



**BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, July 26, 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
Margaret Kelley, MD, Secretary
Jimmy Hasslocher
Anita L. Fernandez
L.P. Buddy Morris
Pat Jasso

BOARD MEMBERS ABSENT:

Ira Smith, Vice Chair

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
Andrea Casas, Vice President/Chief Human Resources Officer, University Health
Ted Day, Executive Vice President, Strategic Planning/Business Development, University Health
Michelle Garcia, Executive Director, Human Resources, University Health
Rob Hromas, MD, Dean, Long School of Medicine, UT Health San Antonio
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health
Sherrie King, Deputy Chief, Protective Services, University Health
Leni Kirkman, Executive Vice President/Chief Marketing, Communication, & Corporate Affairs Officer,
University Health
Katherine Manuel, Senior Vice President, Pre-Acute Services, Robert B. Green Campus, University Health
Bill Mundt, Deputy Chief Information Officer, University Health
Joshua Nieto, Chief Compliance/HIPPA Officer, University Health
Serina Rivela, Vice President/Chief Legal Officer, University Health
Don Ryden, Vice President/Projects, Design and Construction, University Health
Judy Shumway, DO, Senior Vice President, Clinical Services/Office of the Chief Medical Officer,
University Health
Christopher Sandles, President, University Hospital Operations, University Health
Theresa Scepaniski, President/Chief Executive Officer, Community First Health Plans, Inc.

Board of Managers Meeting

Tuesday, July 26, 2022

Page 2 of 13

Natalie Sirjuesingh, Director, Strategic Projects & Engagement, Corporate Communications, University Health
Travis Smith, Vice President/Deputy Chief Financial Officer, University Health
Rajeev Suri, MD, Interim Chair and Professor, Department of Radiology, UT Health, San Antonio; and President, Medical-Dental Staff, University Health
Horacio Vasquez, Executive Director, Supply Chain Management, University Health
Roberto Villarreal, MD, Senior Vice President/Chief Analytics Officer, University Health
Larry Wallis, Director, Internal Audit Services, University Health
Laura Garcia, San Antonio Express-News
And other attendees.

CALL TO ORDER:

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

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Ms. Allison Hayes Lane, Curator and Archivist with University Health, for the invocation and he led the pledge of allegiance.

PUBLIC COMMENT: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): JUNE 21, 2022 (REGULAR MEETING) AND JUNE 28, 2022 (REGULAR MEETING)

SUMMARY:	The minutes for the meeting of June 21, 2022 and June 28, 2022, were submitted for the Board's approval.
RECOMMENDATION:	Staff recommends approval of the minutes as submitted.
ACTION:	A MOTION to APPROVE the minutes as submitted was made by Ms. Fernandez, SECONDED by Ms. Jasso, and PASSED UNANIMOUSLY .
EVALUATION:	None.
FOLLOW-UP:	None.

REPORT FROM UT HEALTH SAN ANTONIO — ROB HROMAS, MD, DEAN, LONG SCHOOL OF MEDICINE FOR WILLIAM HENRICH, MD, PRESIDENT:

SUMMARY:	The Founding Dean for the UT School of Public Health has been recruited - Dr. Vasan Ramachandran comes from Boston University and is principal investigator of the Framingham Heart Study. His appointment is at UT Health is effective September 1, 2022. Dr. Ramachandra is an internationally recognized physician-scientist and epidemiologist; his research has focused on heart failure, blood pressure, and cardiac remodeling. More relevant to San Antonio, he is also the principal researcher on a minority hypertension study for which he will recruit African American and Hispanic subjects from South Texas; it is a \$20 million/year program funded by National Institutes of Health. Dr. Ramachandran will make contact with Dr. Roberto Villarreal and Dr. Bryan Alsip soon. The first class of the School of Public Health will commence September 2024.
----------	---

The COVID BA.5 variant is the dominant strain in San Antonio at this time, by sequencing. There has been a low level of activity with approximately 350 hospitalized in Bexar County; 40 of those are at University Hospital. However, Omicron is still one-third of the cases in San Antonio. Dr. Jennifer LaCross, Palliative Care, was the speaker at this year's White Coat Ceremony last Saturday; she addressed 227 new residents about compassion. (Class size will increase to 240 in the fall of 2023.) The White Coat Ceremony marks the end of classroom learning and the beginning of clinical rotations when residents begin to work with real patients.

Dr. Monica Gutierrez, Chair, Department of Rehabilitation Medicine, recently provided a one-hour testimony before a Health and Human Services Commission Committee regarding long COVID. There is a bill in the works for \$70 million in federal funding to study long COVID, and if approved, UT Health SA would receive several million to add to the Recover Study, a project researching the effects of long COVID among Hispanics.

RECOMMENDATION: This report was provided for informational purposes.
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

The Credentials Committee met on June 20, 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 July 5, 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

The Credentials Committee met on June 20, 2022, and reviewed proposed revisions to Delineation of Privilege and the Professional Performance Evaluation Report and forms. In its meeting of July 5, 2022, the Executive Committee of the Medical-Dental Staff approved the Delineation of Privileges and Focused/Ongoing Professional Performance Evaluation Report, and in turn, recommends approval by the Board of Managers.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN EXTENSION OF THE LEASE AGREEMENT BETWEEN AVENIDA GUADALUPE ASSOCIATION AND COMMUNITY FIRST HEALTH PLANS, INC. FOR OFFICE SPACE AT 1410 GUADALUPE STREET, SAN ANTONIO, TEXAS — THERESA SCEPANSKI

Community First Health Plans, Inc., has leased space at the 1410 Guadalupe location since 2009, occupying 5,505 square feet. The monthly lease rate for the proposed renewal term is \$7,982.25 or \$1.45 per sq. ft. There is no change in the monthly lease rate compared to the current rate. The total lease expense for a five (5) year period is \$478,935, which is budgeted as an operational expense. The renewal lease term is for a five (5) year period, effective June 1, 2022, through May 31, 2027, with two (2) additional one-year options. Community First will continue to pay the current monthly lease rate of \$7,982.25, as there is no rate increase for the duration of the renewal period. There are no additional fees for common area maintenance. The workforce composition was provided for the Board's review. The Board of Directors of Community First Health Plans, Inc., recommend approval by the Board of Managers to renew the lease agreement for a new five (5) year term with the Avenida Guadalupe Association, for a total of \$478,935.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT, FUNDED BY THE CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS' HEPATITIS C – C.A.R.E (COLONIAS ADVANCING & RESTORING ESPERANZA) PROGRAM, WITH THE CITY OF LAREDO TO EXPAND HEPATITIS SCREENING AND VACCINATION SERVICES IN SOUTH TEXAS — ROBERTO VILLARREAL, MD

This inter-professional collaborative effort will address several components impacting the quality of care, provide access to care and services, and improve the client experience, ultimately delivering better outcomes to address viral hepatitis to South Texas Region communities. Through this partnership, communities will be provided education and training of clinical staff to incorporate best practices for screening, vaccination, diagnosis, and linkage to treatment services. In addition, clients will receive comprehensive education, counseling, follow-up, and navigation support by navigators placed at the City of Laredo Health Department. The City of Laredo Health Department has designated program metrics associated with the funding and based on the program's goals. The City of Laredo Health Department will complete monthly reporting, evaluation of the program interventions, and cost-effectiveness regarding cost and health outcomes, resulting in a mixed methodology approach (qualitative/quantitative). In addition, staff will evaluate and compare the interventions of the HepVISTA program, implemented at University Health for the last five years, to Hep C – CARE. The overall impact of the program and this sub-award agreement with City of Laredo Health Department is budget neutral. The activities for this sub agreement are funded through CPRIT Contract No. PP210016. This is a cost reimbursement contract and Hep C – C.A.R.E related services will be reimbursed for actual cost incurred. The total two-year contract amount for Hep C – CARE City of Laredo Health Department operating budget is \$631,468. The workforce composition for the City of Laredo was provided for the Board's review. Staff recommends Board of Managers' approval of a contract with City of Laredo for the Hep C – CARE grant program in the amount of \$631,468.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH ALAMO AREA RESOURCE CENTER FOR THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM, FUNDED THROUGH THE TEXAS DEPARTMENT OF STATE HEALTH SERVICES HIV/Ryan White Program — ROBERTO VILLARREAL, MD

The purpose of this Agreement is to provide Housing Opportunities for Persons with AIDS (HOPWA) Program funds to Alamo Area Resource Center (AARC), in the form of monetary reimbursement only, for the

benefit of eligible persons with HIV/AIDS who live in the Texas Health Service Delivery Area, including Atascosa, Bandera, Bexar, Comal, Frio, Guadalupe, Gillespie, Karnes, Kerr, Kendall, Medina, and Wilson Counties. The funding is made available directly to Bexar County and University Health as part of the Ryan White Program Administration to allocate funding to the eligible organizations. The housing-related referral services include assessment, search, placement, advocacy, and the associated fees. During the fiscal year 2022-2023, the HOPWA funding will include the following categories for AARC: Short Term Rent, Mortgage, and Utilities Assistance Program, Tenant-Based Rental Assistance Program, Permanent Housing Placement Services, Housing Case Management and Administration. The term of this HOPWA Agreement is September 1, 2022, through August 31, 2023. Staff recommends approval of this Agreement with the Alamo Area Resources Center, a sub-recipient of Ryan White HIV/AIDS Program funds, to enhance services for Ryan White-eligible clients in the amount of \$328,989.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH SINGLETON ASSOCIATES, PA D/B/A ARA DIAGNOSTIC IMAGING FOR REMOTE TELE-RADIOLOGY INTERPRETATIONS FOR CARELINK MEMBERS — VIRGINIA MIKA, PHD/ROBERTO VILLARREAL MD

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 opportunity will provide University Health with timely interpretations at value added pricing, and 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. Over the past few years, UT Health radiologists have had significant turnover, most recently the Department Chair presented information regarding salary challenges as well as the current shortage of onsite radiologists that could potentially lead to the need to hire locums. As the volumes of all interpretations have increased, University Health evaluated how tele-radiology services could support outpatient interpretations generated in the ambulatory locations (TDI, Pavilion, RBG Campus, North Clinic, Southeast Clinic, Southwest Clinic, and Express Med), as well as other non-hospital locations. This partnership will provides access to a large national radiology practice while maintaining regional expectations, standards of care, and business etiquette. Number and cost of routine ambulatory exams eligible under this contract for tele-radiology interpretations are estimated at approximately 25,601 and \$745,000 respectively over a 12-month period. ARA will provide 24/7/365 coverage for University Health incorporating full EPIC integration under a three-year, non-assignable contract. All interpretations will be provided by radiologists interpreting within their radiology subspecialty. The contract with ARA is for a period of three years beginning on or about August 1, 2022. Under the agreement, ARA will have sole responsibility for billing and collecting professional interpretation fees from CareLink. Patients will never be billed or invoiced by ARA for an outstanding balance. CareLink will reimburse services at 100 percent of the current Medicare allowable rate for providers based on a fee for service reimbursement model. The total estimated amount is \$745,000 per year or \$2,235,000 for 3 years. 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 for an estimated amount of \$2,235,000.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE 2ND QUARTER INVESTMENT REPORT — ROE GARRETT/REED HURLEY

Board members were provided Investment Portfolio Summaries for University Health and Community First Health Plans, Inc., for the second quarter of 2022. In total, the value of all invested funds as of June 30, 2022 was \$1,795,000,740 consisting of University Health, Project, Certificate, Local Provider Participation Fund (LPPF) and Community First Funds. The reports include all information required by the Texas Public Funds

Investment Act. In addition, the University Health and Community First portfolio reports have been provided separately. The portfolios earned \$2,869,092 in interest income in the second quarter, a dramatic 107 percent increase from \$1,388,097 in the same period a year ago as higher interest rates take hold. While the dramatic increase in interest rates during the first half of 2022 has resulted in a sizable unrealized loss, no realized losses are anticipated to be incurred and University Health is benefitting from much greater investment income.

CONSIDERATION AND APPROPRIATE ACTION REGARDING PURCHASING ACTIVITIES
(SEE ATTACHMENT A) — HORACIO VASQUEZ/TRAVIS SMITH

University Health's Purchasing Consent attachment for the month of July 2022 includes nine proposed contracts for Board of Managers' action. The total requested Board of Managers approval for these nine contracts is \$10,206,175. Additional presented contracts during the July Board of Managers meeting total \$9,398,689 and are considered for approval separate from the Purchasing Consent. Staff recommends Board of Manager's approval of Purchasing Consent items in the amount of \$10,206,175.

CONSENT

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

CONSENT

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

CONSENT

EVALUATION: Mr. Adams highlighted three items on the consent agenda submitted by Dr. Roberto Villarreal in an area that requires a lot of effort to make things happen, with lots of bureaucracy that help some of the most vulnerable people in our community. On behalf of the Board, he thanked Dr. Villarreal for the work that he does, it is very noticeable.

CONSENT

FOLLOW-UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A GUARANTEED MAXIMUM PRICE (GMP #16) PROPOSAL FOR THE WOMEN'S AND CHILDREN'S HOSPITAL PHARMACY BUILD-OUT FOR THE CONSTRUCTION MANAGER AT RISK AGREEMENT WITH JOERIS+JE DUNN, A JOINT VENTURE AND APPROPRIATE FUNDING THERETO — DON RYDEN

SUMMARY:

The total expected cost of the proposed new hospital pharmacy build-out is \$14.4 million. This can be funded from previous GMPs that are complete or are completing below projected costs. Savings include \$5.4 million from ongoing hospital construction, \$1.7 million from projected administrative costs and other fees, \$3.9 million from ongoing garage construction, and \$3.4 million in available unallocated project contingency within the podium expansion budget. (Afterwards, approximately \$3 million will remain in the project contingency for the podium expansion.) The Construction Manager worked closely with the

Architectural/Engineering team throughout the pharmacy build-out design process, thereby removing many unknowns that could have required significant construction rework. Additionally, staff concurs with the Construction Manager that previously approved contingencies for the new hospital and the garage are available to release and re-allocate. As the new garage progresses to completion, Staff agrees with the Construction Manager that there are minimal remaining cost risks. Staff therefore recommends that approximately 75 percent of contingency funds currently allocated to the Construction Manager's garage scope be recognized as project savings and released. This release can be included with the Amendment described above for GMP 16. Staff has reviewed the current incurred costs and expected remaining costs to complete the garage and determined that \$3.9 million in Board-approved project funding is eligible for re-allocation to the pharmacy build-out. Similarly, because structural and envelope work of the hospital is nearly complete and work has moved inside, environmental risks leading to potential cost increases are greatly reduced. Combined with proactive efforts by the Architectural/Engineering team, Construction Manager, and Staff to implement least-cost approaches to completing the work, early procurements to lock in current pricing, and the initial results from preliminary Project reviews by both municipal and State authorities, additional project savings are currently being realized. Staff concurs with the Construction Manager that nearly \$5.4 million in Board-approved Project funding is currently eligible for realignment toward new construction costs. Staff also recommends a reduction of forecast Project administrative costs to align more closely to actual costs seen over the past year. The resulting savings available for re-allocation is approximately \$1.8 million, and staff recommends re-aligning \$7.1 million in unrequired contingency and project savings from the hospital tower to the podium expansion construction budget. This transfer can be included with the Amendment described above for GMP 16. Staff has determined that the non-construction costs of the pharmacy build-out, including previously described consultant fees and costs for Owner Furnished Equipment, can be offset with existing unallocated Board-approved Project funds already aligned to the podium expansion budget. A total of \$3.8 million in new costs associated with the pharmacy build-out can therefore be funded by offsetting with existing contingency. This budget transfer can be accomplished without external changes or amendments. Staff therefore recommends that the funding requirements for GMP 16, additional consultant fees, and additional Owner Furnished Equipment come from budget adjustments to existing Board-approved Project funds. No additional funds will be required, and since significant project savings are already on the Contract Manager's contract, the Construction Cost Limitation does not need to increase. The proposed budget adjustments are summarized below:

	Current Approved Budget	Proposed Budget Changes	Revised Budget Allocation
WOMEN'S & CHILDREN'S HOSPITAL			
Construction (Shell & Finish-Out)	\$ 410.6	\$ (5.4)	\$ 405.2
Other Fees/Permit/Contingency/Misc	\$ 31.2	\$ (1.7)	\$ 29.5
PARKING STRUCTURE			
Construction	\$ 58.8	\$ (3.9)	\$ 54.9
PODIUM EXPANSION			
Construction (Shell, Kitchen/Servery, Pharmacy)	\$ 64.8	\$ 11.0	\$ 75.8
Other Fees/Permit/Contingency/Misc	\$ 9.0	\$ (3.4)	\$ 5.6
FFE/IT	\$ 6.7	\$ 1.9	\$ 8.6
Medical Equipment	\$ -	\$ 1.5	\$ 1.5

Proposed contract actions to implement this additional scope are summarized below:

	Current Contract Value	Proposed Contract Value	Contract Increase
Joeris+JE Dunn (CM - GMP #16)	\$ 552,189,970	\$553,939,970	\$ 1,750,000
Broaddus (PM+Activation)	\$ 16,413,262	\$16,632,559	\$ 219,297
Engineering Economics	\$ 1,750,076	\$ 1,785,076	\$ 35,000
TOTAL			\$ 2,004,297

RECOMMENDATION:

Staff recommends the Board of Managers approve the proposed budget adjustments to fund the pharmacy build-out, and authorize the President/Chief Executive Officer to execute the required contract Amendments accordingly:

- Amendment to the Construction Manager at Risk Agreement with Joeris+JE Dunn, a Joint Venture to add GMP# 16 for \$1,750,000.
- Amendment to Broaddus & Associates for \$219,297.
- Amendment to Engineering Economics, Inc. for \$35,000.

ACTION:

A **MOTION** to **APPROVE** staff's recommendation as made by Ms. Fernandez, **SECONDED** by Ms. Jasso, and **PASSED UNANIMOUSLY**.

EVALUATION:

None.

FOLLOW-UP:

None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING RENEWAL OF A PROFESSIONAL SERVICES AGREEMENT WITH UT HEALTH SAN ANTONIO ("SPONSORED CARE PROVIDER AGREEMENT") — EDWARD BANOS

SUMMARY:

The Sponsored Care Provider Agreement between University Health and UT Health San Antonio Long School of Medicine and has been in effect since 2001. The purpose of the Agreement is to continue to cover urgent and emergent medical services to unfunded patients and inmates who are provided health care within University Health. To qualify for sponsored care services, a person must meet the income and resources requirements

established by University Health and must reside in Bexar County. Currently, persons at or below 75 percent of the federal poverty level qualify. This definition includes the homeless and inmates or detainees at facilities operated by Bexar County provided they meet the eligibility requirements established by University Health. This agreement requires the deduction of charges for services rendered pursuant to the Master Healthcare Services Agreement, formerly Bexar County Clinical Services, or the CareLink/UT Health Provider Agreement, or any other third party payer including payment made directly by the patient. The anticipated payments to UT Health for the 12-month period beginning September 1, 2022 and ending August 31, 2023 are \$3,400,000, or \$283,333 per month. This is the same amount as the current 12-month agreement. University Health shall pay UT Health for contracted healthcare services provided to Sponsored Patients at 65 percent of the current Medicare allowable rate at the time the services were provided. This is a planned expense and funding has been included in the 2022/2023 Operating Budgets. The workforce composition for UT Health San Antonio was provided for the Board's review.

RECOMMENDATION: Staff recommends Board of Managers approval of the Sponsored Care Provider Agreement with UT Health San Antonio for a 12-month period beginning September 1, 2022 to August 31, 2023 in the amount of \$3,400,000.

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

EVALUATION: Dr. Kelley asked if patients treated under this agreement are followed for the specific episode of care that they presented with, to which Mr. Banos replied that they are indeed followed but only for the episode of care that brought them to the Emergency Department, and only Bexar County residents qualify for sponsored care. Ms. Fernandez asked if there was a system in place for those patients who return with a different episode. Yes, if a patient returns to the Emergency Department for health care, case managers get involved and work with the patient on an outpatient bases towards compliance and assignment of a primary care provider. Mr. Hernandez noted that the Sponsored Care Agreements serve as a back stop for the CareLink program, a safety net. Dr. Kelley commended the compassionate care afforded by University Health.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING RENEWAL OF A PROFESSIONAL SERVICES AGREEMENT WITH UT HEALTH SAN ANTONIO SCHOOL OF DENTISTRY ("SPONSORED CARE PROVIDER AGREEMENT") — EDWARD BANOS

SUMMARY: The Sponsored Care Dental Provider Agreement between University Health and UT Health San Antonio School of Dentistry has been in effect since 2001. The purpose of this Agreement is to continue to cover urgent and emergent dental services to unfunded patients and inmates who are provided health care within the Health System. To qualify for sponsored care dental services, a person must meet the income and resources requirements established by University Health and must reside

in Bexar County. Currently. Persons at or below 75 percent the federal poverty level qualify. This definition includes the homeless and inmates or detainees at facilities operated by Bexar County provided they meet the eligibility requirements established by University Health. The anticipated payments to UT Health School of Dentistry for the 12-month period beginning September 1, 2022 and ending August 31, 2023, are \$320,000 or \$26,667 per month. The current contract amount is \$200,000 or \$16,667, per month. The \$120,000 annual increase is based on the current additional activity run rate. Payments for dental care services are negotiated at 100 percent of the current Medicaid allowable rate for dental and oral maxillofacial services. Payment under this agreement will only be made for professional services that are not covered under the Master Service Agreement, the CareLink/UT Health Provider Agreement or any other third party payer including payment made directly by the patient. This is a planned expense and funding has been included in the 2022/2023 Operating Budgets. The workforce composition for UT Health San Antonio was provided for the Board's review.

RECOMMENDATION:

Staff recommends Board of Managers' approval of the Sponsored Care Provider Agreement with UT Health School of Dentistry for a 12- month period beginning September 1, 2022 to August 31, 2023 in the amount of \$320,000.

ACTION:

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

Dr. Kelley again commended the staff for providing emergent medical, psychiatry, and dental services in the Emergency Department, a wonderful starting point for the continuity of care. Lack of dental care is a problem in the country and in San Antonio, and Mr. Hernandez confirmed that University Health is the only health care system in town that provides emergent dental care. Mr. Adams shared with his colleagues that over the years, he has met people with severe dental issues that seriously impact their lives, such as, their ability to get a job. These issues are not necessarily emergent; however, he questioned University Health's relationship with the School of Dentistry and their willingness to provide free dental services to uninsured patients who need routine dental care. Although this contract pays the School of Dentistry 100 percent the allowable Medicaid rate, Dr. Hromas stressed the fact that Medicaid does not cover any type of dental service despite the American Dental Association's efforts, for years, to get dental coverage on the Medicaid schedule of benefits. However, the UT School of Dentistry has an outpatient clinic run by 140 dental students who see uninsured patients free of charge. Mr. Banos added that there are other health entities in town that provide outpatient dental services for this population on a sliding scale. Dr. Hromas also noted that there are several dentists at UT Health who travel to third-world countries to provide free dental services. For example, Dr. Peter Loomer spends the summer in Kenya providing dental services. Mr. Adams suggested on behalf of University Health's uninsured population, that the staff further develop the relationship with the School of Dentistry to expand a dental program that is suited and affordable for uninsured patients.

FOLLOW-UP: As indicated above by Mr. Adams.

FINANCE:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A RESOLUTION EXPRESSING OFFICIAL INTENT TO FINANCE AND REIMBURSE WITH TAX-EXEMPT OBLIGATION PROCEEDS EXPENDITURES TO BE INCURRED FOR THE ACQUISITION OF REAL PROPERTY AND THE CONSTRUCTION AND EQUIPPING OF AND IMPROVEMENTS TO REAL PROPERTY PRIOR TO THE ISSUANCE OF SUCH OBLIGATIONS — REED HURLEY/GEORGE B. HERNÁNDEZ, JR.

SUMMARY: In support of the Capital Improvement Program to construct community hospitals in the underserved areas of the County, on September 6, 2022, staff will request approval of a Parameters Order from Bexar County Commissioners Court which will allow University Health to complete the financing process by pricing or selling bonds and is valid for one year. After pricing, it takes approximately 30 days to close on the sale and receive the funds. The process to acquire funding by issuing bond debt normally takes several months to complete. Bond funds have restrictions that require them to be spent in a specified period of time, the best practice is to expend bond funding before other funding sources to avoid any compliance issues related to the timing of the expenditures. A Reimbursement Resolution allows bond issuers to be reimbursed for the funds spent prior to the bond issuance on items related to the capital improvement project from the bond proceeds once they are received. If University Health incurs any expenses associated with the Project before the bond proceeds are received, the Reimbursement Resolution will allow University Health to apply those expenses to the bond funding.

RECOMMENDATION: Staff recommends the Board of Managers approve the Reimbursement Resolution provided today related to bond funding for the Capital Improvement Program.

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 THE FINANCIAL REPORT FOR JUNE 2022 — REED HURLEY

SUMMARY: University Health's consolidated bottom line for the month of June 2022 reflects a gain of \$21.5 million, \$20.1 million better than the budgeted gain of \$1.4 million. This gain to budget is a combination of positive net patient revenue of \$40.5 million offset by higher than budgeted medical services of \$10.0 million and employee compensation of \$8.7 million. In June, clinical activity (as measured by inpatient discharges) was down 2.0 percent for the month compared to budget and inpatient days were down by 1.8 percent. Surgical cases and Emergency Department visits were both over budget 23.2 percent and 7.2 percent respectively. Community First Health Plans, Inc., (Community First) experienced a bottom line gain of \$6.5 million, which was \$5.3 million better than the budgeted gain of

\$1.2 million. Community First fully insured membership was up 6.1 percent to budget. Premium revenue and claims expense are still experiencing variances from the original budget due to the late approval and catch up payments related to the CHIRP/UHRIP program. Staff expects these variances to normalize after August. Mr. Hurley reviewed significant items from the Monthly Consolidated Statement of Revenues and Expenses.

RECOMMENDATION:

Staff recommends approval of the financial reports subject to audit.

ACTION:

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

EVALUATION:

Discussion ensued regarding supplemental funding and net patient revenue, which is over budget \$40.5 million driven by a \$21 million catch up on UHRIP payments, a \$5 million dollar commercial insurance settlement and improvement in payer mix, high acuity of inpatient activity, and higher outpatient procedural volumes. Supplemental revenue under budget \$1.0 million due to the loss of DSRIP revenue of \$3.4 million related to the unapproved status of the program in 2022 and partially offset by enhanced FMAP for other supplemental programs. Community First premium revenue under budget \$4.7 million related to \$14 million in experience rebate expense offset by the recording of additional UHRIP program payments for State Fiscal Year 2022. Mr. Adams highlighted two categories that have consistently impacted operating expenses for 2022 - employee compensation and medical supplies. He was interested in knowing how the staff monitors these expenses, to which Mr. Hurley replied that increased costs for medical supplies are due to availability; while employee compensation is over budget \$8.7 due to higher than budgeted temporary personnel expense of \$11.8 million offset by a lower than budgeted 2022 pension expense of \$1.2 million. Lower than expected expense was provided by third-party actuaries for the month as compared to budget. The positive benefit variance will continue through the remainder of 2022. Mr. Banos assured the Board of Managers that senior staff is not losing sight of productivity issues brought on by having temporary staff. Directors are being asked to justify any new positions requested and to be careful with budget planning for 2023. Mr. Hasslocher was pleased with the results for the month; he encouraged staff to tread carefully for the remainder of the year and keep an eye on these expenses.

FOLLOW-UP:

None.

IFORMATION 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

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 6:58 pm.

James R. Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary