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

Tuesday, October 21, 2014
10:00 a.m.
Corporate Square, 10th Floor, Conference Room A
4801 N.W. Loop 410
San Antonio, TX 78229-5347

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Dianna M. Burns-Banks, M.D., Secretary
Roberto L. Jimenez, M.D, Immediate Past Chair
Robert Engberg
Ira Smith
Robert Gilbert

BOARD MEMBERS ABSENT:

Linda Rivas, Vice Chair

OTHERS PRESENT:

George B. Hernandez, Jr., President/Chief Executive Officer, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Felix Alvarez, Executive Director, Procurement Services, University Health System
Ted Day, Senior Vice President, Strategic Planning & Business Development, University Health System
James Garcia, Executive Director, Financial Accounting, University Health System
Reed Hurley, Assistant Chief Financial Officer, University Health System
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Sherry Johnson, Vice President/Integrity & Regulatory Services, University Health System
Leni Kirkman, Vice President, Strategic Communications/Patient Relations, University Health System
Michelle Ryerson, DNP, RN, NEA-BC, Senior Vice President, Chief Nursing Officer/Chief Operating Officer, Pediatric Clinical Services, University Health System
Sally Taylor, M.D., Senior Vice President/Chief, Behavioral Medicine
Mark Webb, Executive Vice President/Chief Operating Officer, University Health System
Francine Wilson, Senior Vice President, Supply Chain Management, University Health System
Don Barrett, Board Member, The Center for Health Care Services
Sam Bowker, Board Member, The Center for Health Care Services
Tom Cobb, Budget Director, The Center for Health Care Services
Leon Evans, President/Chief Executive Officer, The Center for Health Care Services
Allison Greer, Vice President, External Relations, The Center for Health Care Services
Ernesto Gomez, Ph.D., President/Chief Executive Officer, CentroMed
And other attendees.
CALL TO ORDER, WELCOME, AND RECORD OF ATTENDANCE: JIM ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 10:04 a.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

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

PRESENTATIONS AND EDUCATION:

PRESENTATION REGARDING THE CENTER FOR HEALTH CARE SERVICES 2015 OPERATING BUDGET—LEON EVANS

SUMMARY: Mr. Hernandez introduced and yielded the floor to Mr. Evans for an annual report from CHCS as required by the local sponsorship agreement. Mr. Evans reviewed the following items:

Major Milestones:

Adult Behavioral Health
- Opened new outpatient clinic at Packard Building to provide additional adult outpatient mental health capacity to Bexar County residents
- Completed first year of Integrated Care/High Utilizer program at Legacy Oaks
- 176 unduplicated individuals enrolled
- 54 individuals evaluated; 40% reduction in ER Utilization
- Cost savings of $288,000 for first year

Children’s Programs
- Awarded $980,000 grant for the treatment of severely emotionally disturbed children
- Expanding comprehensive Children’s Campus to house crisis and respite patients

Restoration
- Opened Dr. Dianna Burns Banks MD CenterCare Clinic, integrating mental health, substance abuse and primary care at one location
- Awarded $1.2 million grant for Veterans Project (co-occurring MH/SU disorders)

Transformation
- Opened Integrated Physical and Behavioral Health Clinic at Prospects Courtyard
- Centers for Medicare/Medicaid Services (CMS) brought film crew to document CHCS successes for discussion at annual conference
Intellectual and Developmental Disabilities (IDD)
  ▪ YES Waiver expanded to serve 120 at-risk children

Opioid Treatment Services - 2014 Mommies Program
  ▪ 60% of Project Cariño participants will report no substance abuse at 6 months - YTD 61%
  ▪ 60% of Project Cariño participants will attend weekly parenting classes - YTD 43%
  ▪ 60% of Project Cariño participants will complete at least three individual counseling sessions per month - YTD 48%
  ▪ 80% of infants successfully released from hospital to mothers’ care/custody will be screened by CHCS ECI program staff by 8 weeks post-delivery – YTD 100%

Mr. Evans yielded the floor to Tom Cobb, Budget Director, for the following portion of this presentation:

FY2015 Operating Budget
  ▪ Revenues, Expenses, FTEs
  ▪ FY14-FY15 Percentage Change in Budget
  ▪ Annual Budget Growth since 2007
  ▪ Capital Expenditure Plan

Budget Impact of 1115 Waiver
  ▪ Received $15,270,236 in Waiver payments net of Intergovernmental Transfer (IGT) amounts in FY 2014 for use in outcome achievement
  ▪ Estimated FY 2014 Waiver expense - $7,886,536
  ▪ All milestones and outcomes have been met to date
  ▪ Budgeted Waiver expense FY 2015 - $16,283,366
  ▪ 1115 Waiver project program descriptions, valuation cash received for DSRIP Year 1 through 3, number of consumers served, and benefit to the community

UHS Annual Contracts and Support
  ▪ Local Match Funding, 1,758,274
  ▪ Mommies Program, $207,884
  ▪ Methadone, $450,000
  ▪ CareLink, $460,770
  ▪ CareLink-Substance Abuse, $750,000
  ▪ Total: $3,626,928

In conclusion, Mr. Evans touched upon some challenges and shared the Center’s legislative agenda:

Common Challenges – CHCS Agenda for 84th Legislative Session
  ▪ Equity in per capita funding (CHCS ranks 36 out of 38 local mental health authorities)
  ▪ State Hospital Bed Allocation
  ▪ Mental Health/Criminal Justice Funding
RECOMMENDATION: This report was provided for informational purposes only.
ACTION: None.
EVALUATION: Ms. Allison Greer provided the Board with copies of the Center’s fiscal year 2015 proposed budget. She announced the launching of a new free, mental health mobile application on October 29, 2014, “mental health and you,” which consists of two tracks. The first track teaches the signs and symptoms of mental illness and links the user to recent global and national research, mental health treatment available, and introduces famous people who have struggled with mental illness. The second track ties the user directly to a crisis hotline. A subset on the second track has to do with imminent danger situations - harm to self or harm to others – which sends the user directly to San Antonio Police Department dispatch. The Center’s goal is to eliminate the stigma associated with mental illness and will provide this application locally before it is shared with other municipalities. Also, on October 29, 2014, The Center will host a conference titled, Bexar County State of Mind: A Discussion About New Trends in Mental Illness from 10 a.m. to 2:45 p.m. at the Texas Diabetes Institute.
FOLLOW-UP: None.

UPDATE ON VENDOR PAYMENT PROCESS—JAMES GARCIA/FELIX ALVAREZ

SUMMARY: Mr. Hurley introduced and yielded the floor to Mr. Garcia, Executive Director of Financial Accounting; and Mr. Alvarez, Executive Director for Procurement Services, for an overview of the previous, current, and future states of the vendor payment process:

Previous:
- Numerous Credit Holds
- Lack of Timely Payments
- High Turnover in Accounts Payable
- Unfamiliarity with System Processes
- High Number of Vendor Calls / Complaints
- High Amount of Invoices Aging over 120 days
- Lack of Communication with Departments

Current:
- Reduced number of credit holds
- From approximately 50 per month to 5 per month
- Staff retention and training
- Focus on properly training staff to perform job duties
- Use of INFOR consultant for 2 weeks to provide training
- Redistribution of vendor responsibility to staff
- Increased communication
- Working with department directors to resolve issues
- Routine meetings between Accounts Payable and Procurement
- Use of A3 Lean Daily Management to identify issues
Mr. Garcia briefed the Board on the current state of invoiced dollars not matched or released for payment at 0+ days, 30+ days, 60+ days, 90+ days, and 120+ days, demonstrating a downward trend for the period February 26, 2014, from $8,611,981 to $1,805,293 on August 31, 2014. Regarding invoice quantity not matched or released for payment for the same period, the trend also demonstrates improvement each month from a total of 2,062 (0+ to 120+ days old) to 648 (0+ to 120+ days old). Actual number of invoices processed by the accounts payable department for the same period is 163,975, or a monthly average of 14,479.

Mr. Alvarez briefed the Board on the current state of purchase orders created for the period January through August, 2014, at a monthly average of 6,559 with a monthly average total of $2,471. The actual number of dollars paid for the same time period is $115,979,876, or a monthly average of $14,487,485.

Future:

- Increased Efficiencies Through Automation
  - Concur automated system for processing employee reimbursement
  - MHS Image Express – Document imaging & workflow Automation

- Increased Efficiencies from staff development
  - Creating super users within the department
  - Creating standard procedures for processing

- Review of Open Purchase Orders Report
  - Work with Integrity to develop open PO’s report

- Procurement to Review and Update Contract Pricing
- Procurement to Continue Maintaining Item Master File

**RECOMMENDATION:** This report was provided for informational purposes only.

**ACTION:** None.

**EVALUATION:** Regarding Dr. Jimenez’s inquiry about the role of information technology in this improvement effort, Mr. Garcia informed the Board that use of the Concur automated expense system will benefit the Health System in that it will provide a true work flow picture for every point of the invoice approval process, and will force timely review by managers. Mr. Smith asked if the capital improvement project had impacted the processing of invoices. The $900 million project was an additional burden on invoice processing; however, it was not the main cause for the aging invoices over 120 days.

**FOLLOW-UP:** None.
UPDATE ON CHILDREN’S HEALTH SERVICES PERFORMANCE—MICHELLE RYERSON/TED DAY

SUMMARY: Mr. Day provided an update on significant items that have occurred since the last children’s health update to the Board in May, 2014. On July 1, 2014, with the move of pediatric hematology oncology and non-trauma orthopedics, the transition of comprehensive children’s services into Health System facilities was completed, to include representation from more than 20 pediatric specialties. Additional accomplishments throughout the year include the establishment of the 358-KIDS patient access call service, the Pediatric “One-Call” physician referral system, a Pediatric Critical Care Transport team, the creation of the first and only dedicated Cardiac Pediatric Intensive Care Unit within Bexar County, and the introduction of the Extracorporeal Membrane Oxygenation (ECMO) and Advanced Therapies Service. Staff encountered some delays in ramping up capacity for new specialty services – largely due to the time required to recruit and train staff to care for the very complex pediatric population introduced into the Health System. These delays impacted the earlier portion of 2014 fiscal year activity, and as such, the staff revised 2014 projections and in tandem updated the overall children’s services business plan. Staff continues efforts to grow volume and enhance the payer mix, actively recruit clinical staff, and focus on workflow and procedures to improve the overall delivery of children’s services and patient satisfaction. The impact of the transition of the full complement of children’s health services is illustrated in the steady growth in pediatric inpatient services across various sub-specialties throughout fiscal year 2014, and most evident in the third quarter 2014 activity. Staff is projecting a total of 1,805 discharges for fiscal year 2014, which represents a 43% growth over actual fiscal year 2013 inpatient activity. This growth is attributed to the continued transition and integration of pediatric specialty services within the hospital, including the additional capacity afforded by the opening of the Sky Tower. The Health System has been improving its overall pediatric market share for inpatient services provided within Bexar County (regardless of the community of origin for patients served) from a rate of 8.9% for the entire fiscal year 2013, compared to 9.8% for the first two quarters of fiscal year 2014. The rate in the most available month reported, June, 2014, is 12.0%.

Since the transition of the General Pediatrics and Specialty Pediatrics Clinics to the Robert B. Green Campus, providers saw almost 1,600 encounters in the fourth quarter of fiscal year 2013. In the first quarter of 2014, those same clinics had over 9,000 patient encounters, with a sustained increase to over 10,000 visits in both the second and third quarters of 2014.

The updated projection of fiscal impact for Children’s Health Services, including newly transitioned services (non-trauma orthopedics and hematology-oncology), is anticipated to be $1.1 million in contribution margin for fiscal year end 2014.
Community outreach and referral development will be a key step in growing children’s services. The Health System is executing a targeted outreach plan to educate local and regional providers on the availability of specific children’s services at University Hospital and the specialty clinics at the Robert B. Green campus, and to specifically ask for their referral business where appropriate.

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: None.
EVALUATION: Ms. Day noted a successful quality improvement initiative in the work completed around children’s asthma. A large inter-professional team lead by pediatricians conducted a lengthy process improvement initiative focused on standardizing treatment for children’s asthma. The care focused on treatment in the emergency, inpatient, and clinic settings. In addition to physicians, participants included pharmacists, nurses, respiratory therapists and clinical IT experts. The result is an evidence-based product that is fully integrated into the electronic medical record with a patient-focused asthma action plan and supporting education. This initiative is instrumental in its support of several goals related to one of the Health System’s DSRIP projects around Pediatric Asthma for its new reporting period beginning September 1, 2014.

FOLLOW-UP: None.

ITEMS PRESENTED FOR DISCUSSION:

REVIEW AND DISCUSSION REGARDING BEXAR COUNTY HOSPITAL DISTRICT D/B/A UNIVERSITY HEALTH SYSTEM’S PRELIMINARY OPERATING, DEBT SERVICE AND CAPITAL BUDGETS FOR FY 2015—GEORGE B. HERNANDEZ, JR./REED HURLEY

SUMMARY: Mr. Hurley provided a brief update on the 2015 budget, reporting that staff is on the trail to consolidate. CFHP is having a great year, will make about $12 million. On the clinical services side, excluding CFHP but including depreciation, the Health System will lose about $12 million. Depreciation numbers are going to be stepped up for next year by about $10 million because of annualization and other projects that have taken place in the building throughout the year. Two years ago in 2013, depreciation was at $45 million. In 2015, it will be at $83 million. The difference, $38 million, is an expense that needs to be addressed. The operating line at $30-35 million, plus $82 million worth of depreciation, throws us to a negative bottom line of $45 million. Mr. Reed reported receipt of an additional $20 million of revenue from the state. There will be a special Board meeting regarding the 2015 budget on November 4, 2014, and the staff hopes to obtain Board approval on Tuesday, November 18, 2014, followed by a presentation to Bexar County Commissioners Court on either December 9, or December 16, 2014.

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: None.
EVALUATION: Mr. Adams thanked Mr. Hurley for the update. Depreciation is what covers repairs, upkeep of the building, and maintenance and is a real cost. If depreciation is not noted, you are not looking at the total
Mr. Adams feels it is appropriate to record depreciation below the bottom line and agreed that the Board will have to address the issue. He also informed the staff that Board members would like to see the budget numbers before they are asked to approve a budget. Of special interest to the Board this year is the impact depreciation will have on services and the feasibility of an open medical/dental staff system.

FOLLOW-UP: None.

ADJOURNMENT:

There being no further business, Ms. Rivas adjourned the Board meeting at 11:55 a.m.

James R. Adams
Chair, Board of Managers

Dianna M. Burns-Banks, M.D.
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary