



University Health System

REGULAR BI-MONTHLY MEETING OF THE BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

Tuesday, February 27, 2018

6:00 p.m.

Board Room

Texas Diabetes Institute

701 S. Zarzamora

San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Ira Smith, Vice Chair
Dianna M. Burns, M.D., Secretary
Roberto L. Jimenez, M.D, Immediate Past Chair
Robert Engberg
James Hasslocher
Janie Barrera

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Bryan J. Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Tommye Austin, Senior Vice President/Chief Nurse Executive, University Health System
Awoala Banigo, Senior Vice President/Chief Revenue Officer, University Health System
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Tracy Burns, Coordinator, Supplier Diversity/Procurement Services, University Health System
Antonio Carrillo, Executive Director, Procurement Services, University Health System
Lourdes Castro-Ramirez, President, University Health System Foundation
Ted Day, Executive Vice President, Strategic Planning and Business Development, University Health System
Robert Delorenzo, M.D., Professor/Clinical, Department of Emergency Medicine, Long School of Medicine, UT Health San Antonio
Donald Finley, Director, External Communications/Corporate Communications, University Health System
Rocio Garcia, Director, Pediatrics Emergency Department, University Hospital
Roe Garrett, Vice President/Controller, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.
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 Communications and Patient Relations, University Health System

Elliott R. Mandell, Ph.D., M.B.A, R.Ph, Senior Vice President/Chief Pharmacy Officer, University Health System
Steven B. Moore, M.D., Assistant Professor/Clinical, Department of Emergency Medicine/Long School of Medicine, UT Health San Antonio
Bill Mundt, Deputy Chief Information Officer, Information Services, University Health System
Joshua Nieto, J.D., Chief Compliance HIPPA Officer/Integrity Services, University Health System
Rosa Olivarez, Health Administration Intern, Trinity University
Bill Phillips, Senior Vice President/Chief Information Officer, Information Services, University Health System
Maulik P. Purohit, M.D., Vice President/Chief Medical Information Officer, Brain Injury Medicine, and Neuro-Rehabilitation, University Health System
Ron Rodriguez, M.D., Professor and Chairman, Department of Urology/Long School of Medicine, UT Health San Antonio
Carlos Rosende, Thom F. Hogan, Jr., Distinguished Professorship in Complicated Ophthalmology, Long School of Medicine, UT Health San Antonio
Don Ryden, Vice President, Project, Design, and Construction, University Health System
Sonia Rogers, Director, Patient Engagement/Emergency Department, University Hospital
Pablo Rojas, Director/Emergency Department, University Hospital
Michael Roussos, Hospital Administrator, University Health System
Armando J. Sandoval, Chief of Police, University Health System
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 6:03 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Adams introduced Pam Haley of Westover Hills Assembly of God for the invocation, and he led the pledge of allegiance.

CITIZENS' PARTICIPATION: None.

APPROVAL OF MINUTES: None at this time.

REPORT FROM THE HEALTH SCIENCE CENTER – ROB HROMAS, M.D., FOR WILLIAM HENRICH, M.D., PRESIDENT

SUMMARY:

Dr. Hromas thanked the Board of Managers for approving the Epic project with UT Health San Antonio. It will help patient flow in many areas, especially in the Emergency Department, and will allow patients to go between facilities much more seamlessly. The UT Board of Regents approved UT Health San Antonio's request to start an Accountable Care Organization (ACO) with University Health System. Dr. Hromas offered assistance with programming for the women's and children's tower project, as needed. Faculty will do their best to create more

inpatient capacity at University Hospital by decreasing length of stay and flexing beds. He is currently recruiting three chairs, search committees are being led as follows:

Pediatrics Search Committee – Dr. Ron Rodriguez, Chair, Urology
Ob/Gyn Search Committee – Dr. Glenn Halff, Chair, Transplant
Neurosurgery Search Committee – Dr. Robin Brey, Chair, Neurology

The Long School of Medicine has created a plan for primary care teams in various neighborhoods; it will work with Health System leadership to ensure that clinics complement each other and do not compete. Dr. Hromas is currently exploring Vizient with Health System leadership. Vizient is a quality outcomes reporting company focused on connecting cost and quality with 105 academic member hospitals across the country. Membership can help with rankings by U.S. News and World Report. Dr. Hromas supports use of Vizient, although there are some issues with it, Vizient would help both entities with quality reporting. The Liaison Committee on Medical Education, will make a site visit January 27-29, 2019. The staff is working very hard on a 1,500 page self-study guide for their visit. Finally, UT Health is in the process of creating a centralized office to promote early phase clinical trials. Dr. Hromas trusts that this can be used to increase market share for University Hospital because our clinical trials offer new devices and new drugs. He yielded the floor to Dr. Plastino for introduction of the physician leaders present and a Medical/Dental Staff update. Dr. Plastino is working with Dr. Johnson of Ophthalmology, staff from the Quality & Outcomes Department, and Legal Services on improving the peer review process/quality of care. Their goal is to outline a procedure for adverse outcomes and opportunities for improvement. The procedure will go through the same algorithm, or structure, so the event can be resolved, tracked, and make a difference in the quality of care provided. Providers are excited about a new system called “Static” that is being implemented by the Health System because it will enable them to pull useable data to improve the quality of care; the system will allow us to track providers and see how they are doing. Dr. Plastino was happy to report to Dr. Jimenez that the Robert B. Green Teen Clinic now has a dedicated mental health provider every day of the week for teens aged 13 to 19. This clinic is a joint venture between the City of San Antonio, UT Health, and University Health System.

RECOMMENDATION:

None.

ACTION:

None.

EVALUATION:

Dr. Jimenez asked if the Health System was currently relying on private neurosurgery coverage, to which Mr. Hernandez replied that the Health System relied on military coverage about 10-12 years ago. At the present time, Neurosurgery services are provided by UT Health. Dr. Hromas added that there are excellent finalists for the Neurosurgery chair position and that both Mr. Banos and Mr. Hernandez have participated in the interview process and submitted feedback. Mr. Adams welcomed Dr. Hromas and thanked Dr. Ron Rodriguez for introducing a new level of team play during his tenure as interim Dean.

FOLLOW-UP: Dr. Jimenez requested an update regarding maternal mortality in the State of Texas.

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 REGARDING POLICY NO. 9.07, ADVANCE DIRECTIVES AND TREATMENT DECISION CONFLICT RESOLUTION PROCESS - BRYAN ALSIP, M.D

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:

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.

Policy No. 9.07, Advance Directives and Treatment Decision Conflict Resolution Process - Bryan Alsip, M.D - This policy was revised to reflect changes in the law during the 85th Legislative, Regular Session, with the passing of H.B. 995. These changes include: (i) the automatic revocation of an agent’s authority under a medical power of attorney if the agent’s marriage to the principal is dissolved, annulled or declared void, unless the medical power of attorney provides otherwise; and (ii) moving the disclosure statement that is currently required to be signed prior to the execution of a medical power of attorney into the actual form of the medical power of attorney. Policy was further revised to memorialize the role of multidisciplinary family meetings as well as the role of the Ethics Department in assisting patients in identifying the goals of care while in the hospital setting which includes assistance in making end-of-life of decisions reflective of their values and wishes.

Purchasing Activities (See Attachment A) –Antonio Carrillo/Travis Smith – A total of 11 contracts with a value of \$11,918,942 was presented to the Board of Managers: Nine (9) consent contracts with a total value of \$9,377,699; and two (2) presented contracts with a total value of \$2,541,243. During the month of February, there were a total of four (4) contracts classified as Small, Minority, Woman or Veteran-Owned Business Enterprises (SMWVBE).

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

ACTION: A **MOTION** to approve all of the items on the consent agenda was made by Mr. Engberg, **SECONDED** by Ms. Barrera, and **PASSED UNANIMOUSLY**.

EVALUATION: None.

FOLLOW UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE SELECTION OF AN ARCHITECTURAL/ENGINEERING (A/E) FIRM TO PROVIDE DESIGN SERVICES FOR THE WOMEN AND CHILDREN'S TOWER PROJECT -DON RYDEN

SUMMARY: The Board of Managers previously approved plans to proceed with a Women's & Children's Tower and Associated Projects (Project). In order to begin the design phase of the Project, staff issued a Request for Qualifications (RFQ) for firms to provide A/E Services. The A/E team will provide design and planning services through the completion of the project. Services include Master Planning, schematic design, design development, the production of construction documents, construction administration, and assistance during project close-out. The successful A/E team will work with staff to accomplish: 1) the development of a new Women's & Children's Tower which will include new and replacement beds for neonatal intensive care, pediatrics, obstetrics, gynecology, and shell space for future programmatic growth, 2) the creation of a visitors parking garage designed to accommodate the parking needs of the aforementioned tower and, 3) the development of an Integrated Heart-Vascular, & Advanced Endoscopy Suite within the first floor shell space of the existing Sky Tower. The Heart-Vascular & Advanced Endoscopy Suite will include eight endoscopy, two bronchoscopy, four cath labs, plus space for diagnostic cardiology treatment rooms, consult rooms, and prep/recovery beds. The development completes the cardiac service line and brings to parity advanced endoscopy, pediatrics, neonatal intensive care, and women's health services. Mr. Hernandez described the A/E selection process and highlighted important dates during this process:

September 18, 2017 – RFQ issued

October 19, 2017 – 11 responsive submittals received: Hoefler Wysocki/HOK/O'Connell Robertson; Marmon Mok/ZGF Architects; FKP/RVK; Callison RTKL/Overland Partners/Stanley Beaman & Sears; HDR/Chesney Morales; PBK/Taylor/SBL; Page/THW; HKS/DHR/GSC; Kahn/Garza-Bomberger& Associates/IMEG; Stantec/BSA; and Leo A Daly/Lopez-Salas.

November 2, 2017 – Six (6) firms shortlisted; invited to participate in presentation/interview: Marmon Mok/ZGF Architects; FKP/RVK; HDR/Chesney Morales; Page/THW; HKS/DHR/GSC; and Stantec/BSA.

November 29-30, 2017 – The six (6) shortlisted firms were given 120 minutes to present their team and address specific project challenges, detailed schedules with milestone dates, quality control processes, and procedural methodologies.

December 4, 2017 – Three (3) firms shortlisted and invited to Design

Challenge: Marmon Mok/ZGF Architects; HKS/DHR/GSC; Stantec/BSA.

January 24, 2018 – The three (3) shortlisted firms were given 90 minutes to present their master plan concepts, functional based models and blocking diagrams that addressed the Design Challenge parameters. Mr. Hernandez identified the members of the evaluation committee which consisted of 11 internal individuals, including Dr. Steve Seidner, Neonatology Services, and one external member, Nursing Dean Eileen Breslin. Seven (7) committee members had voting rights and Mr. Hernandez served in an *ex-officio* capacity.

January 26, 2018 – Two firms were shortlisted based on Design Challenge presentations and were invited to make their best and final presentation the morning of Thursday, February 8, 2018: Marmon Mok/ZGF Architects; and Stantec/BSA.

February 8, 2018 - Two shortlisted firms were given 60 minutes to expand on how they will staff the project, address scope alignment, and present refined design based on the finalized functional room by room program. Evaluation committee consisted of Mr. Hernandez; Chief Nursing Officer, Chief Financial Officer, Chief Medical Office, Chief Operating Officer, and the Vice President for Project Design and Construction. Mr. Hernandez provided the selection criteria in his written report for the Board's review. After deliberating on the presentations and the firms' responses to the committee's questions, as well as the firms' capabilities and processes as evidenced through the results of the design challenge, the evaluation committee unanimously selected Marmon Mok/ZGF Architects. Staff recommends that the Board of Managers consider award to Marmon Mok/ZGF Architects in two phases in order to secure a better price and speed to market. This request covers Phase 1 only which relates to the master planning phase and includes program validation, budgeting, scope alignment and site investigations. Budgeting includes budget development for IT and medical equipment. This master planning phase includes the cost of appropriate architectural, engineering and cost estimating consultants necessary to validate the design concept and cost. Marmon Mok is a local firm, and ZGF Architects is a design firm out of Los Angeles, California, with an internationally diverse portfolio.

RECOMMENDATION: Staff recommends the engagement of Marmon Mok/ZGF Architects to perform the master planning phase for a fixed price fee of \$2,233,685. This phase will be completed within 90-120 days of approval from the Board of Managers. This lump sum fee will be applied to the final negotiated fixed price fee.

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

EVALUATION: Dr. Jimenez asked how much nursing and physician input went into the selection process. Significant input by the Dean of the School of Nursing, the Health System's Chief Nursing Officer, as well as Neonatology and Ob/Gyn providers, the Chief Medical Officer, and the President of the Medical/Dental Staff. Mr. Hasslocher asked for detailed descriptions of the 11 firms that responded to the RFQ to better understand who the Health System is really doing business with, in particular ZGF; Board members are familiar with Mormon Mok, a local

vendor. All 11 firms are prominent, national firms. They were all informed in October of the Health System's requirement for them to partner with local, experienced teams, because Mr. Hernandez wants a strong, local presence. All local firms found national partners to collaborate with. ZGF designed the Children's Hospital in Los Angeles; however, all of the firms are all well-equipped to handle the project. During the selection process, staff considered all of the strengths of all teams. Mr. Hernandez described each of the 11 firms for the Board's benefit. One question asked of each firm, was "What percentage of time will you spend in San Antonio?" Dr. Jimenez asked about the challenging question that Dean Hromas previously posed about having two separate entrances, one for each specialty – women's health and children's health. How is the staff going to handle that challenge? And, what level of experience do the selected A&E firms have building combination hospitals? The staff's vision has been from day one a women and children's hospital and that is what staff presented to Bexar County Commissioners Court. There will be only one entrance due to the 50 foot drop on the campus, and the staff is comfortable with this decision. Further, selection committee members asked extensive questions about the firms' experience. Mr. Smith recalled the previous, successful capital improvement project requiring the participation of locally-owned minority contractors. How will this requirement be handled this time around? Minority vendors and sub-contractors are important to completing the job and affect our relationship with Bexar County. Mr. Hernández personally addressed this issue – both the quality of the subcontractors, as well as use of local, minority contractors - in early October when he and Ed Banos attended a pre-bid conference at the Robert B. Green. Vendors were informed that this is a Board and a staff priority. Mr. Hernandez pointed out that subcontractors are minimal in the design phase, not like project management and construction phases where they will be used a lot more. Mr. Ryden will monitor work of the A/E firm to assure milestones are met, including their community outreach plan. Dr. Hromas interjected that timing is a milestone, and he confirmed for Dr. Jimenez that the new Women & Children's tower is crucial for recruitment of strong faculty, especially Ob/Gyn and Pediatric department chairs. Once the work for phase one is completed for this project, Mr. Hernandez will approve payment. The reason the design phase was split into two phases is the need for speed to market. The law says that public institutions cannot discuss the architecture and engineering fees until after the firm is selected. Once this discussion was opened, staff saw opportunity to reduce fees. Staff was able to identify some unknowns, for example, the scope and site plan, to reduce the fee. Mr. Adams expressed an extra measure of confidence in knowing that Mr. Ryden has worked in this industry for over 30 years, knows local people and is very familiar with local, minority vendors. Mr. Ryden will evaluate all community outreach plans and will pay attention to local representations. In fact, he informed the Board that the A&E teams have presented and proposed subcontractors, some are fixed; however, the majority will include local vendors for better representation. Staff has already pushed back and challenged who ZGF is trying to bring on as consultants. Mr. Engberg asked Mr. Ryden

to make a few general comments regarding the design firm selection process. The process has been extremely thorough and more than fair to all of the firms. Mr. Ryden had an opportunity to sit in on the last three presentations where the vendors showcased their respective models. He can say without reservation that this is a photo-finish. Mr. Ryden believes that the Health System could have selected any one of the last three firms and they would have done an excellent job. Some very distinct intangibles put the Mormon Mok team ahead as it relates to their cooperation, team unity, and they seemed to have a better grasp of the project at this early stage. Ms. Barrera made reference to collaborating with the Bexar County's Small Business & Entrepreneurship Department to which Mr. Hernandez replied that the Health System's Supplier Diversity Program was established in 2006 and is modeled after Bexar County's program. The program encourages diverse vendors to participate as a supplier, vendor, or contractor for products and/or services provided to the Health System. The procurement staff goes out and teaches small local vendors how to do business with the Health System. Mr. Smith cited the Health System's vendor diversity program as very vibrant.

FOLLOW-UP:

None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT TO THE CONTRACT WITH STRUCTURE TONE SOUTHWEST, LLC FOR THE INPATIENT DIALYSIS UNIT AT UNIVERSITY HOSPITAL - EDWARD BANOS

SUMMARY:

Previously, the Board approved the consolidation of inpatient dialysis from bedside to one consolidated and cohesive area. The original contract with Structure Tone Southwest, LLC. was approved for \$1,575,000. The new inpatient dialysis unit will be located within the 2nd floor of the Rio Tower at the main hospital. The original scope of work for the Inpatient Dialysis Unit included: Twelve (12) dialysis treatment bays and two (2) nurses stations; new water treatment room with equipment; technician room for servicing the dialysis machines; provider room and staff multi-use room; and medication room. As the project progressed, the scope of the project required the following changes to provide the highest efficiency for inpatient dialysis: Addition of water treatment chemical storage and required associated ventilation; and extended general conditions for the contractor to cover scope of work changes and unforeseen conditions. During the Inpatient Dialysis Project, a portion of the impact resulted in the temporary closure of the Cypress Room. While the room was closed, the timing was reasonable to complete Expansion of the glass wall into the entryway to provide additional seating often necessary for larger events, increasing the occupancy rating to 130 occupants; and addition of TV monitors mounted within the space to provide increase visualization of projected digital presentations. This amendment request is to cover the cost associated with the increase scope of work for the Inpatient Dialysis and Cypress Room Project for \$307,558. This will result in the total overall contract increasing to \$1,882,558. Structure Tone Southwest, LLC., has a

total of 176 employees; the workforce composition data was provided for the Board's review.

RECOMMENDATION: Staff recommends Board of Managers' approval to execute a contract amendment with Structure Tone Southwest, LLC. for a total amount not to exceed \$307,558.

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

EVALUATION: Dr. Jimenez noted the lack of diversity on the vendor's staff, with only 6 African American employees.

FOLLOW-UP: Mr. Ryden will notify Structure Tone Southwest, LLC, of the Board's policy on supplier diversity and will encourage change.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORT FOR JANUARY 2018 - REED HURLEY

SUMMARY: In January clinical activity (as measured by inpatient discharges) was up 2.9% for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was up 0.2%. Loss from operations was \$1.7 million, \$566,000 worse than budget. The bottom line loss (before financing activity) was \$1.3 million, \$809,000 worse than budget and was due primarily to a \$3.3 million loss at CFHP related to the severity of the flu outbreak - huge increase in ED utilization, urgent care, inpatient hospitalizations – and higher claims cost in the STAR Kids program. On the ambulatory side, the clinics were 9.4 percent busier than last year at this same time; budget missed by 3.1 percent due to one ice day in January when staff made the decision to close clinics, except for the urgent care clinics. Payer mix total funded actual was 74.2 percent, with budget at 73.8 percent. Debt Service Revenue was \$5.3 million which is equal to the budgeted Debt Service payment of \$5.3 million. Mr. Hurley reviewed notable increases or decreases from the Consolidated Balance Sheet with the Board.

RECOMMENDATION: Staff recommended acceptance of the financial reports subject to audit.

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

EVALUATION: Mr. Smith asked how patients were notified that outpatient clinics would close due to ice/snow. Telephone calls were made by call center staff to every patient to reschedule their appointments. In the women's health area, Dr. Plastino informed the Board that supervisors took home lists of patient names and continually tried to reach patients. One employee staffed the clinic reception desk in case anyone showed up. Express Med Clinics were open in case patients had urgent needs.

FOLLOW-UP: None.

PRESENTATIONS AND EDUCATION:

UPDATE ON THE EMERGENCY DEPARTMENT ASSESSMENT REPORT AND CURRENT STATUS OF IMPROVEMENT CHANGE PROCESS- TOMMYE AUSTIN/STEVEN MOORE, M.D.

SUMMARY: Mr. Roussos introduced Ms. Tommye Austin, Chief Nurse Executive, and Dr. Steven Moore, Medical Director of Emergency Services at University Hospital for a presentation regarding the Emergency Department Assessment by Quality Matters Consultants in October 2017. Both acknowledged the most significant delays in treatment and disposition often occur with ambulatory patients who have low acuity complaints. As a result, the ED has an elevated rate of patients who leave before their treatment is complete. The leadership team seeks to implement a number of concurrent changes which will reduce the time for treatment and improve the efficiency of care delivered to patients, and are recommended by Quality Matters. These improvements will reduce the number of patients leaving, increase overall satisfaction, and lead to better care for our patients. All ED staff and stakeholders will be affected by the changes. There will be changes in the schedule, work flow, patient flow and in the delivery of care.

The current ED flow model includes the following:

- STEP ONE: Patients who are entering the ED must register with an ED technician at information desk
- STEP TWO: Patients stand in line to be examined by a triage nurse
- STEP THREE: Patient is medically screened by a nurse
- STEP FOUR: Patient waits to see physician

Mr. Pablo Rojas, Director of Emergency Services provided a description of the **POWER UP ED future flow model**, which will include the following:

- STEP ONE: Patients who are entering (intake) the ED must register with a Quick Look Registered Nurse and Registration Personnel at information desk to sort patients to the right track
- STEP TWO: Patient is medically screened by a Physician in Triage (PIT)
- STEP THREE: Physician will classify the patient as Fast-Track, Mid-Track, or Major Care
Classifications:
 - Fast-Track: ESI (emergency severity index) 4 and 5 (15 percent low acuity)
 - Mid-Track: ESI 3 (60 percent moderate to high acuity)
 - Major Care: ESI 1 and 2 (25 percent critically ill)
- STEP FOUR: Patient Flow Coordinator and Disposition Flow Coordinator to place patients and monitor in-and-out flow

Dr. Moore presented the **TIMELINE** for the ED project:

- **FY2017 Q4** - Quality Matters proposed to Board.
- **Present – March**
 - Work plan
 - Work groups
 - Staffing
 - Structural changes
- **March 7, 2018** - POWER UP ED Charter Kick-Off
- **April 3, 2018:** Rapid Cycle Test trial, with a six-week implementation phase
- **May (Date TBD):** Rollout

Drs. Moore, Austin, and Mr. Rojas reviewed project aim/goals, improvement strategies for the Emergency Department, and improvement strategies for ED admissions (inpatient). The overall strategic goal is to improve the efficiency and quality of care delivered to ED patients, reduce door-to-physician times, lessen the number of patients that leave without treatment completed, and decrease discharged patient's overall length of stay. Dr. Moore expressed confidence in ED staff; he's been very impressed by the level of team work and collaboration. Everyone is pulling together, team work at a level never been seen before. Mr. Rojas thanked the Board for their support.

RECOMMENDATION:

ACTION:

EVALUATION:

This report was provided for informational purposes only.

No action was required by the Board of Managers.

Dr. Jimenez asked who, under the proposed ED model, will ultimately make decisions regarding patient care. For the majority of the patients, it will be the triage physician, who will have access to all specialties for consults. Dr. Jimenez also asked about follow-up care post-ED. ED staff will have capability to make follow up appointments prior to the patient departing. Dr. Liem Du has agreed to follow up with ED patients at the Robert B. Green campus, whether the patient has a PCP, or not. In addition, Dr. Jimenez asked how substance/alcohol abuse patients are tracked by the ED. There is one licensed chemical dependency counselor assigned to the ED on a full time basis, and other type of behavioral health care is also available in the ED. Statistics on substance abuse are maintained by the ED and the stats are reviewed on a monthly basis. Dr. Burns, as a private practitioner, conveyed that part of the problem for community physicians is the fact that the Health System does not encourage patients to return to their PCPs; it's one of the reasons community physicians do not like referring to University Hospital for anything other than trauma. The concern is that PCPs can get blamed for rescue medication provided by the ED to their patients. After the discussion, Dr. Hromas asked if the staff would take recommendations made by Dr. Burns and Dr. Jimenez about contacting a patient's PCP upon admission, and whether staff would contact respective PCPs about follow up care, which can lead to saving admissions. Dr. Austin replied that the suggestion will be incorporated into the proposed model and carried out by the coordinators, while Dr. Moore replied that returning the patient for follow up care depends of the type of follow up needed, and whether the PCP can provide. Dr. Moore

agreed that there should be a culture of communicating with PCPs as much as possible. Mr. Engberg asked how the proposed ED model compares to best in class. He is impressed with the model presented and foresees success. This very same model is used at Baylor Scott & White in Temple, Memorial Hospital in Houston, and the new Seton Medical Center in Austin. The goal is to push patients forward and have patients seen immediately and having very few patients in the waiting room. The triage physician will be a key driver in expediting patient throughput; he will have the ability to discharge patients as well. Dr. Jimenez asked who would be responsible for communicating with a patient's family while the patient is in the ED. The goal is to keep families together mid-track so there will be dedicated space for this purpose. Mr. Rojas introduced Ms. Sonia Rogers; she is the operations director for ED patient/family experience. She announced that a patient engagement unit has been established in ED, and will be staffed every day including weekends and holidays. Navigators will round on all ED patients in the lobby area, they will trouble shoot, escalate concerns, and take care of patient complaints within a 24 hour period. Dr. Austin then acknowledged Ms. Rocio Garcia, pediatrics ED director. She is a team player and helps the adult ED every day. Mr. Adams invited Drs. Moore, Austin, and Mr. Rojas to update the Board on a regular basis; the Quality Matters project is a milestone for the Health System, and he pledged 150 percent Board support for the ED project.

FOLLOW-UP:

Dr. Jimenez requested a presentation regarding substance abuse patients seen in the ED. Specifically, he is interesting in knowing how synthetic marijuana affects patients. Dr. Austin will check back-in with Dr. Burns regarding the community PCP discussion.

COMMUNITY FIRST HEALTH PLANS, INC., OPERATIONS REPORT- GREG GIESEMAN

SUMMARY:

In 2017, Community First Health Plans, Inc., recorded mixed results in achieving many of its strategic initiatives. Mr. Gieseeman presented the following:

2017- What Went Well

- Quality scores – HEDIS, HHSC Report Card
- Satisfaction scores - Member satisfaction, provider satisfaction
- Implementation and staffing of Project Management Office (PMO) -
- Care management and core processing system implementations, implementation of new general ledger and budgeting software
- Organizational development - Department of Operational Excellence, VP program management function, Change management training
- Cost of care initiatives - hospital contracting
- Transition to population health management
- Interaction with University Health System - Service coordinator pilot with clinic
- Financial performance of Medicaid and Commercial product lines
- Administrative expenses below budget

2017 -What Did Not Go Well

- Financial performance of STAR Kids product line – impact on consolidated financial performance
- Total governmental membership grew 1,555 members (1.2 percent) - Medicaid membership grew only 2% (2,117 members) in a market that grew 6 percent - Market share decreased from 43.0 percent to 41.2 percent
- CHIP membership declined 1.7 percent (315 members) in a market that grew 2 percent - Market share decreased from 57.9 percent to 55.8 percent
- STAR Kids membership decreased 3 percent (200 members) in a market that decreased 4.2 percent - Market share increased from 53.0 percent to 53.7 percent
- Operational performance benchmarks in claims and appeals processing

2017 Membership by Governmental Product – STAR Kids – 7,849; CHIP – 18,030; Medicaid – 106,359; Total – 132,238

2017 Market Share by Governmental Product – CHIP – 55.8; STAR Kids – 53.6; Medicaid – 41.2

Net Income YTD through December 31, 2017 - CFHP did not meet its budgeted consolidated financial projections. The Plan reported a net income of \$2.2 M (\$925,000 from operations) versus a \$4.7 M budget. The key driver of this \$2.5 M negative variance was STAR Kids medical expense that greatly exceeded projections resulting in a product line loss of \$17.0 M versus a budgeted loss of \$1.9 M.

2017 Financial Drivers – Revenue - Premium Revenue - \$11.2 Million favorable to budget \$9.2 M favorable variance due to Network Access Improvement Program (NAIP) continuing beyond August 2017. NAIP contributed \$18.9 Million to the Health System in 2017. \$2.0 M favorable variance in premium. \$4.3 M favorable due to higher premium than budgeted for STAR Kids, offset by unfavorable variance of (\$2.4 M) due to lower than budgeted membership. Exceeded prior year revenue performance by \$91.4 M. Increase year over year driven by a full year of STAR Kids premium.

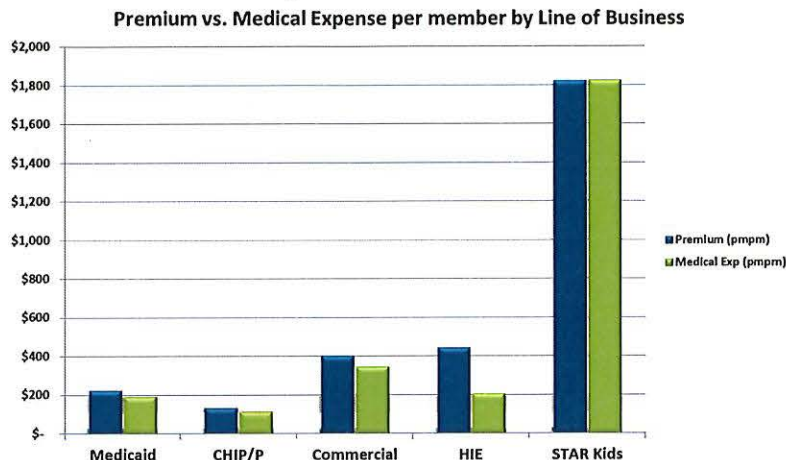
2017 Financial Drivers - Medical Expense - Unfavorable variance of (\$11.6 Million): (\$13.7 M) Unfavorable variance due to higher PMPM costs. STAR Kids makes up (\$30 M) unfavorable PMPM variance. Medicaid partially offsets that unfavorable variance with a \$16.2 M favorable variance to budget on a PMPM basis; and \$2.1 M favorable variance due to lower membership volume.

2017 Financial Drivers – Administrative Expense - Favorable variance of \$3.6 M; Consulting expense, salaries, non-participation in marketplace in 2018, and lower payout of physician incentive program

Balance Sheet Highlights - Total Assets - \$161 M (2% increase or \$2.8 M increase over prior year) - Cash and investments decreased \$2.5 M

from prior year, fixed assets increased \$1.6 M, and receivable from HHSC increased \$3.4 M. Days Cash and Investments on Hand – 102 days, decrease of 29 days. Claims Payable – Increase of \$5.9 M over prior year; \$7.9 Million increase in STAR Kids Claims Payable. Total Surplus - \$97.5 M (2 percent increase over prior year); Risk Based Capital – 515 percent (prior to consideration for premium deficiency.)

Mr. Gieseman reviewed product diversification as follows:



2017 Membership by Source: ASO 11 percent; Commercial 3 percent; STAR Kids 5 percent, CHIP 12 percent; Medicaid 69 percent. 2017 Revenue by Source: ASO 1 percent Commercial 4 percent; STAR Kids 34 percent; CHIP 6 percent; and Medicaid 55 percent.

Net Underwriting Performance (in Millions) by Product

Medicaid Gain 14.34/Budget – 3.78
 CHIP/P Loss (0.17)/Budget – 0.03
 Commercial Gain 3.45/Budget - 1.91
 STAR Kids Loss (17.12)/Budget (1.99)
 Total Contract Risk Products – Gain 0.51/Budget 3.72

STAR/CHIP Membership Corrective actions

- Increased outreach resources in 2018 budget
- Implemented several of independent consultant recommendations
- Increased focus on social media
- Improves focus on physician office staffs and membership
- Improved coordination of CFHP departments outreach activities
- Review of value added services and their presentation for March 2018 effective date
- Review of CFHP printed materials

STAR Kids Medical Expense

Premium concerns

- 5 non-profit MCOs in 7 service areas – only 1 MCO profitable in one service area

- 5 for profit MCOs in 15 service areas – only 8 MCOs service areas profitable
- 10 MCOs in 22 service areas – only 9 MCO service areas profitable
- Superior is profitable in Bexar service area

Medical expense opportunities

- Private duty nursing (PDN), therapies, DME, IP
- Revised IBNR predictive models

Mr. Gieseman presented 2017 Quarter Four STAR Kids member months and MLR summary for both community plans and for profit plans.

CFHP STAR Kids Action - Population Health (PH) Service Utilization Management

- 1) Strengthen PDN policy and process
- 2) Moved to 100% medical director review of PDN
- 3) Initiated more integrated onsite member management programs with facilities and providers
- 4) Reassessed and changed PH staff skill sets in certain areas to increase subject matter clinical proficiency and efficiency for clinical service reviews - i.e., specialty clinicians in therapy, PDN and behavioral health
- 5) Replicated item 4 in the appeals staff to carry that continuity throughout the service review cycle
- 6) Participated in a statewide discussion with all STAR Kids MCOs on the lessons learned around managing PDN

CFHP STAR Kids Action - Network and Claim Performance

- 1) Evaluate opportunities to improve contract rates for:
 - Behavioral health inpatient services
 - Non-physician services utilization
 - PDN
- 2) Identify cost drivers for acute inpatient services
- 3) Implement revised contracting strategies for Home Health Agencies related to PDN and therapy services as appropriate
- 4) Build a risk adjustment model to calculate and validate actual PMPM performance against HHSC rate models

Percent of CFHP Facility Costs by Provider - CHRISTUS 29 percent; Methodist 21 percent; University Health System 15 percent; Baptist 10 percent; Other 25 percent.

2018 Initiatives

Revenue

- STAR membership growth
- STAR Kids premium adjustment

Expense

- STAR Kids medical expense

Business Development

- Response to HHSC RFP for STAR Plus product (Mar) - Awards announced/participation decision Oct 2018 for Jan 2020 operational date
- Response to HHSC RFP for STAR and CHIP product - Awards announced Jan 2019 for Jan 2020 operational date
- Evaluate opportunities in Medicare (2021 potential operational date)
- Evaluate opportunities in small group commercial (2020 potential operational date)

Operational

- Implementation of new care management system - For acute and behavioral services (3/5/18); For LTSS (7/18); and Develop LTSS for STAR plus if applicable (11/18)
- Implementation of new core processing system (1/19)
- Cultural changes required by and staff training needs for the IT system upgrades
- Focus on HHSC 2018 Pay for Quality program metrics
- Development of staffing models for new IT applications
- Development of clinical integration and value based reimbursement models with providers

RECOMMENDATION: This report was provided for informational purposes.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: Mr. Gieseman will provide a CFHP update to the Board of Managers every two months.

UPDATE ON SKILLED NURSING FACILITY QUALITY INCENTIVE PAYMENT PROGRAM (QIPP) PARTICIPATION – TED DAY/BRYAN ALSIP, M.D.

SUMMARY: Mr. Day launched this presentation with a profile of Touchstone Communities, which offer rehabilitative, skilled nursing, behavioral and respite care services:

- Sixteen (16) owned & managed facilities throughout Texas (plus 6 managed state veteran’s homes)
- Leadership/ownership
 - Stan Studer, Chairman
 - Carl Fellbaum, CEO
 - Bryon Sehlke, President
 - Laura Miller, COO
 - Lynnea Castillo, CFO
- Good reputation and quality ratings
- Voted “Best Places to Work” by SABC 2012 – 2017

He identified the four Touchstone Skilled Nursing Facilities currently partnered with the Health System and their locations. Three of the SNFs were initially engaged under the Minimum Payment Amount Program (MPAP) in February 2015. In April 2015, a DSRIP-funded placement option was added; and in February 2016, a fourth location under the SNF QIPP program was added:

- Stone Oak Care Center – North San Antonio
- The Heights on Huebner – Northwest San Antonio
- Country Care Manor – La Vernia, Texas
- The Heights – Pleasanton, Texas

Mr. Day summarized the SNF Quality Incentive Payment Program::

Goal: Incentivize nursing facilities to improve quality & innovation in the provision of nursing facility services

Requirements: SNFs must improve performance on four specific measures related to their CMS Star Rating to receive incentive payments

Payment Timing:

The Health System receives a portion of its Intergovernmental Transfer (IGT) funds which are returned monthly. Quality incentive payments are distributed quarterly.

Dr. Alsip presented performance on quality metrics to date, as follows:

<u>Metric</u>	<u># of SNFs Meeting Metric Goal*</u>
• Percent of high risk residents with pressure ulcers	3 of 4
• Percent of residents who received an antipsychotic medication	3 of 4
• Percent of residents experiencing one or more falls with major injury	2 of 4
• Percent of residents who were physically restrained	4 of 4

* As of Q1 (Sept – Nov 2017)

Additional Quality Metrics & Requirements for Touchstone

- Percent of residents who were re-hospitalized after a nursing home admission
- Monthly reporting of Quality Assurance & Performance Improvement (QAPI) meetings, minutes, and data

Health System Clinical Oversight Processes

- Assessment of effectiveness of medical direction to ensure control over quality of care at all partnered sites
- Open access to attend QAPI meetings at facilities
- Monthly auditing of QAPI minutes for evidence of metric discussion and action plans for improvement
- Quarterly dashboards built to formally monitor performance
- Quarterly metric review and detailed process improvement update meetings
- Meetings and communication as needed throughout the year

Mr. Hurley described the QIPP'S fiscal impact on the Health System:

Split of available funds:

- 50 percent to Health System

- 50 percent to nursing home manager (all at risk contingent upon performance)
- Health system has paid approximately \$2.1M in IGT, all of which will be recouped
- Net benefit to Health System estimated to be approximately \$860,000, assuming current performance continues for the balance of the program year

Mr. Day reviewed “Next Steps” with the Board:

- Continue monitoring QIPP performance
- Confirm Health System decision to proceed under QIPP Period 2 (starts September, 2018), and if so, staff will request authorization from Board of Managers in March, 2018.

RECOMMENDATION: This report was provided for informational purposes only.

ACTION: None.

EVALUATION: Dr. Jimenez asked about the impact of this program on inpatient utilization for difficult cases. Part of the staff’s long-term strategy is to understand and become experts in terms of capacity and post-acute options available; the staff is learning more about the business through these partnerships because eventually, the Health System will be greater involved and will need to know that business. Dr. Hromas described the current SNP model as wonderful; a way to increase hospital throughput and reduce readmissions. Dr. Burns questioned the real financial impact of the partnership. Are the SNPs accepting the patients that the Health System needs them to accept? Regarding the metric for high-risk residents who develop pressure ulcers, the numbers look great for what the state measures, but that does not measure great performance. Is the Health System settling for mediocre performance? Why is the financial split 50/50? Dr. Burns would like to see more details to determine the real financial impact on length of stay, re-admissions, morbidity, and any other factors that determine the 50/50 split. Dr. Alsip will be happy to present the data requested by Dr. Burns as the sample metrics provided today are a very small window of all metrics the SNPs are responsible for. Dr. Jimenez asked about management of behaviors without the use of antipsychotic drugs, especially in elderly patients. Most of SNPs have done extremely well in this area due in part because this has been a long standing metric, even before metrics were CMS star ratings. Mr. Adams agreed with Dr. Burns’ point and asked staff to follow up with the data requested by Dr. Burns. His personal preference is to add more meaningful metrics to Emergency Department, Community First Health Plans, and SNPs.

FOLLOW-UP: Return to Board of Managers in March 2018 to request authorization on the decision to proceed. Follow up with details regarding 50/50 financial split.

INFORMATION ONLY ITEMS:

REPORT REGARDING MEDICAL-DENTAL STAFF COMMITTEES AND DEPARTMENTS —KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

UPDATE ON PLANNING, DESIGN AND CONSTRUCTION ACTIVITIES—EDWARD BANOS

SUPPLIER DIVERSITY 4TH QUARTER/END OF YEAR-TRACY BURNS/ANTONIO CARRILLO

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS—LENI KIRKMAN

SUMMARY: Mr. Adams directed his colleagues' attention to the three informational reports above and asked them to provide feedback, comments, or questions directly to the staff.

RECOMMENDATION: These reports were provided for informational purposes only.

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

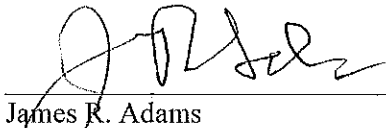
EVALUATION: Ms. Kirkman noted the following recognitions: Mr. Jimmy C. Hasslocher, CEO of Frontier Enterprises, was interviewed by the San Antonio Express-News for a special business edition, Texas Power Broker that was published on February 26. Dr. Tommy Austin was nominated and selected by the national magazine, Modern Healthcare, as an accomplished minority executive to watch for advancing diversity in healthcare. Her story was published in the February 26 issue.

CLOSED SESSION:

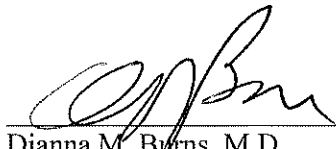
Mr. Adams announced the Board meeting closed to the public at 8:18 p.m., pursuant to TEX. GOV'T CODE, Section 551.074 (Vernon 2004) to evaluate the performance and duties of the President/CEO. The following Board members present: Ira Smith, Dr. Dianna M. Burns-Banks, Roberto Jimenez, Janie Barrera, Robert Engberg, James Hasslocher. After discussion, no action was taken in closed session. Mr. Adams announced the closed meeting ended at 9:30 p.m., and he reconvened the public meeting.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the Board meeting immediately at 9:30 p.m.



James R. Adams
Chair, Board of Managers



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



Sandra D. Garcia, Recording Secretary