



**BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, July 23, 2019
2:00 p.m.
Cypress Room
University Hospital
4502 Medical Drive
San Antonio, Texas 78229
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 C. Hasslocher
Janie Barrera

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Bryan Alsip, MD, Executive Vice President/Chief Medical Officer, University Health System
Tommye Austin, Ph.D., Senior Vice President/Chief Nurse Executive, University Health System
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Lourdes Castro-Ramirez, President, University Health System Foundation
Francisco Cigarroa, MD, Director, University Health System Transplant Center; Carlos & Malu Alvarez
Distinguished University Chair, Ashbel Smith Professor, Department of Surgery, UT Health San
Antonio
Ted Day, Executive Vice President, Strategic Planning and Business Development, University Health
System
Sergio Farrell, Senior Vice President/Chief Ambulatory Services Officer, University Health System
Amy Hensz, Director of Practice Development, University Medicine Associates
Rob Hromas, MD, 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
Monika Kapur, MD, President/Chief Executive Officer, University Health System
Shelley Kofer, Manager, Public Relations/Corporate Communications, University Health System
Virginia Mika, PhD, Executive Director, CareLink Financial Assistance Program, University Health
System
Bill Phillips, Senior Vice President/Chief Information Officer, Information Services, University Health
System
Serina Rivela, Interim Vice President/Associate General Counsel, Legal Services, University Health
System
Michael Roussos, Hospital Administrator, University Hospital
Don Ryden, Vice President/Project, Design, and Construction, University Health System

Armando J. Sandoval, Chief of Police/Protective Services, University Health System
Rajeev Suri, M.D., Medical Director, Radiology Services; and President, Medical/Dental Staff, University Health System; Professor, Vascular Interventional Radiology, UT Health San Antonio
Sally Taylor, MD, Senior Vice President/Chief Behavioral Officer, University Health System
Marilou Donley, Chief Operating Officer/Chief Financial Officer, Texas Organ Sharing Alliance
Sarah Dworaczyk, Director of Clinical Operations, Texas Organ Sharing Alliance
Geraldine Garcia, Andrade-VandePutte and Associates
T.J. Mayes, Attorney at Law, Phipps, Deacon, Purnell, PLLC
Joseph Nespral, MD, CPTC, Chief Executive Officer, Texas Organ Sharing Alliance
Martin J. Phipps, Managing Partner, Phipps, Deacon, Purnell, PLLC
Jessica Rudd, Senior Director of Quality Services, Texas Organ Sharing Alliance
And other attendees.

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

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

INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Adams introduced Chaplain Anne Welch, Calvary Church of San Antonio, for the invocation and he led the Pledge of Allegiance.

CITIZENS' PARTICIPATION: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): TUESDAY, JUNE 18, 2019

SUMMARY:	The minutes of the Board meeting on Tuesday, June 18, 2019, were submitted for Board approval.
RECOMMENDATION:	Staff recommended approval of the minutes as submitted.
ACTION:	There being NO OBJECTION , the minutes were APPROVED as submitted.
EVALUATION:	None.
FOLLOW-UP:	None.

NEW BUSINESS:

At this time, Mr. Adams invited Dr. Hromas to provide an update on behalf of UT Health, San Antonio. He reported that Patrick Sung, D.Phil., Department of Biochemistry & Structural Biology, is principal investigator of a \$3.75 million, four-year "team science" grant to further study tumor suppression and removal of potentially harmful lesions from DNA. The results from this study will provide the foundation for the development of improved cancer treatment regimens and cancer drugs. The team is particularly interested in inherited breast cancer which is highly prevalent among Hispanics in South Texas. UT Health San Antonio is the lead in the collaboration with teams at the University of Pennsylvania and the Dana-Farber Cancer Institute in Boston.

Jim Lechleiter, Ph.D., professor in the Department of Cell Systems and Anatomy, is one of the co-authors of a study on brain trauma and anti-seizure medications. The study examined this critically important therapeutic gap, and proposes a novel pharmacological intervention shortly after the brain injury that might prevent post-traumatic epilepsy, as current anti-seizure medications do not. The study's most

important finding is that reducing excess electrical activity in the central nervous system via a therapy such as this has beneficial post-trauma effects that extend well beyond action as an anticonvulsant. This therapeutic approach is being evaluated for its suitability in humans, is being tested in the Health System's trauma center. The researchers are from the Long School of Medicine at UT Health San Antonio and the study was funded by multiple investigator grants from the U.S. Department of Defense through the Congressionally Directed Medical Research Programs.

Dr. Hromas thanked Mr. Hernandez, Mr. Banos, Dr. Alsip and Dr. Austin for their help in the search of a Chair for the Emergency Medicine Department. At the present time, there are two finalists making interview, and UT Health is checking references on one of those finalists and it looks very promising.

The annual White Coat Ceremony was held on Saturday, July 21, 2019 at the Tobin Center for Performing Arts. During this ceremony, a white coat is placed on each student's shoulders and the Hippocratic Oath is recited, signifying the students' entrance into the medical profession. Both Dr. Ronald Stewart and Dr. Donald Jenkins were very proud to coat their respective daughters. This year's White Coat Ceremony was part of the School of Medicine's 50th anniversary celebration.

Dr. Allen Anderson has been appointed as Division Chief of Cardiology. At the present time, he is a Professor in the Department of Medicine, Division of Cardiology; and Medical Director, Center for Heart Failure; and Director for Network Development for the Bluhm Cardiovascular Institute. Dr. Hromas is grateful to be able to recruit from the best places around the country, and he thanked the Health System for its financial support as well as for the new Heart Vascular Institute & Endoscopy Center. Dr. Anderson's focus will be diabetetes cardiomyopathy.

Dr. Hromas yielded the floor to Dr. Suri for a brief update on behalf of the Medical-Dental Staff. The Epic rollout is moving along and there are many meetings taking place to prepare for it. The clinical enterprise is getting ready to replace its current PACS (Picture Archive Communication System) and is in a testing phase right now. The transition to a new enterprise imaging solution called AGFA will occur in December 2019 with the Department of Radiology involved in the installation and assisting the various clinical departments through all phases.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE CREATION OF THE CENTER FOR LIFE, A DONATION RECOVERY CENTER, AND RELATED ACTIONS — MICHAEL ROUSSOS/FRANCISCO CIGARROA, M.D.

SUMMARY:

Mr. Roussos introduced the topic as well as his guests from the Texas Organ Sharing Alliance (TOSA). Dr. Joseph Nespral, Chief Executive Officer of TOSA greeted the Board and described TOSA as a federally designated Organ Procurement Organization responsible for the organ donation process in all hospitals in South and Central Texas. Mr. Roussos introduced and yielded the floor to Dr. Cigarroa, Director of the University Health System Transplant Center, which currently performs 30-35 donor recovery cases a year in the Sky Tower operating rooms. Dr. Cigarroa addressed the Board in full support of establishing the Center for Life. Since these cases are unpredictable, organ recovery cases cause delays in other cases scheduled in the operating rooms. In 2018, University Hospital planned, and in June of 2019, Board approval was given, for Operating Room # 36 in the Sky Tower to be completed and utilized solely for pediatric heart cases. This will completely vacate the 11th floor Horizon

area. Several other planned moves create the opportunity for a center customized for the recovery of donated organs called the Center for Life. This center will operate in cooperation with the University Health System Transplant Center and TOSA. The Center for Life will allow the transfer of appropriate donors to University Hospital for organ retrieval creating a more efficient system and dedicated operating room space resulting in more donated organs available for transplant without affecting the Sky Tower operating rooms. Nationally, the performance of dedicated centers demonstrates significant improvement in donor family and transplant physician satisfaction and in the number and quality of organs surgically recovered. The Center for Life will also serve as a regional center for two other donation agencies contracted with the Health System, for the recovery of tissue and corneas. In the new approach, decedents will be transported to University Hospital's Center for Life on the 11th floor Horizon Tower after the declaration of brain death and authorization occurs. A critical care intensivist and nursing staff trained in donation will lead the medical management in areas designed for this purpose. Anesthesia and operating room staff trained in donor protocols will staff the two operating rooms designed to handle the presence of up to four surgical teams in one case for the complex surgical recovery systems needed. After TOSA begins to transfer donors to The Center for Life, staff anticipates an increase of donors to 70 a year (from 30-35). In the traditional approach for organ donation, an average of 2.5 organs is recovered per donor. Research shows that in dedicated recovery centers, the average rises to 3.75 organs recovered per donor. Staff estimates the Center for Life will increase the pool of viable organs available for transplant in the community by an additional 90 per year. In order to create the Center for Life, the 11th floor Horizon area needs construction modifications and equipment for the operating rooms and Intensive Care Unit capability. Construction costs for the area are projected at \$650,385. Specialized organ recovery equipment for the operating rooms, as well furniture and patient safety equipment estimated at \$1,418,641. In addition, there will be staffing needs for nursing and provider coverage in order to optimally manage the clinical needs of these patients. Organ recovery cases are all funded thru the Medicare program. Financial analyses indicate that with 20 additional donor cases, the hospital will cover the additional expenses associated with The Center for Life. Staff will reach out to the local business community to ensure SWVMBE's are appropriately notified of any potential contracting opportunities in establishing the Center for Life.

RECOMMENDATION: Staff recommends the Board of Managers approve capital funds in the amount of \$2,069,026 to create The Center for Life donation recovery center and fund related actions. This amount includes \$650,385 for construction and \$1,418,641 for equipment/furniture, fixtures and other related equipment.

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

EVALUATION: Mr. Adams thanked both Mr. Roussos and Dr. Cigarroa for the very precise presentation. Mr. Hasslocher asked if the amount of \$650,385 would be sufficient for construction costs, to which Mr. Roussos replied

that the estimates he received indicate construction costs at this amount. Ms. Barrera asked about ongoing expenses to maintain the Center for Life year after year. These types of cases are currently performed in Sky Tower operating rooms, however; because the Center for Life is a specialized unit, staff anticipates additional costs, such as an increase in the number of nurses, but the staff is already aware of the Center's needs. At this time, specialized organ recovery equipment for the operating rooms, as well furniture and patient safety equipment is estimated at a cost of \$1,418,641. Mr. Adams is particularly interested in giving attention to the ethical issues and family considerations surrounding organ donation where compassion and sensitivity are a must. To this end, Mr. Roussos informed the Board that the Health System has two celebrations per year to honor the organ donors. The Tree of Life celebrates deceased and anonymous donors and is where surgeons take great pride in seeing the emotional reactions of family members. There is a Flag Raising Ceremony on the day of organ procurement that also honors donors. Staff from TOSA join this celebration and at the end of the day present the flag to the donor's family. Dr. Cigarroa thanked the Board members and acknowledged Dr. Glen Half's work in organ donation. Mr. Adams expressed gratitude for both surgeons as they are both highly respected by the Board of Managers.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A GUARANTEED MAXIMUM PRICE PROPOSAL FOR THE WEST GARAGE RENOVATION (GMP #4) FOR THE CONSTRUCTION MANAGER AT RISK AGREEMENT WITH JOERIS/DUNN JOINT VENTURE FOR THE WOMEN'S AND CHILDREN'S HOSPITAL AND ASSOCIATED PROJECTS — DON RYDEN

SUMMARY: The North Garage is scheduled for demolition for the fall of 2019, which will allow for construction of the Women's and Children's Hospital and Parking Garage. Prior to this date, 662 parking spaces (including 101 handicap accessible spaces) in the West Garage will be designated as visitor parking to compensate for the spaces lost from the North Garage and surface parking lots. Recognizing that existing vehicular and pedestrian circulation patterns will be significantly altered as part of the Project, the West Garage Renovation includes the following: Removal of existing directional signage and striping; Site signage/wayfinding systems that designate visitor vehicular entrances to the West Garage; Modifying vehicular entrances/exits to the West Garage to separate visitors from staff; Installation of four (4) new parking gates including controls; Addition of "pay-on-foot" stations for garage visitors; Interior signage/wayfinding (including colored graphics on the structure) within the West Garage to assist visitors in accessing elevators and the entrance to the hospital; and interior signage/wayfinding inside the hospital to guide visitors from the West Garage to the Sky Tower Lobby. GMP costs for this project to-date are:

GMP#1 Transfusion Services	\$ 726,234
GMP#2 Heart Vascular Endoscopy Center Early Release	\$6,396,000
GMP#3 Underground Utility Reroute	\$3,878,000
<u>GMP#4 West Garage Renovation</u>	<u>\$1,689,580</u>
Total Contract Value	\$12,689,814

Costs for this GMP will be paid from Women’s and Children’s Hospital capital funds. The workforce composition for Joeris+JE Dunn was provided for the Board’s review.

RECOMMENDATION: Staff recommends the Board of Managers approve Joeris+JE Dunn GMP#4 West Garage Renovation in the amount not to exceed \$1,689,580 and authorize the President/Chief Executive Officer to execute the amendment to the Joeris+JE Dunn agreement in that amount.

ACTION: A **MOTION** for **APPROVAL** of staff’s recommendation was made by Mr. Smith, **SECONDED** by Dr. Burns, and **PASSED UNANIMOUSLY**.

EVALUATION: Mr. Smith reported that last month he assisted the staff with a trial walk from the staff garage through the staff walkway to the main lobby of University Hospital. The walk was difficult for Mr. Smith who uses a walker; and Mr. Hernandez has since determined that a shuttle service from the staff garage to the front of the hospital will be best for patients and visitors alike. Mr. Adams encouraged the staff to continue do everything from a customer perspective. Mr. Hasslocher emphasized the importance of signage and communication during the actual construction phase. A fitness center in the new women’s and children’s tower is not planned.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A LEASE AGREEMENT WITH AMCH-HUEBNER VENTURE, LLC FOR THE LEASE OF REAL PROPERTY AT 9819 HUEBNER RD., BUILDING 6, SAN ANTONIO, TEXAS TO SUPPORT OUTPATIENT DIALYSIS SERVICES— DON RYDEN

SUMMARY: A search for existing buildings with suitable capabilities for a dedicated dialysis center was performed over the past year. The staff located a developer who has land appropriate for a dialysis center and Health System has an opportunity to build to suit. After further discussion with the developer, staff considered a public-private partnership (P3). Mr. Hernandez provided a high level overview on these type of partnerships which enable a community to combine the resources and medical expertise of the public sector with the operational and environmental specialties of the private sector. This is the first P3-type arrangement that staff brings forward to the Board. P3s offer a number of advantages over traditional financing arrangements, such as: a single contract, with the scope resolved at the outset; confidence on budget, schedule and size of the project; and ability to lease for an extended period with option to take over ownership at a predetermined price. Accordingly, the new location that staff recommends for the Northwest outpatient dialysis center is Huebner Creek Office Park located at 9819 Huebner Rd., Building 6, San Antonio, Texas.

The proposed lease area would be built to suit approximately 12,000-15,000 square feet with an option to buy the property and building at years one, three, and five. The base rental rate is \$27.00 per sq. ft., with annual escalations of 3 percent over the fifteen (15) year term of the contract, and the Landlord will provide \$100 per sq. ft. build out allowance. Existing dialysis equipment would be moved to the new facility as this was upgraded in the past few years. The annual contribution margin for the Northwest Dialysis in 2018 was \$902,000 and the estimated annual contribution margin for 2019 is \$1.69 million. The landlord would provide the building, excluding equipment, any finish outs over the \$100 allowance and IT costs. The landlord has proposed options to buyout at a later date. The lease proposed by the landlord is \$27 a sq. ft. with an estimated pro rata operating expense of \$8 per sq. ft. would be \$525,000 to start with a 3 percent annual escalator. This agreement would require a 15 year lease, but the option to buy the building and land at years 1, 3, 5 remains. The total expense over the term of the lease is approximately \$9,764,430.

Cost to build for UHS	
Build 1.5 acre on Huebner (estimated property value)	\$2.5 million
Build 12,000 sq. ft. shell at \$125/sq. ft.	\$1.5 million
Build out allowance at \$100/sq. ft.	\$1.2 million
Architect Design Cost	\$.2 million
Total	\$5.4 million

Buy Out Options	
Year 1:	\$463/sq. ft. *12,000= \$ 5,556,000
Year 3:	\$491/sq. ft. *12,000= \$ 5,892,000
Year 5:	\$521/sq. ft. *12,000= \$6,252,000

RECOMMENDATION: Staff recommends the Board of Managers approve the President/Chief Executive Officer to execute an agreement with AMCH – Huebner Venture, LLC for Huebner Creek Office Park on 9819 Huebner Road, Building 6 for \$27 a sq. ft. and pro rata operating expenses (CAM) estimated at \$8 a sq. ft. for 15 years with options to buy at a predetermined price at the end of year 1, 3 or 5. The maximum first year lease and CAM expense at 15,000 sq. ft. would be \$525,000, with a total lease expense over the entire term of the lease of approximately \$9,764,430.

ACTION: A **MOTION** to **APPROVE** staff’s recommendation, with further direction to staff to research the parties involved, was made by Mr. Hasslocher, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.

EVALUATION: Mr. Hasslocher asked the staff to find out more about AMCH – Huebner Venture, LLC because it is important that the staff be comfortable with whom they are doing business with. Mr. Ryden knows that ACHM is owned by Reata, a real estate firm in San Antonio co-founded by Bob Barns. Reata has had several successful developments around town and is a reputable partner. The public-private partnership vehicle allows AMCH to finance the project for the Health System and Health System will be able to guide, design and direct construction activity in this partnership. Mr. Hernandez added that someone by the name of Steve Huffman, also a local

developer is the other co-founder of Reata. The existing pad site accommodates up to a 15,000 sq. ft. building. The new clinic will be similar in size to the existing dialysis center. Mr. Smith urged the staff to look highly at the buy-out option and Ms. Barrera suggested the staff use a background checklist for due diligence purposes. The current lease for the Northwest Dialysis location calls for a 3 percent increase every year, which is the traditional rate. The current rate for the Northwest Dialysis is \$30/square foot, compared to the \$35/square ft. at the new location for core, shell, and 15,000 square ft build-out. The basic structure does not require any special features; however equipment will be purchased by the Health System as routine capital. The P3 partnership concept is a good idea and is also used by the Federal Reserve in San Antonio. Ms. Barrera suggested that perhaps the 3 percent increase for the new location can be negotiated over the next three years. She also cautioned staff to keep in mind talk of an upcoming recession, inflation rates, etc. The costs for buy out options on anniversary date at Years 1, 3, and 5 were reviewed with Dr. Burns, it is a fixed price per square ft. The true build out will be the customization for dialysis services. Mr. Banos noted that the contribution margin for one extra dialysis chair at this location is \$70,000. Mr. Smith asked if there is a demand for renal dialysis services at this particular location at Floyd Curl and Huebner Road. Has the staff charted where these dialysis patients will come from? Is this the kind of investment that is beneficial to the overall patient population of University Health System? Strategically, Dialysis West at the Texas Diabetes Institute (TDI) serves the Westside quadrant of the city, Dialysis South (at CentroMed) serves the Southside quadrant; and Dialysis East serves the Eastside. The Health System does not offer dialysis on the North/Northwest side of town. The staff reviewed all of the patients that the Health System has lost in the sense that they did not select University Health System, and it is suspected they were lost due to geographics. Dialysis West at TDI has room to grow and the Northwest location has room to grow, however, not the facility to grow at this time; the demand is coming from the west and northwest sides of town. The new location is ideal and offers easy access outside of the South Texas Medical Center, it is 2.7 miles away from University Hospital and is the best location for patients who live in this zip code. Mr. Hurley expressed support and is comfortable with the staff's recommendation to the Board. Outpatient dialysis is a profitable service line for the Health System and the majority of patients are funded, dialysis also helps support transplant services at University Hospital. Staff will exercise the buy-out option at years 1, 3, or 5; the Health System will not enter into a long term lease or financial arrangement. As Mr. Engberg pointed out, leases are reflected on the balance sheet and are both assets and liabilities. Mr. Adams assessed today's discussion as positive, with the exception of Mr. Hassloch's point of not knowing who the Health System is doing business with. Mr. Adams reminded the staff that it is critical for the Board to review the business plan that relates to this dialysis center.

FOLLOW-UP:

Return to Board with additional information on Reata, without holding up the transaction, and a Northwest Dialysis business plan that includes both the legal and financial aspect of the project.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN OPIOID LEGAL REPRESENTATION AGREEMENT— *SERINA RIVELA*

- SUMMARY:** Ms. Rivela introduced attorneys- at-law, T.J. Mayes and Martin J. Phipps, Partner with the law firm of Phipps, Deacon, Purnell, PLLC. This firm, along with Watts Guerra LLP, as Co-Lead Counsel, and The Gallagher Law Firm, LLP, and Fibich, Leebron, Copeland & Briggs, as Associated Counsel, are uniquely positioned to take on the complex task of pursuing opioid litigation on behalf of the Health System. The opioid epidemic was declared by the President of United States as a public health emergency in October 2017. These same legal firms have been retained by Bexar County and have the necessary expertise and resources to file legal actions against drug manufacturers, certain distributors and pharmaceutical companies of opioid analgesics for their false and misleading conduct about the addictive nature of the drugs which caused or contributed to the opioid crisis. The alleged tortious conduct potentially gives rise to liability under a number of theories, including fraud, deceptive trade practices, negligence, and public nuisance laws. The Health System’s damage model will center on the proportion of overall uncompensated care it has incurred attributed to opioid abuse. However, a key purpose of the lawsuit would be to curb the unlawful and unethical manner in which opioids have been marketed and to prevent further harm to the residents of Bexar County. The proposed Opioid Legal Representation Agreement includes a 35 percent contingency fee payable only upon a final award, or settlement, in the Health System’s favor. Most importantly, the agreement provides that all expenses incurred as a result of litigation will be the sole responsibility of counsel as part of their fee and will not be reimbursed by the Health System. This arrangement is consistent with similar arrangements entered into by governmental entities pursuing such claims; and it would offer the Health System a risk-free opportunity to both recover costs of care incurred in addressing the opioid crisis and fund future treatment programs, as well as, change the harmful practices which have caused and contributed to the crisis. The workforce composition for three of the legal firms was provided for the Board’s review. The workforce composition data for Fibich, Leebron, Copeland & Briggs, as Associate Counsel, was not available at this time.
- RECOMMENDATION:** Staff recommends that the Board of Managers approval an Opioid Legal Representation Agreement to represent the Health System in an opioid litigation on a contingency basis and to take all required actions in support thereof.
- ACTION:** A **MOTION** for **APPROVAL** of staff’s recommendation was made by Mr. Hasslocher, **SECONDED** by Ms. Barrera and **PASSED UNANIMOUSLY**.
- EVALUATION:** Mr. Phipps addressed the Board of Managers. He is a defense attorney who has practiced in San Antonio for most of his career. His firm has been involved in the opioid epidemic litigation from the beginning in the State of Texas. The firm will ask to try all Bexar County cases in San Antonio, Texas, and this Friday, he will ask for the Bexar County case to be the first to take place, but all of the hospital districts in Texas that join this lawsuit will work together. The defendants are: Purdue Pharma L.P., a privately held pharmaceutical company, McKesson, and all other manufacturing

distributors; it does not include pharmacies and/or physicians. So far there has been one trial in Oklahoma, that case is rested and the plaintiffs are waiting for the judge to make a decision. Currently, there are state court cases all over the country. Although the Texas Attorney General has joined the other 19 state cases, the state is not representing local entities. The Health System's lawsuit is for every penny of local tax payer money that has been spent on the opioid epidemic; the lawsuit does not ask for any federal money. The state has only sued Purdue Pharma, and the other lawsuits in Texas have been consolidated. Ms. Rivela explained that most important about this particular legal arrangement is that both the legal firms and the various hospital districts will work together to identify any additional defendants, as well as causes of action that may be necessary. These law firms understand the unique position hospital districts are in, and they want to make conscious decisions in identifying those responsible for the opioid epidemic; providers and physicians are not responsible, and it is the Bexar County tax payers who obviously lost. Dr. Burns asked how those providers who wrote prescriptions for opioids would be guarded against this lawsuit. Mr. Phipps and Ms. Rivela reiterated the importance of working together to protect providers, physicians do not have liability. Initially, the Health System was going to assist Bexar County in their lawsuit; however, it became clear that it is much more beneficial for the Health System to file a separate lawsuit. It is not known how it will turn out since there is tremendous loss of life related to this lawsuit. Parkland Hospital in Dallas has already obtained approval to file litigation; and Harris County in Houston is reviewing their options to move forward. Other hospital districts that will be part of this lawsuit including Jacinto County, Nueces County, Lubbock County, and El Paso County. This legal team is focused on hospital districts although there are other hospitals who have filed lawsuits. As to the type of damages being sought, Mr. Phipps maintained that Bexar County is one of the top counties in the country that has raw data relating to opioids. For over one year, this legal team has been reviewing budgets and other such information that will help to determine the value of the lawsuit. At the county level, the team is meeting with the Sheriff and District Attorney's office to review what is known up to this point. The legal team is reviewing data going 10 years back. The issue is determining future damages; the team will work with appropriate experts to determine how long this issue will go into the future, whether it's 10 or 15 years, and Ms. Rivela added that ICD 9 codes will be helpful in this regard. This lawsuit is not a class action law suit. The trial will take place in the Bexar County with experts testifying on the Health System's behalf, it is a winning formula. The damages are estimated at billions of dollars. If the Board decides that this is the direction to take for the Health System, the legal team will return at a later date and brief the Board in a closed session to provide a better estimate on the question of damages raised by Mr. Engberg. Mr. Adams advised the legal team and the staff that there is a public relations aspect to this lawsuit that needs to be taken into consideration. Mr. Smith asked about conclusive proof that the pharmaceutical industry is to blame for this epidemic because he is also concerned about the prescribing physicians. Mr. Phipps replied that the pharmaceutical companies and distributors did not inform physicians of the addictive nature of opioids. According to Mr. T.J. Mayes he has had some

problem engaging Comal County and also some members of the Alamo Area Council of Governments which Mr. Hasslocher chairs. He has solicited several other counties such as Lubbock County, Hayes County, Caldwell County, Bastrop County, Guadalupe County, and Atascosa County. If remaining counties do not engage counsel in the next 37 days or so, they may lose the opportunity to do so. Mr. Hernandez advised the Board that the only risk for the Health System is not joining the law suit; a separate lawsuit is in the best interest of the Bexar County Hospital District.

FOLLOW-UP: Staff will plan to brief the Board in a closed session on a regular basis as the opioid law suit progresses.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT TO THE PREMIER SOLUTIONS AGREEMENT FOR AMBULATORY CONSULTING SERVICES— TED DAY/BRYAN. ALSIP, M.D./ED BANOS

SUMMARY: Premier's Physician Enterprise Solutions is well positioned to support medical groups in various settings in their efforts to transform the areas of cost, quality, service and satisfaction through a combination of business intelligence, collaborative services, and advisory expertise. This is a request for an agreement with Premier Healthcare Solutions to help senior leadership identify external benchmarks, best practices in management structure, and productivity performance, and consideration as value-based care expands for University Medicine Associates (UMA), which was established in 1999 and employs both primary and specialty care providers. Dr. Alsip reiterated that it is more important than ever to understand such challenges in a healthcare-changing environment. While inpatient services have been expanded since the Sky Tower opened in 2014, the staff did not sufficiently anticipate the growth in ambulatory services. In addition, the demand for primary care physicians is growing exponentially and it is becoming increasingly more difficult to recruit and retain physicians. This is an opportunity to organize how the Health system is going to meet these needs and although the amount being requested is below Mr. Hernandez's approval level, the issue is important enough to make Board aware that the staff is planning for the future. Mr. Banos agreed that this is also a great opportunity to work with local Federally Qualified Health Centers and UT partners to increase UMA's foot print faster without re-inventing the wheel. Premier has outlined an approach that includes a review of key performance indicators and foundational elements through quantitative and qualitative techniques. Project deliverables are anticipated to include content such as Operating Model Evaluation, Performance Assessment, Prioritization Matrix, and a Roadmap of Opportunities identified, suggested prioritization, and an overall sequence developed to highlight critical action path to enhance the overall practice. The proposed agreement with Premier Healthcare Solutions will be for approximately three months or until such time the scope of services has been completed, at a cost of \$110,000, plus travel expenses directly related to this engagement. This engagement will focus on development of a strategic approach specific to the employed provider group, thus does not include expenses for the implementation of any recommendations; and as such, staff may request additional funds in the future to assist with execution of

- key tactics identified. The workforce composition for Premier Healthcare Solutions was provided for the Board's review
- RECOMMENDATION: Staff recommends that the Board of Managers approve an amendment to the Premier Solutions agreement for \$110,000, plus allowed expenses, and authorize the President/Chief Executive Officer to execute all actions in support thereof, for ambulatory consulting services
- ACTION: A **MOTION** for **APPROVAL** of staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Ms. Barrera, and **PASSED UNANIMOUSLY**.
- EVALUATION: Mr. Adams noted that the engagement of Premier will more than likely exceed the \$110,000 fee, and he eagerly awaits the UMA update on physician burn out presentation that follows this request on behalf of UMA.
- FOLLOW-UP: None.

PRESENTATIONS AND EDUCATION:

REPORT ON PHYSICIAN RECRUITMENT AND RETENTION FOR AMBULATORY SERVICES — *SERGIO FARRELL/MONIKA KAPUR, M.D.*

- SUMMARY: Dr. Kapur and Mr. Farrell introduced Ms. Amy Hensz, Director of Practice Development for UMA to the Board of Managers. Dr. Kapur and Mr. Farrell continued their presentation from the May 25, 2019 2019 meeting, at which time Mr. Adams requested that the remaining presentation address the Health System's activities intended to help physicians avoid burn out. Dr. Kapur addressed growing shortage of physicians, particularly primary care providers which continues to be a problem nationally. Several influencing factors have created this supply and demand mismatch including: retiring physician baby boomers; larger numbers of medical school graduates selecting higher paying specialty care residency training over primary care residencies; and an aging population requiring a higher level of care, greater time commitment, and resources for complex case management. The challenge of ongoing recruitment and retention of primary care physicians is further enhanced by the growth of physician burnout. According to the University of California, Riverside School of Medicine, during the last three years physician burnout has increased from 45 to 54 percent. Physician burnout measures highest in emergency medicine, family medicine, internal medicine, and pediatrics. The causes of physician burnout are multi-factorial and include labor intensiveness of the electronic health record; additional time spent on administrative tasks; prior authorizations required by insurance companies; loss of autonomy; and reduced time with patients and diminishing practice resources. Physician burnout also has strong links to turnover and professional work effort. Even if physicians do not leave, burnout can have a potentially large adverse effect on productivity. The national average turnover rate for employed primary care physicians was 12 percent as of 2018. Mr. Farrell presented the following data specific to University Medicine Associates:

- Ambulatory activity is 11 percent under budget year to date. The major contributor is physician vacancies.
- Physician turnover in 2018 was 5.30 percent.
- Physician turnover for the first quarter of 2019 was 6.72 percent
- UMA turnover rates include six adult primary care physician departures due to relocation, retirement, and desired change in practice environment. Three additional primary care physicians are scheduled to leave the practice during the second and third quarters of 2019.

Current State:

Physicians	2019 Hires		2019 Hires		Interviews
	Current Vacancies	Future Vacancies	(already started)	(future start date)	
Adult Primary Care	8	3		4	4
Pedi Primary Care	1				
Adult Urgent Care	1			1	
Pedi Urgent Care		1		1	
Specialty Care	3	1	3		2
Special Programs	1				1
Total	14	5		8	5

APPs	2019 Hires		2019 Hires		Interviews
	Current Vacancies	Future Vacancies	(already started)	(future start date)	
Primary Care	3	2	3	2	3
Adult Urgent Care		1			
Specialty Care		1		2	
Special Programs	1		1		
Total	4	4	6	2	3

Current Programs and Initiatives:

Provide wellness program Proactive Sourcing Through
 Employee/Provider Recognition online databases
 Career Fairs Employee Referral Program
 Performance Aligned Physician
 Compensation Program

Retention & Recruitment - New Programs and Initiatives

- Expanding outreach to residency programs.
- Engagement in national searches for recruitment and parallel supplemental staffing model.
- Provider based focus groups.
- Reduce administrative burden: standard work of support staff and scribe pilot project.
- Re-designation for Health Care Professional Shortage Area.
- Internal loan repayment program.
- Development of float pool.

RECOMMENDATION: This report was provided for informational purposes only.

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

EVALUATION: Mr. Hernandez informed the Board that this report on physician burn out was supposed to precede Mr. Day’s presentation on Premier Healthcare Solutions because UMA is having a real issue retaining primary care providers; they are critical to providing not only great care for patients, but also for the continuity of care to CareLink patients. The Health System’s patients are a very sick population with diabetes, cancer and other serious issues. Leadership needs to think how the ambulatory system will be restructured to address such chronic conditions better than before. At the present time, patients are not being seen by their medical home provider due UMA vacancies, rather, they are seen by whatever physician is available. The Health System also needs to consider a palliative care program for ambulatory services. Dr. Burns views Premier consultants as a great opportunity, however, the insurance system is broken, somethings providers are unable to control and get penalized. The remedy seems to be

locking patients to their medical homes in some way so they cannot run to urgent care clinics when their provider is not available. Dr. Suri added that patients want to talk to their providers and Epic will be helpful in that regard; however, Dr. Kapur is not confident that Epic will resolve all of UMA's issues. As a safety net organization, the providers do not turn patients away and do their best to accommodate. Dr. Kapur agreed with Dr. Burns' comments and reported that she has been holding focus group meetings with providers and concluded her presentation with a quote by a UMA physician: "*Holding physicians accountable for outcomes that are not always under their control, such as patients' access to medication and psychosocial economic challenges, place physicians in a straightjacket without any wiggle room. I'm feeling suffocated.*" Board members agreed with Mr. Adams that it is imperative for the Premier consultants to speak directly with UMA providers at some point during their three month contract.

FOLLOW-UP: None.

ANNUAL CARELINK REPORT — VIRGINIA MIKA, PH.D./ROBERTO VILLARREAL, M.D.

SUMMARY: In the interest of time, Mr. Adams postponed this presentation.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: Drs. Mika and Villarreal will return in August with the CareLink presentation.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the Board meeting at 4:28 p.m.

James R. Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary