAR COUNTY HOSPITAL DISTRICT D/B/A UNIVERSITY HEALTH SYSTEM’S OPERATING, DEBT SERVICE AND CAPITAL BUDGETS FOR FY 2014—PEGGY DEMING

SUMMARY: The Board of Managers previously reviewed incremental drafts of the 2014 budget information at Board meetings held on October 15, October 29, November 12, and November 19, 2013. Staff presented information on activity, as well as strategic plans in place to support successful achievement of activity levels and positive financial results. Focus was placed on 2014 as a transition year and one that reflects continued implementation of the 1115 waiver, full year operation of the RBG campus and expansion of its clinical services, the opening of the new University Hospital Tower on April 14, 2014, the Pediatric Transition Plan, and the opening of two Ambulatory Surgery Centers. At today’s meeting, Ms. Deming presented a final draft of the Consolidated Budget, which reflects a gain from operations of $6.9 million, non-operating income of $2.6 million and a bottom line gain of $9.5 million. Non-operating income includes $637,000 in meaningful use funds and interest income of $2.0 million. The Budget includes debt service and property taxes in support of $43.1 million in debt payments due on the outstanding bonds in 2014. The recommended Capital Budget is $30.8 million funded from projected cash flow from operations in 2014. Also included are Capital Improvement Project (CIP) expenditures of $141.0 million funded from bond proceeds and the $120 million reserved for the CIP project and $22.7 of enhancements funded from Board approved operating reserves. The Clinical Services reflects a gain from operations of $160,000, non-operating income of $2.3 million and a bottom line gain of $2.5 million. Non-operating income includes $637,000 in information technology meaningful use incentives and interest income of $1.7 million. A request for capital in the amount of $30.0 million is
provided and will be funded from cash flow from operations. The Health System’s managed care organization, Community First Health Plans, Inc., reflects a gain from operations of $6.7 million, non-operating investment income of $287,000 and a bottom line gain of $7.0 million. A request for capital in the amount of $821,000 is provided and will be funded from cash flow from operations.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of the Proposed Operating, Debt Service and Capital Budget for Fiscal Year 2014, with a favorable recommendation to the Bexar County Commissioner’s Court for their final approval on December 10, 2014.

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

**EVALUATION:** Mr. Adams is pleased that the numbers in the 2014 budget are well within reason. They represent a major increase in beds and an expansion of ambulatory services, including a school-based clinic. He urged the staff to take pride in presenting this budget to the Bexar County Commissioners Court on December 10, 2014. All of the Bexar County Commissioners have placed a tremendous responsibility upon the Board of Managers in overseeing the budget process.

Mr. Engberg agreed and noted that 2014 will be a year full of challenges, with many strategies, and a very ambitious, break-even budget. Good tracking, monitoring and accountability are absolutely necessary in the coming year. He thanked the staff for the tremendous amount of work and for remaining focused.

Mr. Briseno pointed out that two years ago, the operating gain for CFHP was at a -$4.1 million loss. That number is projected to be a $6.7 million gain for 2014, which is a huge impact and very successful. By the same token, over that same period, the clinical services division went from an operating gain of $44.2 million to $200,000 in 2014. Further, in February 2013, the Health System took on the challenge of transitioning to provide pediatric services. The Health System changed plans for University Hospital to adapt and meet the healthcare needs of children. In addition, the new trauma tower at University Hospital will open in March 2014, with 200 additional beds and an additional 600 employees, a huge challenge, that represents a 40 percent increase in operations at University Hospital only. The Health System also did more outreach in the community last year and staff is projecting that outpatient activity will go up dramatically in 2014. The Health System is improving and continues to improve the level of services and the staff is doing it in a very financially-sound manner. On top of all of this, revenue from property taxes has declined from 23.5 percent in 2013 to 22.7 in 2014, which is another point that is important for the tax payers to know.
Ms. Rivas applauded the staff for their hard work this past year. Not only did the Health System build and open a new clinical building at the Robert B. Green campus in 2013, but also anticipates the opening of the trauma tower addition at University Hospital in April 2014. We did not stop there; we grew our community clinics and purchased a mobile unit. All of this work demonstrates the staff’s commitment to the people of Bexar County, and when the patients cannot come to our facilities, we go to them. Ms. Rivas is pleased that the staff did not lose vision on the ambulatory side of the operation.

Ms. Cedillo expressed her appreciation for the work that went into the 2014 budget and for all the other puzzle pieces that were necessary to make it happen. We are not only a Health System, but we are a full service center for all of Bexar County and South Texas. This is a very tight budget but the dedication for public service is obvious to her and is very commendable.

Mr. Briseno urged Mr. Hernandez to work closely with communications staff in presenting this very complex information to Commissioners Court. He suggested the translation of revenue from property taxes to per capita dollars so that Bexar County residents can understand what they are getting in return for their property taxes.

FOLLOW-UP:

Mr. Adams informed the staff of the Board’s expectation to receive a monthly forecast with the 2014 budget serving as a measurement tool. Staff does not anticipate any additional adjustments to the 2014 budget before the end of the year; however they will keep the Board of Managers fully informed of any major changes that occur due to uncertainties related to legislative cuts and the Affordable Care Act.

Mr. Adams reminded Mr. Hernandez that the Board of Managers last month asked for an operations plan on the new UH trauma tower. Mr. Hernandez intends to provide the information in December.

Since the Board needs to be well informed and some members have asked for more information about issues specific to the health care industry, Mr. Adams requested that each member of the Board be registered to receive a subscription at home of the American Hospital Association’s publication, Trustee. The most recent issue discusses a Board score card and describes the most important things in a hospital as viewed by patients. He reported that he had asked Dr. Jimenez and Ms. Cedillo to work together to develop a Board self evaluation tool. Further, because everyone is paying a lot of attention to the ongoing work towards improvement in the Emergency Department, he invited his Board colleagues to visit the hospital for a walk through and first-hand look at the great things happening in the Emergency Department at of University Hospital.
CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR OCTOBER 2013 FINANCIAL STATEMENTS—ROE GARRETT/PEGGY DEMING

SUMMARY: For the month activity was up 10.0% for the Clinical Services (as measured based on discharges adjusted for outpatient activity). Community First Health Plan (CFHP) fully-insured membership was up 0.9%. From operations, the Health System experienced a loss of $1.6 million which was $2.2 million lower than the budgeted gain of $557,000. In analyzing the loss from operations in the month, Mr. Garrett noted the following:

- Expense increases for the pediatric transition, NICU and transplant programs were due to higher activity and revenue was recognized to offset the higher costs.
- Start-up costs were incurred for the two ASC’s and were not offset by revenue. These costs were not material and were necessary in order to properly train and establish the high level of care that will be provided in these important ambulatory service areas.
- New costs associated with consultants to address the compliance issues for the renal dialysis services, to set up the new employee recognition program and ASC amounted to $424,000 in the month.
- Adjustments recognized that could have been attributed to prior months include the recognition of higher incurred but not reported (IBNR) employee health claims and contracts for security and refuse services. These adjustments totaled $1 million. The IBNR adjustment was 55% of this variance and steps have been taken by CFHP to provide more timely analytical information to recognize health care claims in a timelier manner.
- Higher Medical Services of $1.1 million related to IGT’s for the DSH and UC programs that were higher than what had been budgeted. This was determined to be a budget issue and it has been accounted for in the year end projections.

Mr. Garrett reviewed notable increases and/or decreases from the Consolidated Balance Sheet in detail with the Board.

RECOMMENDATION: Staff recommended approval of the financial reports as submitted, subject to audit.

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

EVALUATION: For 2014, Mr. Adams suggested a review of dashboard metrics with adjustments as needed based on Board strategic objectives.

FOLLOW-UP: As indicated above.
PRESENTATIONS AND EDUCATION:

PRESENTATION(S) ON 1115 WAIVER DSRIP PROJECT(S):

DEVELOP AND IMPLEMENT CRISIS STABILIZATION SERVICES TO ADDRESS THE IDENTIFIED GAPS IN THE CURRENT COMMUNITY CRISIS SYSTEM: CRISIS INTERVENTION UNIT (CIU)/PSYCHIATRIC EMERGENCY SERVICES (PES)—SALLY TAYLOR, M.D.

SUMMARY: In the interest of time and due to the lengthy discussion earlier at the time the Nix contract was presented, Mr. Adams opted to postpone this item.

RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP None.

2013 QUARTER 3 AND YEAR TO DATE SUPPLIER DIVERSITY REPORT—IRENE MALDONADO/FRANCINE WILSON

SUMMARY: In the interest of time, Mr. Adams postponed this item. Ms. Deming introduced Ms. Irene Maldonado, Supply Diversity Program Coordinator to the Board members. She’s doing a very good job and is available to answer any questions Board members might have.

RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP Mr. Briseno reviewed this report in advance and has several questions. Staff will facilitate a meeting between Mr. Briseno and Ms. Maldonado.

REPORT ON UNIVERSITY HOSPITAL’S TRANSPLANT SERVICE LINE—KAREN BRYANT/GLENN HALFF, M.D.

SUMMARY: Glenn Halff, M.D., Director of Transplant Services, provided an update on the Health System’s University Transplant Center, which has performed over 3,300 lifesaving transplants since its inception in 1985. Out of 5,700 hospitals in the United States, The University Hospital is one of only 350 hospitals in the United States, federally designated to perform solid organ transplant, and is one of five county-owned centers in the country. Currently, there are over 1,000 patients on our waiting list, hoping for their second chance, with the addition of 20 new patients per month. Transplant Centers face two challenges for growth: Organ donor shortage and extraordinary government oversight. University Hospital is the leader in South Texas for donations, but there are only 100 donors year in our area. A report card is published twice a year of outcomes driving regulatory sanctions and payor Center of Excellence designations. Dr. Halff shared a sample report card known as a Program Specific Report which showed how well patients survived (observed) compared to how they should have done (expected). For most organs, nationally the expected survival is now 90% and higher. Transplant programs must cautiously protect their center outcomes. If recipients are too risky the outcomes could decrease. If the outcomes decrease, the report card does not look as favorable. Insurance companies scrutinize these outcomes and with moderate decreases,
hospitals can lose “Center of Excellence designation” which is a loss of referrals and market share. Too high of risk patients now must be avoided – its hard to grow a program when the hospital must be very cautious of risky patients. Yet, the University Transplant Center is growing:

- Kidney wait list increased from 524 patients to 830 in two years;
- Liver transplant referrals grew from 40 a month to 60;
- Lung Transplant on target to perform 40 transplants this year,
- Re-instated Pediatric Kidney and Liver, Active Live Liver Donor program;
- Twenty (20) percent growth in living kidney donation

Dr. Halff described the following strategic initiatives, referral programs, and quest for operational efficiencies:

- Re-enacted Pediatric Liver & Pancreas Cancer Center
- Advanced Liver Disease
- Pulmonary Hypertension & Interventional Pulmonary
- Transplant Therapeutic Endoscopy
- Operate 11 satellite clinics
- Deployed two Private Practice collaborations
- Developed Transplant Medicine Service
- Transplant DataBase
- After Hours Clinic
- Transplant Hotel allows to decrease Length of Stay
- LEAN Service Line Work

Finally, because Medicare regulations stipulate that the governing Board of transplant centers must be familiar with the transplant program to include their quality structure, Dr. Halff informed the Board of Managers that this report was designed to provide them with a broad overview of the Health System’s dynamic transplant program. He thanked the Board expressed deep appreciation for the partnership between the Health System and UTHSCSA.

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: No action was required by the Board of Managers.
EVALUATION: When asked how people register for organ donation, Dr. Halff replied that there is a state registry where potential donors can register. Registration is not limited to the transplants that occur at University Hospital and there is no age limit. Organ donor must be at least 18 years of age to register and consent. Board members thanked Dr. Halff for his work.
FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

REPORT REGARDING YEAR 2013 MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS — JOHN G. MYERS, M.D., PRESIDENT, MEDICAL/DENTAL STAFF
UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES—MARK WEBB

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN

UPDATE ON 2014 STRATEGIC PLANNING FRAMEWORK—TED DAY

SUMMARY: The four written reports listed above were provided for the Board’s review. Mr. Adams urged his Board colleagues to review and provide appropriate feedback to the staff.

RECOMMENDATION: 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, the public meeting adjourned at 5:32 p.m.

__________________________________ ______________________________
Jim Adams     Rebecca Q. Cedillo
Chair, Board of Managers   Secretary, Board of Managers

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Sandra D. Garcia, Recording Secretary