



**BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, August 29, 2023
6:00 pm
Cypress Room, University Hospital
4502 Medical Drive
San Antonio, Texas 78249-4493

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Jimmy Hasslocher, Vice Chair
Margaret Kelley, MD, Secretary
Anita L. Fernandez
Pat Jasso

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health
Edward Banos, Executive Vice President/Chief Operating Officer, University Health
Ted Day, Executive Vice President/Strategic Planning & Business Development, University Health
Carol Huber, Deputy Chief Public Health & Equity Officer, Institute for Public Health, University Health
Juan Garza, MD, Senior Vice President, Chief Quality & Health Informatics Officer, University Health.
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health
Leni Kirkman, Executive Vice President/Chief Marketing, Communication, & Corporate Affairs Officer,
University Health
Shelley Kofler, Senior Public Relations Manager, Corporate Communications, University Health
Robert Hromas, MD, Dean & Professor of Medicine, Vice President for Medical Affairs, UT Health San
Antonio
Leo Lopez, III, MD, Medical Director/Institute for Public Health/School-Based Health, University Health
Bill Phillips, Executive Vice President/Chief Information Officer, University Health
Serina Rivela, Vice President/Chief Legal Officer, University Health
Christopher Sandles, President/Hospital Operations, University Health
Travis Smith, Chief Financial Officer/Clinical Operations, University Health
Horacio Vasquez, Executive Director, Supply Chain Management, University Health
Larry Wallis, Director, Internal Audit Services, University Health
Don Gonzalez, CPA, Managing Director, Estrada Hinojosa & Company, Inc.
Tom Milligan, CMQMT Consultants
And other attendees.

CALL TO ORDER:

Mr. Adams called the Board meeting to order at 6:04pm.

INVOCATION AND PLEDGE OF ALLEGIANCE — JIM ADAMS, CHAIR

Board of Managers Meeting

Tuesday, August 29, 2023

Page 2 of 19

Ms. Leni Kirkman, Executive Vice President, Chief Marketing Communications & Corporate Affairs Officer said the invocation and recognized Sandra Garcia for her 35 years of service and upcoming retirement. Mr. Adams expressed his gratitude for Sandra's hard work and dedication to University Hospital and the Board of Managers throughout the years. Mr. Adams led the pledge of allegiance.

PUBLIC COMMENT: None

SPECIAL RECOGNITION: UNIVERSITY HEALTH FOUNDATION 2023 NURSING AND ALLIED HEALTH SCHOLARSHIP AWARDS - (LENI KIRKMAN/SARA ALGER)

In May 2001, as a response to the national and local nursing shortage, University Health Foundation established a nursing scholarship. The goal was to encourage University Health employees into the field of nursing and/or further their nursing education. Qualifying degrees include: Bachelor of Science in Nursing (BSN), Master of Science in Nursing (MSN) with a concentration in Administration, Education or Health Care Informatics; Doctor of Nursing Practice (DNP); and Associates Degree in Nursing (ADN). Later, in 2017, the program was expanded to include Allied Health Professionals. Qualifying programs are: radiology technologist; medical laboratory scientist; respiratory therapist; and rehabilitation therapist. Up to \$8,500 in scholarship funds are available for Nursing Scholars over three years, and up to \$6,000 in funds are available for Allied Health Scholars over two years. This year University Health Foundation received 15 applicants for the Nursing and Allied Health Scholarships, and 7 employees have been awarded funds. Recipients were recognized by the Board of Managers. The Winners are:

- Jan Marielle Aguilar (Associates in Nursing, San Antonio College) currently employed as a Patient Care Technician, SE Dialysis;
- Diana Antillon (Associates in Nursing, BHS School of Health Professions) employed as Referral Coordinator, Access Plus;
- Melissa Baker (Masters in Nursing, University of Texas at Arlington) employed as RN, Patient Care Coordinator, Transplant;
- Mariane Legarde (Bachelors in Nursing, Galen College of Nursing) employed as Laboratory Central Facility Clerk, Pathology;
- Bridgette Montgomery (Masters in Nursing, Cleveland State University) employed as Nurse Supervisor, Cardiology;
- Heidi Reynaga (Bachelors in Nursing, UT Health San Antonio) employed as Phlebotomist Pathology;
- Stephanie Vera (Masters in Nursing, Texas A & M International University) employed as Nurse Educator II, Center for Clinical Excellence.

APPROVAL OF MINUTES OF PREVIOUS MEETING: AUGUST 15, 2023 (SPECIAL MEETING)

SUMMARY:	The minutes of the special Board meeting of Tuesday, August 15, 2023, were submitted for the Board's approval.
RECOMMENDATION:	Staff recommends approval of the minutes as submitted.
ACTION:	A MOTION to APPROVE staff's recommendation was made by Ms. Jasso, SECONDED by Ms. Fernandez, and PASSED UNANIMOUSLY .
EVALUATION:	None
FOLLOW UP:	None

REPORT FROM UT HEALTH SAN ANTONIO — DEAN HROMAS, M.D., PRESIDENT

SUMMARY: Dean Hromas commented on the Best Places to Work in Texas and is Proud to be partnered with University Health listed as 26th place on the Forbes List. The Boerne Star conducted a Best Clinical Care in Medicine survey and the UT Hill Country clinic in Boerne won the top honor. The Parkinsons Foundation named UT Health a Parkinsons Center, One of only Ten in the United States.

Lastly, The National Institutes of Health (Government Research) has awarded UT Health a \$26 Million dollar grant for creating Hispanics, Alzheimers and Cardiac Disease clinical trials.

RECOMMENDATION:	This report was provided for informational purposes 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 MEMBERSHIP AND PRIVILEGES — MICHAEL LITTLE, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

Dr. Little commented on an observed theme he has noticed over these past 8 months on the focus of Teamwork not just on an executive level but also the patient care team. For a while he noted that the Nurses would work together, the doctors were working on together and tech where elsewhere; lately he has observed there has been allot of focus where everyone is working together as a team to common mission for the patients outcome.

Mr. Adams added his gratitude for the leadership and staff aiming to make this hospital to be one of the best in the country, teamwork is absolutely critical to achieve this success.

SUMMARY: The Credentials Committee met on July 24, 2023, and reviewed the credential files of the individuals listed on the Credentials Report and the Professional Performance Evaluation Report provided to the Board. In its meeting of Tuesday, August 1, 2023, the Executive Committee of the Medical-Dental Staff approved the Credentials Committee Report in accordance with University Health’s credentialing and privileging process. The Executive Committee, in turn, recommends final approval by the Board of Managers.

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

SUMMARY: The Credentials Committee met on July 25, 2023, and reviewed proposed revisions to Delineation of Privilege and the Professional Performance Evaluation Report and forms. In its meeting of Tuesday, August 1, 2023, the Executive Committee of the Medical-Dental Staff approved the Delineation of Privileges and Focused/Ongoing Professional Performance Evaluation Report, which was provided for the Board’s review, and in turn, recommends approval by the Board of Managers.

CONSIDERATION AND APPROPRIATE ACTION REGARDING TELEMEDICINE PRIVILEGES – AUSTIN RADIOLOGY – *BRYAN ALSIP, MD*

SUMMARY: In accordance with the Medical/Dental Staff Bylaws, Section 3.7, Telehealth, when University Health facilities are the originating site, University Health may use the privileging and credentialing decision from the distant site to make a final privileging decision provided all required elements are met. Dr. Alsip provided a list of providers reviewed by Professional Staff Services, in accordance with Medical/Dental Staff Bylaws and The Joint Commission Medical Staff Standards 13.01.01, for Radiology telehealth privileges, and recommended approval by the Board of Managers.

CONSIDERATION AND APPROPRIATE ACTION REGARDING RESCISSION OF CORPORATE POLICY 2.01.01, RENAL DIALYSIS SERVICES OVERSIGHT — *STEPHANIE STIEFER*

SUMMARY: University Health Policy No. 11.01, Policies and Regulations, defines “rescind” as “the act of revoking a policy that is no longer applicable or necessary as a governing principle, plan, or course of action as adopted by University Health Board of Managers. Further, Section II. D. 1. b. of the policy states that “A policy/regulation may be rescinded. Such rescission must be documented in writing and approved by the President/CEO and the Board of Managers.” As such, Policy no. 2.01.01, Renal Dialysis Services Oversight, is recommended for rescission at this time due to the fact that CMS and DSHS provide the current regulations for End Stage Renal Disease (ESRD) facilities to follow, to include the responsibilities of the governing body. In accordance with these regulatory entities the current dialysis department policies specifically address all of the state and federal regulations that outline the facilities governance structure, and include the responsibilities for each officer of the governing body. The departmental policies are reviewed by the dialysis leadership in collaboration with medical directors.

Therefore, the corporate policy no. 2.01.01 is not required. In accordance with University Health Policy No. 11.01, the Executive Policy Review Committee recommends the Board approve rescinding Policy No. 2.01.01.

CONSIDERATION AND APPROPRIATE ACTION REGARDING NEW CORPORATE POLICY NO. 5.07.02, CRISIS STANDARDS OF CARE — *BRYAN J. ALSIP, M.D.*

SUMMARY: The proposed new policy is a response to needs identified during the COVID-19 pandemic, specifically for implementing Crisis Standards of Care in the event the Governor or other appropriate official declares a pandemic or other public health emergency with potential to overwhelm available hospital or Intensive Care Unit (ICU) resources. The policy also outlines the formation of a Compassionate Care Committee to provide consultation for clinical providers to support medical decision-making when resources are scarce. The policy reflects recommendations from members of the University Health Bioethics Committee and incorporates guidance from the South Texas Regional Advisory Council (STRAC). The proposed policy explains processes and ethical considerations and principles particularly when resources and usual care processes are overwhelmed. The policy also provides guidance that supports clinical staff under conditions of resource scarcity through the formation of a multidisciplinary, diverse and inclusive ad hoc subcommittee of the Bioethics Committee, namely a Compassionate Care Committee (CCC). The CCC may provide guidance to providers upon consultation, however, decision-making authority remains with the patient’s physician or clinical provider. Staff recommends approval of the new policy, Crisis Standards of Care.

CONSIDERATION AND APPROPRIATE ACTION REGARDING REAPPOINTMENTS TO THE COMMUNITY FIRST HEALTH PLANS, INC. BOARD OF DIRECTORS — JIMMY HASSLOCHER, CHAIR, NOMINATING COMMITTEE

SUMMARY: The Bylaws of Community First Health Plans, Inc., 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 board members have terms that will expire September 30, 2023: Anita L. Fernández and George B. Hernández, Jr. The Nominating Committee of the Board recommends the re-appointment Ms. Fernandez and Mr. Hernandez as noted above for two-year terms beginning September 30, 2023 through September 30, 2025. Both members have expressed an interest and willingness to continue to serve, and respectively, each brings a wealth of knowledge, expertise, and continuity to the organization.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT BETWEEN COMMUNITY FIRST HEALTH PLANS, INC., AND CHAMOY CREATIVE FOR MARKETING AND ADVERTISING SERVICES — THERESA SCEPANSKI

SUMMARY: Over the course of the last three years, Community First Health Plans, Inc., in collaboration with Chamoy Creative, has developed an effective and creative marketing strategy to reach current and potential Members which has been validated through monthly elective membership enrollments. Chamoy Creative has consistently delivered the best overall value for professional marketing and advertising services for Community First's strategic marketing plan. The professional services contract was initially approved for execution in 2021 with Chamoy Creative for a three-year period, and an option to renew for an additional two-year period; this contract request is for the additional two-year period. The total contract amount for the two-year period is \$577,116. The total cost of the previous contract amount was \$757,188. As compared to the current annual contract year, \$261,252, there is an increase of \$16,236 (6.2%) for the first year and \$22,140 (8%) for the second year of the contract renewal period. This is a planned expense and funding is included in the Annual Operating Budget.

The contract shall be for a two-year renewal period term beginning January 1, 2024, and ending December 31, 2025, unless earlier terminated pursuant to standard purchase terms and conditions. The workforce composition for Chamoy Creative was provided for the Board's review. The Board of Directors of Community First Health Plans, Inc. recommends the Board of Managers' approval of a contract for professional services with Chamoy Creative in the amount of \$577,116 for a two-year renewal period.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A PROFESSIONAL SERVICES AGREEMENT WITH SOUND PHYSICIANS FOR ANESTHESIA SERVICES FOR CARELINK MEMBERS — ROBERT VILLARREAL, M.D.

SUMMARY: University Health, through its CareLink program, provides medical services to low income and uninsured residents of Bexar County. CareLink is a financial assistance program and, while it is not an insurance product per se, it has similarities in terms of encouraging a lasting relationship between a patient and their primary care provider, promoting access to preventive health services, and an array of services to its members, including surgical care involving anesthesia. University Health has contracted with a third party, Sound Physicians, to provide anesthesia services at the Medical Arts and Research Center (MARC) Ambulatory Surgery Center, the Robert B. Green Ambulatory Surgery Center and to provide 24/7/365 Certified Registered Nurse Anesthetist (CRNA) coverage for Obstetrics which will relieve the pressure on the anesthesia services currently being provided by UT Health at University Hospital. Sound Physicians will bill CareLink for anesthesia services provided to members at the above-referenced locations. All Sound physicians providing services pursuant to this agreement will be credentialed as non-faculty.

UT Health Anesthesia is supportive of this agreement, which complements the current UT Health Anesthesia practice at University Health. This will allow dedicated anesthesia personnel by Sound to cover our ambulatory settings without the need to pull staff from these centers to cover the main operating room. This is a fee for service contract and will be paid at 100% of the current Medicare rate. The annual cost of the professional services to be provided by Sound is estimated at \$275,000 and the total cost for the three-year agreement is estimated at \$825,000. Based on the current support paid to UT Health for providing the same services pursuant to the current contract, there will be no increase in cost to University Health. This is a planned expense and is included in the 2023 Annual Operating Budget. The workforce composition for South Physicians was provided for the Board's review. Staff recommends Board of Managers approval of this agreement with Sound Physicians, for anesthesia services in an estimated amount of \$825,000 for a three-year term beginning May 1, 2023.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A PROFESSIONAL SERVICES AGREEMENT FUNDED THROUGH THE HEALTH RESOURCES AND SERVICES ADMINISTRATION WITH FORT DUNCAN REGIONAL MEDICAL CENTER IN SUPPORT OF THE TEXAS RURAL MATERNITY AND OBSTETRICS MANAGEMENT STRATEGIES PROGRAM — ROBERT VILLARREAL, M.D.

SUMMARY: In October 2019, the federal agency Health Resources and Services Administration and the U.S. Department of Health and Human Services awarded Bexar County Hospital District \$2,270,647 in funding to implement the Texas Rural Maternity and Obstetrics Management Strategies (TX RMOMS), a five-year program to improve access to, and coordinate maternal and obstetrics care within, a rural network of hospitals and clinical providers. The TX-RMOMS Program improves access to a comprehensive and integrated continuity of maternal and obstetrics care for rural, racial, and ethnic minority women of childbearing age. The purpose of this agreement is to expand the network by including Ft. Duncan Medical Center (Ft. Duncan) in Eagle Pass, TX (Maverick County) with funding of \$263,764. The overall program impact, including the agreement with Ft. Duncan, is budget neutral. The activities included in this agreement are part of the TX RMOMS program and are funded entirely by HRSA (Award No.UK9RH33788). The award reimburses University Health for the organization, coordination, and administration of the program.

The table below reflects the funding that has been allocated to the TX RMOMS collaborators and approved by the Board throughout the life of the program to improve access to continuous, coordinated, and community - based care among women of childbearing age living in the service area along the United States-Mexico border, including the Val Verde and Uvalde service regions.

Period/Year	RMOMS Program Overall Budget	Allocated Funds
Y1: FY 19-20 09/01/2019-8/31/2020	\$590,090	VVRMC: \$140,442 UMH: \$95,460 CHDI: \$104,944
Y2: FY 20-21 09/01/2020-8/31/2021	\$790,119	VVRMC: \$263,318 UMH: \$150,216 CHDI: \$118,929 Sage: \$22,070.00 UMC: \$140,442
Y3: FY 21-22 09/01/2021-8/31/2022	\$795,002	VVRMC: \$200,857 UMH: \$41,101 CHDI: \$75,124 Sage: \$95,635.00 UMC: \$91,279
Y4: FY 22-23 09/01/2022-8/31/2023	\$797,526	VVRMC: \$236,895 UMH: \$190,721 CHDI: \$144,452 Sage: \$83,677 UMC: \$54,113
Y5: FY 23-24 09/01/23-08/31/2024	\$756,783	UMH: \$200,000

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

SUMMARY: University Health’s Purchasing Consent package includes new contracts or modification of existing contracts that require Board of Managers approval. The Purchasing Consent items generally contain supply and third party service contracts that are ordinary for daily business operations. The Consent Agenda is normally approved with one motion and vote, but any of the individual items can be selected or pulled for detailed Board discussion and action.

The Purchasing Consent package includes three sections that provide the following information.

- “Attachment A” provides a list of each item under consideration by the Board of Managers.
- The “Summary of Purchasing Activity” includes the detail of monthly purchasing activity among vendor categories: SMWVBE, Local, and Not-for Profit.
- The subsequent numbered pages follow the reference number in “Attachment A”. These pages provide additional supporting detail for each proposed contract within the Purchasing Consent.

University Health’s Purchasing Consent attachment for the month of August 2023 includes 21 proposed contracts for Board of Managers action. The total requested Board of Managers approval for these 21 contracts is \$11,519,841.

Ms. Fernandez expressed her appreciation for Crisis Standards of Care Policy and she looks forward to leaning more about this policy in the near future and having continuous discussions and how we are collaborating and leading with other entities.

Mr. Adams additionally commented on Item D Rescission of Corporate Policy 2.01.01 Renal Dialysis Services Oversight on a revised Policy as distributed.

CONSENT RECOMMENDATION: Staff recommends Board of Manager' s approval of Purchasing Consent Agenda items in the total amount of \$11,519,841.

CONSENT ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Ms. Fernandez, **SECONDED** by Ms. Jasso, and **PASSED UNANIMOUSLY**.

CONSENT EVALUATION: None

CONSENT FOLLOW UP: None

**ACTION ITEMS - CONSIDERATION AND APPROPRIATE ACTION REGARDING
SELECTED PURCHASING ITEMS:**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT TO THE
CONSTRUCTION MANAGER AT RISK AGREEMENT WITH JOERIS+JE DUNN, A JOINT
VENTURE, FOR ADDITIONAL MISCELLANEOUS WORKS FOR THE WOMEN'S AND
CHILDREN'S HOSPITAL AND APPROPRIATE FUNDING THERETO — DON RYDEN**

SUMMARY: In coordination with the CM, Staff have determined that the most expedient approach to rapidly accomplishing additional miscellaneous work is to increase the amount of Owner's Allowance Funding by Amendment to the CM Agreement. This will pre-position the funding for exigent needs but will retain control of its release by University Health, enabling a more rapid purchase of necessary materials and labor by the CM once Staff have reviewed a detailed scope and cost estimate of the additional work and authorized the work to proceed. The proposed increase to the CM's funding is \$7.9 million in Owner's Allowance.

Staff have assessed the current construction purchase orders issued under the Agreement with the CM and determined that the additional owner allowance funding should be added to purchase orders for both the hospital tower and the podium expansion.

This will maintain alignment with where the additional work is physically located and improve the consistency of financial tracking and reporting through the end of the Project.

Staff have identified savings in other areas to fund this increase from Board-approved Project monies; no increase in the Project budget will result.

RECOMMENDATION: Staff recommends the Board of Managers approve the proposed budget adjustments to fund an increase in Owner's Allowance in the CM's Agreement and purchase additional technology equipment, and authorize the President/Chief Executive Officer to execute the required contract actions accordingly:

- Amendment to the Construction Manager at Risk Agreement with Joeris+JE Dunn, a Joint Venture to add Owner's Allowance of \$7,946,278.
- Purchase Order to NetSync Solutions, Inc. Not-to-Exceed \$130,000.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Ms. Fernandez, and **PASSED UNANIMOUSLY**.

EVALUATION: None

FOLLOW UP: None

CONSIDERATION AND APPROPRIATE ACTION REGARDING A PROFESSIONAL SERVICES AGREEMENT BETWEEN UNIVERSITY MEDICINE ASSOCIATES AND UT HEALTH SAN ANTONIO FOR HOSPITAL-BASED ANESTHESIA SERVICES — EDWARD BANOS

SUMMARY: Historically, the UT Health San Antonio Department of Anesthesia has provided professional services at University Hospital. University Health supports those services through the Master Health Care Services Agreement.

Over the past two years, UT Health San Antonio has struggled to recruit anesthesiologists and certified registered nurse anesthetists (CRNAs), primarily due to UT Health's inability to pay market competitive salaries. The shortage of anesthesia providers has affected the ability of University Health to grow surgical and procedural volumes in the operating room, advanced diagnostic center, and ambulatory surgery centers (ASCs). It has also resulted in extended lengths of stay for inpatients and extended wait times for outpatients requiring surgery or procedures. In January 2023 UT Health San Antonio and University Health agreed to modify the Master Health Care Services Agreement to increase salaries for Anesthesiologists and Certified Registered Nurse Anesthetists (CRNAs), while finalizing an arrangement whereby University Health would lease the Department of Anesthesiology for hospital based anesthesia which currently totals 92 providers. Additionally, UT Health San Antonio agreed that in return, University Health would oversee the scheduling of staff, utilization of CRNAs to work at the top of their license according to current state regulations, and define resident and MD supervision.

RECOMMENDATION: Staff recommends Board of Managers' approval to enter into this Professional Services Agreement with UT Health San Antonio to provide hospital based Anesthesia Services for a 12-month term from September 1, 2023 through August 31, 2024 at an annual cost not to exceed \$41,999,676.

Dr. Kelley requested further explanation of the difference between a Master Service Agreement vs. a Lease?

Mr. Banos stated that with the Master Service Agreement the school does all the billing, collecting, have administrative overhead for the departments and come back to identify the shortfall of x amount of dollars, every year they agree to pay the difference, strategically when the department wants to add a doctor then a negotiations take place to determine if we want to move forward in adding the requested doctors to the specific department. With the Lease we, University Health are actually the ones that employ the doctors, credential them under University Medicine Associates, put them on UH insurance plans for billing, then bill and collect so all the money comes to us vs going to the school. Strategically, when we add physicians the impact will come to the UMA side becomes more transparent for us to see when there is a lease arrangement; when a physician is looking to leave or if there are things that UH needs to act on UH can make the decision because it's a lease agreement opposed to going to the School, to the Chair and other departments within the school that may cause a delay in a decision.

Mr. Hasslocher thank Dean Hromas for the Partnership that has been accomplished, the hard work and dedication; very appreciative for the entire team. Further discussion was held on the Master Service Agreement vs. Lease.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Dr. Kelley, and **PASSED UNANIMOUSLY**.

EVALUATION: None

FOLLOW UP: None

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE ANNUAL OPERATING AGREEMENT WITH UT HEALTH SAN ANTONIO — EDWARD BANO

SUMMARY: University Health contracts annually with UT Health San Antonio (UT Health) through two Operating Agreements 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 designated members of leadership at University Health. The current agreements expire August 31, 2023.

The Annual Operating Agreements focus on improving the efficiency and effectiveness of patient care delivered throughout University Health by engaging physician participation in the development of policies and protocols that successfully meet regulatory and accreditation requirements. The Annual Operating Agreements are comprised of the following:

University Health leadership in collaboration with UT Medical School department chairs or chiefs of service select Medical Directors. Medical Directors' duties and responsibilities include the following:

- Prescribe medical standards and policies;
- Maintain safe and acceptable standards of medical practice;
- Support quality assurance through monthly review of metrics and coordination of best practice protocols;
- Define the clinical objectives of the patient care unit or service;
- Participate as a member of the Clinical Management Team and Clinical Review Committee;
- Provide leadership to physicians and mid-level providers; and
- Address performance issues with physicians and mid-level providers.

When appropriate, Medical Directors also work with University Health leadership to manage utilization and control costs. University Health policies and all CMS and Joint Commission regulatory and compliance requirements are understood and followed by physicians and mid-level providers.

General services consist of direct patient care services rendered to University Health patients through non-physician medical personnel employed by UT Health. These services are specifically oriented to improving the efficiency and effectiveness of the patient care delivery process. Within the General Services portion of the agreement, funding is allocated to support staff personnel to assist with the navigation of patients to resources within University Health, thus improving access to care and efficiency. Additionally, the following services are included in the General Services section:

- **Residency Program Support:**
The annual expense for this item in the current agreement is \$800,000 or \$66,666.67 per month. There is no change in this amount in the new agreement.

- **House Staff Medical Malpractice:**
 The annual expense for this item in the current agreement is \$713,616 or \$59,468 per month. There is no change in this amount in the new agreement.
- **University Medicine Associates Malpractice Insurance:**
 The annual expense for this item in the current agreement is \$67,716 or \$5,643 per month. There is no change in this amount in the new agreement.

The Fiscal Impact annual amount for Medical Director Services in the current agreement is **\$8,442,759**. There is no change in this amount in the new agreement. The annual amount for General Services in the current agreement is **\$11,537,596**. There is no change in this amount in the new agreement. The term of these agreements is from September 1, 2023 through August 31, 2024. The total expense for the one-year term for both the Medical Director Services and General Services is an amount not to exceed **\$19,980,355**.

Strategic Note:

University Health also reimburses UT Health under other agreements, these include:

- Master Services Agreement
- CareLink Care Agreement
- Sponsored Care Agreement

Community Medicine Associates, d/b/a University Medicine Associates contracts with UT Health for leased physician services for Pediatric Hematology/Oncology, OB/GYN, Outpatient Pediatrics, Neonatology, Pediatric Surgery and Pediatric Cardiology.

UT Health San Antonio has a total of 6,027 employees. The workforce composition data is as follows:

		Race/Ethnicity					Total	
		American Indian	Asian American	African American	Hispanic	White		Other
Status								
Non-Professional	#	9	67	87	1383	469	248	2263
	%	0%	3%	4%	61%	21%	11%	100%

		Race/Ethnicity					Total	
		American Indian	Asian American	African American	Hispanic	White		Other
Status								
Non-Professional	#	9	67	87	1383	469	248	2263
	%	0%	3%	4%	61%	21%	11%	100%
Professional	#	9	536	135	1158	1605	321	3764
	%	0%	14%	4%	31%	43%	9%	100%
Total	#	18	603	222	2541	2074	569	6027
	%	0%	10%	4%	42%	34%	9%	100%

RECOMMENDATION: Staff recommends Board of Managers’ approval and authorization for the President/Chief Executive Officer to execute the 2023-2024 Annual Operating Agreements for Medical Director Services and General Services with UT Health San Antonio for the one-year period beginning September 1, 2023 and ending August 31, 2024 in the combined amount not to exceed \$19,980,355.

ACTION: A **MOTION** to **APPROVE** staff’s recommendation was made by Mr. Hasslocher, **SECONDED** by Dr. Kelley, and **PASSED UNANIMOUSLY**.

EVALUATION: None

FOLLOW UP: None

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORT FOR JULY 2023— REED HURLEY

SUMMARY: University Health’s consolidated bottom line for the month of July 2023 reflects a gain of \$19.9 million, \$17.9 million better than the budgeted gain of \$1.9 million. This gain to budget is primarily due to patient activity driving positive net patient revenue of \$14.1 million and investment income of \$5.2 million offset by employee compensation over budget \$6.0 million.

In July, clinical activity (as measured by inpatient patient days) was up by 14.1% and inpatient discharges were higher than budget by 10.5%. Volumes exceeded budget across all key service delivery areas.

Community First experienced a bottom line gain of \$3.8 million, which was \$3.8 million better than the budgeted loss of \$0.1 million. Community First fully insured membership was down 7.9% to budget but the bottom line gain was driven by lower than expected expenses and a pick-up from interest income.

	(Dollars in 000's)			YTD		
	Month			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenue	\$247,122	\$246,165	\$957	\$1,748,350	\$1,726,790	\$21,561
Operating Expense	229,151	237,148	7,997	1,581,330	1,648,004	66,675
Operating Gain	\$17,971	\$9,017	\$8,954	\$167,020	\$78,785	\$88,235
NonOperating Expense	\$1,897	(\$7,088)	\$8,985	\$1,881	(\$49,233)	\$51,114
Bottom Line	\$19,868	\$1,929	\$17,939	\$168,901	\$29,552	\$139,350

Significant items to note from the Monthly Consolidated Statement of Revenues and Expenses (Monthly Financial Report page 4) include the following:

a. Operating Revenue

Current Month

Net patient revenue over budget \$14.1 million driven by high patient volumes, acuity of inpatient services and the continued growth of retail pharmacy volumes. Supplemental revenue over budget \$1.8 million for the month of July due to FY23 DSH payments exceeding budget. Community First premium revenue was under budget \$15.7 million related to experience rebate over budget by \$7.4 million in addition to budgeting for additional Health Insurance Exchange (HIE) members that did not materialize.

Year to Date

Net patient revenue is over budget \$100.6 million driven by high patient volumes, acuity of inpatient services, and the continued growth of retail pharmacy volumes. Supplemental revenue is over budget \$10.2 million due to FY23 DSH payments exceeding budget by \$4.9 million and a \$2.3 million increase in UC revenue recognition as the result of an FY22 rule change. Community First premium revenue is under budget \$98.9 million related to budgeting for additional Health Insurance Exchange (HIE) members that did not materialize and an experience rebate variance of \$51.9 million.

b. Operating Expense

Current Month

Employee compensation is over budget \$6.0 million related to \$2.6 million in pension expense, \$1.6 million in overtime costs and \$1.2 million in temporary labor premium. Supplies are over budget \$2.5 million due to pharmaceutical expense over budget \$1.4 million due to the growth in retail pharmacy programs and \$1.2 million in medical supplies. Community First claims expense is under budget \$16.4 million primarily driven by the lower than budgeted HIE membership.

Year to Date

Employee compensation is over budget \$37.6 million related to \$9.2 million in higher incentive pay, \$10.1 million in pension expense, \$6.5 million in higher salaries, wages and overtime expense and \$6.9 million temporary labor premium. Supplies are over budget \$18.9 million due to \$14.2 million in higher pharmaceuticals expense from the retail pharmacy programs and \$4.1 million in higher medical supplies from the operating room and procedural departments. Community First claims expense is under budget \$114.0 million primarily driven by the lower than budgeted HIE membership.

c. Non-Operating Expense

Current Month

Investment income of \$6.1 million was higher than budget by \$5.2 million. An unrealized gain of \$3.4 million was higher than budget by \$4.1 million. These unrealized gains and losses are created due to marking our investments to current market prices each month. No actual gains or losses will be incurred if the investments are held to maturity which is our standard practice.

Year to Date

Investment income of \$40.4 million was higher than budget by \$33.9 million. An unrealized gain of \$15.2 million was \$20.1 million higher than the budgeted loss of \$4.9 million.

Consolidated Balance Sheet (Monthly Financial Report page 3) highlights are as follows:

- Days Revenue in Patient Accounts Receivable: 37.3 days on a budget of 39.0 days. Improved cash collections and AR cleanup has moved this metric in a positive direction.
- The Women's and Children's Hospital and associated projects have a reserved balance of \$225 million. \$16 million was paid out in July a total of \$645 million has been paid to date.
- The Community Hospitals project has a reserved balance of \$678 million.
- Unencumbered funds reserved for future capital needs has a balance of \$68.4 million.
- University Health's Net Asset Value has increased \$195.7 million year to date on a Generally Accepted Accounting Principles (GAAP) basis including debt service tax revenue and interest expense on bonds.

Dr. Kelley requested further explanation on line item for supplies. Travis Smith explained there has been a significant growth in retail in specialty pharmacy program although the supply expense is over what was planned for there is a direct translation up to the net patient revenue to offset that higher expense. Mr. Hasslocher acknowledge a good July and will continue to work on the compensation issue.

CONSENT RECOMMENDATION: Staff recommends approval of the financial reports subject to audit

CONSENT ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Ms. Fernandez, and **PASSED UNANIMOUSLY**.

EVALUATION: None

FOLLOW UP: None

PRESENTATIONS AND EDUCATION:

SECOND QUARTER SUPPLIER DIVERSITY REPORT — LATIFAH JACKSON/HORACIO VASQUEZ/TRAVIS SMITH

Travis Smith introduced Horacio Vasquez, Executive Director – Supply Chain Services and Latifah Jackson, Supplier Diversity Manager, Procurement Services to provide an overview of the last quarter performance.

SUMMARY: University Health continues to allocate resources towards supporting and engaging diverse suppliers, businesses, and communities. Recognizing the value and importance of diversity, University Health makes a conscious effort to invest in and promote a wide range of suppliers from various backgrounds.

By embracing diversity spend, University Health not only foster economic growth and job creations within marginalized communities, but also promotes innovation, creativity, and different perspectives in our supply chain. Through nurturing diversity spend, University Health can build a stronger more inclusive partnership and create a positive impact on our local community. During the 2nd Quarter of 2023, the Supplier Diversity program has continued working on various projects that will provide enhancements to the Small, Minority, Women, and Veteran Owned Business Enterprise (SMWVBE) Program. During the last quarter we attended 20 outreach events plus 65 capability meeting with these vendors.

University Health is currently reporting SMWVBE spend classified as Tier II. Tier II spend occurs when a primary vendor subcontracts a portion of their awarded amount to a SMWVBE certified vendor. This information is reported to University Health thru distributors and service providers working within the system. Some of the current vendors supporting this initiative include Medline, Morris Dickson, US Foods, Presidio, Stryker, AMEX and Fisher. Staff have also expanded Tier II tracking to construction projects with sub-contractors as of January 2023.

Ms. Fernandez acknowledge and appreciated the efforts put forth with this program and would like to attend more community events in the future. Still have opportunities for improvement but appreciate the acknowledgement of the ongoing work and coordination of future events and commend the staffs hard work.

Ms. Jasso asked about the percentage of groups participating in construction; are those projects being subcontracted or are they actually doing the construction project. Ms. Latifah replied they are the prime contractors as we are starting to move on other construction projects you will start to see that tier to expand. Ms. Jasso also asked if applications are being tracked by subcontractors throughout the entire process? All applicants are being worked with and assisted as needed.

Dr. Kelley commented on the 34.7 % goal, why is the percentage of the demographics so low within the African American and Hispanic communities. Why do we not have more vendors and what is being done to attract more vendors? When there is a small project to bid out, Latifah and her group are made aware and they go out to the community vendors to offer an opportunity to place a bid on the project. Only certified vendors are utilized for projects and assistance is made available to assist vendors with certification. Dr. Kelley appreciated the detailed presentation.

RECOMMENDATION:	This report is presented for informational purposes only.
ACTION:	No action is required by the Board of Managers.
EVALUATION:	None
FOLLOW UP:	None

INFORMATION ONLY ITEMS:

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

The architectural and engineering (A/E) team of Marmon Mok, LLP (a.k.a. Marmon Mok|ZGF) is nearing the completion of its engagement on the Women’s and Children’s Hospital, which began in 2018 and will run through early 2024.

Construction Documents are complete to support the inpatient programs identified in the Blue Cottage Clinical Space Program, and the full build-out of the 12th floor Adult Medical Surgical space. In the podium expansion, Construction Documents for the Kitchen, Sery, Dining Room, and Conference Rooms, pediatric in-patient and discharge Pharmacy Services, and pediatric catheterization services are also complete. Finally, Construction Documents for pediatric computed tomography (CT) spaces were published in early August 2023.

The A/E team is currently focused on adjustments required by various Authorities Having Jurisdiction (AHJ) and field changes to overcome physical conflicts or limitations during the final stages of construction and will be compiling the completion documentation needed before the new facilities are open for service.

The Construction Manager (Joeris + JE Dunn, a Joint Venture) commenced work on site in June 2019 for the Advanced Diagnostic Center and started other enabling projects in August 2019. The Underground Utility Reroute, North Garage Demolition, and Advanced Diagnostic Center projects are complete. Work on the Women's and Children's Hospital (WCH) and the new garage commenced in early 2020 and work on the podium expansion foundations began in October 2021. The hospital, garage, and remaining podium expansion spaces will be completed in 2023. Work on the pediatric catheterization spaces began and is due to be completed in February 2024. The additional work designed by the A/E team for relocating pediatric CT areas will not be added to the Construction Manager's current contract.

UPDATE ON COMMUNITY HOSPITALS PROJECT — DON RYDEN

The rapid momentum of the Project continues with robust coordination between the A/E team, PM, and the CMs during the design phase. The project team has engaged representatives from various hospital departments who have been essential to refining the planned departmental layouts and support spaces. The CMs are providing constructability input that will improve cost-effective design approaches that also incorporate timely construction completion milestones amidst challenging market conditions. During the Schematic Design phase, information was gathered from hospital leadership and from the various hospital departments that built on previous information and further developed the functionality and performance of the Project. The resulting plans considered basic interior and exterior designs as well as site plans.

Upon delivery of the Schematic Design documents in early July, the design team immediately moved into the Design Development Phase. The documents will clearly show architectural, civil, structural, mechanical, electrical, and plumbing designs. The Palo Alto CM will mobilize and commence work for the storm water and site preparation in September 2023.

Progress update: Overall, the Project is continuing the design phase. In summary:

- Programming, Conceptual Design, and Schematic Design Phases are complete. The A/E team has commenced the Design Development phase.
- Project cost estimate revisions based on further design refinement are underway by the Construction Managers and Project Manager.
- Site utility discussions are ongoing with CPS.
- The project team is refining early release packages including site work and underground utilities for future GMPs.
- Preliminary drainage work has been awarded to the Construction Manager and work will commence mid-September.

UNIVERSITY HEALTH FOUNDATION UPDATE — SARA ALGER

SUMMARY: We have raised nearly \$28 million to date with approximately 5,000 unique donors. We are currently in a match challenge and need to raise another \$172,200 to receive a \$500,000 match. The team continues to work through an identified set of donors and prospects who we believe can help us close the gap.

Donor recognition signage is up in the hospital, and we continue to host space dedications for donors and their families. We received 15 applicants for the Nursing and Allied Health Scholarships. Seven University Health employees will receive a scholarship. Recipients were notified in early August and will be recognized at the Board of Managers meeting on August 29.

There were 18 applicants for the Eric Daniel Hernandez Scholarship. The family is currently reviewing the applications and will award two individuals with \$500 each. Recipients will be notified by the end of August.

The 2024 Medical Miracles Gala will take place on Saturday, May 11, 2024, 5:30-10:30p at La Cantera Resort and Spa. Our goal is to raise \$1 million. Table sales for the gala are open and will temporarily close at the end of August. In order to achieve our \$1,000,000 goal there is a very limited number of \$5K tables (less than 15 available). If you would like to reserve a table or commit to a sponsorship please contact the Foundation. Donations are now being accepted for the auction. Please contact the Foundation if you or someone you know would like to donate an item/experience.

Finally, we are recruiting gala committee members. We are looking for board members and non-board members to join in the fun. If you or someone you know may be interested, please contact the Foundation.

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS — LENI KIRKMAN

SUMMARY: University Health is a 2023 NRC Consumer Loyalty Awards winner. Health systems are selected for this award based on results from NRC Health's national Market Insights study of health care consumer perceptions. Health systems recognized by NRC Health for this honor have strong top-of-mind scores in their markets, as well as the highest ratings for overall image and reputation, net promoter scores and NRC's Human Understanding metric. University Hospital has been re-designated as a Level IV (Advanced Neonatal Intensive Care) Neonatal Facility by the Texas Department of State Health Services. This designation is valid for a three-year period. Surveyors commended our neonatal team for its expertise in delivering high quality care to babies born prematurely or requiring intensive care, as well as our organization's commitment to achieving and maintaining a Level IV designation. University Health received the highest level of recognition from the Blue Cross Blue Shield Association's (BCBSA) BlueDistinction Program for Maternity Care. This program evaluates patient outcomes and additional measures related to expertise, costs and efficiencies. Earning the BlueDistinction Center Plus level means our maternity team meets the highest quality, business and cost thresholds. University Health received the Gold Level – Center of Excellence Award for Excellent in Life Support from the Extracorporeal Life Support Organization (ELSO). This is the third year in a row for this recognition. Aetna has recertified University Health Transplant Institute as an Institute of Excellence (IOE) for Adult Kidney, Liver and Lung, as well as Pediatric Kidney transplantation. This recognition is a continuation of our previous designation and demonstrates the high quality care our transplant team provides to Aetna's nationwide base of clients. Aetna routinely reviews data for transplant programs as a quality assurance activity for our members. Its National Medical Excellence Program preauthorizes transplant services for Aetna members seeking these services at IOE hospitals because of their strong commitment to transplant

medicine and patient outcomes.

Stephanie Whitehead, executive director of Pathology Services, and Megan Maxwell, lead laboratory genetic counselor, were featured in the publication *Critical Values*. They explained how they built University Health's genetic counseling division and shared how it has improved patient care.

Upcoming Sponsorships/Community Events:

- University Health will partner with Bexar County Commissioners to hold a series of free flu shot drive-thru events:
 - September 23 at the Freeman Coliseum with Commissioner Calvert
 - October 7 at SWISD with Commissioner Clay-Flores
 - October 29 at Gustafson Stadium with Commissioner Rodriguez
 - November 4 at Dub Farris Stadium with Commissioner Moody

- University Health is proud to support and partner with nonprofit organizations to advance efforts to improve the good health of our community. Upcoming sponsorships include:
 - BioMed SAT, Innovation Awards, September 7 at Vista at Valero
 - Any Baby Can, Angel Affair, September 9 at Tobin Center

 - Louise Batz Foundation, Viva Blingo, September 9 at San Antonio Country Club
 - PDK Foundation, Walk for PDK, September 9 at OP Schnabel Park
 - Angel Flight Soaring Hearts Gala, September 9 at the Lone Star Flight Museum in Houston
 - American Cancer Society Ranch Chic, September 13 at the Shrine Auditorium and Cattle Baron's Gala, September 30 at Estancia del Norte Hotel.
 - Beat AIDS Coalition Annual Banquet, September 15 at the Second Baptist Community Center
 - Mexican Civil Rights Institute Celebration marking the significant contributions of Jovita Ida Quarter, and release of a U.S. coin commemorating her life, September 15 – 17 at various locations
 - Head for the Cure 5K Race, September 23 at Providence High School
 - Cystic Fibrosis Foundation Great stride Walk, September 23 at Hemisfair Park
 - Morgan's Wonderland Morgan's Birthday Bash and 14th Annual Gala, September 23 at Morgan's Wonderland Camp
 - Girls Scouts of SW Texas Trefoil Luncheon, September 28 at Marriott Rivercenter
 - Schertz Cibolo Chamber of Commerce Balloon Fest, September 29 – 30 at Retama
 - San Antonio Hispanic Chamber of Commerce Gala, September 30 at Henry B. Gonzalez Convention Center

RECOMMENDATION:	This report is provided for informational purposes only.
ACTION:	None
EVALUATION:	None
FOLLOW UP:	None

Mr. Hernandez acknowledge Sandra Garcia with a brief history of her career. Mr. Hernandez hired her in 1991 for UT Health Science Center into the University Health System Legal Department. She has been an asset through-out her career. When Mr. Jeff Turner became President and CEO, Mr. Turner transitioned Sandra to his Assistant; Mr. Hernandez rose to the occasion to become CEO and work with Sandra again. Sandra will be missed by many for her professionalism and always willing to assist those in need. Mr. Adams added his appreciation for Sandra's efforts and gracious assistance.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the public meeting at 7:26 pm.

James R. Adams
Chair, Board of Managers

Margaret A. Kelley, MD.
Secretary, Board of Managers

Janie M. Guevara, Recording Secretary