



# University Health System

## BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

Tuesday, December 18, 2018

2:00 p.m.

Cypress Conference Room

University Hospital

4502 Medical Drive

San Antonio, Texas 78229

### MINUTES

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#### **BOARD MEMBERS PRESENT:**

Jim Adams, Chair  
Ira Smith, Vice Chair  
Dianna M. Burns, M.D., Secretary  
Robert Engberg  
James C. Hasslocher

#### **BOARD MEMBERS ABSENT:**

Janie Barrera  
Roberto L. Jimenez, M.D, Immediate Past Chair

#### **OTHERS PRESENT:**

George B. Hernández, Jr., President/Chief Executive Officer, University Health System  
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System  
Tommye Austin, Ph.D., Senior Vice President, Chief Nurse Executive, University Health System  
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System  
Lourdes Castro-Ramirez, President, University Health System Foundation  
Edward Cruz, Jr., Director, Supplier Diversity/Procurement Services, University Health System  
Ted Day, Executive Vice President, Strategic Planning and Business Development, University Health System  
Roe Garrett, Vice President/Controller, University Health System  
Rob Hromas, M.D., Dean, Long School of Medicine, UT Health San Antonio  
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System  
Leni Kirkman, Senior Vice President, Strategic Communication and Patient Relations, University Health System  
Brian Lewis, Vice President/Quality, University Health System  
Elliott Mandell, PhD, MBA, RPh., Senior Vice President/Chief Pharmacy Officer, University Health System  
Andrew Muck, M.D., Interim Medical Director, Emergency Department, University Health System; and  
Professor/Emergency Medicine, UT Health, San Antonio  
Teresa Nino, Director, Epic Communications, University Health System  
Rosa Olivares, Administrative Resident, Trinity University  
Bill Phillips, Senior Vice President/Chief Information Officer, University Health System

Kirsten Plastino, M.D., President, Medical/Dental Staff, University Health System; and Professor,  
Department of Obstetrics & Gynecology, UT Health, San Antonio  
Serina Rivela, Interim Chief Legal Officer, University Health System  
Randal Robinson, M.D., Chair, Department of Obstetrics/Gynecology, UT Health San Antonio  
Michael Roussos, Administrator, University Hospital  
Rajiv Suri, M.D., Professor, Department of Radiology, UT Health San Antonio; and Medical Director,  
Radiology Services, and President/Medical Dental Staff, University Health System  
Armando J. Sandoval, Chief of Police, Protective Services, University Health System  
Theresa Scepanski, Senior Vice President/Chief Administrative Officer  
Travis Smith, Deputy Chief Financial Officer, University Health System  
Allen Strickland, Vice President/Hospital Administration, University Health System  
Emily Volk, M.D., Senior Vice President/Clinical Services, University Health System  
Jim Willis, Vice President, Associate Administrator, University Hospital  
And other attendees.

**CALL TO ORDER AND RECORD OF ATTENDANCE: JIM ADAMS, CHAIR, BOARD OF MANAGERS**

Mr. Adams called the meeting to order at 2:00 p.m.

**INVOCATION AND PLEDGE OF ALLEGIANCE**

Mr. Adams introduced and yielded the floor to Laura Gonzales-Rodriguez, New Hope Church, for the invocation and he led the Pledge of Allegiance.

**CITIZENS' PARTICIPATION:** None.

**APPROVAL OF MINUTES OF PREVIOUS MEETING(S):**

**OCTOBER 23, 2018 (REGULAR MEETING)**

SUMMARY: The minutes of the regular meeting of Tuesday, October 23, 2018, were provided for the Board's approval.  
RECOMMENDATION: Staff recommends approval by the Board of Managers.  
ACTION: A **MOTION** to approve staff recommendation was made by Mr. Smith, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.  
EVALUATION: None.  
FOLLOW-UP: None.

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

SUMMARY: Dr. Hromas reported that there had been several on-site Epic kick off meetings last week; it's a very exciting time for both organizations as we work towards a seamless electronic health record. Dr. Steve Seidner has been named Chair of the Department of Pediatrics. He has not yet been voted in by the Executive Committee as Clinical Department Chair, however. He will meet the Board of Managers official next month. November was a great month, financially, for the School of Medicine. Dr.

Hromas continues to work with Mr. Banos, Dr. Alsip and Dr. Leverson on the annual operating agreements and quality initiatives. The School of Medicine will start the interview process for three department chair positions – Emergency Medicine, Radiation Oncology, and Anesthesia. All of these candidates will interview with hospital leadership.

RECOMMENDATION: None.  
ACTION: None.  
EVALUATION: None.  
FOLLOW-UP: None.

**NEW BUSINESS – CONSENT AGENDA – JIM ADAMS, CHAIR:**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR STAFF MEMBERSHIP — KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF**

**CONSIDERATION AND APPROPRIATE ACTION TO APPOINT DR. ANDREW MUCK AS THE EMERGENCY MEDICINE CLINICAL DEPARTMENT CHAIR — KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF**

**CONSIDERATION AND APPROPRIATE ACTION TO APPOINT DR. RANDAL ROBINSON AS THE OB/GYN CLINICAL DEPARTMENT CHAIR — KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF**

**CONSIDERATION AND APPROPRIATE ACTION TO FUND THE FIRST RENEWAL TERM OF A CONTRACT WITH UT HEALTH SAN ANTONIO FOR MEDICAL SERVICES IN THE JUVENILE DETENTION HEALTHCARE SETTING — THERESA SCEPANSKI**

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

SUMMARY: The items above were presented for the Board’s consideration as consent items. The following details are associated with these consent items:

Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Staff Membership – Kristen A. Plastino, M.D., President, Medical/Dental Staff - Monthly Credentials Committee Report (listing of providers in accordance with the Health System’s Credentialing and Privileging Process); and Focused/Ongoing Professional Performance Evaluation Reports submitted to the Board of Managers for approval.

Consideration and Appropriate Action to Appoint Dr. Andrew Muck as the Emergency Medicine Clinical Department Chair — Kristen A. Plastino, M.D., President, Medical/Dental Staff – Pursuant to the Bylaws of the Medical/Dental Staff, the Executive Committee recommends approval of Andrew Muck, M.D., as Clinical Department Chair for the Department of Emergency Medicine.

Consideration and Appropriate Action to Appoint Dr. Randal Robinson as the OB/GYN Clinical Department Chair — Kristen A. Plastino, M.D.,

President, Medical/Dental Staff - Pursuant to the Bylaws of the Medical/Dental Staff, the Executive Committee recommends approval of Randal Robinson, M.D., as Clinical Department Chair for the Department of Ob/Gyn.

Consideration and Appropriate Action to Fund the First Renewal Term of a Contract with UT Health San Antonio for Medical Services in the Juvenile Detention Healthcare Setting — Theresa Scepanski – Staff recommends approval by the Board of Managers of a contract with the UT Health School of Medicine, Department of Family and Community Medicine, for professional services, including, but not limited to: physical exams, health classes, screening and counseling, prenatal care, suicide observations, and referrals to external agencies for the Bexar County Juvenile Detention Center and the Cindy Taylor Krier Center, 20 hours/week, with consultation services by telephone after hours, on weekends and holidays. The cost is \$127,823 for a period of one year.

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) — Antonio Carrillo/Travis Smith – A total of 20 contracts with a value of \$46,885,539 are being presented to the Board of Managers during the December 2018 meeting. The following contracts require approval by the BCHD Board of Managers: Nine (9) consent contracts with a total value of \$ 10,802,662; 17 presented contracts with a total value of \$36,082,877. During the month of December 2018 there were five (5) contracts classified as a Small, Minority, Woman, or Veteran Owned Business Enterprises (SMWVBE). December 2018 SMWVBE Status Report reflects items being submitted for Board approval.

RECOMMENDATION: Staff recommends approval of the items listed on the attached agenda, as submitted.

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

EVALUATION: Dr. Plastino introduced Dr. Andrew Muck to the Board of Managers. Mr. Adams highlighted Dr. Muck's residency training in Emergency Medicine from 2004 to 2007 with the San Antonio Uniformed Services Health Education Consortium, a partnership among the military medical facilities in San Antonio, Texas. While serving in the U.S. Airforce, Dr. Muck worked at Wilford Hall Medical Center, Brooke Army Medical Center, Balad Air Force Theater Hospital in Iraq, and was part of the Bagram Air Force Theater Hospital Critical Care Air Transport Team in Afghanistan. While at Wilford Hall, Dr. Muck was the Associate Program Director for the emergency medicine residency program. Dr. Plastino also introduced Dr. Randal Robinson. Mr. Adams welcomed Dr. Robinson and highlighted his training and U.S. Army service with the San Antonio Uniformed Services Health Education Consortium from 1997 through 2010; he served as Chair of the Department of Ob/Gyn Department since 2008. He served as Adjunct Clinical Professor at UT Health San Antonio from 2010 to 2011. Dr. Plastino also introduced Dr. Raji Suri, President-Elect of the Medical-Dental Staff for the term of two years beginning in January 2019. Currently, he serves as the Vice President of the Medical/Dental Staff. Dr. Suri also serves the Vice Chair for the Department of Radiology; and is the

medical director of the Health System's Radiology Services Department. Dr. Suri informed the Board that he was one of six M.D.'s selected by the Dean of Medicine to pursue a Masters of Business Administration to better understand challenges faced by hospital administrators. Dr. Suri thanked Dr. Plastino for her leadership and he looks forward to working with hospital leadership.

FOLLOW-UP: None.

**ACTION ITEMS:**

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

**CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT OF A CONTRACT WITH STRAIGHT LINE MANAGEMENT, LLC FOR AMERICANS WITH DISABILITIES ACT AND SIDEWALK IMPROVEMENTS AT THE TEXAS DIABETES INSTITUTE — DON RYDEN**

SUMMARY: At the July 31, 2018 meeting, the Board of Managers approved a construction services agreement with Straight Line Management, LLC for the corrective work at the Texas Diabetes Institute. However, during construction, an unforeseen issue was encountered with structural retaining blocks, beneath the Dialysis building, having shifted due to the instability of the soils. After a review and assessment by the structural engineer, it was determined that the existing retaining blocks must be removed, soil added, compacted, and new retaining blocks installed to prevent water infiltration under the building. In order to avoid excessive construction delays and additional water infiltration, the contractor was asked to provide a quote for the additional work and given a notice to proceed on an emergency basis. The cost for this work is \$82,866. Staff has reviewed Straight Line Management pricing for these services and recommends approval of additional construction services in the amount of \$82,866. The cost of the base contract was \$299,611 for a total contract amount of \$382,477. This amendment will be funded from 2018 operational funds. The workforce composition data for Straight Line Management, LLC, was provided for the Board's review.

RECOMMENDATION: Staff recommends the Board of Managers ratify the additional work and contract changes in the amount of \$82,866 and authorize the President/Chief Executive Officer to execute a contract amendment with Straight Line Management, LLC in the amount of \$82,866

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

EVALUATION: None.

FOLLOW-UP: None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT TO THE LEASE WITH MASEHO, INC., FOR THE EXPANSION OF SPACE AT CORPORATE SQUARE TOWER (4801 NW LOOP 410) AND APPROVAL OF IT EQUIPMENT AND FURNITURE ACQUISITION FOR THE RELOCATION OF UNIVERSITY HEALTH SYSTEM FOUNDATION OFFICES — DON RYDEN/BILL PHILLIPS**

**SUMMARY:**

At the beginning of 2018, the University Health System Foundation began implementation of the 3-year Strategic Imperatives Plan with the goal of becoming a best-in-class health care philanthropy program to meaningfully support the mission of University Health System. The Strategic Imperatives Plan includes specific goals, such as the development of a grateful patient program, launching a campaign for the Women's & Children's Tower, and increasing donor engagement. The current office location for the Foundation is in the historic Robert B. Green building. Strategically, having its office located nearer the University Hospital campus will facilitate those meetings more efficiently. Currently, the Foundation has 7 staff members, with intentions of hiring a Senior Development Officer by December 2018. The Health System does not have sufficient available office space in any of its buildings or on the hospital campus to accommodate the Foundation offices. Corporate Square, Suite 380 has approximately 4,232 rental square feet. This suite is already built out, and will not require any tenant improvements. The Health System currently leases 39,072 rental square feet (RSF) of office space in Corporate Square. This is comprised of offices for Human Resources, Grants Management, and Epic. The annual rent expense for all Health System space currently leased at Corporate Square is \$ 849,755.40. The first year's annual rental rate for Suite 380 is \$22.00 per RSF. This rate is consistent with what the Health System is paying for its other office space at that location. The commencement date for Suite 380 is March 1, 2019. The proposed term is thirty-six (36) months. The lease expense for the initial term is approximately \$285,660, which will be an operational expense. The base lease rates and monthly rent for this suite are as follows:

<b>Period</b>	<b>Base Rent/RSF/YR</b>	<b>Monthly Rent</b>
3/01/19 – 2/28/20	\$22.00	\$7,758.67
3/01/20 – 2/28/21	\$22.50	\$7,935.00
3/01/21 – 2/28/22	\$23.00	\$8,111.33

Further, the previous tenant of Suite 380 was Allegian Health Plans, an affiliate of Tenet Healthcare. Allegian left its office furniture when it vacated this suite. This high quality furniture consisting of desks, chairs, conference table, filing cabinets, and other miscellaneous items, is available for purchase for a lump sum of \$15,000. Acquiring similar furniture of the same quantity and grade could be purchased from a local furniture vendor for \$81,844. Consequently, staff is recommending the purchase of the existing furniture for \$15,000. Other costs include associated I.T. expenditures for voice and data network cabling, computers, and telephones for this suite as well as miscellaneous moving costs and signage are estimated to be \$83,954.

**RECOMMENDATION:**

Staff recommends Board of Managers approval of a three year lease agreement for the office space at Corporate Square Tower located at 4801 N.W. Loop 410; the purchase of furniture from Allegian Health Plans for \$15,000, the I.T. expenditures, and related costs associated therein for \$83,954 for the purpose of relocating the University Health System Foundation Offices.

**ACTION:**

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

**EVALUATION:**

None.

FOLLOW-UP: None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH IMPACT ADVISORS, LLC FOR CONSULTING SERVICES IN SUPPORT OF THE EPIC ELECTRONIC HEALTH RECORD PROJECT — BILL PHILLIPS**

SUMMARY: To assist the Health System with the complex implementation of Epic, an RFP was created to acquire consulting services that includes implementation, planning, strategy and implementation support services. These services will provide a Project Director, Inpatient Project Manager, Ancillary Project Manager, Ambulatory Project Manager, Revenue Cycle Project Manager and a Training Project Manager. These positions will work side by side with the Health System's Project Managers and the Epic implementation team. There were nineteen (19) respondents to the RFP. Each respondent submitted detailed qualifications, references, resumes of the team members and an all-inclusive cost proposal. The RFP scoring team selected the top five organizations to provide onsite presentations of their qualifications. After the presentations were complete, the group narrowed the list to three organizations. A detailed reference check was completed on the top three organizations to include the proposed Project Director. After deliberate consideration, the RFP scoring team was unanimous in recommending approval of the Impact Advisor's proposal for the following reasons:

- Excellent references on company and Project Director
- Involved in 57 Epic implementations over the last 5 years including Houston Methodist
- Led large projects similar to ours
- Employees are W2 employees, not contracted
- Extensive knowledge of Epic applications
- Strong relationship with Epic
- Highly competent
- Included a project quality oversight position
- Number one in 2018 Best in KLAS for Implementation Leadership

The workforce composition for Impact Advisors, LLC, was provided for the Board's review.

RECOMMENDATION: Staff recommends the Board of Managers approve procurement of consulting services from Impact Advisors in the amount of \$ 5,270,720.

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

EVALUATION: None.

FOLLOW-UP: None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH SIRIUS COMPUTER SOLUTIONS, INC. FOR HARDWARE ACQUISITION IN SUPPORT OF THE EPIC ELECTRONIC HEALTH RECORD PROJECT — BILL PHILLIPS**

**SUMMARY:** As part of the implementation requirements, the Epic enterprise suite establishes minimum monitor and CPU standards for computer hardware. The following initial purchase of hardware is recommended to assist in the timely implementation of the Epic enterprise suite. Sirius Computer Solutions, Incorporated, a Texas Department of Information Resources (DIR) approved vendor, is recommended for the Epic EHR Project. They will provide Dell computer products, which is the Health Systems standard. This acquisition is for 925 desktop computers, 2,900 computer monitors, and 4,810 memory modules. This purchase is the first phase of the Epic Project hardware upgrade. Future purchases will depend on further hardware analysis with Epic analysts. The new desktop computers will have an i5 CPU and 8 GB of memory. Computer monitors will be 24 inch in size. Existing computers that meet the i5 specification will be upgraded to 8 GB of memory. Staff has completed a GAP analysis of the needed computer equipment. Sirius Computer Solutions, Inc. is a DIR vendor. The Health System compared prices with other DIR vendors and Sirius Premier, our GPO. Sirius provided the lowest bid for the equipment. The workforce composition of Sirius Computer Solutions was provided for the Board's review.

**RECOMMENDATION:** Staff recommends the Board of Managers approve procurement of Dell computers from Sirius Computer Solutions, Inc. in the amount of \$1,376,193.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THIRD PARTY AGREEMENTS FOR SOFTWARE CONVERSIONS AND INTERFACES IN SUPPORT OF THE EPIC ELECTRONIC HEALTH RECORD PROJECT— *BILL PHILLIPS***

**SUMMARY:** The Health System will need to procure third party software conversions and interfaces as part of its Epic enterprise suite build efforts. It will acquire some software products directly from the third party vendor of the product without Epic's involvement. The following conversions and interfaces will be acquired from the manufacturer:

Abbott ALERE Informatics - RALS - The Health System uses Abbott Software Products to provide automatic entry of patient point of care test results into our Allscripts Electronic Health Record. This critical software component will be used with the Epic System to provide the same type of functionality. The current interfaces will need to be formatted and integrated with the Epic pathology information system (Beaker). Abbott consultants will create and test interfaces between point of care devices and Epic Beaker. This software product is part of the core Epic enterprise suite. RALS system cost for this acquisition is \$43,406 one-time. The annual maintenance fee is \$2,850 for a period of three years. The total cost of this acquisition including maintenance for a three-year period is \$51,956

NantHealth – Isorona - The Health System uses Isorona software products to provide automatic entry of patient vital signs into our Allscripts Electronic Health Record. This critical software component will be used



with the Epic System to provide the same type of functionality. Isorona consultants will establish a new environment and convert existing interfaces from Philip's monitors to Epic. This software product is part of the core Epic enterprise suite. The cost for this acquisition is \$130,200 onetime which includes travel fee of \$21,300. The total cost of this acquisition including travel is \$130,200.

RECOMMENDATION: Health System staff recommends the Board of Managers approve procurement of Abbott ALERE Informatics - RALS and NantHealth – Isorona systems for the core Epic enterprise suite. Taken together the software products total \$182,156.

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

EVALUATION: None.

FOLLOW-UP: None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THIRD PARTY AGREEMENTS FOR SOFTWARE PRODUCTS IN SUPPORT OF THE EPIC ELECTRONIC HEALTH RECORD PROJECT — BILL PHILLIPS**

SUMMARY: The Health System will need to procure third party software that provides knowledge based/best practice content as part of its Epic enterprise suite build efforts. It will acquire some software products directly from the third party vendor of the product without Epic's involvement. However, Epic has assimilated certain products into the core Epic enterprise suite. Epic arranges and facilitates the purchase of these software products. The following software content/best practice products will be acquired from the manufacturer:

SAP Business Objects - Business Intelligence Suite – This is an Epic required third party software product that enables report developers to create flexible, interactive reports from a variety of sources. It also provides full flexibility and control on data analysis, interactivity, and visualizations. This software product is part of the core Epic enterprise suite and resold through Epic a pass through cost. Licensing cost for this acquisition is \$55,835 onetime. The annual maintenance fee is \$1,396 for a period of three years. The total cost of this acquisition including maintenance for a three-year period is \$60,023.

American Medical Association - Current Procedural Terminology – This is an Epic required third party software product that provides procedure codes for ordering and billing of patient tests and procedures. This product allows Health System's staff to use the CPT codes through Epic, meeting the requirements for claims. This software product is part of the core Epic enterprise suite. Cost for this acquisition is \$11,550 annually. The total cost of this acquisition for a three-year period is \$34,650.

National Comprehensive Cancer Network - Chemotherapy Regimens – This is an Epic required third party software product that provides validated protocol content in Epic's Pathology Information System (Beaker). This product is the leading standard for cancer care. Healthcare organizations

base their protocol build on these standards. This software product is part of the core Epic enterprise suite. cost for this acquisition is \$55,000 onetime. The annual maintenance fee is \$8,250 for the first year and each following year increases by 3 percent annually. The total cost of this acquisition including maintenance for a three-year period is \$80,500.

Intelligent Medical Objects – Periop – This is an Epic required third party software product that provides a standardized surgical procedure list to streamline scheduling and billing for surgical treatment. This product links standard surgical procedures to CPT codes to facilitate easier scheduling, pre-authorization, and back-end billing. This software product is part of the core Epic enterprise suite. Cost for this software acquisition is \$15,000 onetime. The annual maintenance fee is \$105,378 for a period of three years. The total cost of this acquisition including maintenance is \$331,134. Workforce composition for these vendors was pending at the time of the Board meeting.

RECOMMENDATION: Staff recommends the Board of Managers approve procurement of SAP Business Objects – Business Intelligence Suite; American Medical Association - CPT codes; National Comprehensive Cancer Network - Chemotherapy Regimens; and Intelligent Medical Objects - Periop systems for the core Epic enterprise suite. Taken together the software products total \$506,307.

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

EVALUATION: None.

FOLLOW-UP: None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE RENEWAL OF A LEASE WITH UT HEALTH SAN ANTONIO FOR THE MEDICAL ARTS AND RESEARCH CENTER (MARC) AMBULATORY SURGICAL CENTER PREMISES — ALLEN STRICKLAND**

SUMMARY: On February 26, 2013 the Board of Managers approved the lease of the Ambulatory Surgical Center space on the second floor of the MARC building owned by the University of Texas Health Science Center at San Antonio. The lease was for a term of thirty-six months beginning November 1, 2013 and ending October 31, 2016. This lease was extended for two years effective November 1, 2016. This space operates as a hospital based ambulatory surgical center, adding additional operating room facilities, which has given the Health System the ability to provide outpatient surgical services in the most appropriate perioperative setting. The current Lease Agreement expired October 31, 2018. In order to continue delivering outpatient surgical services in the most appropriate venue, a renewal and extension of this agreement is requested. Pending Board of Managers approval, leadership teams from UT Health San Antonio and University Health System have agreed to extend the current agreement for a period of one year with one renewal option for an additional year, both at the original rental rate of \$23.31 per square foot per year. The space consists of 32,233 square feet for which we pay \$23.31 per foot per year. This amounts to an annual base lease cost of \$751,351. The landlord

charges for building maintenance and parking are an additional \$149,745 per year, putting the total cost at \$901,096 annually. If the additional one-year option were to be exercised, the total cost for the twenty-four month term would be \$1,802,192. There were 1,344 obligated surgical or procedural cases (CareLink, Health System staff and dependents) performed in 2017. The average direct cost per case at the MARC ASC is \$1,104. Without this facility, these cases would have been performed in the main operating rooms at the hospital, where the average direct cost per case is \$2,995. The workforce composition data was of UT Health San Antonio was provided for the Board's review.

**RECOMMENDATION:** Staff recommends Board of Managers approval of the execution of the renewal of this Lease Agreement to continue the operation of the Health System's Ambulatory Surgical Center at the MARC for up to twenty-four months beginning November 1, 2018 at a maximum cost of \$1,802,192.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE RENEWAL OF AN AGREEMENT WITH UT HEALTH SAN ANTONIO FOR RENTAL OF MEDICAL EQUIPMENT LOCATED AT THE MEDICAL ARTS AND RESEARCH CENTER (MARC) AMBULATORY SURGICAL CENTER — ALLEN STRICKLAND**

**SUMMARY:** On February 26, 2013 the Board of Managers approved the lease of medical equipment used in the operation of the Health System's Ambulatory Surgical Center located at the MARC building owned by the University of Texas Health Science Center at San Antonio. The current Lease Agreement expired October 31, 2018. In order to continue delivering minimally invasive and elective surgical services in the most appropriate perioperative setting, a renewal and extension of this agreement is requested. Pending Board of Managers approval, leadership teams from UT Health San Antonio and UHS have agreed to extend the current agreement for a period of one year with one renewal option for an additional year, both at the original lease rate of \$276,000 per year, which includes maintenance and the cost of lost and damaged equipment. The cost of leasing this equipment is an amount not to exceed \$276,000 per year. If the additional one-year option were to be exercised, the total cost for the twenty-four month term would be an amount not to exceed \$552,000. The workforce composition data for UT Health San Antonio was provided for the Board's review.

**RECOMMENDATION:** Staff recommends Board of Managers approval of the execution of the renewal of this Equipment Lease Agreement to continue the support of the operation of the MARC Ambulatory Surgical Center for up to twenty-four months beginning November 1, 2018 at a maximum cost of \$552,000.

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

**EVALUATION:** None.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FOLLOWING AGREEMENTS: PROFESSIONAL SERVICES (MEDICAL) WITH UT HEALTH SAN ANTONIO (SPONSORED CARE PROVIDER AGREEMENT); AND PROFESSIONAL SERVICES (DENTAL) WITH UT HEALTH SAN ANTONIO (SPONSORED CARE PROVIDER AGREEMENT) — ALLEN STRICKLAND**

SUMMARY:

Medical Professional Services Agreement with UT Health San Antonio (Sponsored Care Provider Agreement) - This agreement has been in effect since 2001 to provide reimbursement for unfunded patients who are provided health care in the Health System's Emergency Department. This agreement will facilitate payment to UT Health San Antonio for services provided to sponsored patients. Payments for medical services are negotiated at 65 percent of the current Medicare rate. Sponsored care is intended to cover urgent and emergent medical conditions. The majority of Sponsored Care patients access services through the Emergency Department with services limited to the treatment of the urgent/emergent condition and follow up to assure the condition has responded appropriately to treatment. To qualify for sponsored care services, a person must meet the income and resources requirements established by the Health System and must reside in Bexar County. Currently; persons at or below 75 percent of the federal poverty level qualify, including inmates or detainees at facilities operated by Bexar County. It also includes the homeless, provided they meet the eligibility requirements established by the Health System. This agreement requires the deduction of charges for services rendered pursuant to the Bexar County Clinical Services (BCCS) or CareLink Provider Agreements. Payment under this agreement will only be made for professional services that are not covered under the CareLink Provider Agreement, BCCS or any other third party payer including payment made by the patient. The purpose of this Agreement is to continue to cover urgent and emergent medical services to unfunded patients and inmates who are provided health care within the Health System. The anticipated payments in 2019 from the Health System to UT Health are estimated at \$3,651,936. The actual payments made in 2017 were \$3,013,613.15. As of November 1, 2018 the BCHD tax division has paid \$3,043,280. The amount of payments has increased in 2018 due to an overall increase in activity. The Health System shall pay Provider for contracted medical services to Sponsored Care patients at 65 percent of the current Medicare allowable rate at the time the services were provided. The contract value for this 12 month period of activity in 2019 is estimated at \$3,651,936. This is a planned expense and funding has been included in the 2019 Operating Budget.

Dental Professional Services Agreement with UT Health San Antonio (Sponsored Care Provider Agreement) - The purpose of this agreement is to provide reimbursement for unfunded patients who are provided dental and oral maxillofacial surgical (OMS) care for urgent or emergent conditions. This agreement will facilitate payment to UT Health San Antonio (UT Health) – School of Dentistry for services provided to sponsored patients. Payments for services are on a fee-for-service basis at the current Medicaid

allowable rate. Sponsored Care is intended to cover urgent and emergent medical conditions. The majority of Sponsored Care patients access services through the Emergency Department with services limited to the treatment of the urgent/emergent condition and follow up to assure the condition has responded appropriately to treatment. The estimated payments to the School of Dentistry for services provided in calendar year 2018 are \$130,000. This is a fee for service reimbursement agreement for qualifying unfunded patients who receive dental and OMS services. Payments are negotiated at 100 percent of the Medicaid allowable for these services. The total expense for the year beginning January 1, 2019 and ending December 31, 2019 is estimated at \$140,000. This is a planned expense and funding has been included in the 2019 Operating Budget.

RECOMMENDATION: Staff recommends the Board of Managers approval of the **Sponsored Care Medical Provider Agreement** with UT Health San Antonio – School of Medicine in the amount of \$3,651,936 for a one-year period beginning January 1, 2019. Staff also recommends the Board of Managers approval of the **Sponsored Care Dental Provider Agreement** with UT Health San Antonio-School of Dentistry in the amount of \$140,000 for one year beginning January 1, 2019.

ACTION: A **MOTION** to approve staff’s recommendations to approve the **Sponsored Care Medical and Dental Provider Agreements** was made by Mr. Smith, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.

EVALUATION: Both Sponsored Care Agreements include provisions for compliance with the Health System utilization review and quality assurance programs, as well as eligibility verification and pre-authorization requirements from the Health System. The providers must be credentialed and board certified. Both s agreement includes performance standards which address quality of care, access, and appropriate utilization. The workforce composition data for UT Health San Antonio was provided for the Board’s review.

FOLLOW-UP: None.

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

SUMMARY: This is a request for a new agreement consisting of direct patient care rendered to Health System neonatal ICU patients through physicians and advanced practice providers employed by UT Health San Antonio. University Medicine Associates (UMA) currently leases 8.7 board-certified neonatologist FTEs and 9.0 advanced practice provider FTEs to provide neonatal intensive care services, 3.0 neonatologist FTEs to provide hospitalist services and 0.75 FTE for moonlighting (supplemental) support. UMA provides funding for leased provider salaries. Additionally, the Health System provides physical space and support staff at no cost to UT. UMA bills and collects all professional fees generated by the UT Health providers for neonatology services rendered. UMA will compensate UT an amount not to exceed \$5,665,796 per year for all leased providers previously listed. This is an increase of \$321,900 over the previous agreement due to the raise for the neonatologists. The anticipated cash collections for professional

fees are \$3,600,000 per year which results in a net cost to UMA of approximately \$2,065,796 annually. This is a planned expense and is included in the 2019 operating budget. The workforce composition of UT Health San Antonio was provided for the Board's review.

**RECOMMENDATION:** Staff recommends Board of Managers' approval to execute a contract with UT Health San Antonio to lease these neonatology providers at an anticipated cost of \$5,665,796 for a one year period, with an option to renew for two additional one year periods under the same terms and conditions.

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

**EVALUATION:** This agreement between UMA and UT will ensure that there are a sufficient number of qualified providers available to provide the highest quality specialty care to the neonate population. Patient satisfaction ratings are expected to be in the top 25 percentile for inpatient neonatology services. Physicians must also meet a minimum score of 90 percent on quality metrics as established and mutually agreed upon between UMA and UT. All documentation will be promptly completed in the EHR in sufficient detail to delineate level of service provided.

**FOLLOW-UP:** None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR PHARMACY RELATED DISTRIBUTION SERVICES WITH MCKESSON HEALTH SOLUTIONS — ELLIOT MANDELL/MICHAEL ROUSSOS**

**SUMMARY:** University Health System, by virtue of its disproportionate share of unfunded and underinsured payor mix, is eligible to participate in a program to acquire drugs at discounts under a program known as 340B. To be eligible, prescriptions must be written for patients by physicians that have prescribing privileges at Health System facilities. As drugs are dispensed, quantities accumulate by specific National Drug Code (NDC) package size until enough has been dispensed to equal a full package. A new replacement package can then be purchased to replace what was dispensed at the discounted 340B price. The cost to the funded patient to obtain their prescription is established by the patients' insurance plan, and therefore remains the same regardless of where their prescriptions are filled. It is the cost to the pharmacy for the drug that differs, thereby creating varied margins. When funded patients bring 340B eligible prescriptions to other pharmacies (e.g. CVS, Walgreens, HEB, Walmart, etc), those pharmacies do not have direct access to 340B pricing. The Health System has entered into agreements with 42 pharmacies in the Bexar County community as contracted 340B agents so that Health System patients and can obtain their medications utilizing 340B drug costs for the prescriptions filled by CVS, Walgreens, HEB, Walmart, etc. The eligibility as defined above is not limited to just the unfunded or underinsured patient population. All prescriptions written that meet the criteria qualify under the 340B program. Therefore, an opportunity exists where the Health System receives normal third party reimbursement for prescriptions dispensed, but the cost of goods sold is at the 340B discounted price. This will generate a revenue stream for the Health System. This is a three year contract with an estimated total amount of **\$16,500,000**. McKesson will sell the

pharmaceuticals to the Health System at a rate of their acquisition cost, minus 1.0%. This is no change in cost compared to the previous contract. McKesson Drug Company's workforce composition was provided for the Board's review, and Dr. Mandell shared the following year-to-date net total income to the Health System through October 2018:

Avita	\$853,660
CVS	\$2,007,933
Genentech	\$ 974
Medimpact	\$1,067,939
TEVA	\$ 37
Walgreens	<u>\$4,597,544</u>
Total Deposits	\$8,528,087
Expenses	<u>\$(2,573,823)</u>
Net Total	\$5,954,264

RECOMMENDATION: Staff recommends Board of Managers' approval of the funding in the amount of \$16,500,000 and authorize the President/Chief Executive Officer to execute a contract with McKesson Drug Company for distributive services for 340B contracted pharmacies.

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

EVALUATION: None.

FOLLOW-UP: None.

#### **CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORTS FOR OCTOBER AND NOVEMBER 2018 — REED HURLEY**

SUMMARY: In October clinical activity (as measured by inpatient discharges) was up 6.4% for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was down 1.3%. On a consolidated basis, gain from operations was \$17.3 million, \$10.1 million better than budget. The consolidated bottom line gain (before financing activity) was \$12.4 million, \$11.2 million better than budget. Higher patient and non-patient revenue combined with lower purchased service expense were somewhat offset by higher than budget employee compensation, drug and supplies expenses. CFHP experienced a bottom line gain of \$257 thousand which was \$1.7 million worse than budget. Premium revenue was up \$4.1 million due to an increase in reimbursement rate that took effect in October. Medical claims expense was higher than budget by \$5.6 million. Debt Service Revenue was \$5.0 million which is equal to the budgeted Debt Service payment of \$5.0 million. Mr. Hurley reviewed notable increases and/or decreases from consolidated balance sheet in detail with the Board. In November, clinical activity (as measured by inpatient discharges) was up 7.5% for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was down 0.2%. On a consolidated basis, gain from operations was \$12.6 million, \$4.3 million better than budget. The consolidated bottom line gain (before financing activity) was \$8.9 million, \$6.5 million better than budget. Higher patient and non-patient

revenue combined with lower purchased service expense were somewhat offset by higher than budget employee compensation, drug and supplies expenses. CFHP experienced a bottom line gain of \$403 thousand which was \$2.7 million worse than budget. Premium revenue was up \$5.6 million due to an increase in reimbursement rate that took effect in September. Medical claims expense was higher than budget by \$8.0 million. Debt service revenue was \$4.3 million which is \$694 thousand less than the budgeted debt service payment of \$5.0 million due to downward adjustments to certified values. Mr. Hurley reviewed notable increases and/or decreases from consolidated balance sheet in detail with the Board.

RECOMMENDATION: Staff recommends acceptance of the financial reports for October and November 2018, subject to audit.

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

EVALUATION: None.

FOLLOW-UP: None

#### **PRESENTATIONS AND EDUCATION:**

##### **FOURTH QUARTER QUALITY REPORT — BRYAN ALSIP, M.D.**

SUMMARY: The University Health System Quarterly Quality Report includes a review of the quality metric performance for 2018 with updates regarding ongoing initiatives to improve the Health System's publicly reported data: Mortality - Mortality year to date performance is at 96 percent of the targeted goal. This performance places the Health System in the 70<sup>th</sup> percentile (higher is better) when compared to a national academic cohort of teaching hospitals with greater than 400-bed capacity. The target for 2018 is to reach the 75<sup>th</sup> percentile when compared to this cohort. Current performance represents a significant improvement over the Health System's 2017 baseline at the 24<sup>th</sup> percentile (higher percentile is better). Improvements in this area are due to initial successes with provider-focused documentation improvement efforts and early identification and transfer of patients requiring hospice level care. A specific diagnosis focus area is sepsis care, a complex disease with increasing year-over-year admissions at University Hospital. Collaboration between Health System staff and physician leaders surrounding sepsis bundle compliance (a core measure) and the timing of multiple bundle elements have had a profound effect on reducing sepsis mortality. Rolling 22-month data demonstrates an overall 70 percent drop in overall sepsis mortality with twice as many documented sepsis patients. Hospital Readmissions - Readmissions year to date performance is at 75 percent of the targeted goal. For 2018, the goals for six of the seven readmission diagnosis targets were set at or above the 75<sup>th</sup> comparative database percentile. AMI was set at the 50<sup>th</sup> comparative database percentile. September and October 2018 results for overall readmission rates are trending downward (lower is better). In particular, AMI readmission are below target for three consecutive months (August through October) and CHF readmissions are below target for two consecutive months (September and October). Year to date, we have had seven months with zero THA/TKA



readmissions. Continued focused readmission review of 2018 year to date reveals opportunities in post-acute care discharge follow up, specific to potentially preventable readmissions. Hospital Acquired Infections - The Health System HAI year to date performance is at 95 percent of the targeted goal for 2018. Year to date, we are performing below target (lower is better) for CDI with an overall reduction of 22 percent compared to 2017 baseline performance and better than expected year to date at 95 percent of the targeted goal. We also are trending downwards (lower is better) for rates of CAUTI and CLABSI, with a two consecutive months of below target performance (lower is better) for CLABSI. Patient Safety - Current performance for the PSI-90 composite metric is above the 2018 target (set at the comparative database 50<sup>th</sup> percentile) with an overall trend downward (lower is better). Efforts surrounding the review and actions on patient safety include engaging the quality medical information team (QMIT) on a real-time review of all patient safety indicators specific to provider documentation opportunities

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

**INFORMATION ONLY ITEMS:**

**EPIC ELECTRONIC HEALTH RECORD PROJECT UPDATE — GEORGE B. HERNÁNDEZ**  
**UPDATE ON PLANNING, DESIGN AND CONSTRUCTION ACTIVITIES — DON RYDEN**  
**UNIVERSITY HEALTH SYSTEM FOUNDATION UPDATE — LOURDES CASTRO-RAMÍREZ**  
**REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS — LENI KIRKMAN**

SUMMARY: Mr. Adams noted the four (4) informational reports and encouraged his Board colleagues to review on their own time.  
RECOMMENDATION: None.  
ACTION: None.  
EVALUATION: None.  
FOLLOW-UP: None.

**ADJOURNMENT:**

There being no further business, Mr. Adams adjourned the public Board meeting at 3:58 pm.

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Jim Adams  
Chair, Board of Managers

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

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Sandra D. Garcia, Recording Secretary