SPECIAL MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

WORK SESSION

Tuesday, October 21, 2011
9:00 a.m.
Board Room, University Center for Community Health
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:
Robert L. Jimenez, M.D., Chair
Jim Adams, Vice Chair
Ira Smith, Secretary
Robert Engberg
Alex Briseño
Linda Rivas
Rebecca Q. Cedillo

OTHERS PRESENT:
George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Bryan Alsip, M.D., M.P.H, F.A.C.P.M., Executive Vice President/Chief Medical Officer, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Xavier Gonzalez, RVK Architects
Michael Hernandez, Vice President, Legal Services, University Health System
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health System
Juliet Rogers, President/Chief Executive Officer, Blue Cottage Consulting
Tom Mayes, M.D., Chairman, Department of Pediatrics, UTHSCSA
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System
Mark Webb, Vice President, Facilities Development and Project Management, University Health System

MEDIA:
Richard Marini, San Antonio Express News
CALL TO ORDER AND RECORD OF ATTENDANCE: ROBERTO JIMENEZ, M.D., CHAIR, BOARD OF MANAGERS

Dr. Jimenez called the meeting to order at 9:01 a.m.

PRESENTATION AND APPROPRIATE ACTION REGARDING THE COMPREHENSIVE NETWORK OF CHILDREN’S SERVICES INCLUDING A REVIEW OF GUIDING PRINCIPLES, VISION, NEEDS ASSESSMENT, FINANCIAL MODELING, AND STRATEGY FOR IMPLEMENTATION—GEORGE B. HERNÁNDEZ, JR. AND STAFF

SUMMARY: Dr. Jimenez thanked the attendees for coming together to address the very important and long standing issue of children’s health in Bexar County. He yielded the floor to Mr. Hernandez for an overview of today’s agenda, which Mr. Hernandez described as a journey from good to great for the children of Bexar County. Due diligence efforts thus far include a Confidentiality Agreement in November 2010 to protect CHRISTUS Santa Rosa market share data; and a Memorandum of Understanding in December 2010, to determine the partnership fit. Today’s work session will be a closed meeting to review market data and/or financial and planning information related a comprehensive network of children’s health services, to include a children’s outpatient pavilion and a free-standing children’s hospital. Since December 2010, the staffs of both Health Systems have also been on a journey to discover what this comprehensive network should look like today and in 10 years. Mr. Hernandez described health care as being super complex, especially in Texas. The workgroups of both organizations have been studying the feasibility of a children’s network in light of the economy, financing, and changes in Medicare/Medicaid at the state and federal level.

Mr. Hernandez yielded the floor to Mr. Adams, who was appointed the lead person by Judge Wolff in the efforts relating to children’s health. Mr. Adams apologized for missing the last Board meeting at which the subject was briefly discussed. He outlined the Board’s fiduciary responsibilities to the citizens of this community regarding a very complex issue in a manner that makes sense. Staff is working to study the market, determine the partnership fit, studying requirements in terms of staff, physicians, as well as learning what it will take to be successful. Because the subject is very complex as described by Mr. Hernandez, it was also determined that the staff needed expert assistance with the details in an arena that is still new to us. The information they have been gathering pertains to experiences other institutions have had, the type and size of spaces that are required, and number of positions to serve the market. What the staff will do when they complete their research is give the Board some options for critical decisions that need to be made at an appropriate time.

Mr. Hernandez introduced Dr. Mayes for an overview of what is needed for a comprehensive children’s health network, which includes a hospital and an anchor outpatient facility in the downtown area.
Dr. Mayes directed the Board’s attention to a fact sheet that he was asked to prepare several years ago and which remains essentially unchanged. The fact sheet describes U.S. children’s hospitals and what they provide for a community in terms of clinical care, education, research, advocacy, and philanthropy. In San Antonio, there are critical shortages of all pediatric caregivers, including subspecialty physicians such as gastroenterologists, radiologists, pediatric emergency medicine specialists, pulmonologists, cardiologists and neonatologists, just to name a few. This leads to challenges in access to particular services. What is needed in Bexar County is an extensive and comprehensive children’s network because there is continued fragmentation of pediatric health care in this community, especially in mental health. The community is in need of a system that allows primary care providers to get the help they need in the most appropriate way possible.

Physicians in Bexar County continue to take care of children with extremely complex and chronic conditions, neurological illnesses, pulmonary problems, children who need transplants, or have heart issues. The wonderful advancements in these areas have resulted in an increased complexity of care and a crying need for coordination of care. The city lacks the infrastructure to support great health care of kids. As we look forward to the future of healthcare in our country and health care in general, the city is in need of an infrastructure that allows us to collect data and analyze it, which in turn will allow us to develop programs. Our kids are being bounced from facility to facility and that is a problem from a quality perspective because physicians are not always sure what happened previously, and it’s a cost issue. Physicians are facing increasing challenges and reimbursement cuts, and the system in place today to care for children is too expensive.

We need more pediatric subspecialists in this community, and we need to focus on continuing education programs to train the next generation of health care providers. Research will allow us to create knowledge; we have a population that is crying for research and understanding of the disease process, and in particular in obesity and diabetes. This is a great opportunity for this community to be recognized for its research efforts. As a practicing physician, this is something that the pediatric community wants as a platform for providing the best possible care. The community needs coordination of care and we want it to work smoothly from the pediatricians to the medicine physicians. We want to see the kids quickly and seamlessly. This community is a little behind other communities in the state and in the country. There is a lot of will and brainpower behind this project and if we work together we can create something of great value for this community. When academic physicians compare this community to Houston, Ft. Worth, Dallas, Lubbock, El Paso, and others, they see great fragmentation and a serious barrier in pediatric healthcare. One of the best reasons to have a comprehensive network of services for children is to conduct research.
Dr. Jimenez agreed with the need for outcomes research in terms of taking care of the chronically ill. Basic research regarding family dynamics, such as why families with limited resources wait until it’s too late to obtain health care, and research that will help us understand who makes these decisions in these households. We also need to fully utilize the power of the electronic medical record. There is great opportunity to expand health research in Bexar County.

Dr. Jimenez also stated that the University Health System would have to be a very central piece of a comprehensive children’s health network because it is research-oriented and has useful data available that is unique to this community, especially data produced at the Texas Diabetes Institute.

Dr. Jimenez asked Dr. Mayes to describe the advantages of a comprehensive Children’s Health Network, in terms of the very specialized training that is necessary. In dealing with education and in Dr. Mayes’ experience, the basic issue is having enough patients for a good learning experience, which is currently a struggle. Dr. Jimenez sited the lack of access to subspecialties in some areas of the community as a Board concern, because some families can’t get to the areas of town where they practice. Dr. Mayes agreed that this is a recruitment and retention challenge, as is the financing of such. Current business models do not support subspecialties, and in many areas, subspecialists are merely surviving. Physicians are staying in one location and not reaching out because they don’t have the critical mass to do that. With a comprehensive Children’s Health Network, Dr. Mayes envisions subspecialists in all sectors of the community providing evaluations and services, and if the child needs a procedure it would occur at the main hospital.

Mr. Engberg asked Dr. Mayes to speak to the basic need for a hospital in San Antonio designed to care specifically for children. He pointed out that there are 250 hospitals in the state and that only 50 are dedicated to children. Why is it important for this community to have a separate institute for children? There are two institutions that serve children in the city. Great care is provided at both facilities, with limited pediatric services. Great care is also provided for children at University Hospital, where we receive deathly-ill children via San Antonio AirLife. Part of the problem is lack of a competitive advantage in terms of recruiting and retaining the types of people we need to provide outstanding care. When pediatric subspecialists want to stay in Texas, San Antonio is competing with Austin, Houston, El Paso, Lubbock, and Dallas/Ft. Worth. These places provide a framework system where pediatric care is a big deal. Oftentimes in a general hospital system, pediatric care is not where the money is, or where the votes are. However, as pediatric physicians, we believe we can do a better job in providing much needed organized care if we simply focus on the care of children. The free standing children’s hospitals devoted solely to the care of children are those that are producing a lot of our trainees, research and making clinical care available for kids with complex health problems. These hospitals are
organized in a way that they are able to respond to specific needs. One concern that has yet been discussed today is cost, and whether there is a return on this type of capital investment. Large free-standing children’s hospitals, including the ones in this state, all have significant margins ranging from 8 to 14 percent. That is because they offer unique services with very extensive outpatient networks. For example, Texas Children’s Hospital in Houston has practices affiliated with it throughout the community, it owns a health plan, and it helps to manage the health of children from all over the city. From a human capital standpoint, San Antonio will continue to be challenged in recruiting and retaining folks from across the spectrum if the city does not provide the foundation that can be found in other places throughout the state. We can also do a better job because 90 percent of the care we provide is on an outpatient basis.

Dr. Jimenez reiterated the need to address economic and cultural issues by the parties, to which Mr. Adams replied that the staff understands certain issues are of the utmost concern to the Board of Managers, and any decision relating to these matters will come forward to the full Board for review, discussion, and thought. Mr. Hernandez acknowledged that the Board’s role in the decision-making process has been made extremely clear.

**CLOSED MEETING:**

Dr. Jimenez announced this meeting closed to the public at 9:40 a.m., pursuant to TEX. GOV’T CODE, Section 551.085 (Vernon 2004) to receive information on and/or deliberate regarding pricing, market data and/or financial and planning information relating to the arrangement or provision of proposed new services and/or product lines. After discussion, no action was taken in closed session. The closed meeting ended at 12:39 p.m., and the public meeting reconvened at 12:40 p.m.

**ADJOURNMENT:**

There being no further business, Dr. Jimenez adjourned the public meeting at 12:40 p.m.