



**BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, February 22, 2022

6:00 pm

Tejas Conference Room

University Health Business Center 2

5959 Northwest Parkway

San Antonio, Texas 78249

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Ira Smith, Vice Chair
Margaret Kelley, MD, Secretary
Anita L. Fernandez
Jimmy Hasslocher
L.P. Buddy Morris
Pat Jasso

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health
Elizabeth Allen, Director, External Communications/Corporate Communications, University Health
Edward Banos, Executive Vice President/Chief Operating Officer, University Health
Bryan J. Alsip, MD, Executive Vice President/Chief Medical Officer, University Health
Ted Day, Executive Vice President, Strategic Planning/Business Development, University Health
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health
Rob Hromas, MD, Dean, Long School of Medicine, UT Health, San Antonio
Latifah Jackson, Supplier Diversity Coordinator, University Health
Monika Kapur, MD, President/Chief Executive Officer, University Medicine Associates
Leni Kirkman, Executive Vice President/Chief Marketing, Communication, and Corporate Affairs
Officer, University Health
Bill Phillips, Senior Vice President/Chief Information Officer, University Health
Serina Rivela, Vice President/Chief Legal Officer, University Health
Don Ryden, Vice President/Projects, Design and Construction, University Health
Travis Smith, Vice President/Deputy Chief Financial Officer, University Health
Horacio Vasquez, Executive Director, Supply Chain Management, University Health
Larry Wallis, Director, Internal Audit Services, University Health
Jim Willis, Associate Administrator, University Hospital
Juanita Salinas, Bexar County Resident
And other attendees.

CALL TO ORDER:

Mr. Adams called the meeting to order at 6:01 pm.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Ms. Jeanene Atkinson, University Health Chaplain, for the invocation and he led the pledge of allegiance.

After the invocation, Mr. Adams formally introduced Ms. Pat Jasso as a new member of the Board of Managers appointed by Bexar County Commissioner Rebecca Clay-Flores, Precinct 1, earlier this month. Ms. Jasso replaces Dr. Roberto L. Jimenez, who resigned from the Board of Managers in December 2021.

PUBLIC COMMENT: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): TUESDAY, JANUARY 25, 2022
(REGULAR MEETING)

SUMMARY:	The minutes of the regular Board meeting held on Tuesday, January 25, 2022, were submitted for approval.
RECOMMENDATION:	Staff recommends approval of the minutes as submitted.
ACTION:	A MOTION to APPROVE staff's recommendation was made by Ms. Fernandez, SECONDED by Dr. Kelley, and PASSED UNANIMOUSLY .
EVALUATION:	None.
FOLLOW-UP:	None.

REPORT FROM UT HEALTH SAN ANTONIO — ROB HROMAS, MD, FOR WILLIAM HENRICH, MD, PRESIDENT

SUMMARY: Dr. Hromas welcomed Ms. Jasso to the Board of Managers. He reported that First Lady Jill Biden would be in town the following day for a tour of the Mays Cancer Center at UT Health San Antonio and to learn more about its efforts to address disparities in cancer rates among Latinos. The Mays Cancer Center is one of only four National Cancer Institute-designated cancer centers in Texas, and part of the federal effort to address the disease. On the same day as Dr. Jill Biden's visit, UT Health will host a conference in downtown San Antonio on Advancing the Science of Cancer in Latinos. Dr. Tom Patterson is recruiting 1,000 Hispanic co-horts for a clinical trial on long COVID, all relevant specialties, i.e., neurology, nephrology from UT Health will be involved in this research project. National Match Day is March 18, 2021, and the date medical students find out where they will begin their medical residencies the following year. It is a very exciting day for the Long School of Medicine. The Cancer Prevention & Research Institute of Texas is a state funded cancer and prevention treatment effort from which UT Health received \$10.9 million in research and faculty recruitment support earlier this month. In addition, a new procedure evaluating the effectiveness of a technique called deep brain stimulation in treating patients with Alzheimer's disease was conducted at University Hospital and made national news due to its potential to slow or halt progress of the disease. This is an important, new advance, cutting edge technique for UT Health, University Health and the UT Health Glenn Biggs Institute for Alzheimer's and Neurodegenerative Diseases. At the end of his report, Dr. Hromas distributed copies of the 2021 Connective

Tissue Journal, a literature and visual arts publication by students of the Long School of Medicine, centered on the theme of rekindling hope in the wake of the pandemic. It is insightful and shows what the medical students and medical residents have been through this past year. Dr. Ruth Berggren, Director of The Center for Medical Humanities and Ethics, sponsors this journal. Mr. Adams expressed high regard for Dr. Berggren to Ms. Jasso and agreed that the CT Journal provides interesting insight. He also elaborated regarding the partnership between University Health and UT Health San Antonio; the organizations work closely together and the Board of Managers and staff have a great relationship with Dr. Hromas and his teams.

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 — RAJEEV SURI, MD, PRESIDENT, MEDICAL/DENTAL STAFF –

SUMMARY: The Credentials Committee met on January 24, 2022, 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 February 1, 2022, 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 approval by the Board of Managers.

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

SUMMARY: The Credentials Committee met on January 24, 2022, and reviewed proposed revisions to Delineation of Privilege and the Professional Performance Evaluation Report and forms. In its meeting of February 1, 2022, the Executive Committee of the Medical-Dental Staff approved the Focused/Ongoing Professional Performance Evaluation Report, and in turn, recommends approval by the Board of Managers.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH SWMCO FOR THE PURCHASE AND INSTALLATION OF A NEW GENERATOR SYSTEM AT COMMUNITY FIRST HEALTH PLANS, INC. — THERESA SCEPANSKI

SUMMARY:

The current generator at Community First is 13-years old and 400 Kilowatts in size. During the winter storm outage in February 2021, widespread power outages resulted in downtime at Community First due to the inability to refuel the equipment. University Health's Procurement Department solicited three bids for a new generator and received two vendor responses. After careful consideration and review of the proposals submitted, SWMCO is the recommended vendor to purchase and install the New Generator System. SWMCO's proposal is the most cost effective, as the lowest bidder, and the best value based on the overall services offered for the project. Breakdown of costs: General System \$210,717; Electrical Demolition and Installation \$99,685; Portable Generator Rental \$27,500; Concrete Pad \$31,625. The Board of Directors of Community First Health Plans, Inc., recommends Board of Managers' approval of the purchase and installation of a New Generator System for Oaks I for an estimated total cost of \$369,527.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT RENEWAL WITH LUBY'S CULINARY SERVICES FOR MANAGEMENT OF SKY BISTRO, ROBERT B. GREEN CAFÉ, TEXAS DIABETES INSTITUTE CAFÉ, AND BUSINESS CENTER CAFÉ — JIM WILLIS

SUMMARY:

In January 2021, the Board of Managers approved a one year contract with the option for four one-year renewals with Luby's Culinary Services. Under this contract, Luby's provides daily operational oversight as well as the management and direct supervision for 48 FTEs across four University Health café locations. This is the first one-year renewal request with Luby's Culinary Services at a cost of \$385,621. Associated costs included in this amount are \$290,200 in management fees (5 percent of estimated gross sales) plus \$95,421 in salary/benefits for the provision of 1 FTE of Food Service Director. There is no change in the fee rate as compared to the first year of the contract. Staff recommends Board of Managers' approval of a one-year contract renewal with Luby's Culinary Services, beginning February 1, 2022 in an amount not to exceed \$385,621.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENTS FOR TEMPORARY INPATIENT PHYSICIAN COVERAGE BETWEEN UNIVERSITY MEDICINE ASSOCIATES AND STAFF CARE, INC.; AND CRITICAL CARE PARTNERS OF TEXAS PLLC — TED DAY/MONIKA KAPUR, MD

SUMMARY:

In October, 2020, University Medicine Associates, in collaboration with University Health, entered into no-obligation coverage agreements with four locum tenens (temporary physician) agencies for the provision of on-site inpatient acute care services when needed to effectively manage the care of hospitalized COVID-19 patients. Since initial contracting, physicians from these agencies have provided inpatient coverage for the COVID patients in several periods. At its meeting on August 31, 2021, the Board of Managers authorized \$450,000 of funding per agency for three agencies for deployment of physicians as needed. These expenses were unbudgeted; however, UMA billed payers and then applied Coronavirus Aid, Relief, and Economic Security (CARES) or other

federal government funding available to offset otherwise uncovered expenses. Staff recommends the Board of Managers approve and authorize the President/CEO to spend additional funds for physician staffing needs for pandemic surge response and potential needs for later this calendar year in the amount of \$200,000 for Staff Care, Inc., and an additional \$250,000 for Critical Care Partners of Texas PLLC. Expenses for the third agency previously authorized have not reached the funding limit, so no additional funding request will be made for that agency at this time.

CONSIDERATION AND APPROPRIATE ACTION REGARDING PROFESSIONAL SERVICES AGREEMENTS WITH THE ALAMO AREA RESOURCE CENTER; BLACK EFFORT AGAINST THE THREAT OF AIDS; EL CENTRO DEL BARRIO, INC. D/B/A CENTROMED; AND SAN ANTONIO AIDS FOUNDATION FOR THE RYAN WHITE PART A AND MINORITY AIDS INITIATIVE PROGRAMS, SERVING HIV AFFECTED CLIENTS, AND FUNDED THROUGH THE HEALTH RESOURCES AND SERVICES ADMINISTRATION, HIV/AIDS BUREAU — ROBERTO VILLARREAL, MD

SUMMARY:

The primary goal and objective of this grant are to ensure the continuation of high-quality core medical and support services to persons living with HIV/AIDS in the four-county San Antonio Transitional Grant Area, while maintaining and increasing viral suppression rates. The purpose of these agreements is to offer low-income people living with HIV/AIDS within the State of Texas primary medical care and other support services. This partnership will allow for a seamless continuum of care for persons living with HIV/AIDS and those affected by HIV/AIDS in Bexar County and surrounding areas. Ryan White funding will improve access to care, treatment, and wraparound services and play a critical role in the US public health response to the HIV epidemic, including Ending the HIV Epidemic initiative. This comprehensive ongoing collaboration represents a cost-effective use of public resources. Staff recommends approval of new agreements with the Alamo Area Resources Center, Black Effort Against the Threat of AIDS Coalition Trust, El Centro del Barrio, Inc. d/b/a CentroMed, and the San Antonio AIDS Foundation, sub-recipients of Ryan White HIV/AIDS Program funds, specific amounts as indicated below, to enhance services for Ryan White-eligible patients, for the period beginning March 1, 2022 through February 23, 2023:

<u>Source</u>	<u>RWP Program</u>	<u>Allocated</u>
<u>FY 22-23</u>	<u>Overall Budget</u>	<u>Funds</u>
Ryan White Part A Formula	\$3,509,787	AARC: \$991,638 BEAT Aids: \$168,327 CentroMed: \$551,534 SAAF: \$519,021
Ryan White Part Part A Supp.	\$1,674,462	AARC: \$447, 515 BEAT Aids: \$81,057 CentroMed: \$265,586
Ryan White Part A Minority AIDS		SAAF: \$249,930

Initiative	\$540,496	AARC: \$179,037 BEAT Aids: \$68,408 CentroMed: \$59,311 SAAF: \$63,538
------------	-----------	---

**CONSIDERATION AND APPROPRIATE ACTION REGARDING PURCHASING ACTIVITIES
(SEE ATTACHMENT A) — HORACIO VASQUEZ/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. University Health’s Purchasing Consent attachment for the month of February 2022 includes 13 proposed contracts for Board of Managers action. The total requested Board of Managers approval for these 13 contracts is \$12,332,641. Additional Presented contracts during the February 2022 Board of Managers meeting total \$9,866,001 and are considered for approval separate from the Purchasing Consent. There were two contracts classified as Small, Minority, Woman, or Veteran Owned Business Enterprises. Staff recommends Board of Manager’s approval of Purchasing Consent items in the amount of \$12,332,641.

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

CONSENT ACTION: A **MOTION** to **APPROVE** the consent agenda was made by Mr. Hasslocher, **SECONDED** by Dr. Kelley, 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 A CONTRACT WITH SINGLETON ASSOCIATES, PA D/B/A ARA DIAGNOSTIC IMAGING FOR REMOTE TELE-RADIOLOGY INTERPRETATION SERVICES — JIM WILLIS

SUMMARY: University Health has identified an opportunity to contract with Singleton Associates PA, d/b/a ARA Diagnostic Imaging (ARA) to provide professional tele-radiology interpretations for radiology exams performed in the ambulatory clinic locations excluding mammography and interventional radiology. This is a request for a contract with ARA, which will allow UT Health to redistribute physician resources from ambulatory interpretations to radiological procedures performed at University Hospital and relieve the burden of recruitment and volume increases in the ambulatory setting. Routine ambulatory exams eligible under this contract for tele-radiology interpretations are estimated at

approximately 84,647 over a 12-month period. This contract will be for a period of three years beginning approximately May 1, 2022. Under the terms of the agreement, ARA will have sole responsibility for billing and collecting professional interpretation fees from each patient's insurance company as well as CareLink. Patients will never be billed or invoiced by ARA for an outstanding balance with the exception of co-pays. To address the University Health payer mix for the ambulatory clinic population, University Health has agreed to a subsidy payment to ARA in the amount of \$652,000 per year to offset the costs related to unfunded and underfunded care. This payment represents a cost savings of \$10.18 per RVU for University Health as compared to the subsidy to pay UT Health for six diagnostic radiologists. The projected annual savings is approximately \$552,000 per year as compared to the cost of UT Health providing the same service. After factoring in potential future growth over the term of the contract, the total value is not to exceed \$2,055,430.

Year 1	Year 2 (+5%)	Year 3 (+5%)	Total
\$652,000	\$684,600	\$718,830	\$2,055,430

ARA will provide University Health with ongoing transparent financial reviews of all reimbursement received by ARA. At the conclusion of each year, should ARA collections exceed the set RVU value of \$67.60 established in the contract, excess funds will be returned or credited to University Health. The ARA contract price per RVU was confirmed to be at fair market value by VMG, an independent valuation consultant, based on 2020 survey data.

RECOMMENDATION:

Staff recommends Board of Managers' approval for a non-assignable three year contract with Singleton Associates, PA, d/b/a ARA Diagnostic Imaging to provide tele-radiology interpretations in an amount to not exceed \$2,055,430.

ACTION:

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

EVALUATION:

Mr. Hasslocher spoke in support of this contract and recalled that staff has been assessing this important situation over the last year. Dr. Kelley asked how this contract would impact radiology resident rotations, to which Dr. Hromas replied in Dr. Suri's absence, that most residents rotate through University Hospital, with only a few in the ambulatory setting. Both Mr. Hernandez and Mr. Banos have been transparent about this process, have discussed at length with him, and it is acceptable. He feels that the Long School of Medicine can work around some of the missed rotations in the ambulatory setting by training at other locations. The turnaround time that ARA has committed to is equivalent to what UT Health would provide, but is less expensive to University Health. Dr. Hromas confirmed that the Department of Radiology lost five radiologists to retirement, another five due to salary challenges, and has picked up four new radiologists. Mr. Banos explained that the ARA contract is approximately 10 percent of the total volume of radiology services provided by UT Health, and should not greatly impact resident training. There are still many MRIs, CT procedures, and others being done at University Hospital. In addition, the staff plans to expand and

make more studies available in the ambulatory setting to offset the demand at the hospital. Mr. Willis added that robust growth was built into this contract and there are potential plans to look at MRIs and other options for downtown. Dr. Hromas noted that mammography services are excluded from this contract, and that any procedure requiring the presence of a radiologist during the procedure, such as with nuclear medicine, will be handled by UT Health Department of Radiology. Mr. Willis further explained to Ms. Jasso that this contract will impact UT Health Radiology in positive way. Under this contract, the amount of time it takes to read routine ambulatory x-rays is equivalent to 6 FTEs; therefore, the hospital and emergency department gain more coverage and can focus on inpatients. There will be no reduction in the amount of Radiologists provided by UT Health; this contract will serve as a relief valve for those radiology physicians at University Hospital. Mr. Adams confirmed that senior leadership have discussed this subject with Board of Managers several times over the last year.

FOLLOW-UP:

None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH HENOCK CONSTRUCTION, LLC FOR INTERIOR RENOVATIONS AT THE KENNEDY CLINIC LOCATED AT 1831 S. GENERAL MCMULLEN, SAN ANTONIO, TEXAS — DON RYDEN

SUMMARY:

University Ricardo Salinas Clinic Healthcare opened to the community in 2001. The facility is owned by the San Antonio Housing Authority and has not undergone a significant renovation in over 20 years. University Health occupies the facility along with the City of San Antonio's Women Infants and Children (WIC) Nutritional Program and a UT Health dental clinic. University Health has only four available exam rooms at this clinic. Having the need to grow service lines and space, staff proposes a contract with MJC Family, L.P. commencing on May 1, 2022 to lease 7,300 square feet space approximately two miles from the existing Salinas Clinic. This new location, across the street from John F. Kenney High School, would provide the opportunity to expand Women's and Children's services with a focus in Obstetrics, Gynecology, Reproductive Health, Adolescent Health, Pediatrics, and Family Medicine, and will also include laboratory and ultrasound services, and will expand to 15 exam rooms. The facility will require limited design and renovation. University Health will also update existing conditions to meet University Health's clinical and functional programs. University Health Procurement Services solicited formal bids from three (3) Group Purchasing Organizations with all firms responding. The bids provided were similar in response to scope, budget and schedule. The pricing received ranged from \$1,132,345 to \$1,333,045 and the schedule ranged from 120 days to 150 days. Henock Construction, LLC was chosen based on their qualifications and experience, duration to complete the scope of work and the value they bring to University Health. Henock Construction, LLC was the low bid at \$1,132,345 (IT Data component--\$650,000, Security--

RECOMMENDATION: \$200,000) and provided the best schedule at 120 days. Staff recommends the Board of Managers authorize an agreement with Henock Construction, LLC for interior renovations at the University Health Kennedy Clinic as well as other related agreements and project costs for a total amount not to exceed \$2,242,345 of Board Designated Capital Funds.

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 CONTRACT AMENDMENT WITH MARMON MOK, LLP FOR FUNDING OF DESIGN, CONSTRUCTION, SPECIALTY CONSULTING, AND EQUIPPING COSTS TO RELOCATE AND EXPAND PHARMACY SERVICES TO THE WOMEN'S AND CHILDREN'S HOSPITAL — DON RYDEN

SUMMARY: The hospital pharmacy has seen significant growth over the past few years with the meds-to-beds program and several hospital-based outpatient clinics - from 3,000 scripts filled per month to over 27,000 per month. Pharmacy provides services 24/7 for emergency department patients and for staff who work at University Hospital. The total ambulatory pharmacy volume at all locations has now grown to over 1 million prescriptions per year. In response to the anticipated growth impact on pharmacy services supporting both in and outpatient care for the hospital campus, the architectural and engineering (A/E) team was requested to provide an assessment of the feasibility to incorporate a pharmacy services area primarily to support the new Women's and Children's Hospital. Staff is concerned that the existing pharmacy support spaces will not be able to effectively support the increased patient population and throughput once Women's and Children's Hospital opens. Pharmacy services are in the old Rio tower making it very inefficient for patients to get their medications. The proposed new space is on the first floor of the podium next to the Children's Emergency Room. The least disruptive timing to build-out the new pharmacy services area is during the current construction schedule, and before the Women's and Children's Hospital opens. Staff has assessed the construction manager's existing construction schedule and capabilities to add additional scope and determined that design must be complete through Construction Documents by summer 2022 to support construction should it be approved in the future. The A/E proposal accounts for this timing and an expedient design schedule. The total proposal, including studies and assessments to demonstrate that the new design would not impinge on future facility development concepts, is \$1,043,406. It includes anticipated reimbursable expenses for the A/E's sub-consultants that might need to travel to complete their design consultations with University Health and verify on site conditions that would impact design. Staff has assessed that the total proposed price of \$1,043,406 is a

maximum price (since nearly \$75,000 is based on estimated reimbursable expenses) and compares favorably to design work previously performed on the Project. Staff recommends this increase come from Board Designated Funds. Staff recommends issuing a contract Amendment to the A/E's current Agreement for Architectural Services. This requested amount will restore \$184,661 to the Owner's Design Contingency previously encumbered by the Notice to Proceed with initial design development, and the balance will be applied to remaining architectural services described above. Mr. Ryden summarized the Architectural Services contract in his written report with the proposed addition in the amount of \$1,043,406 (this request) for a revised contract amount of \$52,151,274. Following this approval, the total Program budget will be \$835,143,422.

RECOMMENDATION: Staff recommends the Board of Managers approve \$1,043,406 additional funding for the Women's and Children's Hospital pharmacy services design and authorize the President/Chief Executive Officer to execute the appropriate Amendment to the Marmon Mok, LLP Agreement in that amount.

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

EVALUATION: Discussion ensued regarding the growth in prescriptions to over one million per year from about 800,000 a couple of years ago, the difference being how much faster staff is able to fill for same day service. All inpatients leave with their prescribed medication in hand upon discharge, which is very convenient, especially for Emergency Department and Transplant Clinic patients, as opposed to making a trip to the Medical Center Pavilion across the street where the outpatient pharmacy is located. Dr. Alsip reported that the staff tracks not only volume, but the rate of meds dispensed out of those prescribed to the patient, numbers which have also gone up astronomically. Mr. Hasslocher was interested in knowing if, from an operational standpoint, the Chief Pharmacy Officer will have input into the design of the new pharmacy, to which Mr. Banos replied that that Dr. Elliott Mandell would be consulted and already has a concept in mind; he is very detailed oriented. Understanding that the exponential growth in prescriptions is due to number of inpatients, growth of the meds-to-beds program, as well as ambulatory growth, Dr. Kelley asked who would be tracking outcomes now that barriers have been removed. Dr. Alsip replied that the staff reviewed such data before the Epic EHR and after implementation of the meds-to-beds program at University Hospital and four ambulatory clinics. That data indicates that pre-Epic, length of stay and re-admissions on the inpatient side were reduced. On the ambulatory side, staff looked at data collected during a DSRIP project regarding control of hypertension, blood pressure measurement, and guaranteed values over time, as well as fasting glucose measurements for diabetic patients. The DSRIP data shows that University Health has not only sustained those outcomes, but actually improved. Dr. Alsip would like for Dr. Mandell to reproduce that study using Epic data to show that patient days have indeed been reduced. Mr. Adams commended the staff for taking on

new and innovative ideas. This is one example that patients, the Board of Managers, and the residents of Bexar County appreciate. Mr. Hasslocher echoed Mr. Adams' comments.

FOLLOW-UP:

None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING PROJECT CLOSEOUT ACTIONS FOR THE ADVANCED DIAGNOSTIC CENTER AT UNIVERSITY HOSPITAL — DON RYDEN

SUMMARY:

Joeris + JE Dunn, a Joint Venture and construction managers for the Advanced Diagnostic Center (ADC) commenced work in June 2019 and substantially completed the project in late 2020. The ADC includes five catheterization labs, endoscopy, advanced endoscopy, bronchoscopy, vascular and neurological labs, nuclear medicine, and pre-op and recovery spaces. Move-in and activation of the newly completed spaces occurred in November and December 2020 and first patients were seen in mid-December. The ADC was fully operational as of January 25, 2021. During the first year of operations, clinical and support staff collected data regarding the effectiveness of the new clinical and support spaces in the ADC and further improvements were implemented to enhance patient care as well as the quality and safety of the ADC. These enhancements were completed by December 2021. The ADC has been operational for over a year and necessary post-occupancy enhancements are complete. Most of the contracted services and purchased products for the ADC are complete, in use, or open procurements have been finalized. Staff therefore finds that Project closeout actions including financial closeout are now appropriate, to include amendments to release unused allowances and contingencies from completed contracts and return identified project savings to Board Designated Funds. A summary of amounts recommended for recapture is noted below:

Identified Project Savings:

	Projected Cost to Completion	Current Approved Budget	Identified Project Savings
Construction	\$ 20,000,527	\$ 20,143,639	\$ 143,112
A/E Fees	\$ 1,860,271	\$ 1,860,271	\$
Other Fees & Contingencies	\$ 1,283,633	\$ 1,338,962	\$ 55,329
FF&E/Active IT	\$ 1,882,767	\$ 2,274,222	\$ 391,455
Medical Equipment	\$ 29,242,127	\$ 31,461,281	\$ 2,219,154
TOTAL	\$ 54,269,325	\$ 57,078,375	\$ 2,809,050

Proposed Contract Amendments:

	Current Contract Value	Proposed Contract Value	Contract Decrease
Joeris + JE Dunn, a Joint Venture, ADC buildout– GMP#6	\$ 13,182,472	\$ 13,039,360	(\$ 143,112)
Premier Healthcare Solutions Planning & Procurement–20 th amendment	\$ 206,755	\$ 195,469	(\$ 11,286)

RECOMMENDATION: Staff recommends execution of the proposed contract actions to recapture excess funds as Project Savings and return to Board Designated Funds, as indicated above.

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

EVALUATION: Additional project savings may be identified after contract amendments are issued, and a final project reconciliation will be presented at later date.

FOLLOW-UP: Final project reconciliation as noted above.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORT FOR JANUARY 2022 — REED HURLEY

SUMMARY: Mr. Hurley explained the ongoing situation between The Centers for Medicare and Medicaid Services (CMS) and the Texas Health and Human Services Commission (HHSC). They are at an impasse over the legitimacy of using Local Provider Participation Funds (LPPF) as an Intergovernmental Transfer (IGT) source for supplemental funding programs. This impasse has paused the continuation of several supplemental funding programs which were budgeted to continue during 2022. The Delivery System Reform Incentive Program (DSRIP) and the Uniform Hospital Rate Improvement Program (UHRIP) are both currently unapproved by CMS due to the debate over the source of IGT. The DSRIP program is budgeted at \$61.6 million for 2022 or \$5.1 million a month and the UHRIP program is budgeted to have a net impact of \$19 million for 2022 (\$33.6 million in revenue offset by \$14.4 million in Medical Services IGT expense) or \$1.5 million net impact a month. Due to the current status of these programs, no revenue or IGT expense was recorded for either program in the month of January 2022. There is a chance of approval for either or both of these programs later in the year which, if approved, the appropriate amount of revenue that could include backdated payments will be recorded at that time. He reported that in January, clinical activity (as measured by inpatient discharges) was down 4.6 percent for the month compared to budget

and inpatient days were down by 5.3 percent. Community First Health Plans, Inc., experienced a bottom line gain of \$2.5 million, which was \$413,000 better than the budgeted gain of \$2.0 million. Community First fully insured membership was down 2.9 percent to budget. Premium revenue and claims expense at Community First were both down related to the UHRIP program's suspension. Mr. Hurley reviewed significant items on the Monthly Consolidated Statement of Revenues and Expenses in detail with the Board of Managers. University Health's consolidated bottom line for the month of January 2022 reflects a loss of \$1.4 million, \$3.7 million worse than the budgeted gain of \$2.3 million. This loss is primarily driven by the lower than budgeted supplemental funding revenue discussed above.

RECOMMENDATION:

Staff recommends approval of the financial reports subject to audit.

ACTION:

A **MOTION** to **APPROVE** the financial reports, subject to audit, was made by Mr. Hasslocher, **SECONDED** by Ms. Fernandez, and **PASSED UNANIMOUSLY**.

EVALUATION:

In describing the supplemental funding situation above, Mr. Hernandez reiterated that there is a chance funds will not be approved to be disbursed retroactively for \$6 million. Mr. Hernandez will join a Teaching Hospitals of Texas meeting with CMS on Friday to talk about this issue and the dire situation teaching hospitals are facing. It is not difficult to find a solution, it is a matter of communication and compromise; however, it is also political. Mr. Chris Traylor, former Executive Commissioner of HHSC, is on University Health payroll in Austin helping with this issue, and Mr. Adams agreed that Mr. Hernandez has the right team in place to address the issue. Mr. Hasslocher added that staff has been acutely aware of the possible loss of revenue for about 2.5 years. He assured the Board that staff is looking at all projects and prioritizing as needed, and acknowledged that University Health is at the mercy of the federal government. Dr. Kelley, as Chair of the Board's Women's & Children's Committee, expressed interest in the reasons behind the decrease of NICU volume, and she is mindful that volume could be driven by good outcomes or fewer NICU transfers in South Texas. Mr. Hurley reported that NICU volumes did fall in January as did volume for the Hospital at Home Program, however, birth deliveries increased and NICU volumes fluctuate throughout the year from high 50's to low 40's and even as low as 39. Mr. Banos would like to review transfer data before responding to Dr. Kelley but he was not aware of any significant decreases in transfers. Mr. Day confirmed that NICU volumes decreased across the city in the third and fourth quarters of 2021, but volumes across the city also fluctuate. Mr. Hasslocher expressed gratitude for the incredible job by University Health since the start of COVID, along with our UT Health partners, and for holding expenses down. The teams have been some through some difficult situations over the last two years. He thanked Dr. Hromas for his support, who reported that large medical groups with Medicaid patients, such as UT Physicians, are also affected by cuts in federal supplemental funds. However, he noted that loss of volume at University Hospital coincides with the last COVID surge when there were approximately 170 patients per day hospitalized with COVID.

FOLLOW-UP: Mr. Adams would like to be kept informed in between Board meetings about this supplemental funding situation.

CONSIDERATION AND APPROPRIATE ACTION REGARDING CERTAIN SETTLEMENT AND RELEASE OF CLAIMS IN RE: TEXAS OPIOID LITIGATION, MDL NO. 2018-63587 — SERINA RIVELA

SUMMARY: On February 8, 2022, Bexar County Commissioners Court approved settling its pending litigation against Endo, Teva and Big 3 Distributor Defendants for an estimated \$18.27 million which has been pledged towards opioid and substance abuse treatment programs in Bexar County. In addition, the settlement agreements include approximately \$72.2 million in abatement funds within the Bexar County region after the hospital district share is deducted. Currently the 15 percent hospital district allocation over the three settlements is estimated to be \$139,841,948.53, which will be distributed in accordance with each settlement agreement with each hospital district allocation determined by the Opioid Council. In addition to its portion of the 15 percent hospital district allocation, University Health will be eligible to submit requests for funding from the approximately \$72.2 million abatement funds for proposed opioid related education, prevention and treatment programs specially tailored to address the recovery needs in Bexar County. Upon the advice and recommendation from outside counsel, staff is in agreement that this is a fair and equitable settlement of the outstanding claims against the Endo Defendants, Teva Defendants, and the Big 3 Distributor Defendants.

RECOMMENDATION: Staff recommends the Board of Managers' approval of the settlement agreements and release of its claims against the Endo Defendants, Teva Defendants, and the Big 3 Distributor Defendants in the matter of *In Re: Texas Opioid Litigation*, MDL No. 2018-63587, and authorization of all related actions thereto.

ACTION: A **MOTION to APPROVE** the consent agenda was made by Dr. Kelley, **SECONDED** by Mr. Morris, and **PASSED UNANIMOUSLY**.

FOLLOW-UP: None.

PRESENTATIONS AND EDUCATION

SUPPLIER DIVERSITY 4TH QUARTER/END OF YEAR REPORTS— LATIFAH JACKSON/TRAVIS SMITH

SUMMARY: Mr. Smith introduced Mr. Horacio Vasquez, Executive Director, Supply Chain Management, and Ms. Latifah Jackson, Supplier Diversity Coordinator. Both joined University Health in December, 2021 and each will present a portion of the Supplier Diversity Program 4th Quarter and End of Year reports today. During the 4th Quarter the Supplier Diversity Program continued working on various projects that will provide additional opportunities for SMWVBE suppliers. Mr. Smith summarized the following

initiatives to engage the local, diverse business community on behalf of University Health. The purpose of the program is to improve business outcomes for the community. The program is aligned with the Triple Aim Plus, elevates local businesses, and supports diversity across multiple business categories.

**University Health Spend (less Community First Health Plans, Inc.)
2021 Operating Expense \$1.5 Billion**

Employee Comp \$705 Million (46%)

77% Minority

94% Women & Minority

Growing Minority Leaders

94% of promoted employees were women & minority

Medical Services \$211 Million (14%)

Primarily with UT Health

Local, Governmental

CareLink Services

Diversity reflective of community

Supplies \$311 Million (20%)

Spend with:

Prime Distributor Medline

Manufacturers

Opportunity:

Premier GPO Utilization

Tier II Vendors

Non-Medical Supply

2021 SMWVBE Spend: \$9.3 Million

Spend with GPO Premier:

CY2019 \$2,247,703 (1.93%)

CY2020 \$3,416,146 (2.26%)

CY2021 \$2,405,049 (1.56%)

Purchased Services \$294 Million (19%)

Non-Opportunity \$152 Million

SNF & Medical Expense \$95 Million

Utilities \$22 Million

Freight/Postage \$19 Million

Insurance & Local Fees \$ 9 Million

Lease Expense \$ 7 Million

Remainder is Primary Opportunity

2021 SMWVBE Purchased Services

\$19.2 Million

14% Primary Opportunity

Trend of Certified SMWVBE Spend

2019 \$26.7 Million

2020 \$27.8 Million

2021 \$28.5 Million

Mr. Smith yielded the floor to Ms. Latifah Jackson at this point:

Supplier Diversity Goals - Commitment to ensure University Health's vendor community reflects the diversity of the community

- Focusing on Small, Minority, Women and Veteran owned Business Enterprises (SMWVBE)
- Aspirational Goals

Supplier Diversity Successes

Women's & Children's Hospital

- Mega Diversity & Inclusion Event – June 2019
- Hosted by Joeris & JE Dunn
- Ongoing events limited by COVID
- 35% SMWVBE Commitment
-- Achieved 41.8% thru GMP #13

SMWVBE Vendors

Acknowledge and support SMWVBE Certification

- South Central Texas Regional Certification Agency (SCTRCA)
- Southwest Minority Supplier Development Council (SMSDC)

SMWVBE Support

Building Bonding Capacity

- How to do business with University Health
--Southwest Minority Supplier Development Council (SMSDC)
--UTSA Procurement Technical Assistance Center (PTAC)
- Responding to an RFP
- What to Ask in a Debrief

Partnership Opportunities

- Supplier Diversity success relies on partnerships
- Always Open to Additional Ideas

RECOMMENDATION:

ACTION:

EVALUATION:

This report was provided for informational purposes only.

No action was required by the Board of Managers

Mr. Adams asked about Ms. Jackson's interaction in the community, and whether she is ever approached by people who would like to do business with University Health. Ms. Jackson affirmed that she is often out in the community having these conversations with local vendors. She is currently working on a SMWVBE survey asking them what University Health can do better, or serve you better. Ms. Jasso asked about University Health's aspirational goals to which Mr. Smith replied that the team is currently evaluating what those goals should be. University Health's goal is to always strive to engage more with local, diverse vendor organizations. We do not have specific aspirational goals established as of right now, except for purchased services, 14 percent of which are provided by SMWVBE. The plan for 2022 is to understand what other public hospitals have established as goals, and whatever goals University Health sets will be an improvement over historical achievement. Depending what other public hospitals indicate they are able to achieve, Mr. Smith anticipates the aspirational goal for purchased services to increase to 17-18 percent. This program is about opening up opportunities and making it easier for SMWVBE to do business with University Health. Ms. Jasso also asked if University Health partners with the County of Bexar on the supplier diversity program, to which Ms. Jackson replied that University Health presents at their

quarterly meetings and learn from each other. Bexar County recently completed a diversity study and has set the following aspirational goals: 30 percent construction; 25 percent professional services; and 20 percent another category. She is also working to understand improvements over historical achievement and is researching best practices by consulting other hospital districts in the state for comparison purposes. During this process, for example, she learned that Parkland Hospital District has an overall 25 percent aspirational goal, after a diversity study they concluded about 5 years ago. Ms. Jasso encouraged the use of subcontractors by major vendors in order to make a difference. Mr. Adams welcomed Mr. Horacio Vasquez to the team. He is happy to be here for 30 days now and he is still learning the ropes.

FOLLOW-UP:

None.

CLOSED MEETING:

Mr. Adams announced this meeting closed to the public at 7:40 p.m., pursuant to the Texas Open Meetings Act, TEX. GOV'T CODE § 551.001 *et seq.* (Vernon 2004) to evaluate the performance and duties of the President/CEO. Mr. Adams called the executive session to order at 7:50 pm, with the following Board members present: James R. Adams, Chair; Margaret A. Kelley, M.D., Secretary; Anita Fernández, Member; James C. Hasslocher, Member; L.P. Buddy Morris, Member; and Pat Jasso, Member. Also present were Mr. George B. Hernández, Jr., President/Chief Executive Officer and Serina Rivela, Vice President/Chief Legal Officer. At 7:54 p.m., Mr. George B. Hernández, Jr., President/Chief Executive Officer, left the meeting. After discussion, no action was taken in closed session, and Mr. Adams, announced that the closed meeting ended at 8:30 pm, and he immediately reconvened the public meeting at 8:31 pm.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE ANNUAL PERFORMANCE EVALUATION OF DUTIES OF THE PRESIDENT/CHIEF EXECUTIVE OFFICER — JIM ADAMS, CHAIR

SUMMARY:

Mr. Adams appointed Mr. Hasslocher to chair an ad hoc committee with the charge of performing the annual evaluation of the President/CEO. Mr. Hasslocher and the members of the ad hoc committee comprised of both Dr. Kelley and Mr. Adams met and actively solicited input from all members of the Board during the process. The ad hoc committee further reviewed and considered Mr. Hernández's exemplary performance in exceeding the 2021 goals as well as the year end positive financial statement in spite of the COVID-19 pandemic and ongoing funding challenges related to hospital supplemental payments. Also reviewed were compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions; the availability of similar services in Texas; and two current compensations surveys prepared by independent firms. The findings of the ad hoc committee have been reviewed and discussed with the full Board of Managers in Executive Session. Both the ad hoc committee and the Board of Managers are composed entirely of

RECOMMENDATION: individuals without a conflict of interest with respect to the determination of the compensation to be paid to the President/CEO. The ad hoc committee recommends that Mr. Hernández's base salary increase to \$792,000.00 annually. In addition, the ad hoc committee, in recognition of Mr. Hernández's performance, recommended that Mr. Hernández receive a one-time \$185,000.00 bonus, for a total compensation of \$977,000.00 for this year. Based on the detailed analysis the committee has performed, the ad hoc committee believes that this total compensation level is reasonable.

ACTION: After due discussion and consideration, a **MOTION** to increase Mr. George Hernández's annual salary to \$792,000.00 and a one-time annual incentive payment in the amount of \$185,000.00 was made by Mr. Hasslocher on behalf of the ad hoc committee, **SECONDED** by Mr. Morris, and **PASSED UNANIMOUSLY**.

EVALUATION: Mr. Hernández thanked the Board of Managers for their consideration. He accepted the Board's commendation of his performance as recognition of the great work of the talented and dedicated staff at University Health.

FOLLOW-UP: Discussion pertaining to Mr. Hernández's 2022 goals will be reviewed and memorialized during the March Board meeting.

INFORMATION ONLY ITEMS:

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

UNIVERSITY HEALTH FOUNDATION UPDATE — SARA ALGER

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS — LENI KIRKMAN

REPORT ON CYBERSECURITY — BILL PHILLIPS

SUMMARY: Mr. Adams directed his colleagues' attention to the four informational reports above, and asked them to review on their own time.

RECOMMENDATION: These reports are for informational purposes only.

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

EVALUATION: None.

FOLLOW-UP: None.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the meeting at 8:30 pm.

James R. Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary