REGULAR MEETING
OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Tuesday, September 27, 2011
6:00 p.m.
Board Room, University Center for Community Health
701 S. Zarzamora
San Antonio, Texas

MINUTES

BOARD MEMBERS PRESENT:

Roberto L. Jimenez, M.D., Chair
Ira Smith, Secretary
Robert Engberg
Alex Briseño
Linda Rivas
Rebecca Q. Cedillo

BOARD MEMBERS ABSENT:

James R. Adams, Vice Chair

OTHERS PRESENT:

George B. Hernández, Jr. President/Chief Executive Officer, University Health System
Tricia Aleman, Director, Corporate Communications and Marketing, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Tim Brierty, Chief Executive Officer, University Hospital
Francine Crockett, Vice President, Supply Chain Management, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Theresa De La Haya, Senior Vice President, Community Health and Clinical Preventive Programs, University Health System
Sergio Farrell, Vice President, Ambulatory Services, 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
Francisco Scoranno-Gonzalez, M.D., Dean, School of Medicine, UTHSCSA
William Henrich, M.D., President, UTHSCSA
Michael Hernandez, Vice President, Legal Services and Risk Management, University Health System
Barbara Holmes, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Gary McWilliams, M.D., Executive Vice President/Chief Ambulatory Services Officer, University Health System
CALL TO ORDER AND RECORD OF ATTENDANCE: ROBERTO L. JIMENEZ, M.D., CHAIR, BOARD OF MANAGERS

Dr. Jimenez called the meeting to order at 6:10 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Ms. De La Torre introduced Mrs. Jeanette Centeno Santos for the invocation and Dr. Jimenez led the pledge of allegiance.

CITIZEN PARTICIPATION: None.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS OF THE BOARD OF MANAGERS:

SUMMARY: The minutes of the regular Board meeting of August 30, 2011, were submitted for approval by the Board of Managers.

RECOMMENDATION: Dr. Jimenez recommended approval of the minutes as submitted.

ACTION: A MOTION for approval of the recommendation was made by Mr. Engberg, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY.

EVALUATION: None.

FOLLOW-UP: None
REPORT FROM THE PRESIDENT OF THE HEALTH SCIENCE CENTER – WILLIAM HENRICH, M.D.:

SUMMARY: Drs. Henrich and Gonzalez-Scoranno acknowledged the physician leaders present. Dr. Henrich invited Board members to a dedication ceremony and tour of the South Texas Research Facility on Thursday, October 13, at 11 a.m., at the Greehey Research and Academic Campus. Dr. Gonzalez-Scoranno introduced Dr. Barbara Turner for a presentation on the use of analytics to advance our mission. Dr. Turner concurrently serves as Director of the UTHSCSA ReACH Center and Director of Health Outcomes Research at University Health System. Dr. Turner reviewed short-term and long-term goals in conducting outcomes research, and described existing analytics opportunities at both institutions.

RECOMMENDATION: None.
ACTION: None.
EVALUATION: Dr. Jimenez suggested that the grand opening of the new South Texas Research Facility would be a great career exposure opportunity for local health careers students at San Antonio ISD, Harlendale ISD, and Northside ISD. Dr. Henrich agreed.
FOLLOW-UP: None.

NEW BUSINESS

CONSENT AGENDA – ROBERTO JIMENEZ, M.D.:

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 Purchasing Activities (See Attachment A) - Francine Crockett

RECOMMENDATION: Staff recommends approval of consent items listed above, except for item #8 on the purchasing agenda, Contract for Services with Blue Cottage Consulting, Inc. This item will be reviewed in detail with the Board during the Budget & Finance portion of the meeting.

ACTION: A MOTION to approve staff’s recommendation for the items listed on the consent agenda, with the exception of item #8, was made by Mr. Briseno, SECONDED by Mr. Smith, and PASSED UNANIMOUSLY.

EVALUATION: None.
FOLLOW-UP: None.

ITEMS RELATED TO PLANNING & OPERATIONS – LINDA RIVAS, CHAIR, PLANNING & OPERATIONS COMMITTEE

UPDATE ON CAPITAL IMPROVEMENT PROGRAM ACTIVITIES – MARK WEBB

SUMMARY: Mr. Webb provided a detailed written report regarding CIP activities and developments on both campuses since last month. He reviewed CIP
controls, work force issues, program enabling projects, traffic changes, parking issues, and approved Guaranteed Maximum Price (GMP) details to date. Procurement efforts for a nurse call system, distributed antenna system, monitoring/telemetry systems, and signage, are all underway. He reviewed total MedAssets savings and anticipated sharebacks to date. The next CIP community outreach effort is a blood drive on September 28. As a follow up item from the August Board meeting when Dr. Jimenez expressed concern regarding perimeter surveillance at the Robert B. Green campus, Mr. Webb confirmed that Bartlett-Cocke, the construction manager, performs daily site safety walks to review potential hazards for visitors and laborers, continuity in the security fence, and gate security.

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: None.
EVALUATION: Ms. Rivas requested additional signage to highlight the names of the subcontractors working on the CIP projects at both campuses. The current sign at the downtown facility is difficult to read and not in an ideal location. Mr. Smith asked about the current parking fee structure at University Hospital.
FOLLOW-UP: Mr. Webb will provide the information requested by Ms. Rivas and Mr. Smith as a follow up report.

ITEMS BEING RECOMMENDED BY THE BUDGET AND FINANCE COMMITTEE – ROBERT ENGBERG, CHAIR, BUDGET & FINANCE COMMITTEE

SELECTED PURCHASING ITEMS RELATED TO THE CAPITAL IMPROVEMENT PROJECT

ROBERT B. GREEN CAMPUS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING ADDITIONAL FUNDING OF CONTINGENCY POOL FOR THE CAPITAL IMPROVEMENT PLAN FOR THE ROBERT B. GREEN CAMPUS—MARK WEBB

SUMMARY: For the Robert B. Green Campus, a total of $473,473 has been approved from the original contingency pool of $600,000. This represents less than one-half of one percent of the total committed project costs to date of $102M. The previously approved items were itemized for the Board. The current balance is $126,527. At this time, staff recommends the contingency pool be replenished back to its initial balance of $600,000. The additional funding of the contingency pool for the Robert B. Green Campus will not have an adverse fiscal impact, as these funds were previously anticipated in the current project budget.

RECOMMENDATION: Staff recommends Board of Managers approval of an additional $473,473 in funding of the contingency pool for the Robert B. Green Campus.
ACTION: A MOTION to approve staff’s recommendation was made by Mr. Briseno, SECONDED by Ms. Cedillo, and PASSED UNANIMOUSLY.
CONSIDERATION AND APPROPRIATE ACTION TO APPROVE THE GUARANTEED MAXIMUM PRICE FOR THE TEMPORARY KITCHEN SITE PREP, MAIN KITCHEN RENOVATIONS AND EQUIPMENT, CAFETERIA AND CENTRAL SUPPLY MODIFICATIONS (GMP 15C)—MARK WEBB

SUMMARY:
Guaranteed Maximum Price Proposal (GMP#15c) is for modifications to the 3rd Floor cafeteria, 2nd Floor Central Supply department, and interior spaces in the main kitchen. The scope of this GMP includes the following items: site prep for temporary kitchen including mechanical, electrical and plumbing (MEP); 3rd Floor cafeteria modifications; Central Supply modifications; major interior renovations to Main Kitchen; purchase remainder of kitchen equipment and replacement of the grease interceptor and lift station. Funding is available through the Bond Proceeds. The participation goals for local firms and SMWVEs is 80% and 40%, respectively. To date, SMWVE participation of awarded construction projects is 43.04% and local participation is 85.91%. 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 original contract in the amount of $44,451,753 was approved by the BCHD Board of Managers in September 2009. Modifications #1 through #33 total $265,339,500 and were for GMPs #1, 2, 2-R, 3a, 3b, 3c, 4, 5a, 5b, 5-R, 6, 7, 8, 8-R, 9a, 9b, 10, 11, 12, 13a, 13b, 13c, 13d, 13e, 13f, 13g, 13h, 13i, 13j, 14, 15a, 15b, and 16b. The total value of this contract including Modification #10 is $315,237,774. GMP #15c in the amount of $5,446,521 leaves a balance of $5,150 from the control estimate of $5,451,671. To date, $355,217 has been realized in savings versus the control estimate for GMP #15.

RECOMMENDATION:
Staff recommends the Board of Managers approve the GMP #15c in the amount of $5,446,521 and authorize the President/CEO to execute the amendment to the Zachry Vaughn Layton Construction Management Agreement in an amount of $5,446,521.

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

CONSIDERATION AND APPROPRIATE ACTION REGARDING ADDITIONAL FUNDING OF THE CONTINGENCY POOL FOR THE CAPITAL IMPROVEMENT PLAN FOR THE UNIVERSITY HOSPITAL PROJECT—MARK WEBB

SUMMARY:
For the University Hospital, a total of $1,920,883 has been approved from the original contingency pool of $2.8M. This represents less than one-half of one percent of the total committed project costs to date of
$398M. The previously approved items were itemized for the Board. The current balance is $879,117. At this time, staff recommends the contingency pool be replenished back to its initial balance of $2.8M.

RECOMMENDATION: Staff recommends Board of Managers approval for an additional $1,920,883 in funding of the contingency pool for the University Hospital Project.

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

EVALUATION: None.

FOLLOW UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR COLLECTION SERVICES WITH DATA SEARCH, INCORPORATED—MARY ANN MOTE

SUMMARY: Modification #8 exercises the option to renew this contract which provides the Health System with assistance in the collection of monies from self pay accounts that have converted to bad debt. Early out accounts that have no payments within 120 days are considered a bad debt. This is a planned expense and operating funds have been included in the Year 2011 Operating Budget. As compared to the previous current contract, there is no change in the collection fee rate; it remains at 15% of cash collections. This contract provides approximately $5.2M cash annually to the Health System. The original contract in the amount of $1,305,000 was approved by the Board of Managers in November 2006. Modification #1 thru 6 total $978,000; these modifications were to add CareLink, CMA and Human Resources funding to the contract. Additionally, the original contract included an option to renew for two additional two-year terms. Modification #7 in the amount of $1,560,000 exercised the first option. Modification #8 exercises the second and final option. The total value of this contract including Modification #8 is $5,403,000. Data Search Collection, Inc., has an affirmative action plan or policy in effect, and has a total of 40 employees. The workforce composition data was reviewed with the Board. The company is classified as a local, small and woman-owned business enterprise.

RECOMMENDATION: Staff recommends Board of Managers approval of a contract with Data Search, Inc. for two (2) years in the amount of $1,560,000.

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 REGARDING A CONTRACT WITH AMBULANCE BILLING SERVICES TO PROVIDE BILLING SUPPORT SERVICES—MARY ANN MOTE

SUMMARY: This contract provides billing to third party payors and patients for reimbursement of ground ambulance services. The Health System currently operates three ground ambulance vehicles to transport patients between Health System facilities, to and from other health care facilities, and or home transport. This is a planned expense and operating funds have been included in the Year 2011 Operating Budget. As compared to the previous contract, there is no change in pricing. This contract provides approximately $650,000 annually to the Health System, and the vendor is paid 4.9% of actual collections. Quality of Service measures include cash collected, timeliness of billing, required reporting and patient satisfaction. Ambulance Billing Services is classified as a local Small Business Enterprise, and does not have an Affirmative Action Plan. However, the vendor has provided a copy of their Equal Employment Opportunity Statement and Policy. The company has a total of 23 employees. The Workforce Composition Data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers approval of a contract with Ambulance Billing Services for a five year period in the amount of $159,250.

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 REGARDING A CONTRACT WITH PRESTIGIOUS HEALTHCARE SERVICES TO PROVIDE HOME HEALTH SERVICES—MARY ANN MOTE

SUMMARY: This is a new contract that provides home health services to CareLink and unfunded patients who no longer require hospitalization but are in need of continued medical support. The Health System provides Home Health Services (i.e. skilled nursing visits; physical therapy; occupational therapy; speech therapy; social work and home health aide services). This service is only provided if the patient’s medical condition precludes their ability to utilize services in a clinic location; pre-authorization for the initial and continued home therapy is required. This is a planned expense and operating funds have been included in the Year 2011 Operating Budget. The funding components of this contract are CareLink $513,658 and Care Coordination $184,900. As compared to the previous contract, there is a 25% ($241,776) savings. This savings is the result of competitively bidding this service. This contract includes quality expectations/measurements that include monthly meetings to review patients, processes, readmission rates and patient satisfaction. This
contract is based on a negotiated fee for service rate and includes an option to renew for one additional two year term. The vendor also agreed to bill the Health System at 90% of the allowable Medicare rate. Prestigious Healthcare, L.L.C. is classified as a Small, Minority, Woman-owned Business Enterprise regionally based out of Houston, Texas. This vendor is certified by the Joint Commission and has an Affirmative Action Plan or Policy in effect. Prestigious Healthcare, L.L.C. has a total of 99 employees. The Workforce Composition Data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers approval of an Agreement with Prestigious Healthcare Services in the amount of $698,558 for a two year period.

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

EVALUATION: Dr. Jimenez was impressed with the diversity of the vendor’s workforce, especially in the professional category. The principal cost for this type of service is for skilled nursing.

FOLLOW UP: Mr. Briseno expressed an interested in reviewing the Health System’s workforce composition data, especially in the nursing category. Ms. Scepanski did not have the information readily available.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH PRODIGY HEALTH SUPPLIER CORPORATION FOR BLOOD CLOTTING FACTORS—MARY ANN MOTE

SUMMARY: This contract utilizes a Consignment Agreement for blood clotting factors. A Consignment Agreement provides the opportunity for the Health System to have these products available on site but not incurring financial expense until the product is used. Additionally, the vendor will be responsible for rotation of stock and monitoring of expiration dates. This is a planned expense, however, in Year 2011 we exceeded the estimated value given an exceptional patient that required additional drugs. As compared to the previous contract, the total value of the contract increased by $715,617. This increase is recommended based on the usage of the drug during this past year. If there is not a need for the drug, no expense will occur. The increase includes $42,586 due to an increase in the manufacturer's price and $673,031 for possible utilization of the product in refractory Hemophilia patients. This contract includes an option to renew for two additional one-year terms. Prodigy Health Supplier is classified as a Small Business Enterprise and has an Affirmative Action Plan or Policy in effect. Prodigy Health Supplier has a total of 16 employees. The Workforce Composition Data was reviewed with the Board.

RECOMMENDATION: Staff recommends Board of Managers approval of this one year contract in the amount of $1,491,304.64 with Prodigy Health Supplier Corporation.

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

EVALUATION: None.

FOLLOW UP: None.
CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH BLUE COTTAGE CONSULTING FOR FACILITY AND STRATEGIC PLANNING SERVICES FOR THE COMPREHENSIVE NETWORK OF CHILDREN’S SERVICES—MARK WEBB

SUMMARY:  This item was pulled from tonight’s agenda by Mr. Hernandez. Board members expressed full support and admiration for the work that has been done so far on this project, and provided additional guidance to Mr. Hernandez.

RECOMMENDATION:  None.
ACTION:  None.
EVALUATION:  None.
FOLLOW UP:  A Board work session will be scheduled for October 21. The item will return for Board approval in October.

CONSIDERATION AND APPROPRIATE ACTION REGARDING REPORT FOR AUGUST 2011 FINANCIAL STATEMENTS—ROE GARRETT

SUMMARY:  For the month, activity was up 2.8% for the Clinical Services (as measured based on discharges adjusted for outpatient activity). Community First Health Plan fully insured membership was down 2.5%. From operations, the Health System experienced a gain of $5.4 million which was $5.2 million higher than the budgeted gain of $282,000 due to higher operating revenue and lower medical claims expense. Investment income was over budget by $99,000 due to higher interest rates than budgeted. An unrealized market loss of $160,000 was recorded in the month. The bottom line gain in excess of expenses excluding debt service was $5.9 million which was $5.2 million higher than the budgeted gain of $698,000. Included in the above results is FHP which experienced a $1.8 million bottom line gain ($1.6 million better than the budgeted gain of $268,000). Debt service revenue was $3.6 million which is equal to the budgeted portion of the debt service payment of $3.6 million. Mr. Garrett reviewed notable increases and/or decreases from the consolidated balance sheet in detail with the Board.

RECOMMENDATION:  Staff recommended acceptance of the financial statements for August 2011, subject to audit.
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.
REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN

SUMMARY:  
Ms. Kirkman provided a detailed, written report on recent recognitions received by the Health System, media highlights as well as upcoming events. The report was presented by Tricia Aleman.

RECOMMENDATION:  
This report was provided for information purposes only.

ACTION:  
None.

EVALUATION:  
Dr. Jimenez reminded

FOLLOW-UP:  
None.

INFORMATION ONLY ITEMS:

REPORT REGARDING YEAR 2010 MEDICAL/DENTAL STAFF COMMITTEE AND DEPARTMENTS – NICOLAS WALSH, M.D.

SUMMARY:  
The monthly report was provided to the Board pursuant to a Joint Commission Medical Staff standard which states that the medical staff executive committee will review, act, and report to the Board of Managers the activities of all Medical/Dental staff committees. The reports are informational.

RECOMMENDATION:  
These reports were submitted for informational purposes only.

ACTION:  
None.

EVALUATION:  
None.

FOLLOW-UP:  
None.

ADJOURNMENT:

There being no further business, Dr. Jimenez adjourned the public meeting at 8:35 p.m.

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Roberto L. Jimenez, M.D.       Ira Smith
Chair, Board of Managers       Secretary, Board of Managers

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Sandra D. Garcia, Recording Secretary