



**BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, December 16, 2025
6:00 pm
Cypress Room, University Hospital
4502 Medical Drive
San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

Jimmy Hasslocher, Chair
Anita L. Fernández, Vice Chair
Margaret Kelley, MD
Beverly Watts Davis
David Cohen, MD
Melinda Rodriguez, PT, DPT.
Patricia (Pat) Jasso

OTHERS PRESENT:

Edward Banos, President/Chief Executive Officer, University Health
Bill Phillips, Executive Vice President/Chief Operating Officer, University Health
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health
Dr. Bryan Alsip, Executive VP, Chief medical Officer, University Health
Francisco G. Cigarroa, M.D., EVP/Health Affairs and Health System, Ut Health San Antonio
Robert Hromas, MD, Dean and Professor of Medicine, UT Health San Antonio
And other staff attendees.

CALL TO ORDER:

Mr. Hasslocher called the Board meeting to order at 6:06 pm.

INVOCATION AND PLEDGE OF ALLEGIANCE — *Jimmy Hasslocher, Chair*

Invocation – Amira Zakaria, University Health Employee — *Jimmy Hasslocher, Chair*

Mr. Hasslocher led the pledge of allegiance.

PUBLIC COMMENT: NONE

Approval of Minutes of Previous Meeting: None at this Time

Report from UT Health San Antonio — Francisco G. Cigarroa, M.D., EVP/Health Affairs and Health System.

SUMMARY: Dr. Cigarroa thanked the Board of Managers and University Health for the partnership as a primary teaching hospital. He reported recent graduations of 145 Nurses and 79 Physician Assistants, stating an expectation that many will remain locally, including University Health. Dean Hromas also shared that a \$30million gift to UT Health School of Public Health, a federal grant designating UT as one of 10 Geriatrics Medical Student Training Sites and described a new Radiofrequency ablation approach for Pancreatic Cancer patients who cannot undergo surgery such as Life-extending rather than curative. Board members remarks included recognition of the importance of Sprirtual Care / Pastoral Services for patients, families and clinicians following adverse/unanticipated outcomes. Dr. Little added on the positive collaborative atmosphere he sees day to day in patient care from the entire staff.

Public Hearing of Proposed Mandatory Payment for the Bexar County Hospital District Local Provider Participation Fund for Fiscal Year 2026 — *Jimmy Hasslocher, Chair*

SUMMARY: The Chair opened the public hearing at approximately 6:11 p.m. and closed it around 6:12 p.m. The transcript indicates no speakers.

COMMENTS /DISCUSSIONS: None

Consideration and Appropriate Action Regarding a Resolution Setting the Maximum Rate of Mandatory Payment(s) for the Bexar County Hospital District's Local Provider Participation Fund Through Fiscal Year 2026 — *Edward Banos/Reed Hurley*

SUMMARY: Staff described the Local Provider Participation Fund assessment as applying to non-governmental hospitals and stated the statutory maximum rate is 6%. They explained that setting the maximum reduces the need for repeated Board action and noted recent actual practice in the -5% - 5.5% range depending on supplemental funding availability. A funding explanation was provided: sending roughly \$0.45 yields \$1.00 returned; at 6%, the assessment could generate approximately \$200M, translating to about \$500M returning to the community as supplemental payments as stated.

RECOMMENDATION: Staff recommends Board of Manager's adopt the attached Resolution authorizing the Bexar County Hospital District to set the 2026 Assessment Rate for the Bexar County Hospital District Local Provider Participation Fund at 6.0 Percent.

COMMENTS /DISCUSSIONS: None

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

EVALUATION: None

FOLLOW UP: None

NEW BUSINESS:

CONSENT AGENDA — *Jimmy Hasslocher, Chair*

**Consideration and Appropriate Action Regarding Medical-Dental Staff Membership and Privileges —
*Michael Little, M.D., President, Medical/Dental Staff***

SUMMARY: The Credentials Committee met on November 24, 2025 and reviewed the credential files of the individuals listed on the attached Credentials Report and the Professional Performance Evaluation Report. In its meeting of December 2, 2025, the Executive Committee of the Medical-Dental Staff recommended approval of the Credentials Committee Report.

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 November 24, 2025 and reviewed proposed revisions to Delineation of Privilege and the Professional Performance Evaluation Report and forms. In its meeting of December 2, 2025, the Executive Committee of the Medical-Dental Staff recommended approval of the attached Delineation of Privileges and Focused/Ongoing Professional Performance Evaluation Report.

Consideration and Appropriate Action Regarding the Following Community First Health Plans, Inc. with:

1. Availity, L.L.C., for a Provider Portal and Interoperability Solution

SUMMARY: The Board of Directors of Community First Health Plans, Inc., recommends the University Health Board of Managers approve a contract with Availity, L.L.C., for a provider portal and interoperability solutions to include the implementation of CMS-9115 and CMS-0057 for a total estimated amount of \$4,191,500 over a five-year period.

2. Not Your Typical Media, L.L.C. for Media Services

SUMMARY: The Board of Directors of Community First Health Plans, Inc., recommends the University Health Board of Managers' approve a contract with Not Your Typical Media, L.L.C. for a total estimated amount of \$2,920,000 for a one-year period.

3. Bexar County Hospital District dba University Health for a Lease at

Vida Located at 3611 Jaguar Parkway, San Antonio, TX 78224 — *Theresa Scepanski*

SUMMARY: The Board of Directors of Community First Health Plans, Inc., recommends the University Health Board of Managers' approve the University Health Vida lease agreement for a ten (10) year term with University Health, for a total of \$507,689.26 and authorize the President/Chief Executive Officer to sign the agreement.

Consideration and Appropriate Action Regarding the Following Pension Board Matters:

1. Amended and Restated University Health Pension Trustee's Bylaws

SUMMARY: The Board of Pension Trustees recommends the University Health Board of Managers approve the proposed amendment to the University Health Board of Pension Trustees' Bylaws and the Restatement of the Pension Trust Agreement. The redlined changes to the Bylaws and Trust Agreement are attached for your review.

2. Amended and Restated University Health System Trust Agreement

SUMMARY: The Board of Pension Trustees recommends the University Health Board of Managers approve the proposed amendment to the University Health Board of Pension Trustees' Bylaws and the Restatement of the Pension Trust Agreement. The redlined changes to the Bylaws and Trust Agreement are attached for your review.

3. University Health Pension Plan Resolution Changing the Plan Administrator and Creating an Administrative Manager — *Reed Hurley*

SUMMARY: The University Health Board of Managers (Board) has amended and restated the Pension Plan on multiple occasions and continues to retain the ability to amend the Pension Plan; and the Board now desires to amend the Pension Plan so that University Health itself serves as the Plan Administrator, with the CEO or a staff member appointed by the CEO to serve as an Administrative Manager with the responsibility for the day-to-day administration of the Pension Plan and any other duties and responsibilities delegated by the Plan Administrator.

The Pension Plan is hereby amended, effective immediately, so that the Plan Administrator shall be University Health, notwithstanding any provision to the contrary that currently appears in the Pension Plan document. The CEO or a staff member appointed by the CEO serve, effective immediately, as Administrative Manager with responsibility for the day-to-day administration of the Pension Plan and any other duties and responsibilities delegated by the Plan Administrator, specifically including the duty to negotiate and to enter into contracts with service providers to the Pension Plan.

Consideration and Appropriate Action Regarding Appointment(s) to the University Health Pension Plan Board of Trustees — *Jimmy Hasslocher, Chair*

SUMMARY: The Pension Plan Board of Trustees currently consists of nine members: two members from University Health administration, two members from the Board of Managers, and five community members who are investment professionals.

Two of the community investment professionals, Carlos Resendez and Kevin Harris, have reached their sixteen-year term limits. To fill these upcoming vacancies, the Pension Board Nominating Committee has recommended two new individuals to fill these openings on the Board. On November 13, 2025, the Pension Board approved, subject to final approval by the Board of Managers, the appointment of Mrs. Alison Hermann and Mr. Brian Smith to serve on the Pension Plan Board for an initial 4-year term. The Pension Board Trustees and the Nominating Committee of the Board of Managers recommend the Board of Managers approve the appointment of Mrs. Alison Hermann and Mr. Brian Smith to the Pension Plan Board of Trustees, effective January 1, 2026, through December 31, 2029.

Consideration and Appropriate Action Regarding an Appointment(s) to the University Health Board of Directors of the University Health Foundation — *Jimmy Hasslocher, Chair*

SUMMARY: University Health Foundation Board of Directors requests Board of Managers' consideration to renew the term of Julie Bedingfield. University Health Foundation Board of Directors requests Board of Managers' consideration to appoint the first term of Kay Casey, Allison DePaoli, Beth Eby, Carmen Gamez, Peggy Kern, Mark Thompson and Alice Barnes Viroslav.

The Nominating Committee recommends Board approval to reappoint Ms. Bedingfield for a third term, and appoint these seven new nominees as members to the University Health Foundation Board of Directors, effective January 1, 2026, through December 31, 2028

Consideration and Appropriate Action Regarding Amended and Restated University Health Foundation Bylaws — *Sara Alger*

SUMMARY: The Foundation Board of Directors recommends that the Board of Managers approve the Amended and Restated University Health Foundation Bylaws and authorize the Foundation's President to take all necessary actions in support thereof.

Consideration and Appropriate Action Regarding an Amendment to the Professional Services Agreement with Texas Liver Institute, Inc. for Medical Direction, Program Development and Clinical Services in Support of the University Health Liver Disease Program and University Transplant Center — *Edward Banos*

SUMMARY: Since 2013, University Health and the Texas Liver Institute (TLI), in partnership with UT Health San Antonio (UT Health), have collaborated to develop a comprehensive Liver Disease Management Program at University Health. The President/CEO of TLI, Dr. Fred Poordad, is a nationally recognized hepatologist and leader in the field of liver disease. This partnership has significantly advanced the treatment of liver disease, resulting in substantial growth in liver disease and transplant patients and contributing to University Health becoming the second largest living liver donor center in the United States. Financial support for Medical Direction, Program Development, Education, and Clinical Services is provided through a Professional Services Agreement with TLI.

Over more than a decade of collaboration, University Health and the Texas Liver Institute have developed and sustained comprehensive programs in fatty liver disease, cirrhosis, liver oncology, and transplant hepatology. These efforts have expanded access to specialized care, improved clinical outcomes, strengthened medical education, and advanced translational research across the region. Continued program growth has been driven by increasing patient volumes, the complexity of liver disease management, and the maturation of the University Transplant Center and Liver Tumor Center.

During the current agreement term, services were enhanced to include one additional hepatologist and 4.0 FTE medical assistants to support inpatient, outpatient, and outreach operations. These resources have now been incorporated into the base staffing model for the renewal period. Under the Professional Services Agreement, TLI continues to provide 24/7 inpatient hepatology call; fatty liver disease program leadership; advanced practice provider (APP) support for complex liver disease management; hepatology expertise for the Liver Tumor Center; transplant clinical support; and outreach clinics in Corpus Christi, Waco, New Braunfels, and Laredo.

This renewal includes updated compensation for 15 APPs aligned to fair market value based on local and national benchmarking standards. The review showed that TLI APP roles were below market despite delivering high-acuity hepatology and transplant services. Aligning these positions to fair market value ensures competitiveness, supports retention, and maintains stability within this specialized workforce.

According to the most recent Scientific Registry of Transplant Recipients (SRTR) Report Card from July 2025, University Health's adult liver transplant outcomes remain exceptional. The report shows a one-year patient survival rate of 97.49% compared to national and expected benchmarks, and a one-year graft survival rate of 97.83%, both of which exceed national performance and expected survival rates.

The annual cost of this Professional Services Agreement for the twelve-month period beginning January 1, 2026 and ending December 31, 2026, including the additional funding for education services, APP salary adjustments to fair market value, and the incorporation of the mid-contract additions of one hepatologist and 4.0 FTE medical assistants, is an amount not to exceed \$5,445,230. This represents an increase of \$1,398,256 over the current agreement.

Additionally, much of this cost has been and will continue to be offset by the reduction in annual payments previously made to UT Health pursuant to the Master Health Care Services Agreement in the amount of \$2,896,432. After this offset, the net annual cost to University Health for the Professional Services Agreement with TLI is \$2,548,798.

Consideration and Appropriate Action Regarding a Lease Amendment with San Antonio MOB NW Medical Tower, LLC for Women’s Cardiology Clinic Space at 2833 Babcock Road, San Antonio, Texas 78229 and Approval of Related FFE and IT Infrastructure Expenses — Christa Olvera/Brian Freeman

SUMMARY: In 2024, University Health acquired San Antonio Asthma and Allergy, a practice previously owned and operated by a community allergist-immunologist. To ensure continuity of patient care, in January 2025 the Board of Managers approved University Health to enter into a thirteen (13) month lease agreement for Suite 304 at NW Towers, 2833 Babcock Road, previously leased by San Antonio Asthma and Allergy. NW Towers is located on the Babcock Specialty Hospital Campus formerly known as CHRISTUS Medical Center Campus. In July of 2025, staff requested and Board approved an allergy clinic expansion plan that included leasing the adjacent suite 306, which increased the allergy clinic space from 2,300 square feet to 4,877 square feet.

In 2025, University Health learned that Suite 110 located on the first floor of Tower II of the NW Towers is vacant and available for lease. As demand for Cardiology services increases, University Health is looking for space to provide Women’s Cardiology services. Suite 110 is an optimal location on the first floor of the building and provides easier access for patients, as it does not require elevator travel. Staff recommends amending the existing lease to expand clinic space within NW Tower II by leasing Suite 110. Suite 110 consists of approximately 3,348 square feet of second-generation clinic space and will require minimal construction modifications, as most of the current clinic finishes will serve the purpose of our occupancy.

The proposed lease amendment for 3,348 rentable square feet consisting of suite 110 for a duration of five (5) years. This five (5) year lease amendment will begin with a rental rate of \$34 per square foot and will increase annually by 3%. As part of the lease agreement, the landlord will provide a tenant improvement allowance of \$20 per rentable square foot, or approximately \$66,960.

Staff recommends the Board of Managers approve the five (5) year lease amendment with San Antonio MOB NW Medical Tower, LLC. in the amount of \$677,580. In addition to the lease agreement, staff recommends the Board of Managers approve the project costs and other associated costs therein not to exceed \$726,224 from board capital funds.

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) — Reed Hurley/Travis Smith

SUMMARY: University Health’s Purchasing Consent attachment for the month of December 2025 includes 28 proposed contracts for Board of Managers action. The total requested Board of Managers approval for these 28 contracts is \$29,415,636. All other Board of Managers’ agenda items and contracts will be addressed and approved separately by the Board.

RECOMMENDATION: Staff recommends Board of Manager’s approval of:

- 1) Purchasing Consent Agenda Items; and,
- 2) Purchasing Consent Attachment “A” in the amount of \$29,415,636

COMMENTS /DISCUSSIONS: None

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

EVALUATION: None
FOLLOW UP: None

Action Items:

Consideration and Appropriate Action Regarding Selected Purchasing Items:

Consideration and Appropriate Action Regarding Updated University Health Policy No. 6.01, Procurement Services — *Travis Smith*

SUMMARY: Staff noted the policy was last presented to the Board in August 2024. Key revisions included changes to purchasing thresholds: formal solicitation/bid requirements were described as applying to purchases over \$100,000, while a “three bids” requirement was revised to apply to purchases between \$50,000 and \$100,000; purchases below \$50,000 were described as permissible with appropriate business practice. The policy update also added an exemption for professional service placement agreements used for staffing and employment-related contracting. Staff further described the addition of a formal vendor performance feedback mechanism (Exhibit B) to document vendor issues, support corrective action, and improve consistency and transparency in vendor management. Finally, the updated policy incorporated real estate transactions and described delegated authority for the CEO to execute lease agreements up to \$250,000, with stated caveats related to operational impact and capital improvements and exclusions for certain revenue-generating transactions (as presented). The Board considered and approved updates to University Health Policy No. 6.01 (Procurement Services), presented as an administrative policy aligned with Texas Local Government Code Chapter 262 and intended to clarify procurement responsibilities, delegated approval thresholds, transparency requirements, and vendor integrity/concern processes.

RECOMMENDATION: Staff recommends Board of Managers approve the University Health Policy 6.01, Procurement Services.

COMMENTS /DISCUSSIONS: None

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

EVALUATION: None
FOLLOW UP: None

Consideration and Appropriate Action Regarding a Professional Services Agreement with Mission Emergency Services, PA for Emergency Medicine Services at University Health Palo Alto Hospital and University Health Retama Hospital — *Ted Day/Edward Banos*

SUMMARY: Administration presented a professional services agreement to staff emergency medicine physician services for the new community hospital campuses. Staff stated an RFP process was conducted (issued in March) with five respondents and noted one respondent was not qualified. The selected vendor was described as SCP Health (DBA Mission Emergency Medical Services), headquartered in Atlanta, with a reported footprint of 67 community hospitals in Texas.

The agreement was described as a non-subsidy model, with key caveats discussed: potential “start-up premium” costs for physicians early in implementation and financial reconciliation tied to a projected annual volume of 30,000 ED visits across both campuses, reviewed quarterly.

Staff also noted payer contracting requirements, including contracting with Community First and another affiliated entity referenced in the discussion. Quality oversight would include the vendor's quality metrics plus University Health-specific measures coordinated with leadership and Dr. Alsip's quality team. The recommended structure was a 3-year initial term with two 1-year renewal options, with authorization requested for the CEO.

RECOMMENDATION: Staff recommends the Board of Managers approve the Professional Services Agreement with Mission Emergency Medicine Services, PA for emergency medicine services at University Health Palo Alto Hospital and University Health Retama Hospital for an initial three-year period with two one-year renewals under the provisions of no subsidy unless required through conditions in financial section.

COMMENTS /DISCUSSIONS: Dr. Cohen asked questioned why University/UT emergency medicine was not expanded for this coverage; Mr. Banos responded that UT requested "millions" in subsidies versus the presented non-subsidy approach and emphasized the need to follow the RFP process. Further discussions ensued.

ACTION: A **MOTION to APPROVE** staff's recommendation was made by Ms. Rodriguez, **SECONDED** by Ms. Watts Davis, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None

Consideration and Appropriate Action Regarding a Recruitment Support Agreement and Professional Services Agreement with Joel R. Rodriguez, MD., PLLC d/b/a Texas Advanced Surgical & Bariatrics for General Surgery Services at University Health Palo Alto Hospital and University Health Retama Hospital
— *Ted Day/Edward Banos*

SUMMARY: Administration presented an RSA and PSA to support general surgery coverage for the community hospitals, emphasizing that general surgery on-call coverage is required daily. Staff described a multi-pronged coverage and recruitment approach that included UT partners, an employed surgeon model, private practice engagement, and military moonlighting.

The proposed partner was the private practice founded by Dr. Joel Rodriguez, described as a long-time local surgeon, with Dr. David Strauss also referenced as part of the practice and expansion plan. The practice expressed interest in expanding to support the community hospitals as the program grows. Staff explained the Recruitment Support Agreement structure as a legally controlled recruitment mechanism intended for physicians new to the community and not permissible for physicians already established locally; the proposal included recruitment of up to two general surgeons.

Timing and financial controls were described: recruited physicians would start around September 2026 (prior to hospital opening), with monthly reconciliation of revenue against budget; months exceeding budget would result in no RSA payment for those months (as described). For existing physicians (Rodriguez/Strauss), staff described a commitment of 0.4 FTE each (clinic/consult/OR activity) and three nights per month call, with additional call compensated.

RECOMMENDATION: Staff recommends the Board of Managers approve agreements with Texas Advanced Surgical and Bariatrics for up to two, Physician-specific Recruitment Support Agreements and a Professional Services Agreement for up to 1.6 FTEs of general surgery services in an amount not to exceed \$3,444,090 over the three-year period beginning September 1, 2026.

COMMENTS /DISCUSSIONS: Discussion focused on how the RSA works and compliance limits. Staff stated repayment is pro rata if recruited physicians leave early and noted that the agreement cannot legally restrict where physicians practice after participation. The Board also discussed the system's education mission and the interest in expanding training/rotation opportunities through the community hospitals, with staff noting that recruitment candidates included UT graduates.

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

EVALUATION: None

FOLLOW UP: None

Consideration and Appropriate Action Regarding a Master Professional Services Agreement between University Medicine Associates and UT Health San Antonio for Pediatric Neonatology Services — Edward Banos/Monika Kapur, M.D.

SUMMARY: Mr. Banos presented a master professional services agreement to provide pediatric neonatology services, describing the work as part of system planning overseen by Dr. Seidner and Dr. Blanco. The discussion emphasized aligning the appropriate NICU level of care at new sites and ensuring safe, reliable transfer pathways for higher-acuity neonates when needed.

Operationally, leadership reported sustained high NICU utilization, stating the NICU census is often over 80 and "close to 90" on some days. They contrasted this with earlier historical levels (stated as approximately 45–50 prior to the Women's & Children's move) and noted that additional dollars had been included to add staff to support capacity. All individual leases will now be under the Master Professional Services Agreement. Additional leases will be added moving forward. From a financial perspective, the agreement was described as "no subsidy," with the explanation that physician billing and collections were sufficient to pay UT in full. Leadership also referenced supplemental funding program dynamics that support physician-practice reimbursement (as described in the meeting).

RECOMMENDATION: Staff recommends the Board of Managers approval to execute a Master Professional Services Agreement with UT Health for neonatology services to add additional funding for provider salaries by an amount not to exceed \$2,657,243 (\$1,594,346/annually) for the twenty-month period beginning January 1, 2026 and ending August 31, 2027.

COMMENTS /DISCUSSIONS: None

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Ms. Watts Davis, **SECONDED** by Dr. Cohen, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None

ADDITIONAL COMMENTS: Mr. Hasslocher took a brief moment to introduce and welcome the new CEOs to University Health Palo Alto and University Health Retama. Mr. Banos introduced Mr. Christopher Mendoza new CEO to University Health Palo Alto and Mr. Jeremy Riney the new CEO of University Health Retama hospitals. Mr. Mendoza and Mr. Riney provided a brief background history respectively.

Consideration and Appropriate Action Regarding the General Inpatient (GIP) Care Hospice Awards —
Lisa Sanchez

SUMMARY: Lisa Sanchez presented the General Inpatient (GIP) Care Hospice Awards item to expand hospice agency participation supporting inpatient hospice services. They described three levels of hospice care discussed in the meeting: hospice provided at home, hospice provided in an inpatient facility, and general inpatient (GIP) hospice in which the patient remains in their hospital bed while University Health staff continue providing hospital care and the hospice agency provides hospice services.

This report summarized growth in contracted hospice agencies over time through multiple procurement actions. Staff described an earlier period with a single vendor, followed by additions in 2019, and an RFP process in February 2022 that resulted in two vendors.

They stated additional agencies were added later (referencing April additions) and that an October RFP produced 21 respondents. Utilization metrics were shared to demonstrate demand: staff cited 43 patients converted to GIP hospice in Q4 2024 and approximately 70 conversions in Q3.

RECOMMENDATION: Staff recommends the Board of Managers approve contracts with selected agencies identified on Attachment A in the amount not to exceed \$4,500,00 for the period of April 1, 2026 to March 31, 2029.

COMMENTS /DISCUSSIONS: Ms. Rodriguez asked how many have in-patient facilities? There are 2, Vitas and All Season. Ms. Watts Davis asked for to share with the Board what addresses and zip codes are for the facilities. Further discussions ensued. Lastly, Mr. Bill Phillips added that this is Ms. Lisa Sanchez' last presentation to the Board as she will be retiring next month. Mr. Hassloch offered his congratulations to Ms. Sanchez on her retirement and recognized her efforts and commitment to this hospital all these years.

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

EVALUATION: None.

FOLLOW UP: None

Consideration and Appropriate Action Regarding Interior Renovation at Babcock Specialty Hospital Located at 2827 Babcock Road, San Antonio, Texas —
Brian Freeman

SUMMARY: Mr. Brian Freeman presented an action item for interior renovation work at the Babcock Specialty Hospital located at 2827 Babcock Road, San Antonio, Texas. Staff reported the organization had closed on the building and described it as constructed in 1985, with existing conditions requiring updates. The request was limited to a defined Phase 1 scope focused on interior demolition and removals, described as preparatory work intended to accelerate subsequent renovation phases. Staff characterized Phase 1 as selective demolition/removal activities including removal of wallpaper, furnishings, and casework.

RECOMMENDATION: Staff recommends the Board of Managers approve a contract with Jeff Zunker Specialty Products Inc., dba Astex Environmental Services for a proposed amount of \$1,2687,065 for the demolition phase of the interior renovations for Babcock Specialty Hospital.

COMMENTS /DISCUSSIONS: Mr. Hassloch offered brief comments regarding this presentation moving forward to prepare to open this facility.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Dr. Cohen, **SECONDED** by Ms. Rodriguez, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None

Consideration and Appropriate Action Regarding the Purchase of Technology Network Equipment for the Community Hospitals and Medical Equipment for Retama Hospital from Various Vendors — *Brian Freeman*

SUMMARY: Since early 2023, the Community Hospitals projects have progressed from concept to validation and design, and are now in construction, with completion of all work still anticipated in 2027. For this board item, staff sought approval to purchase technology network equipment for the Community Hospitals and medical equipment for Retama Hospital from various vendors. Staff explained that, based on construction schedules and occupancy planning, they developed detailed procurement and installation schedules for owner-furnished equipment, including Medical Equipment (MEQ); Furniture, Furnishings, and non-medical Equipment (FFE); and Technology Equipment and Systems (IT). These schedules are coordinated with the final stages of construction to ensure the facilities can be occupied and placed into full beneficial use as soon as possible. Staff reported they continually review and update the procurement and installation schedules to stay aligned with evolving construction sequencing and readiness needs.

In April 2025 and again in October 2025, the Board appropriated funding and granted procurement authority for the initial groups of Medical Equipment (MEQ), Furniture/Fixtures/Equipment (FFE), and Information Technology (IT) purchases. The stated rationale was to mitigate project risks tied to supply chain impacts, announced pricing increases, and extended shipping lead times, and to secure pre-installation materials needed during wall and overhead construction to support later equipment installation.

RECOMMENDATION: Staff recommends the Board of Managers approve additional funding for IT Network Equipment and approve these purchases for IT Network Equipment and MEQ in an amount not to exceed \$27,723,839. Additional Funding Allocations:

University Health Retama Hospital	\$11,943,983
University Health Palo Alto Hospital	\$11,943,983

COMMENTS /DISCUSSIONS: None

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

EVALUATION: None.

FOLLOW UP: None

Finance Agenda – *Jimmy Hasslocher, Chair*

Consideration and Appropriate Action Regarding the Financial Report for November 2025 — *Reed Hurley*

SUMMARY: The November 2025 financials showed University Health's consolidated bottom line for the month to reflect a gain of \$20.7 million, \$18.5 million better than the budgeted gain of \$2.3 million. This gain to budget is primarily due to patient activity driving positive net patient revenue of \$8.2 million and CFHP Premium Revenue of \$17.3 million.

In November, clinical activity (as measured by inpatient days) was down by 3.6% and inpatient discharges were higher than budget by 6.15%. Volumes exceeded prior year's performance across most key service delivery areas.

Community First experienced a bottom-line gain of \$6.8 million, which was \$7.0 million better than the budgeted loss of \$270 thousand. Community First membership is up 4.2% compared to Budget driving up revenues as well as Medicaid Medical Claims Expense compared to budget.

Year to Date Operating Revenue:

- Net patient revenue is over budget by \$196.6 million driven by high patient volumes, acuity of inpatient services, and the continued growth of retail pharmacy volumes.
- Supplemental revenue is under budget \$10 million due to a change in estimated NAIP program revenue and DSH/UC final funding.
- Community First premium revenue exceeds budget by \$105.2 million due to a 4.0% increase in insured membership compared to budget.

Year to Date Operating Expense:

- Employee Compensation is over budget by \$81.5 million due to increased patient volumes requiring additional bedside staff and an increase in related health insurance expenses.
- Purchased Services are under budget by \$6.5 million primarily related to timing of projects and professional services.
- Supplies are under budget by \$7.5 million primarily due to implementation of supply savings initiatives reducing the cost per patient in procedural areas.
- Community First claims expense is over budget by \$112.8 million due to higher-than-expected enrollment.

Year to Date Non-Operating Expense:

- Investment income of \$75.8 million was higher than budget by \$24.4 million.
- A net unrealized gain of \$22.2 million has been recorded.

Consolidated Balance Sheet Report:

- Days Revenue in Patient Accounts Receivable: 36.6 days on a budget of 38.0 days.
- The Community Hospitals project has a total expected budget of \$1.58 billion; of which \$1.39 billion in contracts have been approved by the Board of Managers. Total payments of \$770 million have been paid to date leaving \$622 million encumbered. Of the Community Hospital's \$1.58 billion budget, \$1.36 billion in cash and bond proceeds have been committed for the project and additional cash reserves will be allocated over the next two years to fully fund the project.
- At the June 2025 Board meeting, \$91 million was encumbered for the pending acquisition of the former Christus Medical Center hospital campus. This transaction closed in November 2025 and \$71 million was expended.
- Unencumbered funds reserved for future capital needs has a balance of \$16.1 million.
- University Health's Net Asset Value has increased \$314.3 million year to date on a Generally Accepted Accounting Principles (GAAP) basis including debt service tax revenue and interest expense on bonds.

RECOMMENDATION: Staff recommends approval of the November 2025 Financial Report subject to audit.

COMMENTS /DISCUSSIONS: Mr. Hasslocher commented on another great month and thanked Reed Hurley and staff for their hard work.

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

EVALUATION: None.

FOLLOW UP: None

Presentations and Education:

Nurse Staffing Advisory Committee Report and Presentation — *Dina Pérez-Graham*

SUMMARY: the Chair recognized nursing achievements connected to a major nursing awards event. He stated there were 317 submissions citywide and that within the “top 25,” University Health had 15 people. The Chair also introduced and recognized a nurse leader, Albert Adela (PCC in “nine ICU”), highlighting tenure and contributions: 32 years in nursing, 14 years at University Health, involvement in a technology/integration committee, work supporting Magnet efforts, and creative contributions (including music and videos) referenced as part of team culture and recognition.

Established in January 2010, University Health’s Nurse Staffing Advisory Committee meets monthly to ensure compliance with the Hospital Safe Staffing Statute (Chapter 257, Texas Health and Safety Code) and to support appropriate staffing, staff retention, and improved patient care. The committee develops unit- and shift-specific nurse staffing strategies aligned with state regulatory guidelines. The Chief Nurse Executive holds a permanent voting seat, and direct-care RNs comprise at least 80% of the membership. The committee reviews and recommends the annual nurse staffing plan to the Board of Managers to ensure adequate staffing and skill mix, considering productivity, overtime, vacancies, contract staffing, and adjustments based on nursing feedback and reported concerns.

University Health’s staffing plan is designed to match patient acuity and comply with Texas regulatory standards, while allowing flexibility to adjust staffing based on patient needs, volume, and each unit’s requirements. Overtime review showed no significant trends. Over the last eight quarters (Q3 2023–Q2 2025), cumulative nursing hours per patient day (NHPPD) were tracked and benchmarked against peer teaching hospitals (≥500 beds) at the 25th, 50th, 75th, and 90th percentiles. University Health reportedly exceeded peer expectations across all eight quarters, indicating higher NHPPD and sustained staffing support.

In 2025, University Health hired 558 inpatient nurses, including 268 newly graduated nurses recruited from listed nursing schools. The organization reported stronger workforce outcomes than national benchmarks, with RN turnover at 10.36% versus the national average of 18.0%, and RN vacancy at 1.5% versus the national average of 9.6% (per the 2025 NSI National Health Care Retention & RN Staffing Report). Leadership attributed this sustained performance to retention strategies such as the Clinical Advancement Program, Student Loan Repayment Program, and targeted incentives.

University Health launched its Nurse Residency Program in 2013 and has averaged eight cohorts per year since 2022. In 2025, the program welcomed 268 new graduate nurses. The current one-year avoidable turnover rate for new graduates is 3.2%, below the 3.78% benchmark for PTAP-accredited organizations and far below the 16.4% rate for non-accredited organizations. Avoidable turnover includes departures for better pay (including agency work), job dissatisfaction, or unsatisfactory performance; comparisons used Magnet-based residency programs. In 2025, University Health hired 37 Student Nurse Interns, with the Fall 2025 cohort expected to transition into Staff Nurse roles in January 2026 after graduation. The one-year turnover for nurses hired through the internship program is 2%. To support staffing for two new hospitals, University Health expects to recruit additional interns in summer and fall, with the largest intern cohort projected in 2026.

University Health also reported a major reduction in nursing contract labor—from a peak of 284 FTEs in 2023 to 0 FTEs as of November 2025, primarily in pediatrics and women’s services. Leadership attributed progress to system-wide platforms and programs supporting operational performance and high-quality care. The Nurse Advisory Council’s continued review of staffing practices and nurse-sensitive indicators, along with Magnet designation, was cited as evidence of sustained excellence and positive outcomes.


COMMENTS /DISCUSSIONS: Ms. Rodriguez added her appreciation for Ms. Dina and her leadership. Ms. Rodriguez added that she attended the 2025 Best 25 Nurses of South – Central Texas Awards event and added that the video summarizes what has always been said; the Nurses are the heart of the hospital and thanked the Nursing Staff. Dr. Cigarroa shared his appreciation for Albert and his dedication the care of the patients he cares for and congratulated him. Ms. Watts Davis expressed her gratitude for having the opportunity to serve with the Members of the Board and wished everyone Happy Holidays.


Information Only Items:


- A. Update on the Community Hospitals — *Brian Freeman*
- B. University Health Foundation Update — *Sara Alger*
- C. Report on Recent Recognitions and Upcoming Events — *Leni Kirkman*

Adjournment: — *Jimmy Hasslocher, Chair*

There being no further business Mr. Hasslocher adjourned the public meeting at 7:49pm.


Jimmy Hasslocher
Chair, Board of Managers


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


Janie M. Guevara, Recording Secretary

The Board of Managers may recess during the open meeting in order to hold a closed meeting. Alternatively, a closed meeting may be held before the open meeting or after its adjournment.

Closed Meeting: A closed meeting will be held pursuant to TEX. GOV’T CODE, Section 551.085 to receive information regarding pricing, market data and/or financial and planning information relating to the arrangement or provision of proposed new services and/or product lines.

Closed Meeting: A closed meeting will be held pursuant to TEX. GOV’T CODE, Section 551.085 to receive information regarding pricing or financial planning information relating to a bid or negotiation for the arrangement or provision of services or product lines to another person if disclosure of the information would give advantage to competitors of the hospital district.