



BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

By Telephone

Tuesday, June 23, 2020

2:00 p.m.

University Hospital

4502 Medical Drive

San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair

Ira Smith, Vice Chair

James C. Hasslocher

Roberto L. Jimenez, M.D, Immediate Past Chair

Robert Engberg

Margaret Kelley, MD

Thomas (“TJ”) C. Mayes, JD

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

Edward Banos, Executive Vice President/Chief Operating Officer, University Health System

Ted Day, Executive Vice President, Strategic Planning and Business Development, University Health System

Rob Hromas, MD, Dean, Long School of Medicine, UT Health, San Antonio

Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System

Bill Phillips, Senior Vice President/Chief Information Officer, Information Services, University Health System

Serina Rivela, Vice President/Chief Legal Officer, University Health System

Rajeev Suri, MD, Professor/Department of Radiology; President, Medical/Dental Staff, University Health System

Don Ryden, Vice President/Project, Design, and Construction, University Health System

James Willis, Vice President/Associate Administrator, University Hospital

And other attendees.

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

Mr. Adams called the meeting to order at 2:01 pm. On behalf of the Board of Managers, he greeted and welcomed the two newly appointed Board members, Dr. Margaret Kelley and Mr. Thomas (“TJ”) Mayes. He then yielded the floor to the Recording Secretary for the roll call to confirm a quorum. Dr. Jimenez was noted absent; and all other Board members, indicated “present.” Upon confirmation of a quorum, Mr. Adams asked Board members to hold their questions until after each presentation. Mr. Adams noted that

while members of the public are not able to ask questions during today's meeting, should any citizen or member of the media have any questions or comments, he asked they be emailed to Public.Relations@uhs-sa.com. This email address is on the Health System's corporate website in the Contact Us section. A staff member will follow up within a day or two.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Adams introduced Pastor Tom Robinson, Evangelical Lutheran Church of America, for the invocation and he led the pledge of allegiance.

PUBLIC COMMENT: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): May 19, 2020 (*Regular Meeting*)

SUMMARY:	The minutes of the regular Board meeting of Tuesday, May 19, 2020, were submitted for the Board's approval.
RECOMMENDATION:	Staff recommended approval of the Board minutes as submitted.
ACTION:	A MOTION to approve staff's recommendation was made by Mr. Hassloch, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY .
EVALUATION:	None.
FOLLOW-UP:	None.

At this time, Mr. Adams asked Dean Rob Hromas to provide an update regarding the Long School of Medicine. Dr. Hromas addressed the COVID 19 surge of patients; the number of positive cases has increased more than 20-fold. He expressed gratitude for Mr. Mike Roussos, Dr. Bryan Alsip, and Dr. Emily Volk in their work with Dr. Bob Leverence to create a buffer regarding patient beds. The Health System has testing capacity and is helping the state with the unique ability to process over 2,000 Covid-19 test results in 24 hours. Elective surgeries have been postponed again. Currently there are no cases scheduled; therefore not cancelling. Masking is required of all patients and staff at UT facilities. This time around, staff is better prepared with more staff on hand, better testing, and personal protective equipment and supplies. Both entities are going all out with public service announcements to educate the public, with UT Health launching a social media campaign last week titled "*Masking Saves Lives.*" People mask out of respect for their neighbors, to not make them sick. Regarding recent protests against racism and inequality, the Long School of Medicine held an event, "*White Coats for Black Lives.*" Approximately 1,200 people attended; 150-200 faculty, 600 medical students, and 100 nursing students. It was a great crowd, UT Police were involved as well, they sponsored a hydration station, and the event was a tremendous show of unity for restorative justice. By the same token, UT Health San Antonio has added one full day of mandatory training for all students, faculty and staff on how to go from by-stander to up-standing racial inequality and how to de-escalate such situations without violence. Dr. Hromas thanked Health System leadership for the wonderful partnership in fighting Covid-19. UT Health SA has set up their own Covid-19 testing mainly for UT patients at the UT Dental Building. Unfortunately, Dr. Hromas predicts at last two more weeks of this surge. Back-up hospital teams have been activated and he was proud to report that there has yet to be one case where a patient has transmitted Covid-19 to the physician.

Mr. Smith asked how screenings for Covid-19 are being handled at Health System clinics. The clinics are conducting the same screening and masking process being used at University Hospital. University Medicine Associates has adopted tele visits and telehealth. The resident clinic at Robert B. Green also went from in person visits to telehealth. If a patient needs to come in for a clinical visit, there is signage indicating that masking and social distancing are required in all of the clinics. All of the ambulatory

clinics are operating to some degree, Express Med has seen an increase in visits. The majority of the physicians are encouraging tele visits, and some of the more remote locations ask visitors to wait in the car until provider is ready to see them. At the present time, Health System clinics are testing only symptomatic patients and sending asymptomatic patients to Metropolitan Health District. Dr. Kelley asked about the process within a clinic for a patient to get tested. Patients who suspect they have COVID are tested when they present with symptoms. Those patients who are being admitted and are suspicious for Covid-19 are directly admitted to a special unit. Staff is not turning patients away, only re-directing them to appropriate testing sites. Mr. Adams urged the staff not talk to friends and families about the number of Covid patients at University Hospital since Mayor Nirenberg and Judge Wolff are only sharing the total number of patents in local hospitals. Mr. Hernandez agreed that it is important to communicate with the community that this surge is real and every age group is being affected, not only the elderly. More recently, the largest single age group is 40 to 49 years old, and it appears to be growing on the younger age groups.

CONSENT AGENDA – JIM ADAMS, CHAIR

REPORT FROM THE NOMINATING COMMITTEE AND ELECTION OF THE BOARD OF MANAGERS SECRETARY — ROBERT ENGBERG, CHAIR, NOMINATING COMMITTEE

CONSIDERATION AND APPROPRIATE ACTION REGARDING RE-APPOINTMENTS TO THE BOARD OF TRUSTEES OF THE CENTER FOR HEALTH CARE SERVICES — ROBERT ENGBERG, CHAIR, NOMINATING COMMITTEE

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN APPOINTMENT TO THE BOARD OF DIRECTORS OF COMMUNITY FIRST HEALTH PLANS, INC. — ROBERT ENGBERG, CHAIR, NOMINATING COMMITTEE

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN APPOINTMENT TO THE UNIVERSITY HEALTH SYSTEM FOUNDATION BOARD OF DIRECTORS — ROBERT ENGBERG, CHAIR, NOMINATING COMMITTEE

SUMMARY: Report from the Nominating Committee and Election of the Board of Managers Secretary — Robert Engberg, Chair, Nominating Committee – Board Bylaws call for the Election of Officers annually in September and they allow for the election of an officer to fill the unexpired term for a position left vacant due to loss of Board membership at the next regular meeting of the Board, as is the case with Dr. Dianna Burns. The Nominating Committee recommends the election of Mr. James C. Hasslocher to fill the unexpired term of the Board Secretary position previously held by Dr. Dianna Burns effective immediately through September, 2020.

Consideration and Appropriate Action Regarding Re-Appointments to the Board of Trustees of The Center For Health Care Services — Robert Engberg, Chair, Nominating Committee – Richard Usatine, M.D., has represented the Board of Managers on the Center’s Board of Trustees since August, 2009. He currently serves on the Planning & Operations Committee, bringing a wealth of knowledge to the Center. Graciela Cigarroa, J.D., has represented the Board of Managers on the Center’s Board of Trustees since July, 2014. Currently, she serves as Board

Secretary, member of the Finance Committee, member of the Center's Advisory Committee, and President of the Center's Foundation Board. The Nominating Committee recommends the re-appointment of Dr. Usatine and Ms. Cigarroa to The Center for Health Care Services Board of Trustees for a two year term beginning July 1, 2020 through June 30, 2022.

Consideration and Appropriate Action Regarding An Appointment to the Board of Directors of Community First Health Plans, Inc. — Robert Engberg, Chair, Nominating Committee - Mr. Thomas C. ("TJ") Mayes was appointed to the Board of Managers by Judge Nelson Wolff on May 12, 2020. He is a local attorney in private practice with public service interests centered on healthcare and education. Currently, he is the chair of the Bexar County Opioid Task Force. The Nominating Committee recommends the appointment of Mr. T.J. Mayes to fill the unexpired term of Dr. Johnny Lovejoy, II, effective immediately through September 30, 2021.

Consideration and Appropriate Action Regarding An Appointment to the University Health System Foundation Board of Directors — Robert Engberg, Chair, Nominating Committee - Dr. Margaret Kelly was appointed to the Board of Managers by Judge Nelson Wolff on May 12, 2020. She is a board-certified obstetrician and gynecologist in private practice, and has served on many community boards, such as, The Center for Healthcare Services. The Nominating Committee recommends the appointment of Dr. Margaret Kelley to fill the unexpired term of Ms. Janie Barrera as a Board of Managers representative on the University Health System Foundation Board of Directors, effective immediately through December 31, 2020.

RECOMMENDATION: Nominating Committee of the Board of Managers recommends approval of the appointments and re-appointments as indicated above.

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

EVALUATION: Mr. Engberg noted the quality of Board appointees who serve and he thanked Dr. Kelley and Mr. Mayes for their willingness to serve on subsidiary committees.

FOLLOW-UP: None.

ACTION ITEMS – JIM ADAMS, CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A LEASE AMENDMENT WITH 5282 MEDICAL DR., LLC FOR THE NW FAMILY HEALTH CLINIC — DON RYDEN

SUMMARY: The NW Family Health Center located at 7726 Louis Pasteur operates out of leased space owned by Methodist Healthcare Ministries (MHM).

The lease for the facility ends July 31, 2020 but MHM is willing to extend the lease through December 31, 2020 to allow for a smooth transition to another location. The NW Family Health Center serves as a primary care hub for northwest Bexar County. To better serve this large geographic area, staff recommends a lease of two separate locations. In January 2020, the Board of Managers approved a lease for a NW Pediatric and Women's Health Services Clinic at the Westgate Medical Office Building located at 5282 Medical Drive. This lease allowed the Health System to co-locate both pediatric and women's services. This proposed lease allows the Health System to supplement those services with adult primary care in an adjacent 3939 sq. ft. suite (Suite 250). Co-location of these clinics improves efficiency of back office operations. The landlord has agreed to amend the current lease to include the additional clinical space at the existing rental rate and terms. This base rental rate is \$27.00 per sq. ft., with annual escalations of 3 percent. The landlord will provide a \$25.00 per sq. ft. allowance for tenant improvements. The landlord is 5282 Medical Dr., LLC, as successor in interest to Welltower OM Group, LLC. The lease term will be for five (5) years commencing on the date a certificate of occupancy is issued by the City of San Antonio, but no later than sixty (60) days following Lease execution. The lease expense for the five (5) year term is approximately \$568,512. Mr. Ryden reviewed annual base rates amounts for years one to five. The rental rate is on a modified gross basis which includes an operating expense stop for the calendar year 2019 at \$11.96 per sq. ft. Assuming a 2 percent escalation per year in operating expenses, Mr. Ryden reviewed annual expense for year one through year five not to exceed \$3,896. The landlord is providing a tenant improvement allowance of \$98,475 (\$25 per sq. ft.). The cost of the renovations required for this space is not expected to exceed this amount. The costs for setting up the necessary information technology components at this location are estimated to be \$ 81,616. In addition, estimated expenditures as part of the associated costs for occupying this space are at \$ 24,500. As an affiliate of Welltower, Inc., 5282 Medical Dr., LLC is a single purpose entity and has no employees. The local branch office of the Welltower management group has a total of four employees. The workforce composition data was provided for the Board's review.

RECOMMENDATION: Staff recommends Board of Managers' approval of lease Amendment with 5282 Medical Dr., LLC for Suite 250 at 5282 Medical Drive, San Antonio, Texas. The five year cost of the lease is \$568,512. In addition to the lease agreement, staff recommends Board or Managers approve I.T. expenditures of \$81,616 and the purchase of medical equipment and furniture, and other related costs at a cost not to exceed \$24,500.

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

EVALUATION: None.

FOLLOW-UP: None.

Dr. Jimenez phoned in at 2:33 pm.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A LEASE AGREEMENT WITH HUEBNER COMMONS, LTD. FOR THE NW WOMEN'S HEALTH CENTER — DON RYDEN

SUMMARY:

This second clinic site is located at Huebner Commons, 11703 Huebner Road, San Antonio, Texas. The clinic will be staffed with two full time primary care providers and support a grant funded program for women that need Opioid-related Sub Oxone treatment. Volume for this location is estimated to be 6,800 patient encounters per year. The grant will be used to help pay the rental expense. The proposed new location is a former urgent care clinic at Huebner Commons, at 1703 Huebner Road. This vacant clinic is already built out and will require only minor modification. The space is 2283 sq. ft. and the Health System will also be able to purchase the existing furniture at a reduced price of \$15,000 from the bank lien. The furniture is estimated to have a value at over \$50,000 and is in excellent condition. This base rental rate is \$24.00 per sq. ft., with annual escalations of \$.50 per sq. ft., (or approximately 2 percent per year). The lease term will be for five (5) years commencing on the lease execution date. However, the rent will not start for sixty (60) days following lease execution.

The base rental rates for the five-year term total: \$285,375

The rental rate is on a triple net basis with includes a common area maintenance (CAM) charge for the first year of \$10.78 per sq. ft. This CAM charge covers the tenant's pro-rata share of taxes, insurance, and other related real estate expenses: Assuming a 2 percent escalation per 987 year in operating expenses, the additional estimated rental expenses that will be incurred for year one through year five:

\$413,452

Total construction costs for minor renovations are estimated not to exceed: \$42,317

Total costs for setting up the necessary information technology components at this location: \$129,539

Total estimated expenditures for associated costs for occupying this space: \$29,500

Huebner Commons, Ltd. utilizes local contract help; and does not directly hire employees.

RECOMMENDATION:

Staff recommends Board of Managers' approval of a five (5) year lease agreement with Huebner Commons Ltd. located at 1703 Huebner Road, San Antonio, Texas in the amount of \$413,452. In addition to the lease agreement, staff recommends the Board or Managers approve miscellaneous construction costs of \$42,317, I.T. expenditures of \$129,539 and the purchase of medical equipment and furniture, and other lease related costs up to but not exceeding \$29,500.

- ACTION:** A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Mr. Mayes, and **PASSED UNANIMOUSLY**.
- EVALUATION:** Women's services to be provided at this location include post-partum care for those women in the Mommy's Program and other postpartum-opioid-dependent women enrolled in grant-funded programs, in addition to counseling services. This location will not have a dedicated obstetrician. Primary care services will be provided by family practitioners at the 5282 Medical Drive location (also known as Westgate).
- FOLLOW-UP:** None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH DELOITTE TRANSACTIONS AND BUSINESS ANALYTICS, LLP FOR CONSULTING AND CONSTRUCTION AUDITING SERVICES — JOSHUA NIETO/LARRY WALLIS

- SUMMARY:** Staff is seeking professional auditing services for the Health System's current Capital Improvement Program (CIP) to ensure good stewardship of resources and to maximize the Health System's ability to carry out its mission to the community. The Women's and Children's Hospital and associated projects exceed \$675 million. Deloitte Transactions and Business Analytics, LLP has more than thirty-five (35) years' experience conducting construction audits, and Mr. Nieto described similar projects they previously worked on across the country, in addition to the Health System's Sky Tower and Robert B. Green campus expansions. Given Deloitte's prior demonstration of its ability to provide competent construction related consulting and auditing services as well as the fiscal impact of the project, the staff began negotiations with Deloitte for expert professional services in construction auditing and general consultation services. Deloitte's proposed audit team for the Health System's current CIP Project includes accountants and engineers with healthcare construction auditing, consulting, and risk and fraud advisory experience. Mr. Nieto reviewed the scope of professional services in detail during his presentation. Deloitte will ensure that bond funding expenditures in furtherance of the project meet or exceed regulatory requirements. The audit will also better ensure good stewardship of resources and maximizes the Health System's ability to carry out its mission to the community. The proposed term of the contract is three years with the option to renew for up to two additional one-year terms at the discretion of the Health System. For the proposed contract, pricing will remain fixed throughout the initial three-year contract term with a maximum financial outlay of \$693,600. This is a planned operating expense that will be incurred over three years. The workforce composition data for Deloitte Transactions & Business Analytics LLP was provided for the Board's review. The audit team will also include a local, Minority-owned-certified Business consultant with past experience supporting the Health System's projects. Deloitte proposes to engage Garza Gonzales & Associates to assist in the audit work with a commitment to subcontracting at least 18 percent of the total professional

- services to the local firm. Garza/Gonzalez & Associates is a certified HUB, MBE and SBE local business.
- RECOMMENDATION: Staff recommends approval of the selection of Deloitte Transactions and Business Analytics, LLP to provide auditing and consulting services for the Health System's Capital Improvement Project for an amount not to exceed \$693,600 for the initial three year term and an amount not to exceed \$195,200 per renewal term thereafter.
- ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Smith, **SECONDED** by Mr. Hasslocher, and **PASSED UNANIMOUSLY**.
- EVALUATION: Mr. Smith commended the community outreach efforts by Deloitte. Mr. Engberg expressed support for the staff's recommendation, saying that this is a very appropriate activity that saved dollars with the Sky Tower when significant items were discovered.
- FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH U.S. FOOD FOR FOOD DISTRIBUTION SERVICES — JIM WILLIS

- SUMMARY: The current Labatt food distribution contract with University Health System expired on December 31, 2019. The contract was extended to allow the evaluation committee adequate time to review RFP solicitations for a new contract. The food distributor will supply food products for all Health System locations. On December 9, 2019, a Request for Proposal (RFP) was published by University Health System for the provision of food distribution services. The RFP required respondents to provide written answers and/or data for the key criteria, such as product pricing, rebates and discounts, scope of services, qualitative responses, and facility locations. By January 21, 2020, five responsive submittals were received by the Health System from Ben E. Keith Foods, Labatt Food Service, LLC, Gordon Food Service, Inc., Sysco Food Services, and U.S. Foods. Labatt Food Service, LLC and U.S. Foods were identified as the top two scoring finalists. The evaluation committee recommended that the two finalists provide the Health System with best and final offer by February 10, 2020. After careful consideration, the evaluation committee recommends full award of the contract to U.S. Foods as best value for the Health System, the deciding factor for this selection being pricing. The proposed three-year contract with U.S. Foods shall not exceed \$15,100,000. In partnership with Premier, the Procurement Department will evaluate contract performance on a quarterly basis to include review of invoices, discounts/savings, and rebates. There will be additional opportunities to move another \$1M per year in purchases from other vendors to this agreement which would generate even further savings for the Health System. Through Premier, the three year savings is comprised of \$476,000 in lower food costs for the top usage items, \$1,068,000 in tier savings, and \$912,000 in delivery drop rebates. These rebates are additional incentives for the Health System and not part of the calculated savings of \$2.4 million. The workforce composition data for U.S. Foods was provided for the Board's review. U.S. Food, Buda Division is considered a local business enterprise due to the contract with Premier. .
- RECOMMENDATION: Staff recommends that the Board of Managers approve a non-assignable

- food service contract for three years in the total amount of \$15,100,000 with two additional one year renewal terms with U.S. Foods.
- ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Mr. Smith, and **PASSED UNANIMOUSLY**.
- EVALUATION: Mr. Hasslocher commended the staff for negotiating lower food costs along with rebates and discounts under this agreement for significant savings for the Health System. These type of contracts are not easy to negotiate. Mr. Adams thanked Mr. Hasslocher for sharing his expertise in this area, and he then stated for the benefit of the new Board members, that each Board member is tapped for their individual experience and talent.
- FOLLOW-UP: None.

Mr. Adams departed the meeting at 2:53 pm and returned at 2:55 pm.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A PROFESSIONAL SERVICES AGREEMENT WITH MEDICAL CENTER CARDIOLOGY, PLLC D/B/A CARDIOLOGY PARTNERS OF SAN ANTONIO FOR OUTPATIENT CARDIOLOGY SERVICES — JIM WILLIS

- SUMMARY: In June 2018, the Board of Managers approved a one-year agreement with Cardiology Partners of San Antonio to provide outpatient cardiology consult services. This pilot program was initiated to reduce the growing number of unseen patients in the Health System cardiology queue. Prior to this agreement, cardiology consult services had been solely provided by UT Health San Antonio since 2009. In March 2017, University Medicine Associates (UMA) hired a dedicated cardiologist to support cardiac consults. By May 2018, the cardiology queue of unseen patients had peaked at 580 unseen patients with an average wait time of 71 days for the next available appointment. Within the first year of this contract being initiated, the combined cardiology queue (UMA and UT) dropped to approximately 60 unseen patients with an average wait of 7 days for the next available appointment. In June 2019, the Board of Managers approved the first one-year renewal with Cardiology Partners of San Antonio. Today, the combined cardiology queue (UMA and UT) holds approximately 80 unseen patients with an average wait of 7-10 days for the next available appointment. Within the UMA practice, requests for immediate consults can be accomplished within one business day. Staff is seeking a second one-year renewal with Cardiology Partners of San Antonio. Contract services will continue to be provided at the dedicated clinic located at University Hospital on the second floor of Rio Tower. In addition to providing primary cardiac care during 2019, the clinic has continued to generate a significant volume of diagnostic testing to include 200 cardiac catheterization consults, 500 stress tests, 2,000 EKGs, 800 cardiac ultrasounds and 350 miscellaneous procedures. The clinic referred 12 patients for open heart consults and 11 for vascular consults. Mr. Willis provided a comparison of clinic volumes for the three locations during 2019 for a grand total of 8,925 clinic visits. The proposed contract with Cardiology Partners of San Antonio will be for a period of 12 months beginning July 9, 2020. Costs

remain unchanged from the initiation of the original contract at \$287 per hour. This amount was confirmed to be at or below fair market value by VMG Health, an independent valuation consultant. The total value for this contract is not to exceed \$650,000, which is a budgeted operational expense. The workforce composition for Cardiology Partners of San Antonio was provided for the Board's review. The assumptions made in the original pro forma, the contribution margin for this contract less collections was \$24,000 better than budget.

RECOMMENDATION: Staff recommends Board of Managers' approval for a contract with Cardiology Partners of San Antonio to provide outpatient cardiology services in the amount of \$650,000 for a 12-month period beginning July 9, 2020.

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

EVALUATION: Dr. Kelley was interested in knowing under which process Cardiology Partners was selected to provide this service. The Health System did not issue a formal Request for Proposals. Staff did, however, reach out to multiple entities all of which presented hourly schedules, which were in turn, reviewed by an independent valuator. Cardiology Partners was rated as having competitive hourly rates for contract services. Working with Cardiology Partners has been a very positive experience for the patients and the staff, and the practice also has a great collaboration with UT Health SA. The Health System went from a three-month wait to 7-day wait. Some of the other group practices in town were interested in learning more about the Health System and toured the clinic space at University Hospital. Dr. Kelley cautioned the staff about the need to demonstrate a very clean, written process to justify the selection of Cardiology Partners for the protection of the Health System, should a member of the community want to know which groups were approached and what they presented. Mr. Hernandez agreed with Dr. Kelley and referenced the Health System's purchasing policy which is a very detailed document that guides the staff on how to proceed when soliciting professional services. The policy allows flexibility in recruiting professional services because staff is actually looking into the professional quality of the services. Mr. Adams also cautioned the staff regarding the point brought forward by Dr. Kelly as the staff moves forward and finds itself making these type of decisions on other subjects. The Health System as a whole needs to be known as one who plays fair and square, which is part of Mr. Hernandez's philosophy, as well. Mr. Smith recalled that the Health System has struggled with this in the past and has been accused of having favorites. The purchasing policies states that the Health System will use RFPs and other methods to involve the local business community. Mr. Smith re-emphasized the importance of prioritizing local businesses. Mr. Adams, Dr. Jimenez, and Mr. Hernandez did not agree that the Health System has been formally accused in the fashion described by Mr. Smith; none could recall grievances nor accusations of not being fair. There was a time when vendors may have perceived the Health System had favorites because the staff tended to lean towards vendors who had previously done business with the Health System. Moreover, Mr. Adams was pleased with this

discussion, a reaffirmation of how important written policies and procedures are in selecting professional services. The Health System's reputation needs to be based on what the Board knows to be true, a continuation of high quality selection. Mr. Hasslocher acknowledged the staff's foresight in seeking help for its patients and in eliminating long wait periods for patients with heart problems.

FOLLOW-UP:

None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH PEDIATRIX MEDICAL SERVICES, INC. FOR PEDIATRIC AND NEONATAL SURGICAL SERVICES — ALLEN STRICKLAND

SUMMARY:

The current agreement with Pediatrix expires June 30, 2020. Health System leadership, working in conjunction with UT Health Department of Surgery leadership, has determined that it is necessary to enter into a new agreement with Pediatrix to continue providing their specialized services due to the Health System's r complex pediatric and neonatal surgical patients. This agreement with Pediatrix will ensure that the Health System maintains access to the highest quality pediatric and neonatal surgical coverage. Although UT Health provides professional services across numerous specialty areas, at the present time, UT Health does not have the specialized providers to support pediatric surgical services. The UT Departments of Surgery and Pediatrics are supportive of this agreement which complements the current UT Health Surgery and Pediatric practices at the Health System. Pediatrix is a multi-specialty group practice that has an excellent reputation for providing specialized pediatric surgical services in the community. The cost of this contract is \$650,000 per year for pediatric surgical coverage and \$150,000 per year for neonatal surgical coverage for a total of \$800,000 per year. This is a planned expense and is included in the 2020 operating budget. The workforce composition data for Pediatrix Medical Services, Inc., was provided for the Board's review. Pediatrix is a publicly traded company.

RECOMMENDATION:

Staff recommends Board of Managers' approval to execute the contract with Pediatrix Medical Services, Inc., for specialized pediatric and neonatal surgical services at a cost of \$800,000 for the year ending June 30, 2020 with an option to renew for an addition one year period under the same terms and conditions.

ACTION:

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

EVALUATION:

In light of the Board's discussion regarding Cardiology Partners, Mr. Strickland noted that this vendor provides unique specialty services that no other alternative practice in town provides. Years back they provided many of these services to other local hospitals, and they have since acquired additional physician practices. Pediatrix also provides women's services, such as maternal fetal medicine. Dr. Kelley was interested in knowing what the Pediatrics Department, in partnership with the Surgery Department at UT Health plan to do to address the shortage of pediatric surgeons and those in other subspecialties. Has there been traction over the last several years to recruit since the Health System took on this service line? Dean Hromas responded that with the opening of the new Women's and Children's Hospital, the Health System needs full-time

service dedicated to pediatric surgery and pediatric medicine, however, for now, this contract is the Health System's best bet, as they have created a monopoly. However, Pediatrix is a competent group. Dr. Hromas believes that by the time the new hospital opens, the School of Medicine will be in a better position to provide dedicated service by physicians who are dedicated to the Health System's mission. For now, Dr. Hromas fully supports work by this group at University Hospital. Many of the specialists with Pediatrix used to be full-time faculty physicians with UT Health. Mr. Adams followed up on Dr. Kelley's question regarding plans to recruit substitutes. Dr. Jimenez provided a historical perspective in that the cost of such specialty practices has always haunted the Health System. He acknowledged that these specialists are rare and competitive to recruit; however, cost has always been the main issue. In Dr. Jimenez's experience, hospitals, especially on the east and west coasts, generally rely on these type of specialty groups. Mr. Hernandez concurred that this is a step in the right direction so that the staff can control the Health System's future. As a community several years ago, a free standing pediatric hospital was not possible due to the inability to recruit such specialists. Mr. Adams thanked Mr. Hernandez and Dr. Jimenez for recounting history with the Pediatrics Department, a conversation that needs to be had and remains on the Health System's radar. He expressed appreciation for Dr. Kelly's questions.

FOLLOW-UP:

None.

ANNOUNCEMENTS:

Mr. Adams announced that after contacting each member of the Board individually, he has updated the Board Responsibility/Role and Subsidiary Board Appointment Roster identifying principals and assister roles. Board members will received an updated copy with their next Board packet. He asked to be contacted with any problem or concern regarding the assignments. These assignments are recognition of the value that each of the Board members brings to the table. Again, he welcomed Dr. Kelley and Mr. Mayes and expressed gratitude for the level of their caliber. The next meeting is planned for Tuesday, June 30, 2020 in person. However, due to the Covid-19 surge and out an abundance of caution, Mr. Hernandez has decided that it is best at this time to stick with telephonic meetings. It would have been an opportunity to meet the two new Board members in person.

Dr. Jimenez requested permission to obtain the floor. He stated that historically, organizations like the University Health System have shied away from exposing systemic racial injustices and discrimination, with the exception of the American Nurses' Association, whose President has come out publicly several times on national television to support change. He urged Mr. Adams and Mr. Hernandez to discuss what the Board of Managers can do both formally and informally to bring about change and to review the impact on healthcare disparity. It is what large organizations on the east and west coasts are doing, the time is right to bring about useful and constructive change. Mr. Hernandez concurred and informed the Board that in early June he sent a call to action letter to the workforce soliciting their ideas and comments regarding what staff can do as individuals and together as a Health System to address racial inequities to help drive future conversations, opportunities for engagement as well as action planning. He will share this same letter with the Board of Managers. Mr. Hernandez will set up a committee to review responses and develop an action plan to address some of these issues. It's his personal belief that as CEO, he needs to take a

stand on this important matter. Dr. Jimenez thanked Mr. Hernandez and requested that Mr. Adams consider assigning a Board member to work with Mr. Hernandez to review the responses, so as to elevate the matter among the workforce. Mr. Adams agreed to think about this assignment.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the Board meeting at 3:41 pm.

James R. Adams
Chair, Board of Managers

James C. Hasslocher
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary