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

Tuesday, October 30, 2012
6:00 p.m.
Board Room
University Health System - Texas Diabetes Institute
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:
James R. Adams, Chair
Linda Rivas, Vice Chair
Rebecca Q. Cedillo, Secretary
Roberto L. Jimenez, M.D., Immediate Past Chairman
Robert Engberg
Alex Briseño
Ira Smith

OTHERS PRESENT:
George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Bruce Adams, M.D., FACEP, Professor and Director, Center for Emergency Medicine, University Hospital; and Professor, Department of Emergency Medicine, UTHSCSA
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Tricia Aleman, Director, Marketing, University Health System
Tim Brierty, Chief Executive Office, University Hospital
Francine Crockett, Vice President, Materials Management, 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, 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
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Leni Kirkman, Vice President, Strategic Communications and Patient Relations, University Health System
Sherry Johnson, Vice President/Integrity and Regulatory Services, University Health System
Virginia Mika, Ph.D., Executive Director, CareLink Financial Assistance Program, University Health System
Priti Mody-Bailey, M.D., President, Community Medicine Associates
Mary Ann Mote, Senior Vice President/Chief Revenue Officer, University Health System
Bill Phillips, Vice President/Chief Information Officer, Information Services, University Health System
Richard Rodriguez, Vice President/Controller, University Health System  
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System  
Roberto Villarreal, M.D., Vice President, Community Initiatives, University Health System  
Nicolas Walsh, M.D., Professor & Chair, Department of Rehab Medicine, UTHSCSA; and President,  
Medical Dental Staff, University Health System  
Mark Webb, Senior Vice President, Facilities Development and Project Management, University Health  
System  
David Wallace, Chairman, Pension Plan Board of Trustees, University Health System  
And other attendees.

CALL TO ORDER AND RECORD OF ATTENDANCE: JAMES R. ADAMS, CHAIR, BOARD  
OF MANAGERS

Mr. Adams called the meeting to order at 6:07 p.m.

INVOCATION AND PLEDGE OF ALLEGENCIE:

Ms. De La Torre introduced Ms. Pam Haley for the invocation and Mr. Adams led the pledge of  
allegiance.

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

The following employees were recognized by the Board of Managers:

Professional: Jennifer Ramos  
(Nursing) Staff Nurse III, Clinical Decision Unit

Professional: Rose Hare  
(Non-Nursing) Physician Assistant, Community Medicine Associate - La Mision

Management: Mary Alice Ayon  
Director Center for Caring, Nursing Administration

Technical: Kelly Carter  
LVN, Pediatric Diabetes

Clerical: Gloria Fivel  
Sr. Administrative Assistant, Physical Medicine Admin-UH

Service: Roland Gutierrez  
Team Leader, Environmental Services – Robert B. Green Campus

Volunteer: Michael Lyons  
Volunteer, Volunteer Services

Physician: Steven Argumedo, MD  
Staff Physician, Community Medicine Associates
All of this year’s quarterly recipients will be special honored guests at the Annual Recognition Awards Banquet on February 21, 2013 at the Omni Hotel. 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. Mr. Briseno addressed the employees on behalf of the Board. He thanked them for their work with the University Health System, and for being part of the best kept secret in San Antonio.

CITIZEN PARTICIPATION:

Mr. Denis Delaney, a Bexar County resident, addressed the Board of Managers regarding his observations on the termination of his son after 10 years of employment with University Health System, as director of asset management. Mr. Delaney is a retired Air Force officer who spent his career managing personnel. Donald Delaney’s job entailed documenting and managing the material assets of the Health System, a process that lacked integrity until 2002, hence the creation of the department. Later, he was charged with creating a salvage, auction and asset re-allocation system that would generate income for the Health System. He did just that, generating hundreds of thousands of dollars from the auctions alone. In 2007, he was accused of stealing from the auction process. Mr. Denis Delany found that unbelievable and even more so, when he was informed that he was implicated as an accessory. Subsequent investigation proved the accusations to be without merit. But, it also showed that Donald could not count on the support of this supervisor, or others in his chain of command, which gave the impression that he was guilty and would have to prove his innocence. Suffice it to say that this incident resulted in a long, never-resolved conflict within his chain of command. Over the past two years, Donald has been accused of bullying and threatening other employees. Investigations showed that the allegations were without merit. During this time he was attempting to bring to the attention to senior level managers flaws in the flow of required actions as related to his responsibilities as asset manager, and those of his counterparts in procurement and accounting. He reached out to other senior managers and the standard response from his direct chain of command was “I don’t want to hear it, Donald.” Putting those frustrations aside, he continued efforts in 2012 to establish a passive radio frequency identification system which would revolutionize inventory tracking, reconciliation, and comprehensive asset control inventory for the Health System. He fought all year long to get the program funded, even though it was previously budgeted, with no support from his supervisor. When he tried to bring this to the attention of other higher ups, he was told that he needed to follow his chain of command. It became apparent that Donald was being set up to fail and that evidence was being gathered to terminate him. The story ends with Donald on his way to a meeting with the vice president of integrity services. He was ambushed in the lobby at corporate square by his supervisor, the vice president of human resources, and an armed guard. This entire 10-year long episode, including an embarrassing phone call from his supervisor to his home, after hours, berating him for some unintelligible offense, witnessed by his 15-year old daughter, has caused him a great deal of ongoing stress. Mr. Denis Delaney concluded by asking to the Board of Managers to ponder whether the tax payers of Bexar County would prefer workers who continuously strive to improve processes, or executives who “don’t want to hear it?”

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

August 28, 2012 (Regular Meeting)

SUMMARY: The minutes of the regular meeting of August 28, 2012 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. Smith, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY
EVALUATION: None.
FOLLOW-UP: None.

September 18, 2012 (Regular Meeting)

SUMMARY: The minutes of the regular meeting of September 18, 2012 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. Smith, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY
EVALUATION: None.
FOLLOW-UP: None.

September 25, 2012 (Special Meeting)

SUMMARY: The minutes of the special meeting of September 25, 2012 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. Engberg, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY
EVALUATION: None.
FOLLOW-UP: None.

September 25, 2012 (Regular Meeting)

SUMMARY: The minutes of the special meeting of September 25, 2012 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. Smith, and PASSED UNANIMOUSLY
EVALUATION: None.
FOLLOW-UP: None.

REPORT FROM THE HEALTH SCIENCE CENTER – DR. KENNETH KALKWARP, PRESIDENT AD INTERIM:

SUMMARY: Dr. Gonzalez acknowledged the physician leaders present. He provided an updated on Dr. Henrich; he continues to do well although he has not reached the 100-day post transplant milestone. The ground breaking ceremony for the UTHSCSA’s new Center for Oral Health Care & Research Groundbreaking was held last Friday. The project will take three years to complete, and will include pediatrics oral health.

Staff is currently interviewing experienced architects for the 125,000-square-foot Academic Learning and Teaching Center approved by the Board of Regents last month. This building will be located on the main
campus at the UT Health Science Center San Antonio and will train medical, dental, nursing and health professions students. It will also help relieve the Health Science Center’s nearly half-million-square-foot space deficit by providing additional classroom space and lecture halls.

Dr. Gonzalez expressed his appreciation to Mr. Adams and Health System leadership for making themselves available to discuss the transition of pediatric services earlier in the day.

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: No action was requested of the Board of Managers
EVALUATION: On behalf of the Board, Mr. Adams expressed concern and wishes for a speedy recovery to Dr. Henrich.
FOLLOW-UP: None.

NEW BUSINESS

CONSENT AGENDA – JAMES R. ADAMS

Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Staff Membership – Nicolas Walsh, M.D., President, Medical/Dental Staff

Consideration and Appropriate Action Regarding 3rd Quarter 2012 Investment Report—Peggy Deming

Consideration and Appropriate Action regarding Reappointment of David Wallace to the University Health System Pension Plan Board of Trustees – Rebecca Cedillo

Consideration and Appropriate Action Regarding University Health System Policy No. 10.10, Provider On-Call Plan—Bryan Alsip, M.D.

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

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) – Kourtney Mosby/Francine Crockett

SUMMARY: The items listed on the consent agenda were presented for approval.
RECOMMENDATION: Staff recommended approval items on the consent agenda.
ACTION: A MOTION to approve staff’s recommendation was made by Mr. Engberg, SECONDED by Ms. Rivas, and PASSED UNANIMOUSLY.
EVALUATION: Messrs. Engberg and Smith acknowledged and expressed appreciation for Mr. David Wallace’s work on the UHS Pension Plan Board of Trustees.
FOLLOW-UP: None.

EMERGENCY CENTER MATTERS:

THE FUTURE OF THE CENTER FOR EMERGENCY MEDICINE AT UHS—BRUCE ADAMS, MD, FACEP, PROFESSOR AND DIRECTOR, CENTER FOR EMERGENCY MEDICINE/TIM
Mr. Brierty introduced Dr. Bruce Adams and yielded the floor to him for a graphics presentation on The Center for Emergency Medicine at University Hospital, which was established on September 1, 2012 with a four point mission:

- To provide outstanding clinical care;
- To teach the next generation of physicians;
- To develop a culture of research and academic excellence to support Undergraduate Medical Education and Graduate Medical Education; and
- To support the UTHSCSA, the Health System, and other partners to improve community health

Dr. Adams reviewed the Center’s Vision, and provided some background statistics and information about Emergency Medicine. Nationwide there is a significant shortage of residency trained Emergency Physicians. South Texas in particular has one of the worst shortfalls in the nation, especially beyond our metro areas. The long-term solution to this crisis is to train doctors locally because the majority of ER doctors will establish their practice within 100 miles of their training site. San Antonio is the only community among the 25 largest US cities that lacks an emergency residency (not counting the BAMC/SAUSHEC military residency).

On September 21, the Accreditation Council for Graduate Medical Education approved and accredited an Emergency Medicine residency program. The first ten residents, from across the United States, will walk through the University Hospital EC doors on July 1, 2012 and by 2015, the program will have a full complement of 30 resident physicians.

The vision of the Center for Emergency Medicine is to “Become the premier Academic EM Program in Texas based on a culture of scholarship and excellence. Establish a patient centered clinical practice as the Emergency Department of choice for San Antonio.” The clinical care delivered to UHS emergency patients is first rate.

Dr. Adams reviewed goals for the Center of Emergency Medicine:

- To launch an outstanding ACGME accredited residency in emergency medicine (which goal was accomplished in record time);
- To develop a distinguished academic and research program that will support the residency and advance the University’s broader research efforts;
- To expand and enhance clinical operations of our existing Emergency Center Clinical Service at University Hospital while preparing for the move to a new facility in early 2014; and
- To complete the transition from divisional status to an independent “Center of Emergency Medicine” to a formal “Department of Emergency Medicine.”
Dr. Adams emphasized that the most successful approach to fixing ER crowding is based in systems analysis. This approach breaks the ER patient experience into three component phases: input, throughput and output. University Hospital Emergency Center absolutely possesses the requisite elements to be a patient centered clinical practice and become the premier Emergency Department of choice for San Antonio.

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: None.
EVALUATION: Board members engaged Dr. Adams in dialogue, with Dr. Jimenez specifically urging that Dr. Adams and staff work towards finding a solution to address the mental health issues that plaque every emergency room in the country. Achieving the Emergency Center’s true potential will require a sustained and proactive effort that aggressively implements solutions and ruthlessly eliminates obstructions on the path to this goal. Mr. Smith encouraged cultural training for emergency medicine physicians in order to meet the needs of the unique population served by the Health System. Mr. Jim Adams invited Dr. Bruce Adams to provide update reports to the Board of Managers as often as necessary, and also emphasized the Board’s interest in this area.
FOLLOW-UP: None.

ITEMS FOR DISCUSSION:

DISCUSSION REGARDING THE PENSION PLAN REPORT ON THE INVESTMENT POLICY STATEMENT — PEGGY DEMING/DAVID WALLACE

SUMMARY: Ms. Deming reported that the Pension Board of Trustees has worked over the past two years with Investment Advisors, Callan Associates, Inc. to evaluate the Pension Plan’s Investment Policy and Guidelines. Callen Associates, is a nationally recognized consulting firm created in 1973 to provide a broad range of public and private pension plan sponsors, endowments and foundations information to make better business and investment decisions. The firm consists of 60 owner-employee and 150 associates. The Plan has contracted with Callan for four years. Callen was engaged to enhance the current Asset Allocation and its ability to achieve the 7.5% actuarial rate of return assumed by the Plan.

Ms. Deming introduced Mr. David Wallace, Chair, Pension Board of Trustees, and yielded the floor to him for a summary of that evaluation to the Board of Managers. Mr. Wallace provided an overview of the Trust Fund as follows:

- Supports the Defined Benefit Plan with a total liability of $238.6 million and asset value of $164.3 million and a total unfunded liability of $164.3 million
- Funded ratio is 68.9%
- Trustee Target is 75% by 2016
- Net return in 2011 was -1.58, consistent with economic performance
• Expected Return 7.5%
• Change in asset allocation is critical to enhance returns versus risk
  UHS fully funded contribution in January 2012 was $15.7 million &
  will increase if returns fail to meet 7.5%

Callan led the Trustees through a disciplined process to develop an
evaluation tool/model to use in the analysis of the current asset allocation
and alternative asset classes or allocations. The development of the tool
followed these steps:

• Establish Capital Market Assumptions
• Establish Range of Reasonable Allocation Alternatives
• Model Liabilities
• Run Simulations

The objective of the evaluation process was to identify an asset
allocation that most closely achieves the investment return assumption at
the lowest level of risk possible and to develop recommended changes to
the Policy to implement the appropriate asset allocation.

The evaluation tool established projected Capital Market Returns and
Risk levels over 10 years from 2012 through 2022 for 17 asset classes.
Based on the Risk/Return projection using asset classes in the current
Asset Allocation would return 7.12% with a standard deviation risk of
14.45%. This would not achieve the current return assumption of 7.5%.
The rate of return assumption used passive management.

The Trustees then discussed the asset classes used in the evaluation tool
that were not included the current Asset Allocation, focusing on those
assets that other high performing Plans employ that UHS does not. These
assets were identified: Core Plus Fixed Income, Real Estate and Absolute
Return Investments (Hedge funds). The Plan currently includes an
allocation to Domestic Fixed Income which consists primarily of U.S.
Government, residential mortgages and investment grade Corporate Debt
Securities. Core Plus Fixed Income would add domestic non-investment
grade securities and foreign securities. Real Estate is investments in
commercial real property. Absolute Return investments, also known as
Hedge Funds, are investments across multiple asset classes such as
publicly traded equity, private equity, domestic and foreign debt
securities and derivative securities using the fund managers trading
strategies to provide returns above those based on the economy in
general. For the Absolute Return asset, Callan has recommended using a
fund of funds approach. Selection of Core Plus Fixed Income, Real
Estate and Absolute Return investments improve the current asset
allocation by providing diversification not currently available, lowering
volatility, increasing total return potential and slightly reducing the
current level of risk.

Based on the analysis of the projected returns, risks and asset
characteristics, the Trustees recommended and adopted revision of the
current Policy to include the addition of new assets classes, Real Estate,
Absolute Return Investments and Core Plus Fixed Income. They also added limited Domestic and International Equity Securities to Long Only purchases and made changes to the allocation model to allow for a range of 0% to 10% of the portfolio to be invested in each of the Real Estate and Absolute Return Investments.

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

**ACTION:** No action was required by the Board members.

**EVALUATION:** Mr. Adams suggested that review of the Pension Plan’s Investment Policy and Guidelines be conducted more often than every three years, which is the current practice. Based upon the change in the investment policy and the updated analysis of the fund, the unfunded liability portion of the Plan is at 29%, and it is currently funded at 71%. Fluctuations in the global economy will impact the Plan more and more. Historically, the bulk of investments have been equity or domestic company debt. However, the linkages between foreign and domestic economies have become greater. The correlation of returns between international and domestic stocks is now moving in different degrees but in locked steps. We have to think globally and therefore, the consultants we engage need to be knowledgeable. In addition, the Trustees have more than 100 years of combined experience in financial and pension planning.

**FOLLOW-UP:** None.

**ACTION ITEMS:**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO FOR PROFESSIONAL SERVICES PROVIDED TO CARELINK PATIENTS—VIRGINIA MIKA, PHD/GARY MCWILLIAMS, M.D.**

**SUMMARY:** This contract with UTHSCSA, through its Department of Medicine has been in place since 1998. Its purpose is to secure primary and specialty services for CareLink members including radiation therapy, and surgical procedures for inpatient and outpatients. The agreement includes performance standards that address quality of care, access, appropriate utilization, and patient satisfaction. There have been no unresolved patient satisfaction concerns or quality of care issues over the last 12 months. Dr. McWilliams reported that in 2011, services were provided to 36,256 patients. For the current year through July 31, services were provided to 27,533 patients.

Staff anticipates the base cost (claims paid) of the contract to be $25,901,297 over the term of the contract, which is fourteen (14) months. Compared to 2011, projected costs will be reduced by $558,576 over this 14 month period. The reduction is due to multiple factors such as the implementation of a claims scrubber and the relocation of ambulatory surgery center services into the new Robert B. Green Campus.

For the calendar year 2013, the Health System may pay up to 7% in incentives, (but not to exceed $1,554,077) if UTHSCSA successfully
meets additional metrics including, but not limited to, timely specialty access and physician specific patient satisfaction scores as reported by NRC Picker. CMA providers will also be asked to rate all aspects of their interactions with UTHSCSA providers. UTHSCSA’s workforce composition data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers’ approval of an agreement with UTHSCSA for a total estimated amount of $27,455,374 (anticipated claims cost plus maximum incentive cost). The term of the contract is for 14 months beginning November 1, 2012 and ending December 31, 2013.

ACTION: A MOTION to approve staff’s recommendation was made by Ms. Cedillos, SECONDED by Dr. Jimenez and PASSED UNANIMOUSLY.

EVALUATION: Of interest to Mr. Briseno is the cost per member per month under this 14 month agreement, data which Dr. McWilliams did not have readily available. Dr. Jimenez emphasized the importance of ensuring that providers treat patients with sensitivity and trust. NRC Picker will contact patients directly on behalf of the Health System to inquire about the quality of services. In addition, incentive payments to physicians will be based on the quality of the service provided.

FOLLOW-UP: Dr. McWilliams will follow up with the information requested by Mr. Briseno regarding the cost per member per month.

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

ROBERT B. GREEN CAMPUS:

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH RTKL FOR ARCHITECTURAL SERVICES TO INCLUDE SKIN CLINIC RELOCATION AND OR/IR HYBRID UPGRADES—MARK WEBB

SUMMARY: On September 28, 2009, the Board of Managers approved a contract with RTKL Associates Inc., to provide architectural/engineering services, as well as information technology design, furniture, fixtures and equipment planning services for the Robert B. Green Campus (RBG). Eleven changes to the RTKL contract have been authorized to date. On December 19, 2011 the Board of Managers approved the demolition of Building ‘C’ at the RBG. As part of this demolition project, multiple departments and functions need to be relocated.

This amendment includes the costs to design the relocation space for the Skin Clinic. The clinic is currently located in Building ‘B’. With the demolition of Buildings ‘B’ and ‘C’ scheduled for early 2013, this space will need to be relocated. The proposed vacated Behavioral Therapy space on the second floor of Building ‘A’ has been identified as an ideal location for the Skin Clinic and provides the capability for expanded through-put. In addition to four exam rooms, one treatment room and three offices, one treatment/exam room, a dedicated soiled holding room, and a reception/waiting area will be added to the Skin Clinic.
The amendment also includes the costs to design and provide design coordination for upgrades to the OR/IR Hybrid Suite. Coordination sessions with Interventional Radiology and OR departments that included the recently chosen medical equipment vendors (OR Integration, Booms, Lights, IR X-ray) identified more productive ways to layout the equipment and operational space.

The fee for the proposed amendment, which has been reviewed and recommended by the project manager and staff, is $49,100.

Mr. Webb reviewed a listing of previously approved authorizations for additional service requests for RTKL and the amounts. This is the 12th amendment to the RTKL agreement. These fees, which are within budget, will be funded from project funds. As negotiated in RTKL’s original contract, 25.74% SMWVBE and 52% local participation goals are expected. Mr. Webb provided a break down of SMWVBE participation rates and amounts.

RECOMMENDATION: Staff recommends Board of Managers’ approval of an amendment to the contract with RTKL in the amount of $49,100 for additional architectural services.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR 6TH FLOOR MAKE READY AND OR/IR UPGRADES IN THE CLINICAL PAVILION AT THE ROBERT B. GREEN CAMPUS (RBG-GMP #6L)—MARK WEBB

SUMMARY: In July 2012 the Board of Managers approved additional capital funds for the 6th floor of the Clinical Sciences Building to make it ready for future clinic expansion.

To date, 12 guaranteed maximum prices (GMPs) have been developed for new construction at the Robert B. Green Clinical Sciences Building. These amendments are detailed in the Fiscal Impact section of this memo.

Specifically, this GMP includes construction of the 6th floor make-ready components: The Clinic Pavilion’s 6th floor is currently shelled out. However, in preparation for adding clinical components that match the modular flex clinic template, appropriate egress connecting the north and south building stairwells with a fire rated corridor will be provided, and the public spaces such as restrooms and elevator lobbies will also be finished. Work associated with this scope will be completed in late June/early July of 2013. Substantial Completion of all the other floors of

Construction for coordination of upgrades to the OR/IR Hybrid Suite. Coordination sessions with Interventional Radiology and Operating Room departments that included the recently chosen medical equipment vendors (Booms, Lights, and IR X-ray) identified more productive ways to layout the equipment and operational space. Mechanical, electrical, information technology, structural rail supports and minor room configuration changes are included in this GMP.

Bartlett Cocke, the RBG Construction Manager has reviewed the design and has provided a Guaranteed Maximum Price for the work associated with this package. The proposed GMP #6L in the amount of $1,597,042 will be paid from project funds.

Additionally, the inclusion of GMP #6L increases the CM’s Construction Cost Limit (CCL) to a total of $95,849,466.

The participation goal for SMWVBE is 56% and the local participation goal is 95%. To date, SMWVBE participation of awarded construction projects is 62.97% and local participation is 97.51%. 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.). Mr. Webb reviewed the SMWVBE numbers achieved for all construction amendments to date.

RECOMMENDATION: Staff recommends Board of Managers approval of GMP #6L as an amendment to the existing Bartlett-Cocke Construction Management Agreement in the amount of $1,597,042 and an increase to the Construction Cost Limit to $95,849,466.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO ADJUST THE GUARANTEED MAXIMUM PRICE GMP#13 FOR RETURN OF BUY-OUT SAVINGS (GMP #13P)—MARK WEBB

SUMMARY: To date, fifteen (15) guaranteed maximum prices (GMPs) have been developed for the new Hospital Tower project. Mr. Webb provided a detailed list by GMP number, description control estimate and amount. Savings of $2,882,193 from GMP #13 is realized due to bids coming in lower than the approved GMP and credits from General Requirements. The revised amount for GMP #13 will be $350,068,572. The Construction Manager has provided a deductive change order for the items associated with this GMP package. The proposed GMP #13p is for a credit in the amount of ($2,882,193). Additional savings are anticipated
as this project continues. The participation goal for SMWVBE is 40% and the local participation goal is 80%. To date, SMWVBE participation of awarded construction projects is 39.8% and local participation is 77%. This does not include the dollars associated with the Construction Manager’s Fee or other project administrative costs including this GMP and insurance, bonds, permit fees, etc. Mr. Webb reviewed the SMWVBE numbers achieved for all construction GMPs to date: GMP dollars awarded to date is $477,190,647. GMP dollars remaining to procure is $47,728,970.

RECOMMENDATION: Staff recommends Board of Managers approval of an amendment to the Zachry Vaughn Layton Construction Management Agreement for a credit in the amount of ($2,882,193) for GMP #13p.

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

EVALUATION: None.

FOLLOW-UP: None

CONSIDERATION AND APPROPRIATE ACTION TO AMEND THE PROFESSIONAL SERVICES CONTRACT WITH PERKINS + WILL FOR THE CONVERSION OF 26 PATIENT ROOMS TO ICU BEDS; TO PROVIDE FOR A 29 BED ISOLATION UNIT; AND TO EXTEND THE PNEUMATIC TUBE SYSTEM TO THE PAVILION—MARK WEBB

SUMMARY: On May 20, 2009 the Board of Managers approved a contract with Perkins+Will to provide architectural/engineering services for the CIP projects at University Hospital. Perkins+Will was selected through a Request for Qualifications and interview process to evaluate and perform a range of services including but not limited to: functional and space programming, area analysis reporting, budget reconciliation services, constructability reviews, scheduling assistance, architectural design, civil engineering, site structural engineering, security consultation, heliport design, art/community involvement planning, simulation modeling and building information modeling.

The original agreement, with a not to exceed contract amount of $45,310,513, has been amended to include additional design for the remote parking lot, facility hardening, zoning changes, Pavilion IT, mock ups, central utility plant (CUP), payment of permit fees, approved enhancements, the Heart Center study and planning studies concerning medical equipment integration, basement excavation, loading dock revisions, blood bank and Emergency Center design, meeting room and patient room reconfigurations as well as additional designs throughout the University Hospital campus.

These amendments increased the contract by $3,875,612 for a revised contract amount of $49,346,873.

The CIP team requested that Perkins+Will develop designs and engineered solutions for a number of issues to meet the specialized needs of University Hospital. Specifically, these items include:
1. Professional services for the conversion of 26 patient rooms to ICU beds on the northwest end of the 5th floor of the new Tower. A new Bed Allocation Study indicated a need for additional ICU beds based on increases in Transplant patients, Stroke Program, and Neurosurgery Program. Additionally, the New Master Plan calls for the patient care center to have reduced travel distance from Procedure to Care Units. Adding ICU beds on the 5th floor of the New Tower will consolidate Critical Care to the New Tower and avoid locating beds in the existing building.

2. Professional services for the modification to Construction Drawings to provide a 29 bed Contagious Disease Unit on the east end of the 10th floor of the new Tower. From a peer group study, Health System Management determined that there is a need to plan for a separate unit for infectious patients. Current configuration and airflow pattern of the 10th floor provides an excellent opportunity to add a containment unit to serve as an infectious unit.

3. Professional services for an extension of the Pneumatic Tube System to the Pavilion from the New Tower. The benefits of this modification include:

   - Reduced cost by avoiding construction and staffing of a remote lab in the Pavilion.
   - Increased efficiency through combining supplies and staffing in one location.
   - Reduced wait time for patients associated with lab results.

Fees for this contract amendment will be paid from the budgeted funds within the CIP. Perkins + Will participation levels are 38% for SMWVBE and 60% local firms.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of an amendment to the contract with Perkins+Will in the amount of $160,545.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH PRISM/MABLAY FOR THE PURCHASE OF PATIENT LIFTS – MARK WEBB**

**SUMMARY:** As part of the design efforts at University Hospital campus (UH), various medical equipment items are identified and procured by the UH project team. These efforts are being conducted with the guidance of ShenMilsonWilke (SMW), the medical equipment planner for the CIP.

A Request for Proposal (RFP 211-05-031-CAP) for the purchase of patient lifts and ancillary equipment was issued in May 2012 with
responses received in June 2012. Responses and cost proposals were received from the following vendors:

- ArjoHuntleigh: $427,237.75
- T.H.E. Medical: $355,641.28
- EZ Way, Inc: $570,245.00
- Like/Hill-Rom: $500,413.95
- Prism/Mablay: $328,723.00

The evaluation process included a thorough review of the documents received, staff input, trial tests, local support verification and quality evaluations. Through the utilization of MedAssets and the associated GPO, the project was able to secure additional discounts.

After thorough review and evaluation by SMW, the project team and appropriate clinical staff it has been determined that Prism/Mablay is the lowest priced vendor and provides best value for the patient lift equipment at $328,723, which will be paid from project funds. Due to the nature of the medical equipment industry, there is limited opportunity for SMWVBE and local participation in this procurement. Although staff will make every effort to encourage participation, it is anticipated that the majority of the contracted dollars will be awarded to large, national vendors. The current level of SMWVBE and local participation on all CIP furniture, fixture, and equipment procurement was reviewed with the Board, as was the workforce composition.

**RECOMMENDATION:** Staff recommends Board of Managers’ approval of a contract with Prism/Mablay for the purchase of patient lifts for the University Hospital Campus in the total amount of $328,723.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR NORTH PARKING GARAGE MODIFICATIONS, SITE DEVELOPMENT LANDSCAPE, HARDSCAPE AND SURFACE PARKING (GMP#3F)—MARK WEBB**

**SUMMARY:**

To date, five (5) guaranteed maximum prices (GMPs) have been authorized for the new Hospital Tower project. Mr. Webb reviewed the previously approved GMPs in detail with the Board. The scope of this sixth GMP is inclusive of interior and exterior modifications to the North Parking Garage, construction of site development, and three new surface parking lots at the new hospital. Modifications to the North Parking Garage include the replacement of two existing elevators and the addition of a third elevator, a pedestrian path extending from the elevator vestibule to the new Tower lobby, and the demolition of two existing stairs to be replaced with skylights and seating areas for visitors. In
addition to the modification and upgrades to the North Parking Garage, this GMP include upgrades to the site including all new sidewalks, landscaping, infrastructure for sculpture and art work, and a new main entry drive. Additionally, two new visitor parking lots and one new staff parking lot will be added. These three surface parking lots will provide 251 new parking spaces to the site. The Tower Project Construction Manager has reviewed the design drawings prepared by the A/E Team, and has provided a Guaranteed Maximum Price (GMP #3f) for the work associated with this GMP package, in the amount of $15,906,574 which exceeds the control estimate by $2,867,842, or about 21 percent. The following scope adjustments led to the increase in this GMP from the Control Estimate. Site Development: resized emergency center parking deck to increase operational efficiency and maximize useable area; refined design of the water feature basin, cisterns, planters, sidewalk plazas, and concrete under pavers increased the amount of concrete utilized. North Parking Garage: changed building code requirements increased rating of intumescent paint; refined design required additional steel fabrications for columns, beams, metal deck fasteners, and grating; deferred maintenance necessitated replacement of existing guardrails, as well as adding cable guardrails and stainless steel bollards. The control estimate portion of this GMP will be funded from the project funds and the remaining balance is recommended to be funded from project contingency funds. This would decrease the project contingency funds from $18,988,222 to $16,120,380. The participation goal for SMWVBE is 40% and the local participation goal is 80%. To date, SMWVBE participation of awarded construction projects is 39.8% and local participation is 77%. This does not include the dollars associated with the Construction Manager’s Fee or other project administrative costs including this GMP and insurance, bonds, permit fees, etc. SMWVBE numbers achieved for all construction GMPs to date were reviewed with the Board. GMP dollars awarded to date are $477,190,647. GMP dollars remaining to procure are $47,728,970.

RECOMMENDATION: Staff recommends Board of Managers’ approval of an amendment to the Zachry Vaughn Layton Construction Management Agreement in the amount of $15,906,574 from project contingency funds for GMP #3f.

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

EVALUATION: Board members made several inquiries about this GMP. Mr. Webb emphasized that this GMP is not over-run from a contractor’s point of view, but rather the GMP relates to additional scope of services, such as unforeseen building code changes, deferred maintenance, and owner requested type changes. Specifically, about $858,000 is associated with the emergency center parking deck changes that were made to increase size and increase the operational efficiency and long range capacity. A little over $300,000 is for building code requirements related to the North Parking Garage, plus $400,000 are for deferred maintenance items. There is also a $600,000 cost for additional concrete associated with the water feature basin, sidewalk plaza, and planters which became necessary as the design was defined and re-defined in front of the parking garage, which will be a heavily used area.

FOLLOW-UP: None.
CONSIDERATION AND APPROPRIATE ACTION TO APPROVE AN AMENDMENT
TO THE CONTRACT WITH ANSEN SEALE FOR DESIGN, FABRICATION, AND
INSTALLATION OF PUBLIC ART PIECES RELATED TO THE STAFF BRIDGE—
MARK WEBB

SUMMARY: An integral component of the Capital Improvement Projects is the Design Enhancement/Public Art (DEPA) Program that was presented to the Board of Managers during the July 27, 2010 board meeting. As outlined in the plan, staff members, the CIP team, and the DEPA committee, which includes a board member, have identified a number of design enhancement and public art opportunities for the UH campus. One aspect of the successful design of the tower is the incorporation of public art elements that serve as “positive distractions” to patients, staff, and visitors. A variety of interior spaces in the new tower and its exterior landscape were identified by the CIP team as optimal locations to exhibit artists’ work. One such location is staff/trauma bridge that connects the West Parking Garage to the new Trauma Tower (see attached site plan). The upper level of the bridge will be the primary entrance and exit for over 1,400 staff daily. Solicitations for artists were advertised for over 3 months and attracted 48 applicants from within San Antonio, throughout the United States, and around the world. The DEPA committee reviewed the applications and shortlisted the following artists that developed detailed proposals – Rolando Briseño of San Antonio; Nuno Erin of Jackson, Mississippi (later withdrew); Catherine Widgery of Cambridge, Massachusetts; and Ansen Seale of San Antonio. The committee interviewed the candidates, and reviewed their proposals before finally recommending Ansen Seale based on experience, familiarity with the public art process, and a proposal that best addressed the needs of the project. Additionally, staff reviewed the process and artist submittals with the Board of Managers Ad-Hoc Public Art Committee chaired by Rebecca Cedillo with members Linda Rivas and Ira Smith on September 19th. After review, the committee concurred with the DEPA Committee recommendation. Mr. Seale’s proposed piece, entitled “You Activate This Space” is an interactive light and sound installation (130 feet long and 9 feet high) along the north interior wall of the staff level of the staff/trauma bridge (see attached renderings). Fifty backlit panels will change color sequentially in response to the movement of the staff through the space. A soft, calming chime associated with each color will also enhance the staff’s experience. As stated by the artist, “The intent is to provide a wave of calming energy, lifting the viewer on their way to and from work.” The scope of work for this artist includes the design, fabrication and installation of the light and sound installation at the Staff Bridge, to include LED backlit, glass-covered panels and associated audio components. The panels will be made from clear acrylic, tricolor LEDs and a protective glass covering. The glass can be cleaned like any other window in the space. Individual panels can be easily removed to service the low-power LED lighting, which is energy efficient and low maintenance. An initial agreement in the amount of $25,000 was approved administratively with Ansen Seale
to allow for the design documents to be produced by the artist for incorporation with the overall design of the bridge. The fee for the proposed amendment, which has been reviewed by the DEPA committee, is $175,000 for all services, materials, and installation and will be paid from budgeted project funds included in the design enhancement/public art fund.

RECOMMENDATION: The Board’s Ad-Hoc Public Art Committee recommends Board of Managers’ approval of an amendment to the contract with Ansen Seale for design, fabrication, and installation of public art pieces in the total amount of $175,000.

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

EVALUATION: Mr. Briseno recused himself during the staff presentation, Board discussion, and vote.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE AN AMENDMENT TO THE CONTRACT WITH ENRIQUE CARBAJAL (D/B/A SEBASTIAN SCULPTOR) FOR DESIGN, FABRICATION, AND INSTALLATION OF PUBLIC ART PIECES—MARK WEBB

SUMMARY: An integral component of the Capital Improvement Projects is the Design Enhancement/Public Art (DEPA) Program that was presented to the Board of Managers during the July 27, 2010 board meeting. As outlined in the plan, staff members, the CIP team, and the DEPA committee, which includes a board member, have identified a number of design enhancement and public art opportunities for the UH campus.

One aspect of the successful design of the tower is the incorporation of public art elements that serve as “positive distractions” to patients, staff and visitors. A variety of interior spaces in the new tower and its exterior landscape were identified by the CIP team as optimal locations to exhibit artists’ work. One such location is the walkway area located at the vehicular entrance to the Emergency Center.

Solicitations for artists were advertised for over 3 months and attracted 49 applicants from within San Antonio, throughout the United States, and around the world. The DEPA committee reviewed the applications and shortlisted the following artists that later developed detailed proposals – Howard Kalish, New York, New York; Clark Wiegman, Seattle, Washington; Konstantin, Auckland, New Zealand; and Sebastian Sculptor, Mexico City (Sebastian also owns a home in San Antonio). The committee interviewed the candidates, and reviewed their proposals before finally recommending Enrique Carbajal based on experience, familiarity with the public art process, and a proposal that best addressed the needs of the project. Additionally, staff reviewed the process and artist submittals with the Board of Managers Ad-Hoc Public Art Committee chaired by Rebecca Cedillo with members Linda Rivas and
Ira Smith on September 19th. After review, the committee concurred with the DEPA Committee recommendation.

Mr. Carbajal’s proposal is a 26’-3” towering sculpture topped with a large geometric flower (see attached rendering). With its placement near the parking lot and walkway outside the Emergency Center, its purpose is to serve as a beacon to the community and as a way finding element for those traveling to the Emergency Center. The scope of work for this artist includes the fabrication and installation of the sculpture, as well as associated lighting.

An initial agreement in the amount of $45,000 was approved administratively with Enrique Carbajal (dba Sebastian Sculptor) to allow for further concept development planning. This amendment is for the fabrication and installation of the sculpture piece that will be located along the east-west drive near the Emergency Center entrance (see attached site plan).

The fee for the proposed amendment, which has been reviewed by the DEPA Committee, is $255,000 and will be paid from budgeted project funds included in the design enhancement/public art fund.

RECOMMENDATION: The Board’s Ad-Hoc Public Art Committee recommends Board of Managers’ approval of an amendment to the contract with Enrique Carbajal (dba Sebastian Sculptor) for design, fabrication, and installation of public art pieces in the total amount of $255,000.

ACTION: A MOTION to approve staff’s recommendation was made by Mr. Smith, SECONDED by Mr. Engberg. Mr. Briseno ABSTAINED.

EVALUATION: Dr. Jimenez expressed concerns regarding the cost of this project, and to of award of this contract to Mr. Carbajal, an international artist, in light of the local talent that is available. The Board has made a commitment to small, minority and local business enterprises and Dr. Jimenez does not agree that Mr. Carbajal’s home ownership in San Antonio qualifies him as a local artist.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR SEPTEMBER 2012 FINANCIAL STATEMENTS—ROE GARRETT/PEGGY DEMING

SUMMARY: For the month activity was down 10.4% for the Clinical Services (as measured based on discharges adjusted for outpatient activity). Community First Health Plan (CFHP) fully-insured membership was down 4.4%. From operations, the Health System experienced a gain of $2.8 million which was $2.5 million higher than the budgeted gain of $309,000 due primarily to higher operating revenue. Meaningful use incentive of $407,000 was recorded and was $80,000 over budget due to the CMA portion which was not budgeted. Investment income was under budget by $63,000 due to slightly lower interest rates than
budgeted. An unrealized market loss of $124,000 was recorded in the month. The bottom line gain excluding debt service was $3.3 million which was $2.3 million higher than the budgeted gain of $956,000. CFHP reflected bottom line loss of $455,000 which was $457,000 off from a budgeted gain of $2,000. Debt Service Revenue was $3.5 million which is equal to the budgeted portion of the Debt Service payment of $3.5 million. Mr. Garrett reviewed notable increases or decreases from the Consolidated Balance Sheet in detail with the Board. Community First Health Plans’ year end financials were reviewed in detail and questions were addressed by Mr. Gieseman.

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

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

EVALUATION: Mr. Briseno reported that the Board’s Audit Committee met earlier in the day to review responses to the RFP for audit services, and also to interview the various firms. The committee will meet again on November 7 to finalize a recommendation to the Board of Managers for a vote at the November 20, 2012 meeting. All aspects, including the turnover of auditors, are being considered by the committee.

FOLLOW-UP: None.

REPORTS AND EDUCATION:

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN

SUMMARY: Ms. Kirkman provided a detailed, written report regarding recent recognitions and upcoming events.

RECOMMENDATION: None.

ACTION: No action was required by the Board members.

EVALUATION: None.

FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

REPORT REGARDING YEAR 2012 MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS—NICOLAS WALSH, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES—MARK WEBB

UPDATE ON ROBERT B. GREEN PAVILION TRANSITIONAL ACTIVITIES—SERGIO FARRELL/GARY McWILLIAMS, M.D.

ANNUAL PENSION AND OPEB REPORT – THERESA SCEPANSKI

MOBILE MAMMOGRAPHY REPORT – THERESA DE LA HAYA
SUMMARY: Staff provided five detailed, written reports for informational purposes. Mr. Adams encouraged Board members to review and ask questions or provide feedback to staff.

RECOMMENDATION: None.
ACTION: No action was required by the Board members.
EVALUATION: None.
FOLLOW-UP: None.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the public meeting at 8:12 p.m.

________________________________________  ______________________________________
James R. Adams                             Rebecca Q. Cedillo
Chair, Board of Managers                   Secretary, Board of Managers

________________________________________
Sandra D. Garcia, Recording Secretary