



University Health System

BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

By Telephone
Tuesday, April 21, 2020
2:00 p.m.
Board Room
Cypress Room, University Hospital
4502 Medical Drive
San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Dianna M. Burns, M.D., Secretary
Ira Smith, Vice Chair
Roberto L. Jimenez, M.D, Immediate Past Chair
Robert Engberg
James C. Hasslocher
Janie Barrera

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Bryan J. Alsip, MD, Executive Vice President/Chief Medical Officer, University Health System
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Antonio Carrillo, Executive Director, Procurement Services, University Health System
Ted Day, Executive Vice President/Strategic Planning, University Health System
Theresa De La Haya, Senior Vice President, Health Promotion/Clinical Prevention, University Health System
Roe Garrett, Vice President/Controller, University Health System
Rob Hromas, MD, Dean, School of Medicine, UT Health San Antonio
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Daverick Isaac, Vice President/Chief Financial Officer, Community First Health Plans, Inc.
Leni Kirkman, Senior Vice President, Strategic Communications, Patient Relations, University Health System; and Interim President, University Health System Foundation
Bill Phillips, Senior Vice President/Information Services, University Health System
Serina Rivela, Vice President/General Counsel, Legal Services, University Health System
Michael Roussos, Administrator, University Hospital
Don Ryden, Vice President, Project, Design and Construction, University Health System
Armando J. Sandoval, III, Chief of Police/Protective Services, University Health System
Theresa Scepanski, Interim President/Chief Executive Officer, Community First Health Plans, Inc.
Travis Smith, Deputy Chief Financial Officer, University Health System
Allen Strickland, Vice President/Hospital Administration-Fiscal, University Health System

Rajeev Suri, MD, Professor/Department of Radiology, UT Health; and President/Medical-Dental Staff, University Health System
Janet Tracy, Spiritual Care Services, University Hospital
And other attendees.

CALL TO ORDER:

Mr. Adams called the meeting to order at 2:02 pm. He yielded the floor to the Recording Secretary for the roll call to confirm a quorum. All Board members indicated “present.” Upon confirmation of a quorum, Mr. Adams asked Board members to hold their questions until after each presentation. Voting today will be conducted by individual roll call to clearly identify each Board member by name and vote. Mr. Adams addressed the audience and noted that while members of the public are not able to ask questions during today’s meeting, should any citizen or member of the media have any questions or comments, please email them to Public.Relations@uhs-sa.com. This email address is on the Health System’s corporate website in the Contact Us section. A staff member will follow up within a day or two.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Adams introduced Chaplain Janet Tracy, Spiritual Care Services, University Hospital, for the invocation, and he led the pledge of allegiance.

CITIZENS’ PARTICIPATION: None.

EMPLOYEE RECOGNITION:

The staff listed below were recognized by the Board of Managers as Employees of the First Quarter, 2020. In lieu of in-person recognition, Board members were provided with a link to employee videos earlier in the week. The employees were provided with their recognition gifts.

Professional: Michaela Rojas-Duarte
(Nursing) Health Informatics Specialist, Preventative Health & Disease

Professional: Rebecca Charlton
(Non-Nursing) Family Support Specialist, Life Support Palliative Care

Management: Veronica Saldana
Sales & Marketing Manager, Pharmacy Services

Technical: Shauun Prather
Mental Health Technician, Psychiatry Unit

Clerical Joshua Bacho
Unit Clerk, Newborn Nursery

Service: David Hapney
Police Officer, Protective Services

Volunteer: Amy Sanchez & Harry
Volunteer, Volunteer Services

Physician: Leticia Aguilar, MD
UMA Medical Director, Express Med Clinic

Team: One Act of Kindness Team
Genevieve Sanchez, Robin Skogg

All of this year's quarterly recipients will be our special honored guests at the Annual Recognition Awards Ceremony at the Omni on Thursday, February 25, 2021. 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.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): MARCH 24, 2020 (REGULAR MEETING) AND MARCH 31, 2020 (REGULAR MEETING)

SUMMARY: The minutes for the regular meetings of March 24, 2020, and March 31, 2020 were submitted for Board approval.
RECOMMENDATION: Staff recommends approval of the minutes as submitted.
ACTION: There being **NO OBJECTION**, the minutes were **APPROVED** as submitted.
EVALUATION: None.
FOLLOW-UP: None.

Mr. Ira Smith joined the Board meeting at 2:11 pm.

REPORT FROM UT HEALTH SAN ANTONIO — BY ROB HROMAS, MD, FOR WILLIAM HENRICH, M.D., PRESIDENT

SUMMARY: Dr. Hromas reported extraordinary cooperation and team effort between University Health System and UT Health San Antonio in facing COVID-19 together. Both Chief Medical Officers have spearheaded this effort and have maintained joint screening, joint protective personal equipment (PPE) efforts, and joint policies for allocation of resources. It has been a remarkable exercise on team-based care. San Antonio has been fortunate in that it has slightly over 1,000 cases, which is 1/5th of what Houston has, and 1/200th of what New York City has. At the present time, neither organization is taking anything for granted and every patient, guest, and provider that walks into any UT Health or Health System facility is encouraged to wear a mask, practice social distancing, and practice good hand washing. Another area of remarkable cooperation between the two entities is testing. At the present time, UT Health and the Health System are jointly able to test up to 200 per day, but by mid-April the staff will be able to test up to 2,000 per day, which will be one of the highest numbers in the state of Texas.

The Long School of Medicine class of 2020's will keep the original graduation date of Sunday, May 17, 2020. The leadership had considered graduating this class early so that they could work as scribes at University Hospital, but they are not really needed since there has not been a surge of patients. Initially, for PPE utilization, medical students were removed from University

Hospital. However, next week they are being phased back in, as appropriate, with University Hospital or the Veterans' Administration Hospital. Residents and fellows have been eager to work during the pandemic. In addition, both institutions are working on a phased in plan to restart the more urgent of elective surgeries, such as those in ophthalmology ; and we are considering restart of the research program.

Dr Jimenez asked why the daily COVID-19 updates by Bexar County Judge Wolff and Mayor Nirenberg rely on a faculty epidemiologist from The University of Texas at San Antonio, and not someone from UT Health San Antonio. He was not aware that UTSA has such a department. Mr. Hernandez clarified for Dr. Jimenez that the consultant is actually Juan Gutierrez, Ph.D., Professor and Chairman of the Math Department at Tthe University of Texas at San Antonio who produced a COVID-19 mathematical model. However, Dr. Hromas interjected that thus far, many of the models have proven to not be reality. Dr. Gutierrez has worked for ten years as a post-doctoral fellow in the area of infectious diseases, mainly malaria. Before this pandemic, he had recently published an article on asymptomatic carriers of COVID-19, and he is now actively working with STRAC and sharing this type of information. Dr. Jimenez stated that it is important for community leaders to keep in mind the unfortunate situation that over half of the deaths in the people infected with COVID-19 are Latinos and African Americans which demonstrates the sad state of health in the United States. Dr. Hromas agreed, and reported that several faculty at UT Health are indeed involved at the city level offering expert guidance and solutions. Dr. Ruth Bergren is helping the nursing homes, and Dr. Barbara Taylor is assisting with plans to re-open Bexar County

Dr.Hromas yielded the floor to Dr. Suri for an update on Medical-Dental staff matters. He welcomed the physician leaders who might be listening to the proceedings by telephone. He strongly agreed with Dr. Hormas, that the Health System and UT Health are enjoying a wonderful partnership and have proven that the two entities can lead together ; the partnership is very strong at this time. Manyof the faculty, such in the Radiology Department, have cross trained across the various specialties to relief physicians who need to be at the front lines. Further, Professional Staff Services is now able to activate an emergency credentialling process, a process that use to take up to 6 months can now happen in less than six hours. The Medical/Dental Staff are prepared for the long haul, and future surges of patients. He thanked the leadership for its support.

RECOMMENDATION:	This report was provided for informational purpose only.
ACTION:	No action was required by the Board of Managers
EVALUATION:	None.
FOLLOW-UP	None.

NEW BUSINESS

CONSENT AGENDA – JIM ADAMS, CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR STAFF MEMBERSHIP AND DELINEATION OF PRIVILEGES — RAJEEV SURI, M.D., PRESIDENT, MEDICAL/DENTAL STAFF –RAJEEV SURI, MD, PRESIDENT, MEDICAL-DENTAL STAFF

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH UT HEALTH SAN ANTONIO FOR PROFESSIONAL ORTHOTIC AND PROSTHETIC SERVICES — ALLEN STRICKLAND

CONSIDERATION AND APPROPRIATE ACTION REGARDING A LEASE RENEWAL WITH HIGHPOINT LIFEHOPE PARKING SPE, LLC FOR CLASSROOM AND TRAINING SPACE AT HIGH TOWER 1, 4801 DATA POINT DRIVE, SAN ANTONIO, TEXAS 78229 — DON RYDEN

CONSIDERATION AND APPROPRIATE ACTION REGARDING PROFESSIONAL SERVICES AGREEMENTS WITH ALAMO AREA RESOURCE CENTER (AARC) FOR THE FOLLOWING:

RYAN WHITE PROGRAM, PART B, EARLY INTERVENTION SERVICES, MEDICAL CASE MANAGEMENT, MEDICAL NUTRITION AND OTHER WRAP-AROUND SERVICES; AND

STATE REBATE FUNDED RYAN WHITE PROGRAM FOR HEALTH INSURANCE PREMIUM AND COST SHARING ASSISTANCE, MEDICAL CASE MANAGEMENT, REFERRAL FOR HEALTHCARE AND SUPPORT SERVICES AND OTHER WRAP-AROUND SERVICES. — ROBERTO VILLARREAL, M.D.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE 1ST QUARTER 2020 INVESTMENT REPORT — ROE GARRETT/REED HURLEY

CONSIDERATION AND APPROPRIATE ACTION REGARDING PURCHASING ACTIVITIES (SEE ATTACHMENT A) — ANTONIO CARRILLO/TRAVIS SMITH

SUMMARY:

Medical/dental Staff Recommendations for Staff Membership and Delineation of Privileges — Rajeev Suri, M.D., President, Medical/Dental Staff –Rajeev Suri, MD, President, Medical-Dental Staff - Monthly Credentials Committee Report (listing of providers in accordance with the Health System’s Credentialing and Privileging Process); and Focused/Ongoing Professional Performance Evaluation Reports submitted to the Board of Managers for approval.

Consideration and Appropriate Action Regarding an Agreement with UT Health San Antonio for Professional Orthotic and

Prosthetic Services — Allen Strickland - The purpose of this agreement is to continue to secure prosthetic and orthotic services for inpatients who are either uninsured or whose insurance will not pay for the devices due to their inpatient status. Services include actual appliances as well as the services of certified orthotists. Prosthetic and orthotic devices are essential for stabilization, proper recovery, and timely discharge following surgical procedures and/or injury and disease treatments. The orthotic devices include spine braces, upper and lower extremity devices that allow early mobilization of the patient and efficient discharge from the hospital. Select devices also assist in preventing the diabetic patient from developing foot and leg ulcerations. The cost of this agreement is \$325,000 per year, the same as last year. This is a planned expense and is included in the 2020 operating budget. Significant savings are achieved by reducing the length of stay of approximately 400 patients per year who would be required to stay in the hospital but for the application and use of these devices. The initial term of this agreement will be a 16-month period from May 1, 2020 through August 31, 2021 at a cost of \$433,333. It will include a single option to renew for an additional 12-month period at a cost of \$325,000. The workforce composition data was provided for the Board’s review. Staff recommends Board of Managers’ approval to execute a 16-month Agreement with UT Health San Antonio through its Department of Rehabilitation Medicine for the provision of orthotic and prosthetic services at a cost of \$433,333, with an option to renew for an additional twelve month period at a cost of \$325,000, for a total value not to exceed \$758,333.

Consideration and Appropriate Action Regarding a Lease Renewal with Highpoint Lifehope Parking SPE, LLC for Classroom and Training Space at High Tower 1, 4801 Data Point Drive, San Antonio, Texas 78229 — Don Ryden - In 2014, the Health System entered into a lease agreement with Highpoint Tower due to the ongoing need for space to accommodate various, large training programs such as Advanced Cardiac Life Support, Basic Cardiac Life Support, Pediatric Life Support and other key programs. The current lease agreement is for 4,265 square feet. Continued use of this space allows the Center for Learning Excellence (CLE) to offer large training programs to the workforce. The lease was renewed in 2017 for a three (3) year term. During the last 3-year period, the CLE has utilized the Highpoint Tower space to meet all training demands for our staff. Staff has negotiated a fair rental rate to retain the needed space for an additional 3-year term renewal at a cost of \$301,704. Current base rental rate is \$21.50 per sq. ft. or \$7,641.46 per month. This is a planned expense and funding has been included in the 2020 Annual Operating Budget. The lease cost per year for the renewal term is outlined as follows:

<u>Year</u>	<u>Time Period</u>	<u>Rent/SF</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
1	5/1/20 – 4/30/21	\$23.00	\$8,174.58	\$ 98,095.00
2	5/1/21 – 4/30/22	\$23.575	\$8,378.95	\$100,547.37
3	5/1/22 – 4/30/23	\$24.164	\$8,588.29	<u>\$103,061.46</u> \$301,703.83

The workforce composition data for Highpoint Lifehope SPE, LLC was provided for the Board's review. Staff recommends Board of Managers' approve the lease agreement with Highpoint Lifehope SPE, LLC, for a 3 year term for a total cost of \$301,704.

Consideration and Appropriate Action Regarding Professional Services Agreements with Alamo Area Resource Center (AARC) for Ryan White Program, Part B, Early Intervention Services, Medical Case Management, Medical Nutrition and Other Wrap-Around Services - Roberto Villarreal, MD: AARC offers a wrap-around care model with a holistic approach to treatment. This includes medical providers, a provider, social workers, mental health counselors, housing specialists, and supportive services on-site. They help clients by managing all aspects of living with HIV through counseling, nutritional advice, and transportation support. They also provide an on-site pharmacy. They are located at 303 North Frio, San Antonio, TX, 78207. The term of this agreement is April 1, 2020 through March 31, 2021. The contract amount for Ryan White Part B Service Delivery is \$356,483. The funding source is TDSHS, contract number HHS000084600001. HIV services shall be invoiced monthly for actual costs incurred, and will be reimbursed. The Ryan White Program is a payer of last resort. This program provides financial and social services to those not covered by other resources. . The workforce composition data for the Alamo Area Resource Center was provided for the Board's review. Staff recommends approval of a new agreement with the Alamo Area Resources Center, a sub-recipient of Ryan White HIV/AIDS Program funds, to enhance services for Ryan White-eligible patients, for a total of \$356,483.00.

Consideration and Appropriate Action Regarding Professional Services Agreements with Alamo Area Resource Center (AARC) for State Rebate Funded Ryan White Program for Health Insurance Premium and Cost Sharing Assistance, Medical Case Management, Referral for Healthcare and Support Services and Other Wrap-Around Services. — Roberto Villarreal, MD -The term of this agreement is April 1, 2020 through March 31, 2021. The contract amount for the State Rebate is \$236,149. The contract amount for the State Rebate Supplemental is \$215,306.00 for a total of \$415,455. AARC offers a wrap-around care model with a holistic approach to treatment. This includes medical providers, a provider, social workers, mental health counselors, housing specialists, and supportive services on-site. They help clients by managing all aspects of living with HIV through counseling, nutritional advice, and transportation support. They also provide an on-site pharmacy. They are located at 303 North Frio, San Antonio, TX, 78207. The funding source is TDSHS, contract number HHS000084600001. HIV services shall be invoiced monthly for actual costs incurred, and will be reimbursed. The RW Program is a payer of last resort. This program provides financial and social services to those not covered by other resources. The workforce composition data for Alamo Area

Resource Center was provided for the Board’s review. Staff recommends approval of a new agreement with the Alamo Area Resources Center (AARC), a sub-recipient of Ryan White HIV/AIDS Program funds, to enhance services for Ryan White-eligible patients, for a total of \$415,455.00.

Consideration and Appropriate Action Regarding the 1st Quarter 2020 Investment Report — Roe Garrett/Reed Hurley – Staff provided the Investment Portfolio Summaries for the University Health System and Community First Health Plans, Inc., for the first quarter of 2020. In total, the value of all invested funds as of March 31, 2020, was \$1,587,394,106 consisting of Health System, Project, Certificate and CFHP Funds. The reports include all information required by the Texas Public Funds Investment Act (PFIA). In addition, the Health System and CFHP portfolio reports were provided separately. The portfolios earned \$6,575,534 in interest income in the first quarter, a 20 percent decline from \$8,267,309 in the same period one year ago, reflecting the decline in market rates in the last six months. The portfolio’s unrealized gain grew to \$6,472,007. This report was provided for informational purposes, only.

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) — Antonio Carrillo/Travis Smith – A total of 26 contracts with a value of \$48,800,567 were presented to the Board of Managers during today’s meeting. The following contracts require approval by the BCHD Board of Managers: 19 consent contracts with a total value of \$14,721,725; and seven (7) presented contracts with a total value of \$34,078,842. During the month of April 2020, there were 12 contracts classified as Small, Minority, Woman, or Veteran-Owned Business Enterprises (SMWVBE). The April 2020 SMWVBE Status Report reflects items being submitted for Board approval today.

RECOMMENDATION: Staff recommends approval of the items listed on the consent agenda.

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

EVALUATION: Mr. Engberg noted the total amount invested is \$1.5 billion, a large amount of money bringing in several millions per month, even with the low interest rates. Mr. Smith was interesting in knowing the reason for the increase from \$21.50 per sq. ft. to _\$24.16 per sq. ft. during Year 3 of the lease renewal with Highpoint Lifehope Parking SPE, LLC. This increase is market driven, commonly known as incremental annual bumps on commercial property, which account for increases in property taxes, utilities, insurance, and is comparable to other properties leased by the Health System.

FOLLOW-UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING COMMISSIONING OF A PEACE OFFICER FOR BEXAR COUNTY HOSPITAL DISTRICT — CHIEF A.J. SANDOVAL, III/ED BANOS

SUMMARY: The Health System is authorized by the Texas Health & Safety Code to appoint and commission peace officers to provide a safe and secure environment for patients, visitors, staff, and facilities. A peace officer's authority is limited to property owned or controlled by the Health System, including an abutting street, right of way or easement in the property. The Texas Code of Criminal Procedure identifies persons commissioned by the Board of Managers of the Health System as peace officers. The credentials of Mr. Abel Vasquez have been examined and certified by the Chief of Police as meeting all of the requirements of a University Health System Peace Officer. As required of all Health System peace officers, Mr. Vasquez has completed all necessary training requirements.

RECOMMENDATION: Staff recommends Board approval to commission Mr. Abel Vasquez as a Bexar County Hospital District Peace Officer.

ACTION: A **MOTION** to approve staff's recommendation as made by Mr. Hasslocher, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING ANNUAL OPERATING AGREEMENTS WITH UT HEALTH SAN ANTONIO — ED BANOS

SUMMARY: The Health System contracts with UT Health San Antonio for oversight and direction of clinical and quality functions that enhance patient care. These agreements are based on timesheets submitted by UT Health providers and verified by the Health System's designated staff member. The negotiated 2020 Annual Operating Agreements total \$18,511,211 vs. \$16,955,417 for the 2019 agreements. This represents an increase of \$1,555,974 or 9.2 percent. This term of the proposed agreement is for 20 months from January 1, 2020 through August 31, 2021 for a total of \$30,852,018.

Medical Directors are selected by their department chair or service chief in consultation with Health System leadership. Mr. Banos elaborated regarding the Medical Directors' duties and responsibilities in his written report. The amount for Medical Director Services is \$7,612,443 vs. \$6,635,900 in 2019. This represents an increase \$976,543 or 14.7 percent. New and expanded Medical Director positions for Anesthesia, Cystic

Fibrosis, Pathology, and Integrated Medicine account for this increase.

General services consist of direct patient care services rendered to patients through non-physician medical staff employed by UT Health. Within the General Services portion of the agreement, funding is allocated to support personnel to assist with the navigation of patients to resources within the Health System. The amount for General Services is \$10,898,768 vs. \$10,319,517 in 2019. This represents an increase of \$579,251 or 5.6 percent. New and expanded positions in Ophthalmology and Trauma Research account for this increase. The following services are included in the General Services section:

- Residency Program Educational Funds - Funding for this item in 2020 is budgeted for \$625,000, equal to the 2019 agreement.
- House Staff Medical Malpractice - Funding for this category in 2020 is budgeted for \$713,616, equal to the 2019 agreement.
- University Medicine Associates Malpractice Insurance - Funding for this category in 2020 is budgeted for \$67,716, equal to the 2019 agreement.

The workforce composition data for UT Health San Antonio was provided for the Board's review, as well as a chart presented as Attachment A, which highlights Annual Operating Agreement expenses beginning 2012 through present for medical directorships and general services.

RECOMMENDATION: Staff recommends Board of Managers' approval and authorization for the President/Chief Executive Officer to execute the 2020 Annual Operating Agreements for Medical Director Services and General Services with UT Health San Antonio for a 20-month period beginning January 1, 2020 and ending August 31, 2021 in the combined amount not to exceed \$30,852,018.

Dr. Jimenez left the Board meeting at 2:35 pm

ACTION: A **MOTION** to approve staff's recommendation as made by Mr. Hasslocher, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**. Dr. Jimenez did not vote.

EVALUATION: None.

FOLLOW-UP: None.

Dr. Jimenez returned to the Board meeting at 2:39 pm.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH TEJAS PREMIER BUILDING CONTRACTOR, INC. TO PROVIDE CONSTRUCTION SERVICES FOR INTERIOR RENOVATIONS AT THE SOUTHWEST CLINIC — DON RYDEN

SUMMARY: University Family Health Center - Southwest (UFHC-SW) opened in 1994, without significant interior renovation in over 20 years. The purpose of this facility investment project is to create an

updated and modern environment that is consistent with the newest ambulatory clinics, i.e., Robert B. Green Campus and Dr. Robert L.M. Hilliard Center. The primary focus areas for this renovation will be to update public areas (public entrance, reception area, and restrooms). A significant portion of the project will be the replacement/upgrade of the existing front desk and the demolition of existing flooring and wall finishes and installation of new terrazzo flooring, wall tile and paint finishes in all public corridors. Also included in this project will be replacement of all drinking fountains and the demolition and replacement of all flooring, wall tile, paint finishes, plumbing fixtures and toilet partitions in four restrooms on level 1 and two restrooms on level 2. Staff will also work with the contractor to complete the project in various phases to accommodate continued clinical operations and facilitate patient access to services at UFHC-Southwest. The Health System solicited and received five (5) formal bids as follows:

Azteca Designs	\$ 972,665	55 Calendar Days
Bryco Construction	\$ 923,899	140 Calendar Days
Falkenberg Construction	\$ 837,749	300 Calendar Days
Tejas Premier	\$ 708,649	140 Calendar Days
Valla Construction	\$ 484,091	94 Calendar Days

The proposals were evaluated based on the criteria provided to the firms in the RFP. Of the firms that proposed, Tejas Premier Building Contractor was selected based on their competitive pricing, proposed schedule, healthcare experience and safety record. The project budget summary is as follows:

Scope	Cost
Design Services	\$ 27,500.00
General Contractor Construction Services (This request)	\$ 708,649.00
Pre-construction services (Estimated)	\$ 35,000.00
Furniture (Estimated)	\$ 220,000.00
Total	\$ 991,149.00

The workforce composition data for Tejas Premier was provided for the Board’s review. This purchase is to be funded from 2020 operational funds.

RECOMMENDATION: Staff recommends Board of Managers’ approval of the selection of Tejas Premier Building Contractor for interior renovations at the Southwest Clinic in the amount of \$708,649.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING RATIFICATION OF A PROFESSIONAL SERVICES CONTRACT FOR PROTIVITI TO PROVIDE COMMUNITY FIRST HEALTH PLANS WITH THE MANAGEMENT’S REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING (MAR), ENTERPRISE RISK MANAGEMENT REPORT (ERM), AND OWN RISK AND SOLVENCY ASSESSMENT (ORSA) — DAVERICK ISAAC

SUMMARY:

The Model Audit Rule (MAR) serves as the cornerstone for monitoring, regulation and governance over the insurance industry. Officially known as the Annual Financial Reporting Model Regulation, the Model Audit Rule “requires nonpublic insurers to comply with stringent regulatory provisions, increase transparency and improve corporate governance.” In January 2010, the National Association of Insurance Commissioners (NAIC) issued an amendment to the MAR with revisions that addressed three key factors: Independence of auditors; corporate governance; and internal control over financial reporting. Specifically, the amendment requires the management of certain insurers or HMOs (e.g., those that have \$500 million or more of annual direct written and assumed premium) to annually prepare and file a management’s report of internal control of financial reporting with the NAIC and to document and make available upon financial condition examination, the basis of management’s opinions. Community First Health Plans exceeded the \$500 million threshold in 2018. Additionally, Community First Health Plans is required to provide to the NAIC an annual written communication prepared by an independent accountant that describes any unremediated material weaknesses in its internal controls over financial reporting noted during the audit, no later than the 60th day after filing the annual audit report required by the Insurance Code Chapter 401, Subchapter A, with NAIC. Community First Health Plans, Inc., through the Health System’s Procurement Department, obtained proposals for professional services in accordance with Act requirements for the development of: 1) Management’s Report of Internal Control over Financial Reporting; 2) Enterprise Risk Report – Form F; and 3) Own Risk and Solvency Assessment (ORSA). Based on these three (3) requirements, Protiviti submitted the most suitable proposal:

Phase	Service Description	Estimated Hours	Estimated Fees
1	Management's Report Over Financial Reporting (MAR)	2,250	\$ 348,750
2	Enterprise Risk Report (Form F)	<i>Included with ORSA Readiness Phase below</i>	
3	Own Risk and Solvency Assessment Readiness (ORSA)	395	\$ 88,350
3.1	Own Risk and Solvency Assessment	Note 1	\$225,000 - \$250,000

Phase	Service Description	Estimated Hours	Estimated Fees
	<i>Implementation (ORSA)</i>		

Note 1: The results of the ORSA Readiness effort will influence the approach, timing and pricing of the Implementation and ORSA draft. The estimated pricing provided (\$225K to \$250K) is the maximum price from our experience in similar past projects, in addition to the required level to implement an ORSA process/ERM framework and draft an ORSA

RECOMMENDATION: Community First Health Plans, Inc., received approval from its Board of Directors at its regular board meeting on Friday, March 27, 2020, to proceed with Protiviti for these professional services. Staff recommends ratification by the Board of Managers’ to retain Protiviti at an estimated cost of \$687,100 for services described herein.

ACTION: A **MOTION** to approve staff’s recommendation as made by Ms. Barrera, **SECONDED** by Dr. Burns, and **PASSED UNANIMOUSLY**.

EVALUATION: Mr. Engberg noted the cost of \$687,000 suggests that there is a lot of work that needs to be done, and asked if additional staffing would be required. Mr. Hernandez responded that additional staff is not required and that Protiviti will provide quarterly reports to CFHP leadership, and also serve as the internal auditor for the 2020 financial audit. The retention of Protiviti is a clean up issue for CFHP. The scope of services will ensure the development of a series of policies and procedures that relate to the maintenance of records, assurance that transactions have been recorded as necessary to permit preparation of the financial statements; and prevention or timely detection of unauthorized acquisition, use, or disposition of assets. CFHP leadership will monitor the progress, and Ms. Scepaniski informed the Board that CFHP has implemented an internal audit function jointly with the Health System. Mr. Adams urged the staff to tap the expertise of BCHD Board members as needed.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORTS FOR MARCH 2020 — REED HURLEY

SUMMARY: In March, Health System operations were significantly impacted by the beginning of the COVID-19 crisis resulting in stay at home and social distancing directives reducing in and outpatient activity. Clinical activity (as measured by inpatient discharges) was down 6.3 percent for the month compared to budget. Community First Health Plans (CFHP) fully-insured membership was down 2.0 percent to budget. On a consolidated basis, loss from operations was \$1.5 million, \$6.2 million lower than budget. The consolidated bottom line loss (before financing activity) was \$2.6 million, \$3.2 million lower than the budgeted gain of \$587,000. Lower patient revenue resulted in performance below budget. CFHP experienced a bottom line loss of \$2.1 million which was \$1.8 million lower than the budgeted loss of \$279,000. Higher claims expense accounted for the performance to budget. Debt service revenue was \$5.9 million which was equal to budget. Mr. Hurley reviewed

- in detail, notable increases and/or decreases from the December 31, 2019 Consolidated Balance Sheet, and significant items from the Monthly Consolidated Statement of Revenues and Expenses.
- RECOMMENDATION: Staff recommends acceptance of the finance reports subject to audit.
- ACTION: A **MOTION** to approve staff's recommendation as made by Mr. Hasslocher, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.
- EVALUATION: From a volume standpoint, by mid-March, some of the hospitals in the country were overwhelmed with additional volume, while other hospitals lost volume. On March 14, the U.S. Surgeon General asked hospitals stop all elective cases. By the following week hospitals started to receive more rules and guidance about performing elective procedures from the Surgeon General's office. In the last two weeks of March University Hospital saw a decrease in most elective, surgical procedures, and invasive testing procedures slowed down. The Emergency Department also slowed down and inpatient volume decreased shortly after that. The month of April continues at that pace; with 30 percent less volume than in prior months. However, this week has picked up slightly on the outpatient side. The Health System closed some of the smaller clinics in late March and transitioned to televisits. It took a while to make that transition, but the providers are now seeing more patients per day than they did before the pandemic because no shows are not a problem. Payer mix dropped slightly for the month of March to 72.2 percent. Variance for the month of April will be magnified; for now net patient revenue is off budget by \$8.8 million, and year to date is off by \$7.5 million. Supplies were over budget in the pathology lab, which has to do with COVID-19 testing. January and February were very good months for the Health System. Regarding the federal CARES act, a \$2 trillion coronavirus response bill intended to speed relief across the American economy, Mr. Hurley reported that it provides \$100 billion for hospitals responding to the coronavirus. The government wanted to get those funds out as soon as possible, so they used a Medicare allocation methodology sending payments worth \$30 billion based on the amount each hospital typically bills Medicare. The Health System received a payment of \$11 million last week, it is a grant with many stipulations on what the funds can pay for. The staff is working in consultation with the external auditors to recognize the \$11 million going forward and are waiting for a definition on "loss revenue." The next stimulus package is for \$7 billion and will be steered to States that have been impacted by COVID-19 on a patient count. The CARES Action also temporarily suspends the 2 percent payment adjustment currently applied to all Medicare fee-for-service claims due to sequestration. Many things will impact the Health System's supplemental funding. Mr. Hernandez noted that Health Systems had just reached an \$484 billion deal on additional corona virus funding. Dr. Jimenez noted that the state, county and city have all issued projections of the economic impact of COVID 19. Does the staff have an estimate for impact on the Health System?

Not at this time due to the clarity needed on all four federal stimulus bills regarding the definition of “revenue.” Staff will research to find the impact amount, independent of the federal aid received. Dr. Jimenez also wanted to know if telemedicine psych consultations are billable, to which Mr. Hurley replied that they are and Dr. Burns informed him that private insurances have been very cooperative in that regard, and she has experienced no issues with billing.

FOLLOW-UP: None.

Dr. Jimenez departed the Board meeting at 3:19 pm

PRESENTATIONS:

COVID-19 REPORT — BRYAN ALSIP, M.D.

SUMMARY: On January 30, 2020, the World Health Organization (WHO) declared the COVID-19 outbreak a Public Health Emergency of International Concern, acknowledging that cases had been reported in five WHO regions within one month. Early detection, contact tracing, isolation of cases, and social distancing measures were emphasized as ways to interrupt the virus spread. While the full name of the virus is Severe Acute Respiratory Syndrome (SARS) Coronavirus 2 (SARS-CoV-2), the WHO officially re-named the disease resulting from the virus as COVID-19 on February 11. The Health System began responding to the COVID-19 situation very early. Planning and response to this emerging infection began with preparations to manage American evacuees brought to Lackland Air Force Base for quarantine. This included U.S. citizens from Wuhan, China as well as two subsequent cohorts of American evacuees from the Diamond Princess and Grand Princess cruise ships. Initial meetings between the Health System response group and the Southwest Texas Regional Advisory Council (STRAC) began during the week of January, 20, 2020. The Health System Infectious Disease Response Group began meeting on January 29, 2020, six weeks before COVID-19 was officially declared a pandemic by the WHO. Since that time, University Health System, in collaboration with local, state, and federal partners has been responding to this ongoing pandemic. Stay at home orders were issued by the Mayor and County Judge Nelson Wolff on March 23. Dr. Alsip summarized several significant actions taken by the Health System regarding its operations, planning, communications, and community activities and support, to include four nursing homes for which licenses the Health System owns; and Bexar County Detention Healthcare Services. The Health System has played a key role during the first few months of the COVID-19 pandemic to effectively treat patients, protect staff and providers, and serve the community in response to this ongoing outbreak.

RECOMMENDATION: This report was provided for informational purposes only.

ACTION: No action by the Board of Managers was required.

EVALUATION: Mr. Smith thanked Ms. Scepaniski for how she is handling COVID-19 testing at Bexar County Detention Healthcare Services and for covering on an interim basis at CFHP, she is doing a great job juggling things. Ms. Barrera echoed Mr. Smith sentiments about Ms. Scepaniski, and asked if the Health System and UT Health would have a voice in the City and County plan to transition sensibly in re-opening the city. Dr. Alsip informed the Board that the COVID-19 Health Transition Team will be chaired by Dr. Barbara Taylor, associate professor of infectious diseases and associate dean for the MD/MPH Program at UT Health San Antonio. The team includes Dr. Bryan Alsip, Dr. Jason Morrow, medical director of Inpatient Palliative Care Services at University Health System. UT Health San Antonio partners on the task force include Dr. Ruth Berggren, infectious disease specialist, and Dr. Tom Patterson, chair of Infectious Diseases. This task force of medical and public health experts will develop and recommend strategies for slowly reopening the local economy while continuing to combat the spread of coronavirus. The members are all local leaders in public health whose expertise is leading the way to keep San Antonio healthy and safe. Ms. Barrera then asked Dr. Alsip's professional opinion on whether it is too soon to open up. Dr. Alsip has reviewed 8-10 re-opening plans and most are built around the economy; however, re-opening the city must happen in a way that allows monitoring of how things are going so that adjustment are needed we can resume interventions or social distancing precautions. Most plans also speak to a period of decline in new cases for about two weeks, and the ability of local health systems to handle acute levels. In addition, significantly increasing the amount of testing to know where the disease is occurring when people are less isolated. It is critical to follow up on test results with contact tracing and follow parameters and guidance provided by the experts in the community. Mr. Banos thanked Dr. Bryan Alsip, Dr. Emily Volk, Mr. Mike Roussos, Ms. Theresa De La Haya, and Mr. Antonio Carrillo for their leadership. As soon as staff became aware of the stay at home orders, the Health System kicked off a daily 8 am call in preparation for the surge of patients that we thought we would have. The Health System has one weekly management call and there are daily communications to the staff re-assuring them and letting them know we are doing everything possible. In addition, every governmental entity across the country was held responsible for knowing how many ventilators were available as well as supplies, and reported to the Governor's Office. The Health System initiated tight labor controls on the ambulatory side when services were consolidated. When ambulatory staff decided not to take time off during the pandemic, they were assigned to do screenings at the hospital or the Freeman Coliseum.

After the COVID-19 update, Ms. Barrera wanted to know if the Women's and Children's Hospital was on schedule. Yes, the new

hospital is still on schedule on the construction side. Construction workers are practicing safe protocols and have been very cooperative, they undergo daily screenings before entering the jobsite. The lower volume of hospital patients has provided an opportunity for the construction team to make some of those connections and tie ins with minimal impact to patient areas. Progress is tracked daily and weekly as it relates to the supply chain. Nothing on the supply chain at side has impacted or slowed down the progress. The designed schedule has changed a little bit, since all architects have been working from home for the last 6-8 weeks.

Mr. Adams welcomed a brief update from Mr. Bill Phillips regarding Epic. July 11, 2020 is the go live for the Health System. He reported that about 98 percent of the scheduled training will be done by video, both live and recoded and will be finalized by May 11. One great benefit about the delay in going live is that the Health System will receive the most recent version of Epic. Extension of the Epic and consultants contracts could increase cost because the Health System is ahead of the deadline, however, no negative impact expected. Mr. Phillips reassured Mr. Smith that every staff member and clinic will have the ability to do what they need to do. Before the July go-live date, the staff will have completed a total of four dry run rehearsals.

Mr. Hernandez thanked the Board of Manager for their service to the University Health System and the community.

FOLLOW-UP

None.

INFORMATION ONLY ITEMS:

EPIC ELECTRONIC HEALTH RECORD PROJECT UPDATE — *BILL PHILLIPS*

UPDATE ON THE WOMEN’S AND CHILDREN’S HOSPITAL AND ASSOCIATED PROJECTS — *DON RYDEN*

**UNIVERSITY HEALTH SYSTEM FOUNDATION UPDATE — *LENI KIRKMAN*
REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS — *LENI KIRKMAN***

SUMMARY:	Mr. Adams directed his colleague’s attention to three informational reports above and urged them to contact staff members directly with questions and/or comments.
RECOMMENDATION:	These reports were provided for informational purposes only.
ACTION:	No action was required by the Board.
EVALUATION:	None
FOLLOW-UP:	None.

ADJOURNMENT — JIM ADAMS, CHAIR

There being no further business, Mr. Adams adjourned the Board meeting at 3:480 pm.

James R. Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary