



University Health System

BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

Tuesday, August 25, 2020
6:00 p.m.
Cypress Room, University Hospital
4502 Medical Drive
San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Ira Smith, Vice Chair
James C. Hasslocher, Secretary
Roberto L. Jimenez, M.D., Immediate Past Chair
Margaret Kelley, M.D.
Thomas C. ("TJ") Mayes, J.D.

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
Ted Day, Executive Vice President/Strategic Planning, University Health System
Stacy Foremski, Special Assistant to the Executive Vice President/Chief Operating Officer, University Health System
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Leni Kirkman, Senior Vice President, Strategic Communications, Patient Relations, University Health System; and Interim President, University Health System Foundation
Serina Rivela, Vice President/General Counsel, Legal Services, University Health System
Carlos Rosende, MD, FACS, Executive Vice Dean for Clinical Affairs, Long School of Medicine; and Executive Director, UT Medicine, UT Health SA
Rajeev Suri, MD, Professor/Department of Radiology, UT Health; and President/Medical-Dental Staff, University Health System
Randy Harig, Chair, University Health System Foundation, Board of Directors
And other attendees.

CALL TO ORDER:

Mr. Adams called the meeting to order at 6:02 pm.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Adams introduced Mr. Daryl Green, University Health System employee, for the invocation, and he led the pledge of allegiance.

PUBLIC COMMENT – None.

SPECIAL RECOGNITION

PRESENTATION OF THE SENATOR FRANK TEJEDA POLICE OFFICER OF THE YEAR AWARD — CHIEF A.J. SANDOVAL, III/GEORGE B. HERNÁNDEZ, JR./BOARD MEMBERS

SUMMARY: The Board of Managers recognized Police Corporal Hector Dominguez as the Senator Frank Tejada Officer of the Year, 2020. The BCHD Police Department established the Senator Frank Tejada Police Officer of the Year Award to recognize police officers who demonstrate exceptional achievement and a genuine commitment to their profession, their agency, the University Health System and the public they serve. Cpl. Dominguez has been with the Protective Services Department for 4.5 years and was nominated for contributing to the Health System's Triple Aim Plus as follows:

- Program manager, Texas Policy Chiefs Association
- Recognition Program Manager
- Training Instructor, Recognition Training Requirements (166 standards)
- Police Fleet Liaison, Police Intern Mentor
- Member, Quality Assurance Review Team
- Certified Instructor, Conductive Energy Device
- Medical Navigator/Safety Specialist

RECOMMENDATION: This presentation was provided for informational purposes only.

ACTION: No action was required by the Board of Managers

EVALUATION: Cpl. Dominguez was unable to attend today's meeting. Chief Sandoval shared a nice video of Cpl. Dominguez with the Board.

FOLLOW-UP Dr. Kelley expressed admiration and respect for BCHD Peace Officers stemming from an incident that occurred while she was a resident physician at University Hospital. In response to Dr. Jimenez's question about how comfortable protective service staff feel about the safety at such a large complex, Chief Sandoval explained that all staff are well versed in prevention, intervention, and enforcement. Chief Sandoval thanked executive leadership for providing him with the technology (such as cameras, automated access control) that peace officers need to do their jobs. He also thanked Mr. Mayes, for helping in his prior role as city attorney to reduce speed limits in the South Texas Medical Center and making streets safer. Mr. Adams thanked Chief Sandoval for his work.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): JULY 28, 2020 (REGULAR MEETING) AUGUST 11, 2020 (SPECIAL MEETING)

SUMMARY: The minutes for the regular meeting of July 28, 2020; and the special meeting of August 11, 2020, were submitted for Board approval.

RECOMMENDATION: Staff recommends approval of the meeting minutes as submitted.

ACTION: There being **NO OBJECTION**, the minutes were **APPROVED** as

	submitted.
EVALUATION:	None.
FOLLOW-UP	None.

Mr. Adams welcomed Dr. Kelley and Mr. Mayes to their first in-person Board meeting. He was pleased in having today's meeting face-to-face and he thanked both new Board members for taking on additional duties and responsibilities, so soon after Mr. Engberg's passing. He introduced Dr. Carlos Rosende who sat in for Dr. Henrich today, as the Executive Director of UT Medicine, the physician group practice. He also introduced Dr. Rajeev Suri as the President of the Medical/Dental Staff at University Health System; and Professor in the Department of Radiology, UT Health.

REPORT FROM UT HEALTH SAN ANTONIO — CARLOS ROSENDE, MD, FOR WILLIAM HENRICH, MD, PRESIDENT

SUMMARY: Dr. Rosende reported that UT Health San Antonio has reached a milestone in having received a record \$81 million in funding from the National Institutes of Health. UT Health SA is also getting quite a bit of attention for the COVID-19 research that is being conducted at this time, a lot of which is in collaboration with University Health System. On the education front, the School of Medicine is venturing into virtual interviews for the next class of medical students. There has been much preparation of the faculty who are thoroughly involved in the recruitment and interview process. These faculty will develop training videos on how to prepare and conduct such interviews. UT Health is also preparing a video promoting the progressive curriculum and quality facilities starring Dr. Henrich and other campus leaders.

On the outpatient clinical side, UT Medicine is back to pre-COVID-19 levels for patient visits. Some areas have reached 95 to 100 percent averages across the board, with a total average of 1,850 patients per day. Ambulatory procedures that are performed at University Hospital are still down at about 60 percent. One of the innovations that has been very successful for UT Health faculty and patients are the video visits. Since the Center for Medicare and Medicaid Services has allowed such to be conducted, many third party payers have joined in, and they keep extending the time during which they will reimburse for video visits, which are approximately 20 to 25 percent of total visits; 10 percent are telephone visits, and the rest are face to face. The Medical Arts and Research Center and other UT clinics have accommodated being able to see the increasing number of patients while maintaining the required distancing. For example, some clinics are seeing patients in the evenings and some clinics even offer a third session. It will be interesting to see how many of these innovations will be around after COVID-19.

Dr. Kelley was interested in knowing how resident interviews will be handled. Dr. Suri reported that with restrictions from the pandemic prohibiting campus visits, for now, all future resident interviews are also being shifted to a virtual setting. Using videos and social media campaigns, as Dr. Rosende explained, Dr. Scott Jones and Dr. Robert Nolan, UT Health SA GME officers, are aiming to emulate the in-person interview because of the fit factor. The videos will also highlight the partnership with University Hospital, the diversity of the campus, and

include personal stories from current students, residents and fellows describing their learning experiences at the School of Medicine. In addition, residents may be invited to virtually attend town halls, the challenge being that prospective residents cannot rotate at other places in person right now; online and Zoom options are the norm across the country. Dr. Suri then recognized physician leaders in the room, and reported that since March when COVID-19 arrived, 283 new students started medical school on July 1, and 70 new faculty also arrived during that time frame. For these new arrivals, virtual orientation and Epic training, has been the new normal. All have adjusted well, and he thanked Professional Staff Services and Health System leadership for being so supportive.

Dr. Jimenez asked about clinical training of medical students and how it would be handled at Health System facilities. In-person clinical rotations for third and fourth year students will continue. They are required to maintain social distance, scrub in for procedures, and are offered the same level of protection afforded to faculty and residents. The challenge is the fact that students will not be allowed to visit other medical schools to expand their learning. The same is true for students from other medical schools and residency training programs across the country. First and second year medical students are completing their training on line as much as possible with simulation labs in a clinical environment. Second year medical students are also able train in the same clinical environment via simulation labs. They receive a similar experience in a less crowded environment as far as Covid-19 exposure,

Dr. Jimenez commended all involved in the collaboration between UT Health and University Health System for receiving much exposure on National Public Radio the day before. Discussions included COVID-19 vaccine efforts, and Mr. Hernandez acknowledged the third phase of the clinical trial involving remdesivir has a lot of potential. The effort is being led by Dr. Thomas Patterson, Professor of Medicine and Division Chief, Infectious Diseases, UT Health San Antonio.

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

NEW BUSINESS - CONSENT AGENDA – JIM ADAMS, CHAIR

SUMMARY:	<u>CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF MEMBERSHIP AND PRIVILEGES — RAJEEV SURI, M.D., PRESIDENT, MEDICAL/DENTAL STAFF</u> - Pursuant to Article III, Section 3.3-1 of the Medical-Dental Staff Bylaws, initial appointments and reappointments to the Medical-Dental Staff of the University Health System shall be made by the Board of Managers. The Board of Managers shall act on initial appointments, reappointments, or revocation of appointments only after there has been a recommendation from the
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Executive Committee of the Medical-Dental Staff. If approval is granted by the Board of Managers, the clinical provider is placed on a two-year reappointment cycle. After 12 months' provisional review, the provider's status changes from Provisional to Active or Courtesy Staff depending on board certification and the frequency of patient encounters during the previous 12 months. In accordance with Professional Practice Evaluation Policy (No. 10.025) and the Joint Commission, the Professional Staff Services Department established a systematic process to conduct and evaluate an ongoing and focused assessment of the professional practice of practitioners' performance of clinical privileges. The Credentials Committee met on July 29, 2020, and reviewed the credential files of the individuals listed in the written Credentials Reports and Professional Performance Evaluation Reports provided to the Board of Managers. At its meeting of August 4, 2020, the Executive Committee of the Medical-Dental Staff approved the appointments and re-appointments of Medical-Dental Staff candidates for staff membership and privileges. Presented for Board approval.

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR PROFESSIONAL PRACTICE EVALUATIONS AND DELINEATION OF PRIVILEGES — RAJEEV SURI, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

- The Credentials Committee met on July 29, 2020, and reviewed proposed revisions to Delineation of Privileges Reports and the Professional Performance Evaluation Reports, which were provided to the Board of Managers. In its meeting of August 7, 2020, the Executive Committee of the Medical-Dental Staff recommended Board approval of the items below in accordance with the Health System's credentialing and privileging process:

- 1) Delineation of Privileges
 - a) University Health System
 - i. Podiatry (revised)
 - b) Ambulatory Surgery Center Medical Center
 - i. Podiatry (revised)
 - c) Ambulatory Surgery Center – Robert B. Green
 - i. Podiatry (revised)
- 2) Focused/Ongoing Professional Performance Evaluation Reports

CONSIDERATION AND APPROPRIATE ACTION REGARDING POLICY NO. 2.02, ACCREDITATION/ CERTIFICATION REVIEW PROCESS— EMILY VOLK, MD

– This is a new policy to establish a standardized review process for all new and existing accreditation and certification programs prior to application submission or renewal that involve the University Health System. This policy has three attachments: I) Program Proposal Form; II) Accreditation/Certification Touchpoints; and III) Executive Leadership Review Committee. The policy with attachments will provide guidance to Health System staff regarding the process for which accreditation and certification programs will be centralized through the Accreditation and Regulatory Compliance Department. This policy was presented for Board approval.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A SUBRECIPIENT AGREEMENT WITH THE ALAMO AREA RESOURCE CENTER FOR PROFESSIONAL SERVICES, INCLUDING MEDICAL CASE MANAGEMENT, AIDS PHARMACEUTICAL ASSISTANCE, AND OTHER SUPPORTING SERVICES FUNDED BY THE RYAN WHITE PROGRAM — ROBERTO VILLARREAL, MD

– The Ryan White Grant consists of multiple parts with each part having its own budget and objectives. The State Services Program includes the following categories for the Alamo Area Resource Center (AARC) during fiscal years 2020-2021:

- AIDS Pharmaceutical Assistance (Local) {LPAP}
- Early Intervention Services
- Emergency Financial Assistance
- Food Bank/Home Delivered Meals
- Health Insurance Premium Cost Sharing Assistance
- Medical Case Management
- Medical Nutrition
- Medical Transportation Services
- Mental Health
- Non-medical Case Management
- Outpatient Ambulatory Health Services
- Referral for Healthcare and Support Services
- Substance Abuse (Outpatient)

The term of this agreement is September 1, 2020 through August 31, 2021, in the amount of \$ 257,952. The AARC Alamo Area Resource Center provides 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. This is a cost reimbursement contract, the Ryan White Program is a payer of last resort. This program provides financial and social services to those not covered by other resources. Presented for Board approval.

CONSIDERATION AND APPROPRIATE ACTION REGARDING REAPPOINTMENTS TO THE COMMUNITY FIRST HEALTH PLANS (CFHP) BOARD OF DIRECTORS — JIM ADAMS, CHAIR

The Bylaws of Community First Health Plans state that the Board of Managers as the governing body for the sole member of the corporation shall approve the appointment of the Board of Directors to manage the affairs of the corporation. There are currently seven members on the Board of Directors. The following have terms that will expire September 30, 2020 and are recommended for re-appointment to their current Board of Director positions for a two year period beginning October 1, 2020 through September 30, 2022: Bryan Bayles, Ph.D., MPH; Rene Escobedo; Reed Hurley; and Paul Nguyen. Nominating Committee recommends approval of their re-appointment.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN APPOINTMENT TO THE UNIVERSITY HEALTH SYSTEM FOUNDATION BOARD OF DIRECTORS — JIM ADAMS, CHAIR

The University Health System Foundation is a 501(c)(3) charitable organization founded in 1983 to solicit, receive and maintain funds exclusively for the benefit of University Health System and the community served through its charitable mission. The Board of Managers, as the governing body, shall approve appointments to the Board of Directors of the Foundation. The Board of Directors recommends the appointment of Mr. Edward Kelley to the Foundation Board for a three-year period as a community representative, effective August 26, 2020 - December 31, 2023. Mr. Kelley is a retired USAA Real Estate executive, a well-known community servant leader and former chair of the UT Health San Antonio Development Board. Nominating Committee recommends approval.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN APPOINTMENT TO THE UNIVERSITY HEALTH SYSTEM PENSION BOARD OF TRUSTEES— JIM ADAMS, CHAIR - The

Bylaws of the University Health System Pension Plan Board of Trustees state that the Board of Managers, as the governing body, shall approve the appointments of Pension Plan Trustees. There are currently eight (8) Trustees and one vacancy created by the passing of Mr. Robert Engberg on July 31, 2020. Mr. Mayes was recently appointed to the Board of Managers; he is a local attorney in private practice with public service interests centered on healthcare and education. He is currently the chair of the Bexar County Opioid Task Force. The Nominating Committee of the Board of Managers recommends the appointment of Mr. TJ Mayes to fill the unexpired term of Mr. Engberg, effective immediately through December 31, 2020.

CONSIDERATION AND APPROPRIATE ACTION REGARDING PURCHASING ACTIVITIES (SEE ATTACHMENT A) — ANTONIO CARRILLO/TRAVIS SMITH – A total of 15 contracts with a

value of \$44,716,794 are being presented to the Board of Managers during this meeting. The following contracts require approval by the Board of Managers: Ten (10) consent contracts with a total value of \$12,361,760; and five (5) presented contracts with a total value of \$32,855,034. During the month of August 2020, there were two (2) contracts classified as Small, Minority, Woman, or Veteran Owned Business Enterprises (SMWVBE). August 2020 SMWVBE Status Report reflects items submitted for Board approval.

RECOMMENDATION: Staff recommends approval of the items listed on the consent agenda.
ACTION: A **MOTION** to approve staff’s recommendation was made by Mr. Mayes, **SECONDED** by Dr. Kelley, and **PASSED UNANIMOUSLY**.
EVALUATION: None.
FOLLOW-UP: None.

REPORT FROM UNIVERSITY HEALTH SYSTEM FOUNDATION — LENI KIRKMAN/RANDY HARIG

SUMMARY: Mr. Randy Harig, Chair of the University Health System Foundation Board of Directors, joined Ms. Kirkman, Foundation Interim President, and conducted the following presentation:

COVID-19 Efforts:

- COVID-19 Relief Fund Grants and Donations: \$127,237
- Direct patient assistance of \$17,208 (Lodging, HEB and Valero cards)
- In Kind gifts totaling \$285, 430 including 88,185 masks, 107,033 gloves, 1,237 other personal protective equipment, teddy bears, flowers, shoes, art supplies, and much more.
- 213 deliveries totaling 20,852 meals to frontline healthcare workers
- About 15,284 snacks and beverages
- 254+ new “friends of the Foundation

The Goodness of San Antonio

- Mr. Mark Lemke, a retired middle school band director, gave private lessons and invited his colleagues to donate \$10 to the Foundation for each online lesson provided. He later reached out to his colleagues across the world for a virtual concert and donated those proceeds as well.
- Family from Brooklyn sent the Health System home-made ear savers for staff to wear with their masks.

Foundation Board Challenge

- \$10,000 initial Gift from one board member
- 81 percent Board participated to match that gift
- \$16,050 in additional gifts
- Total of \$26,050 for the COVID-19 relief fund

Thank you from Baby Jade’s Family

- One particular family was very grateful for the assistance and sent thank you cards to HEB, Valero, and the Health System. The notes conveyed gratitude for the hotel and gift cards while their baby was in the NICU for 10 days. This assistance was one less thing for the new parents to worry about.

Recent Grants

- Baptist Health Foundation \$200,00 to support the Family Nurture Intervention program in the NICU
- COVID19 transportation from American Cancer Society
- The Prolacta Bioscience Foundation has awarded the University Health System Foundation a \$100,000 grant to fund a trial being led by Dr. Cynthia Blanco in the University Hospital NICU to evaluate length of stay, growth velocity, and clinical outcomes in infants with neonatal abstinence syndrome who are on an exclusive human milk diet.

- American Cancer Society – for Adolescent and Young Adults cancer patients for transportation to treatment support
- Whataburger for Adolescent and Young Adult Cancer Lounge
- Pampers - to purchase Angeleyes for the Neonatal Intensive Care Unit
- Continue to reach out and check-in with donors and grantors such as Ava's Wish

Employee Giving

- A modified version of the annual Employee Giving Program ran from June 1 to July 1, with Chair, Police Chief AJ Sandoval, and Co-Chair, Dr. Virginia Mika leading 65 Ambassadors from across the Health System
- It was challenging because we could not hold special events or in-person meetings
- 1,210 donors/ average gift: \$249 (2019: \$203)
- New recurring donors: 72 (new total: 522, 30 increased their pledge amount)
- Pledges: \$241,587 (2019: \$262,506.10)
- Total Employees: 1,219
- Honoring ambassadors with a virtual lunch on August 20.

Impact of Employee Giving

- 24 Our Sons & Daughters Scholarships awarded to graduating high school seniors.
- \$100,000 to fund meaningful projects. Priority areas:
 - Women's and Children's Health
 - Teen Health
 - Spiritual Care
 - Employee Engagement
 - Community Health
- Applications open now

Special Events

Ms. Kirkman and Mr. Harig informed the Board of Managers that after careful consideration, the decision has been made to transition this year's Medical Miracles Gala, which has been postponed to Friday, September 25, into a virtual event.

- Dr. Francisco Cigarroa recruited Cisco Systems for a \$50,000 Presenting Sponsorship and promised the technical expertise to support an awesome virtual gala; assigning us a project director
- Gala will provide funds to the Living Donor Assistance Fund and will enable more people to have the financial means to save another person's life through organ donation. To date, the Foundation has collected sponsorship and fund-the-mission donations totaling \$715,400. Have not lost any sponsors after going virtual.

- Last year, unfortunately 50 potential living donors had to be turned away because their health coverage would not cover their long-term care needs, or they could not afford to travel or take time off work to undergo the procedure and recover. This year, however, the goal is to raise \$30 million for this purpose and in 3 to 5 years, the goal is \$50 million. First attempt for this Foundation.

RECOMMENDATION: This report was provided for informational purposes only.

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

EVALUATION: Mr. Harig thanked Ms. Kirkman and Mr. Hernandez for stepping up to the plate upon Mrs. Lourdes Castro-Ramirez's departure earlier this year to work in California for Governor Newsom. Ms. Kirkman was credited for elevating the Foundation's Board's knowledge about the Health System. Dr. Jimenez asked if patients are informed of Foundation efforts upon their dismissal from University Hospital. Earlier this year, the Foundation implemented a grateful patient program on a pilot basis on the labor and delivery, transplant, and trauma services units. The program offers patients the opportunity to make a difference and show their gratitude for care received. Once the Foundation receives all of the feedback regarding the pilot program, they will be in a better position to determine when during the dismissal process patients will receive this information. Mr. Smith voiced his prior concern about patients feeling pressured if a staff member caring for them solicits on behalf of the Foundation; he cautioned staff about creating the impression that if patients donate they will receive better care. Ms. Kirkman agreed; and replied that staff only serve to facilitate the relationship with the Foundation. The program also allows a patient to tell their story and tout the great health care received from University Health System. Dr. Jimenez brought up a local classical music radio station, a non-profit media organization, offers subscriptions for \$5/month and he wondered if the Foundation could imitate such a program on a pilot basis. Mr. Harig is confident that the Foundation will be able to do all kinds of things to raise funds given the attention the Health System is receiving on patient treatment and activity at this time.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH CLPF – UPC III-IV, LLC TO PURCHASE REAL PROPERTY LOCATED AT 5959 NORTHWEST PARKWAY AND 5800 FARINON DRIVE, SAN ANTONIO, TEXAS — DON RYDEN

SUMMARY: Growth in strategic clinical service lines, construction of the Women's and Children's Hospital, pending repairs at the historic RBG, and the COVID-19 pandemic are factors driving demand for additional offsite office space. The 20,500 square foot (SF) Business Center was purchased in 2006 and is currently home to Patient Billing, Accounting, Payroll, Accounts Payable, and Procurement. The Health System has 43,304 SF of leased space at the Corporate Square building for Human

Resources, the Epic IT team, and Research/Ryan White administration. Clinical training classrooms are located at Highpoint Tower in 4,265 SF. The Call Center is located in 17,221 SF of leased space in the Chisholm Building and Community First Health Plans has 52,998 SF leased in University Park. In total, the Health System has over 117,788 SF of leased space for non-clinical staff at an annual expense of \$2.3 million. Several plans to resolve the current and projected future office space issues have been developed and analyzed. Based on input from the various administrative areas impacted and multiple senior staff members, the optimal solution is to purchase a large office building to consolidate the non-clinical departments. Consolidation of the non-clinical departments will have many benefits. Some departments that are currently separated can be consolidated which will improve supervision, training, and productivity. The work groups that need frequent interaction such as Payroll and Human Resources can be located adjacently. Multiple sites have been reviewed with the goal of finding office space in excess of 140,000 SF with adequate parking and reasonably close to the Medical Center and the Tech Center. The selected site is located in University Park, located near I-10 and DeZavala. There are two one-story buildings located together with shared parking that totals 165,000 SF. These buildings were previously occupied by USAA (75 percent) and a call center (25 percent). Three quarters of the space, which had been occupied by USAA, is move-in ready with the exception of cubicle furniture and the associated electrical and computer wiring. The remaining space, which was occupied by the call center, needs some flooring as well as electrical and computer wiring. The purchase price of the two buildings is approximately \$28,051,190. Cubicle furniture, socially distanced, which will provide a safe work environment for staff, is currently estimated at \$6 million and the electrical and computer work is estimated at \$3.6 million. A rough estimate for the finish out of building 1 and 2 are \$1 million for a total project cost of \$38.6 million. Upon completion of due diligence by staff and respective consultants, these estimated costs will be finalized and submitted to the Board for final approval. Staff recommends the purchase of this property be funded by the Board Designated Capital Account. The current leases for space that would be consolidated into the new building have various termination dates, in which most will expire by mid-2022. The longest term date is for the lease of the Chisholm Building Call Center, which terminates in 2024. Based on phasing out the remaining contracted lease expense, estimated transition costs and projected new operating expense, this project will have a positive operating impact in year two and a positive bottom line impact in year three. CLPF-UPC III-IV, LLC is a single purpose real estate entity, and has no employees. It is an affiliate of Clarion Partners, LLC which is an international real estate investment company

RECOMMENDATION: Staff recommends Board of Managers' approval to execute a Purchase Agreement with CLPF-UPC III-IV, LLC in the amount of \$28,051,190, for the acquisition of the office buildings located at 5959 Northwest Parkway and 5800 Farinon Drive, San Antonio, Texas.

ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher **SECONDED** by Dr. Jimenez, and **PASSED UNANIMOUSLY**. To the point made by Mr. Smith regarding total

overall project costs, staff has estimated a final cost of \$38.6 million, with a very rough estimate of \$10.6 million for cubicle furniture, electrical, and computer work. The \$10.6 million estimate will be finalized and submitted to the Board of Managers for approval at a later date.

EVALUATION:

Upon discussion of the additional costs, Mr. Smith expressed concern that the Board is not provided with the entire costs up front, which he described as disturbing. The end price comes in extremely higher than was first suggested to the Board. He realizes how hard it must be for staff to estimate the total amount, however, he asked to be provided with a “ceiling” of all costs built-in, or, a not-to-exceed total, so that the Board is aware of how much money will be spent on any one project. In this case, the fiscal impact note in Mr. Ryden’s written report did include an additional \$10.6 million estimate for cubicle furniture, electrical and computers; and a rough estimate for the finish out of building 1 and 2 at \$1 million for a total project cost in the amount of \$38.6 million. This was brought to Mr. Smith’s attention and Mr. Ryden assured him that after his due diligence is complete, the staff will return to obtain Board approval for the remaining \$10.6 million. Dr. Jimenez cautioned the staff to proceed carefully due to the uncertainty in the healthcare industry. He agrees that the Health System is in a much better financial position than other health systems that liquidate real estate due to their need for cash. Mr. Hasslocher commended the staff for trying to phase out all existing leases. The staff’s due diligence in looking over all of the leased space across the Health System is a very smart move. In the restaurant industry, large real estate land owners, have decided to also phase out leases whenever possible. What some of the staff have had to endure during the pandemic is admirable, as is grouping employees in two large facilities with sufficient parking. By purchasing real estate, the Health System can control its own destiny. At the present time, there is a seller’s market out there and he urged the Board and staff to purchase all of the real estate the Health System can afford, timing is everything. In addition, real estate can serve as collateral for any future financing needs. Mr. Hernandez noted the Health System reserve funds are very strong and they will not be touched for any real estate purchase. He re-emphasized that the Health System has sufficient funds to make this purchase and get the buildings ready for non-clinical staff and in a certain number of years, the investment will be paid off. Real estate low-priced right now and the Health System can afford to purchase it, which will allow the Health System to get out of leases that are very costly. The Health System has grown tremendously and the business functions that support the patient care services are just as important; the current business center packs employees into their work areas and that is no longer a suitable environment due to Covid-19. The best return on this investment are the two one-story buildings for the staff.

FOLLOW-UP

None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH FCS CREAMER, LTD. TO PURCHASE APPROXIMATELY EIGHTY ACRES OF REAL PROPERTY LOCATED OFF OF WEST LOOP 1604 NORTH IN SAN ANTONIO, TEXAS — DON RYDEN

SUMMARY:

The COVID-19 pandemic has highlighted the need for the Health System to provide multiple sites of access for acute care services within Bexar County. Additional sites will help the Health System to maintain its tertiary and quaternary care services, while creating capacity for the community's increased demand for medical services. In addition, certain sub-markets inside San Antonio and Bexar County remain underserved for basic healthcare services by University Health System or competing healthcare providers. Without a multi service primary care hospital embedded in a suburban setting, many of the patients in underserved areas travel and seek care at the Medical Center main campus. The Health System's investment in local ambulatory clinics, while acting as a referral source for more intensive services at the medical center, has created a demand for routine inpatient care and this increased demand often causes University Hospital to be at capacity and due to lack of beds, this forces UT Health providers to perform elective surgeries at other facilities. The Health System engaged the healthcare consulting firm, Blue Cottage Consulting, Inc., to help develop, identify, and assess community based care delivery options in select sub markets through-out Bexar County. Specifically, Blue Cottage conducted a market analysis and population healthcare assessment in multiple San Antonio based sub-markets. There was a significant population of patients on the Westside of Bexar County that meet the criteria for a suburban hospital environment, as well as, work with the Health System's strategic partners at the medical school and Federally Qualified Health Centers (FHQCs). This solution would reduce the current hospital bed average daily census by 16 percent or approximately 70 beds daily; thus, increasing capacity for more complex cases from around Bexar County. In addition, the Health System retained a local real estate group, TAB Services, Inc., whose principals are Edward B. Kelley and Robert A. Wehrmeyer. This company has extensive experience with identifying, analyzing, and negotiating large land parcels for its clients. Accordingly, TAB was tasked to identify potential land sites throughout Bexar County for suburban hospital campus locations in key sub-markets identified throughout Bexar County. In that process, a vacant 80 acre tract of land was identified on West Loop 1604 North and Shaenfield Road. The entire tract of land consists of approximately eighty (80) acres. It is comprised of approximately 37.52 acres referred to as the Development Tract, and approximately 42 acres referred to as Green Space Property (a.k.a "greenbelt"). The purchase price of \$13,483,562 is based on the net usable acreage of the Development Tract. No acquisition cost for the greenbelt. Although not anticipated, the purchase price may be adjusted by \$8.25 per sq. ft. when the final survey is completed and confirms the total acreage of the Development Tract. The acquisition of this property would position University Health System to strategically locate a full service acute care hospital in this suburban area at a future

- date to be determined; thus, meeting the growing needs of our community. Staff recommends the funding of this land acquisition from the Board Designated Capital Account. The property was placed on the market by FCS Creamer, Ltd. is a single purpose real estate entity and has no employees. It is an affiliate of Rick Sheldon Real Estate, LLC.
- RECOMMENDATION: Staff recommends Board of Managers' approval to execute a Purchase and Sale Agreement with FCS Creamer, Ltd., in the amount of \$13,483,562 as noted herein.
- ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Smith, **SECONDED** by Mr. Mayes, and **PASSED UNANIMOUSLY**.
- EVALUATION: The following discussion ensued: Dr. Kelley expressed difficulty in making a decision because she is a new Board member and is not familiar with the Health System's strategic plan, which Mr. Hernandez outlined for her. He has been asked by Bexar County Commissioners Court for a number of years to expand the Health System's footprint. About 95 percent of what the Health System does in in the ambulatory arena, thanks to Dr. Jimenez when he was Board Chair, he started the ambulatory expansion trend in the 1990's. The expansion has been quite large and with only one hospital, the Health System does not have enough capacity. The Sky Tower, which opened in 2014, was a temporary solution; but its occupancy rate has grown by 10 percent per year. The strategic plan calls for community hospitals in the South, Northeast and Northwest parts of town to balance out the need in Bexar County; however, the Health System does not have funds to build a hospital today. The ideal is to purchase real estate today while affordable and then plan for these hospitals to support the Health System's ambulatory network closer to where the patients live. The Health System does not buy land when it is available, building those hospitals will never become reality. Mr. Hernandez emphasized - the assets to purchase land are available right now. University Hospital will remain a tertiary, complex community hospital. The plan is to acquire the land and return to the Board of Managers with a business plan for a community hospital. Mr. Smith took issue and noted that just last year he and Mr. Hernandez discussed a hospital on the Northeast part of town with Bexar County Commissioner Tommy Calvert, who approached the Health System with a proposal for a community hospital in that area. Mr. Smith asked for the status of that proposal because he does not know where it now stands. In addition, he urged Mr. Hernandez to complete that project before moving on to the next. Mr. Hernandez acknowledged that the Northeast side of town is indeed underserved. He met with Commissioner Calvert at the referenced property on Rocket Lane, which is located about 100 yards from an airplane landing strip and is not in Bexar County. The location is difficult to navigate and is not ideal for a community hospital. It was Commissioner Calvert's plan, and rightfully so, to survey that site as he is very interested in that Northeast corridor. Staff is also interested in that area; however the Health System strategic plan has always been to have more than one hospital in the community - the South, Northeast, and Northwest sides of town. The staff has also visited the former Southwest General Hospital as a possible location for a community hospitals on the Southside. Mr. Adams agreed with Mr. Hernandez's recollection regarding the strategic plan, and Mr. Hasslocher described the proposed location at West Loop 1604 North as "vibrant." He further explained that

the staff is looking at several tracts of land and the problem is that real estate sells quickly. He suspects that staff will bring another location(s) to the Board next month, and although he understands where Mr. Smith is coming from, the strategic plan means nothing if you do not have the real estate to expand. With the influx of people moving to San Antonio, many are choosing to buy land. The staff is very fortunate to be working with Mr. Ed Kelley on real estate. He is responsible for putting La Quinta Hotels on the map and also worked on building the USAA portfolio. Mr. Hasslocher assured Mr. Smith that staff continues to look at the Northeast corridor for real estate that will meet the Health System's future needs. Dr. Jimenez understands that this purchase of land is strictly an investment at this point and he suggested that the property can be sold at a profit, if needed, in the future, depending on how the economy is doing. Dr. Jimenez also suggested that the staff consider an office building adjacent to any new hospital for providers who utilize it. The model that staff likes best is Stone Oak Methodist which has a building for providers on the same campus. The Health System's model for the last 15 years has been to generate hospital revenue to support ambulatory growth. The Health System loses money in the ambulatory clinics, but that is where the need for primary care is. In the state of Texas, hospitals are the economic engines, and many of the programs are hospital based; however, that is not where the Health System puts all of its resources. Without University Hospital, the Health System would not be able to support the ambulatory network. All the other health systems in town are all hospital-based; the Health System is not. To make the ambulatory network sustainable, the staff needs to purchase the land today so that in 10-15 years, the foundation will be there. Dr. Jimenez wondered where people from Schertz, Texas go for hospitalizations. Mr. Banos confirmed the use of market analyses by the strategic planning team to find out that Schertz residents use the hospitals in the Stone Oak area or north side of town. Because of the ambulatory network and the specialists at UT Medicine, the Health System receives high end referrals, and Mr. Banos also sees a need to continue to build the ambulatory network. Mr. Smith requested that Mr. Adams convene the Board of Manager's' Strategic Planning Committee, which Mr. Smith chairs, to assure the entire Board is on the same page regarding the strategic plan.

FOLLOW-UP

Convene the Strategic Planning Committee as requested by Mr. Smith, and in light of several new Board members.

Mr. Smith departed the Board meeting at this time.

MR. IRA SMITH LEFT THE BOARD OF MANAGERS MEETING AT THIS POINT.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH PHILIPS NORTH AMERICA LLC D/B/A PHILIPS HEALTHCARE FOR THE PURCHASE AND INSTALLATION OF A CT SCANNER AT UNIVERSITY HOSPITAL
— JIM WILLIS

SUMMARY:

At University Hospital, there are two 256-slice Philips CT scanners located in the Emergency Department and a 128-slice Toshiba CT scanner on the sixth floor of Sky Tower. There are two Philips CT scanners operating in the Radiology Department located in Rio Tower, a Philips 128-slice and

Philips 64-slice CT scanner. The CT scanner scheduled for replacement is the Philips 64-slice scanner purchased in 2005. This scanner is the oldest CT within the Health System, has reached the conclusion of its useful life, and no longer meets the community standard. Technology has since advanced to 128-slice and 256-slice systems. Since this is an older 64-slice system, it delivers higher radiation to patients than newer technology. While radiation exposure from this unit remains safe, it no longer meets today's more stringent standards. Due to the age of the equipment, the need for higher resolution imaging, and to achieve best radiation safety practices, the recommendation is to replace this Philips 64-slice CT scanner with a new 256-slice Philips CT scanner. The existing Philips 64-slice CT scanner is fully depreciated and can no longer be upgraded. The new Philips 256-slice CT scanner is consistent with past purchases of three Philips 256-slice CT scanners to support the Emergency Department and most recently, RBG. Of the seven CT scanners in operation within the Health System, five are Philips. Philips Healthcare is a contracted vendor with the Premier GPO, therefore the costs are considered to be competitively bid. The CT replacement costs for this turnkey project is \$2,302,082. Equipment and construction are budgeted 2020 capital and operational expenditures.

iQon Spectral CT Scanner	\$1,836,154
Turnkey Construction	\$378,158
Mobile CT Lease ³ for 8 weeks	\$62,770
<u>Staff and Physician Training</u>	<u>\$25,000</u>
Total Project Costs	\$2,302,082

Philips North America LLC d/b/a Philips Healthcare is a Dutch multinational conglomerate headquartered in Amsterdam with 77,400 employees comprised of 120 different nationalities. The workforce composition data provided for the Board was representative of the national headquarters with 181 employees: Approximately 21 percent of the total project dollars represents construction funding. Philips Healthcare will contract with a local business for the construction component.

RECOMMENDATION: Staff recommends the Board of Managers approve a request of \$2,302,082 to fund a turnkey project for a Philips 256-slice CT scanner at University Hospital.

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

EVALUATION: Dr. Jimenez asked how long it takes to receive CT scan results. According to Dr. Suri, Health System administration holds the radiologists in the Emergency Department (ED) to a 30-minute turn around standard, which is the shortest length of time in the nation. From the moment a CT scan is completed in the ED, the final report is produced within 20 minutes. Inpatient results take four hours; and outpatient results vary for follow up, may take up to 24 hours, depending on location. Radiologist are in house at University Hospital 24 hours per day, two residents and one fellow available at all times.

FOLLOW-UP None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT
BETWEEN UNIVERSITY MEDICINE ASSOCIATES AND UT HEALTH SAN
ANTONIO FOR GENERAL PEDIATRIC OUTPATIENT SERVICES — MONIKA
KAPUR, M.D./ALLEN STRICKLAND**

RECOMMENDATION: General services consist of direct patient care rendered to Health System pediatric patients through physician faculty employed by UT Health and residents enrolled in the UT Health Pediatric Residency Program. The General Pediatric Residency Clinic at Robert B. Green Clinical Pavilion offers primary pediatric and walk-in care Monday through Thursday during traditional daytime business hours. The Chronic Complex Care (CCC) clinic provides care to chronically ill and medically complex patients at University Hospital and Robert B. Green. Under the current agreement, as amended effective November 1, 2019, University Medicine Associates (UMA) leases 3.5 FTEs to provide general pediatric services and 1.3 FTEs to provide chronic complex care. The Health System provides clinic space and support staff at no cost to UT Health. UMA bills and collects all professional fees generated by the UT Health physicians in these clinics. UMA will compensate UT an amount not to exceed \$1,080,000 per year for 4.8 total FTEs (General Pediatrics Residency clinic and CCC combined at \$225,000 annually per FTE). The anticipated cash collections for professional fees are \$638,630 per year, which results in a net cost to UMA of \$441,370 annually. This is a planned expense and is included in the 2020 and 2021 operating budgets. Patient satisfaction ratings are expected to be in the top 25 percent for outpatient pediatric services. Physicians must also meet a minimum score of 90 percent on quality metrics as established and mutually agreed upon between UMA and UT.

ACTION: A **MOTION** to approve staff's recommendation was made by Dr. Jimenez, **SECONDED** by Mr. Mayes, and **PASSED UNANIMOUSLY**.

EVALUATION: During the term of the current contract, the faculty and residents at the general pediatric clinic have seen approximately the same number of patients (11,235) in 2019 as were seen in 2017 and 2018. During 2020, due to COVID, the clinic was temporarily closed and later relocated to provide well child check services in an alternate location. With the addition of .50 FTE last November, the goal is to increase access for chronic complex pediatric patients, many of whom require additional services. Dr. Jimenez asked about the availability of translation services for parents of children that do not speak English. University Health System through established partnerships currently has over 20 languages available through specialized telephone and video equipment and i-pads. Onsite interpreters are also available upon request. Dr. Kelley asked why this agreement was only for a period of one year. Initially, this contract was on a 5-year term, which had its own challenges. The staff has since learned that it is best to evaluate it on a regular, annual basis in order to push for efficiencies, and to help UT deliver what is expected.

FOLLOW-UP None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A RECRUITMENT SUPPORT AGREEMENT WITH UT HEALTH SAN ANTONIO FOR ADULT CARDIOLOGY SERVICES — TED DAY

- SUMMARY:** This agreement with UT Health San Antonio enables the Health System to support community needs by expanding capacity for cardiology services in several areas. The physicians considered under this agreement are slated to provide clinic coverage, call coverage, and consult service coverage for inpatient and outpatients needing their expert care. The availability of such physicians will facilitate enhanced access to care in these areas for in-demand services. Two areas of particular need that these physicians will help address are: additional heart failure clinic sessions offered each week (to help address the growing need for heart failure disease management) and increased availability of interventional cardiology coverage in the adult cardiac catheterization lab. All three physicians whose recruitment is supported through this agreement will be credentialed to work at UT Health San Antonio and University Health System. It is anticipated that the physicians will start their practices in San Antonio during 2020. The proposed recruitment support agreement with UT Health San Antonio is for a maximum of \$1,950,000 over a two-year period. The difference between revenue and expenses will be assessed each month with payments limited to those months where expenses exceed revenues from all sources up to the budgeted amount. Regular monthly accounting of the funds flow for this arrangement will be kept for each physician covered under this agreement. Analysis will be performed and any true-up required between the parties will be conducted as necessary. The workforce composition for UT Health San Antonio was provided for the Board's review.
- RECOMMENDATION:** Staff recommends Board of Managers' approval of a recruitment support agreement with UT Health San Antonio for three physicians in Adult Cardiology Services for a maximum of two years of support for a maximum outlay of \$1,950,000 over the two-year payment period.
- ACTION:** A **MOTION** to approve staff's recommendation was made by Dr. Kelley, **SECONDED** by Mr. Hasslocher, and **PASSED UNANIMOUSLY**.
- EVALUATION:** Dr. Jimenez spoke to the Health System's past struggles managing patients with malignant hypertension, hard to manage hypertension, and treatment-resistant hypertension, which all lead to heart failure which is costly. Will physicians recruited under this contract address teaching of hypertension management? The physicians will provide some training as part of their clinical care and they will oversee residents in the clinic. .9 FTE will provide direct patient care; and .1 of the FTE is slated for education. The Health System will not fund training, UT Health will incur those costs. Dr. Kelley asked why UT Health is not funding their own recruitments. In general the role that the Health System plays is helping to fund start-up of physician practices. The Health System will not fund any expense that exceeds revenue. UT Health will be incurring overhead expenses and academic costs. Mr. Day confirmed for Dr. Kelley that there are indeed some existing rules regarding hospital and physician recruitment. This contract meets those requirements and outside counsel has reviewed so that the contract is legally sound.
- FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT
WITH SHIELDS HEALTH SOLUTIONS FOR SPECIALTY PHARMACY SERVICES —
ELLIOTT MANDELL/MICHAEL ROUSSOS**

SUMMARY:

The purpose of this agreement is to contract with a Specialty Pharmacy Service that will facilitate the accreditation of two specialty pharmacies within the Health System. One will be located at the Robert B Green campus and the other at the Discharge Pharmacy at University Hospital. Partnering with a specialty pharmacy facilitator will allow the Health System to emulate the “Meds-to-Beds” and “Fast-Fill” approaches by getting patients all their medication before they leave the hospital or clinic. Expedited access for patients will allow the Health System to provide fully integrated, comprehensive on-site care to all of its patients in the shortest amount of time. Earlier this year, the Health System issued Request for Proposals #220-06-033 SVC and received three responses: Shields Health Solutions, Trellis-RX LLC, and Wilco Data LLC. All three responses were evaluated by a multi-disciplinary team that scored each responder on their market experience, success, accreditation history, clinical model, business model, technology and extent of network access to insurers and limited drug distributors. Based on those metric scores, Shields Health Solutions was identified as the best partner to implement a program for the Health System. The proposed agreement with Shields Health Solutions has two components. The first is an ongoing annual fee for support and use of their technology for data interaction with the limited drug manufacturers. Support includes ongoing payer contract negotiations, revenue cycle reconciliation and management, clinical training, accreditation preparation and maintenance, and continued program development. The fees for these services are approximately \$750,000 per year. Shields has agreed to delay payment of the support fees until the program’s profitability is in excess of the support fee amount. The second component of the Shields’ fee is performance based, with Shields sharing in the incremental growth in Specialty Pharmacy Services. The performance pay is contingent on Shields ability to grow the Health System’s Specialty Pharmacy volume. The performance pay is calculated as a percentage of the growth in incremental operating margin for the Specialty Pharmacy (operating margin for this calculation is defined as specialty pharmacy revenue less the cost of the associated drugs). The percentage fee will decline on an annual basis from 30 percent in year one of the contract to 17.5 percent in year five of the agreement. Based on the current pro-forma estimates, the total annual expense for the contract with Shields will range from \$2.6 million in year one to \$7.1 million in year five for a total potential contract value of \$26,765,000. The Health System projects to generate a positive bottom line in year one, increasing each year of the agreement as the volume of internally filled Specialty Pharmacy prescriptions grows. Excess margin created by this program will be used to further enhance the Health System’s ability to serve the unfunded and underinsured in our community. The financial projection for the proposed Specialty Pharmacy generates a positive margin of \$94 per prescription filled in year one and improves over time as the projected number of internally filled prescriptions increases. It is the intent of the Health System to

- eventually operate the Specialty Pharmacy program without the assistance of a third-party company. The workforce composition of Shields Health Solutions, comprised of 714 employees, was provided for the Board's review.
- RECOMMENDATION: Staff recommends Board of Managers' approval to execute a five-year contract with Shields Health Solutions to facilitate the development of a Specialty Pharmacy Program at University Health System in an amount not to exceed \$26,765,000.
- ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Dr. Kelley, and **PASSED UNANIMOUSLY**.
- EVALUATION: Dr. Jimenez noted the dismal number of minorities employed by Shield Health Solutions at 293 combined (American Indian, Asian American, African American, and Hispanic) while the number of white employees is at 344. Dr. Jimenez urged Dr. Mandell to visit with Mr. Shields regarding the Board of Manager's supplier diversity policy which calls for doing business with local and minority vendors.
- FOLLOW-UP: Dr. Mandell will relay the Board's policy and he will encourage Mr. Shields to hire and train more minority staff.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORT FOR JULY 2020 — REED HURLEY

- SUMMARY: In July, the Health System operations continued to be significantly impacted by the COVID-19 crisis resulting in stay at home and social distancing directives reducing in and out patient activity. Clinical activity (as measured by inpatient discharges) was down 13.5 percent for the month compared to budget. Payer mix is based on gross charges, so 72 percent of July's patients were funded, and approximately 28 percent had no insurance. Net patient revenue of \$60.5 million in July was lower than budget by \$1.9 million and down \$34.8 million YTD due to lower activity related to COVID-19 disruptions. Community First Health Plans (CFHP) fully insured membership was up 8.4 percent to budget. On a consolidated basis, gain from operations was \$16.5 million, \$9.8 million better than budget. The consolidated bottom line gain (before financing activity) was \$11.6 million, \$9.0 million better than the budgeted gain of \$2.6 million. Higher other operating revenue resulted in performance better than budget. CFHP experienced a bottom line gain of \$3.3 million, which was \$617 thousand worse than the budgeted gain of \$3.9 million. Higher premium revenue offset by higher claims and experience rebate expense accounted for the performance to budget. Debt service revenue was \$5.9 million, which was equal to budget. Other operating revenue was over budget \$12.4 million for July due to the CFHP premium revenue exceeding budget by \$5.5 million, DSH revenue up \$3.0 million and UC revenue up \$2.9 million. Year to date, other operating revenue was over budget \$49.3 million due to CFHP premium revenue up \$15.8 million, DSH revenue up \$9.0 million, recognition of \$8.9 million of CARES Act funds received in April, UC revenue up \$8.8 million, and SNF revenue up \$7.4 million. Employee compensation was over budget \$1.3 million or 2.2 percent for July and under budget

\$19.0 million year to date. Salaries were over budget \$1.5 million for the month due to overtime costs related to the EPIC go live. Salaries were under budget \$13.7 million year to date due primarily to lower activity due to COVID-19. Benefits were under budget \$156 thousand in July and under budget \$5.4 million year to date due to lower retirement plan expense offset by higher employee health plan costs. Regarding the 2020 operating indicators, there are 60.84 actual days' worth of revenue in accounts receivable excluding the skilled nursing facilities, the goal is 66 days, a 7.8 percent variance. There are 55.21 days' work of revenue in accounts receivable, excluding skilled nursing facilities and CareLink. Goal is 61 days, 9.5 percent variance. Mr. Hurley reviewed notable increases and/or decreases in the monthly financial reports in detail with the Board.

RECOMMENDATION: Staff recommends acceptance of the financial reports subject to audit
ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Mr. Mayes, and **PASSED UNANIMOUSLY**.
EVALUATION: Mr. Hurley invited the new Board members to contact him directly if they are interested in learning more about the Health System's finances.
FOLLOW-UP None.

Dr. Jimenez asked for Mr. Hernandez's opinion on how this year's elections would impact the Health System. The Democratic team has a healthcare plan in mind, and the Republican side does not. The Biden/Harris team would therefore benefit the healthcare industry and Bexar County citizens as far as the Affordable Care Act is concerned. Mr. Adams noted that with Mr. Engberg's passing, he had rebalanced and made substantial changes to the Board members' individual roles and responsibilities. He handed out updated rosters to the Board members and thanked them for their flexibility and for their questions this evening. Mr. Adams also thanked the staff and informed the new Board members that Mr. Hernandez and the Health System's executive team are some of the best in the healthcare industry. Mr. Hernandez thanked the Board for making the time to attend today's Board meeting in person.

PRESENTATIONS AND EDUCATION

OPERATIONS REPORT — ED BANOS

SUMMARY: In the interest of time, Mr. Adams postponed this presentation.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP None.

INFORMATION ONLY ITEMS

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

SECOND QUARTER SUPPLIER DIVERSITY REPORT — EDWARD CRUZ, JR./ANTONIO CARRILLO

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS — LENI KIRKMAN

SUMMARY:	Mr. Adams directed his colleague's attention to the 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.

There being no further business, Mr. Adams adjourned the public Board meeting at 8:29 pm.

James R. Adams
Chair, Board of Managers

James C. Hasslocher
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary