



**BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, July 28, 2026
6:00 pm
Cypress Room, University Hospital
4502 Medical Drive
San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

Jimmy Hasslocher, Chair
Anita L. Fernández, Vice Chair
Margaret Kelley, MD
Beverly Watts Davis
Melinda Rodriguez, PT, DPT.
Patricia (Pat) Jasso

OTHERS PRESENT:

Edward Banos, President/Chief Executive Officer, University Health
Bill Phillips, Executive Vice President/Chief Operating Officer, University Health
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health
Dr. Bryan Alsip, Executive VP, Chief medical Officer, University Health
Robert Hromas, MD, Dean and Professor of Medicine, UT Health San Antonio
And other staff attendees.

CALL TO ORDER:

Mr. Hasslocher called the Board meeting to order at 6:02pm.

INVOCATION AND PLEDGE OF ALLEGIANCE — *Jimmy Hasslocher, Chair*

Invocation – John Flores, University Health Chaplain — *Jimmy Hasslocher, Chair*

Mr. Hasslocher led the pledge of allegiance.

PUBLIC COMMENT: None

SPECIAL REPORT:

Quarterly Employee Recognition Awards — *Andrea Casas/Leni Kirkman*

Nursing Professional:	Glaiza Shyr Anne Pascual Staff Nurse III, Neuroscience Intensive Care Unit
Health Care Professional:	Jorge Brambila Clinical Pharmacist II, Pharmacy Outpatient
Business Professional:	Tomas Solorio Epic Analyst II, Epic Operations
Management:	Victoria Johnson, Employee Relations Manager, Human Resources
Technical:	Brittany Rivera, Technical Supervisor, Histocompatibility
Clerical:	Hilary Brown, Senior Administrative Assistant, Operations Support-Critical Care
Service:	Carlos Carrillo Carrazco, Police Officer IV, Protective Services
Volunteer:	Ann Megee, Volunteer, Volunteer Services
Advanced Practice Provider:	Mark Gwin Family Nurse Practitioner, UMA North
Physician:	Andrew Dinh, Staff Physician, UMA Primary Care
Team:	The Neonatal Intensive Care Therapy Team: Cara Argumedo, Nicole Bott, Kelci Jackson, Victoria Loza, Laura Quintanilla, and Keely Surprenant

All of this year's quarterly recipients will be our special honored guests at the Annual Employee Recognition Awards Ceremony. Employees of the Quarter receive a plaque, embossed pen and an opportunity to select one of numerous awards valued at \$100 on the Employee Recognition website.

Approval of Minutes of Previous Meeting: June 30, 2026 (Regular Meeting)

SUMMARY: The minutes of the Board meeting of Tuesday, June 30, 2026 were submitted for the Board's approval.

RECOMMENDATION: Staff recommends approval of the minutes as submitted.
COMMENTS /DISCUSSIONS: Minutes approved pending amendment to page 8 of 9 noting dual Board Members listed in ACTION section on Motion to Approve listing Dr. Kelley, Miss Fernandez and second motion was made by Miss Fernandez. Recommendation to remove duplicate Miss Fernandez from Motion to Approve.

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

EVALUATION: None
FOLLOW UP: None

Report from UT Health San Antonio — Francisco G. Cigarroa, M.D., EVP/Health Affairs and Health System.

SUMMARY: Dr. Cigarroa noted a very busy month working with Dean Hromas on a smooth transition as Dr. Hromas steps into his new role of Hematologist/Oncologist. Dr. Cigarroa expressed his gratitude for Dean Hromas' contributions. Dean Hromas commented that he will be around to assist Dr. Cigarroa as he will be Interim Dean as well. Dean Hromas commented on how AI is helping make medicine better as presently it is being utilized to re-checking the colonoscopy films to ensure a polyp was not missed while the scope is still in the patient to avoid a patient having to do the same procedure over. Dean Hromas added that Dr. Kelley mentioned a famous Lupus Researcher on the council for NIH for Auto immune diseases, Laurence Morel, PhD, And his team discovered a probiotic that decreases the symptoms of Lupus.

NEW BUSINESS:

Consent Agenda — Jimmy Hasslocher, Chair

Consideration and Appropriate Action Regarding Medical-Dental Staff Membership and Privileges — Michael Little, M.D., President, Medical/Dental Staff

Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Professional Practice Evaluations and Delineation of Privileges — Michael Little, M.D., President, Medical/Dental Staff

Consideration and Appropriate Action Regarding Telemedicine Privileges — Bryan Alsip, M.D.

Consideration and Appropriate Action Regarding Professional Services Agreements with Alamo Area Resource Center and San Antonio AIDS Foundation Funded Through the Texas Department of State Health Services and in Support of Ryan White Part B Services for Individuals Affected by HIV— Anna Taranova, M.D.

Consideration and Appropriate Action Regarding an Amendment to the Professional Services Agreement between University Medicine Associates and UT Health San Antonio for Vascular, Family and Community Medicine, and Specialty Critical Care Services — Monika Kapur, M.D./Edward Banos

Consideration and Appropriate Action Regarding a Contract with Employee Assistance Program with Compsych Corporation — Andrea Casas

Consideration and Appropriate Action Regarding a Lease Amendment with MJC Family LP to Extend the Kennedy Clinic Lease at 1831 S. General McMullen Dr., San Antonio, Texas 78226 — Christa Olvera

Consideration and Appropriate Action Regarding a Contract with Ackerman & Co. LLC to fund Clinic Improvement Costs for Advanced Heart Failure Space within Tower II of the Babcock Towers, Suite 105, located at 2833 Babcock Road, San Antonio, Texas 78229 — Christa Olvera

Consideration and Appropriate Action Regarding a Contract Renewal Between Community First Health Plans, Inc., and Clarity Software Solutions, Inc., for Member Fulfillment Services — Theresa Scepanski

Consideration and Appropriate Action Regarding a Contract Renewal Between Community First Health Plans, Inc., and Hyland Software, Inc., for Document Archiving, Processing, and Retrieval, Implementation Services, and Maintenance and Support for OnBase Software Licensing — Theresa Scepanski

Consideration and Appropriate Action Regarding a Sublease Agreement Between Community First Health Plans, Inc. and Center for Health Empowerment in South Texas — Theresa Scepanski

Consideration and Appropriate Action Regarding the 2nd Quarter Investment Report — Reed Hurley

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) — Reed Hurley/Travis Smith

SUMMARY: University Health's Purchasing Consent package consists of new contracts or modifications to existing contracts that require Board of Managers approval. The items are generally supply and third-party service contracts that support routine, day-to-day business operations.

The Consent Agenda is typically approved through one motion and vote; however, the Board may select or pull individual items for separate discussion and action. The package is organized into two sections. "Attachment A" provides the list of each item under consideration by the Board. The subsequent numbered pages correspond to the reference numbers shown in Attachment A and provide supporting details for each proposed contract included in the Purchasing Consent agenda.

University Health's Purchasing Consent attachment for July 2026 includes 19 proposed contracts requiring Board of Managers action. The total approval amount requested for these 19 contracts is \$23,082,404. All other Board of Managers' agenda items and contracts will be addressed and approved separately by the Board.

RECOMMENDATION: Staff recommends Board of Manager's approval of:

- 1) Purchasing Consent Agenda Items; and,
- 2) Purchasing Consent Attachment "A" in the amount of \$23,082,404

COMMENTS /DISCUSSIONS: None

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

EVALUATION: None

FOLLOW UP: None

Action Items:

Consideration and Appropriate Action Regarding a Lease Agreement with 3135 MacArthur Plaza, LLC for Clinic Space at 3133 Nacogdoches Road, San Antonio, Texas 78217 and Approval of Tenant Improvement Costs and Related Furniture, Fixtures, Medical Equipment, and Information Technology Equipment Costs — Christa Olvera

SUMMARY: University Health seeks Board approval for a 128-month triple-net lease at 3133 Nacogdoches Road to replace the space-constrained Naco Perrin Clinic. The current 4,391-square-foot clinic has 11 shared exam rooms for Women's and Pediatric Primary Care.

The proposed 8,400-square-foot location—within two miles—will include 16 exam rooms, an NST room, ultrasound room, procedure room, larger medication room, and expanded staff workspace. The move is expected to increase patient capacity, improve clinic flow, and enhance the patient experience.

The lease includes eight months of base-rent abatement, followed by rent starting at \$20 per square foot with 3% annual increases. Total base rent is \$1,918,096, and estimated CAM/operating expenses are \$548,649, bringing total lease costs to \$2,466,745. The agreement also provides two five-year renewal options and a right of first refusal for adjacent space. The lease cost should be budget operational expense.

Renovation and equipment costs total \$2,908,365, including \$1,925,163 in net design and construction after a \$585,620 tenant-improvement allowance, \$346,272 for furniture/equipment, \$472,736 for IT, \$92,479 for security, \$56,715 for signage, and \$15,000 for artwork.

RECOMMENDATION: Staff recommends the Board of Managers approve the Lease Agreement with 3135 Macarthur Plaza, LLC for an initial one hundred twenty-eight month term and related project and other associated costs in a total amount not to exceed \$5,375,110.

COMMENTS /DISCUSSIONS: Dr. Kelley asked for background of how many patients the operation presently and who is staffing the clinic, UH, UMA or UT Health physicians? Mr. Banos commented on a Lease Agreement that UT provides an OB/GYN for one to two days, a full-time Nurse Practitioners that see patients and about 200 deliveries a year that come from the Naco-Perrin clinic that come to University Health. The clinic has outgrown the space. Mr. Banos added that we are looking at providing Pedi ENTs. Mr. Banos will follow-up with numbers. Further discussions ensued.

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

EVALUATION: None

FOLLOW UP: None

Consideration and Appropriate Action Regarding the 2026 Bexar County Hospital District Tax Rate Recommendation to Commissioners Court in Support of the District's Operating and Capital Budget and Debt Service Outlook for FY 2027 —Reed Hurley/Edward Banos

SUMMARY: University Health recommends keeping the 2026 Bexar County Hospital District property tax rate unchanged at \$0.276235 per \$100 of valuation to support FY2027 operations, capital needs, and debt service. The estimated components are \$0.234943 for maintenance and operations and \$0.041292 for interest and sinking/debt service. The rate is projected to generate \$659.3 million: \$560.8 million for operations and \$98.5 million for debt service—about \$4.7 million less than the prior year.

Estimated market value rises \$6.5 billion to \$329.2 billion, while taxable value falls from \$245.9 billion to \$242 billion because of exemptions. The \$30,000 over-65 exemption benefits more than 165,000 households and reduces taxes by \$12.6 million. The 20% homestead exemption reduces the average taxable homestead value by \$60,902 to \$267,256, lowering University Health revenue by \$66.8 million. The average homestead tax is \$738.25.

Major FY2027 pressures include opening Retama and Palo Alto hospitals, scheduled for February and April 2027. Their pre-opening and ramp-up costs are expected to negatively affect results by \$120 million. Supply expense is projected to rise 6%, or \$38 million, despite more than \$10 million in 2026 savings; medical services increase 4%, or \$12 million. The UT Health physician-services contract exceeds \$250 million annually. Separately, \$40 million in county and federal recovery funds supported two health centers opened in 2025.

Medicare/Medicaid: Approximately 50% of University Health patients are covered by Medicare or Medicaid, making federal changes a major revenue risk. The document anticipates Medicare/Medicaid cuts, tighter Medicaid eligibility reviews, and reductions in Directed Payment Programs; Texas Medicaid enrollment is already down 1% in 2026. The terminated DSRIP program previously provided about \$80 million annually. For 2026, University Health expects \$128 million in uncompensated-care funding, \$7.5 million in DSH funding, and a \$185 million net benefit from five DPPs. Combined UC, DSH, and DPP funding is projected to remain near \$350 million in 2027. Texas Medicaid expansion could cover roughly 1 million Texans and help offset approximately \$30 million in 2025 out-of-county indigent-care costs.

RECOMMENDATION: Staff recommends the Board of Managers request Commissioners Court to set the 2026 total tax rate in support of University Health's operating and debt service requirements for 2027 at a total tax rate of \$0.276235 per \$100 property valuation.

COMMENTS /DISCUSSIONS: Miss Watts Davis commented on the expanded role that University Health may play in public health overall and the expanded role in assuring that we are managing behavioral health. The topic of Behavioral Health, overview of citizens in the community uninsured vs insured. Further discussions ensued. Mr. Hasslocher thanked Reed Hurley and his team, Executive Team and UT Partners for the continued partnership and of the good job on forecasting for the years to come.

ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Ms. Rosdriguez, **SECONDED** by Ms. Watts Davis, and **PASSED UNANIMOUSLY**.

EVALUATION: None

FOLLOW UP: None

Finance Agenda – Jimmy Hasslocher, Chair

Consideration and Appropriate Action Regarding the Financial Report for June 2026 — Reed Hurley

SUMMARY: The June 2026 financials showed University Health's consolidated bottom line for the month to reflect a gain of \$10.9 million, \$3.7 million better than the budgeted gain of \$7.2 million. This gain to budget is primarily due to patient activity driving positive net patient revenue increase of \$17.5 million partially offset by higher than budgeted supply expense of \$8.3 million.

In June, clinical activity (as measured by inpatient days) was up by 4.5% and inpatient discharges were higher than budget by 7.5%. June average length of Stay of 6.2 days continues to improve compared to budget of 6.4 days and prior year of 6.8 days. Other volumes exceeded prior year's performance across most key service delivery areas.

Community First experienced a bottom-line gain of \$275 thousand, which was \$6.0 million less than the budgeted gain of \$6.2 million. Community First had a risk adjustment pickup of \$9.4 million offset by increased Medical Claims expense of \$12.5 million related to increasing medical liability reserves. Community First membership is down 2.2% compared to Budget.

Operating Revenue:

- Net patient revenue is over budget by \$100.7 million, 11.3% driven higher patient volumes, increase in commercial patients and the continued growth of retail pharmacy volumes.
- Supplemental revenue is over budget by \$2.9 million, 2.5%.
- Community First premium revenue was under budget \$3.1 million, 0.4%.

Operating Expense:

- Employee Compensation is over budget by \$11.0 million, 1.6%. This is driven by the volume increases and the one-time salary increases.
- Purchase Services are over budget by \$3.6 million, 1.6%, primarily related to the timing of projects and increases in Transplant volume.
- Supplies are over budget by \$15.4 million, 4.9%.
- Community First claims expense are over budget by \$22.1 million, 3.5%.

Non-Operating Expense:

- Investment income of \$35.7 million is over budget by \$2.1 million, 6.4%.
- A net unrealized loss of \$2.3 million has been recorded.

Consolidated Balance Sheet Report:

- Days Revenue in Patient Accounts Receivable: 33.3 days on a budget of 35.0 days.
- The Community Hospitals project has a total expected budget of \$1.53 billion in board approved contracts. Total payments of 1.0 billion have been paid to date leaving \$528 million encumbered. \$1.45 billion in cash and bond proceeds have been funded for the project and additional cash reserves will be allocated over the next two years to fully fund the project.
- The Babcock Specialty Hospital & MOB project has a total expected and approved budget of \$176 million of which \$124.2 million has been spent.
- Unencumbered funds reserved for future capital needs has a balance of \$107.6 million.
- University Health's Net Asset Value has increased \$118 million, year to date, on a Generally Accepted Accounting Principles (GAAP) basis including debt service revenue and interest expense on bonds.

RECOMMENDATION: Staff recommends approval of the June 2026 Financial Report subject to audit.

COMMENTS /DISCUSSIONS: Miss Watts Davis asked who leads our grant activities in terms of seeking Federal grants and specifically resources to pay for jail needs. Mr. Banos commented that Dr. Roberto Villarreal previously led that program and recently retired; Dr. Anna Taranova has since been working in that capacity, she works with Ryan White Grant, the Mama Bear – Baby Bear and other grants we get. Further discussions ensued.

ACTION:

A **MOTION** to **APPROVE** staff's recommendation was made by Ms. Fernández, **SECONDED** by Ms. Watts Davis, and **PASSED UNANIMOUSLY**.

EVALUATION:

None.

FOLLOW UP:

None

Presentations and Education:

University Health Surgery Center MAC at One Year! — Ian Mitchell, M.D.

SUMMARY: University Health's Surgery Center at Morgan's Multi-Assistance Center completed its first year, expanding ambulatory surgical access for children, adults, and patients with special needs. The facility has five operating rooms, five pre-op rooms, and nine recovery bays and is open to University Health and community providers.

In its first year, the University Health Surgery Center at Morgan's Multi-Assistance Center completed 1,960 surgical and dental cases, representing 27% of University Health's total ambulatory surgery center volume.

- ENT: 50% of cases—approximately 980
- Dental: 31%—approximately 608
- Other services: 19%—approximately 372
- Special-needs patients served: 650, including 626 children and 24 adults—about 33% of all cases

Most Important Takeaways

1. Strong first-year utilization: Nearly 2,000 cases demonstrate meaningful demand and contribution to ambulatory surgery capacity.
2. High impact for special-needs patients: About one-third of cases involved patients requiring specialized support.
3. ENT and dental drove volume: Together, these service lines accounted for 81% of all cases.
4. Major strategic milestone: The center expands access on the Northeast Side, launched University Health's first dental service line, and is described as the first U.S. ambulatory surgery center focused on special-needs care.
5. Purpose-built care environment: Five operating rooms, five pre-op rooms, nine recovery bays, trained staff, sound-reducing features, and Child Life support enhance safety and patient experience.

COMMENTS /DISCUSSIONS: Miss Rodriguez thanked Dr. Mitchell for his presentation and the work being accomplished at the MAC and asked what percentage of patients seen outside of Bexar County and outside Texas that come here. Dr. Mitchell stated that the MAC will take care of any patient with special needs in Texas in terms of their navigation systems. Miss Watts Davis acknowledged Valerie and asked the rest of the room to acknowledge her efforts as well. Mr. Hasslocher added his appreciation to Dr. Mitchell and his staff working in a great facility.

Information Only Items:

- A. Update on the Community Hospitals — *Brian Freeman*
- B. University Health Monthly Foundation Update — *Sara Alger*
- C. Report on Recent Recognitions and Upcoming Events — *Leni Kirkman*

Adjournment: — *Jimmy Hasslocher, Chair*

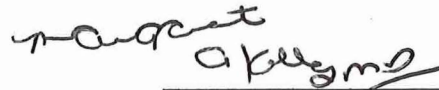
There being no further business Mr. Hasslocher adjourned the public meeting at 7:12pm. Executive Session followed.

Executive Session:

An Executive Session followed at 7:15 p.m. and concluded at 7:27 p.m. to evaluate the quality of medical and/or health care services, as permitted by Section 161.032 of the Texas Health and Safety Code.


Jimmy Hasslocher

Chair, Board of Managers



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


Janie M. Guevara, Recording Secretary

The Board of Managers may recess during the open meeting in order to hold a closed meeting. Alternatively, a closed meeting may be held before the open meeting or after its adjournment.

Closed Meeting: A closed meeting will be held pursuant to TEX. GOV'T CODE, Section 551.085 to receive information regarding pricing, market data and/or financial and planning information relating to the arrangement or provision of proposed new services and/or product lines.

Closed Meeting: A closed meeting will be held pursuant to TEX. GOV'T CODE, Section 551.085 to receive information regarding pricing or financial planning information relating to a bid or negotiation for the arrangement or provision of services or product lines to another person if disclosure of the information would give advantage to competitors of the hospital district.