BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Tuesday, June 29, 2021
6:00 p.m.
Cypress Room, University Hospital
4502 Medical Drive
San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Ira Smith, Vice Chair
Margaret Kelley, M.D., Secretary
Roberto L. Jimenez, M.D., Immediate Past Chair
Anita L. Fernandez
Jimmy Hasslocher

BOARD MEMBERS ABSENT:

L.P. Buddy Morris

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health
Elizabeth Allen, Director, External Communications/Corporate Communications, University Health
Bryan J. Alsip, MD, Executive Vice President/Chief Medical Officer, University Health
Edward Banos, Executive Vice President/Chief Operating Officer, University Health
Ted Day, Executive Vice President, Strategic Planning/Business Development, University Health
William Henrich, MD, President, UT Health San Antonio
Rob Hromas, MD, Dean, Long School of Medicine, UT Health San Antonio
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health
Woodson "Scott" Jones, MD, Vice Dean for Graduate Medical Education and Designated Institutional Official Professor of Pediatrics, Long School of Medicine, UT Health San Antonio
Shelley Kofler, Senior Manager/Public Relations, Corporate Communications
Leni Kirkman, Executive Vice President/Chief Marketing, Communication, and Corporate Affairs Officer, University Health
Serina Rivela, Vice President/General Counsel, Legal Services, University Health
Andrew Smith, Executive Director of Government Relations & Public Policy, University Health
Travis Smith, Vice President/Deputy Chief Financial Officer, University Health
Joe Garcia, Legislative Consultant, Garcia Group, Austin, Texas
Laura Garcia, San Antonio Express-News
Lisa B. Nava, Sales, Benefit Source
Chris Traylor, Legislative Consultant, Austin, Texas
And other attendees.

CALL TO ORDER:

Mr. Adams called the meeting to order at 6:06 pm.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Rev. Charlie Michele Hornes, University Health Pediatric Palliative Care Chaplain, for the invocation, and he led the Pledge of Allegiance.

PUBLIC COMMENT: None.

REPORT FROM UT HEALTH SAN ANTONIO — WILLIAM HENRICH, M.D., PRESIDENT

SUMMARY: Dr. Henrich reported that the UT System's biggest institute is the Glenn Biggs Institute for Alzheimer's and Neurodegenerative Diseases located in San Antonio. It is very likely that it will receive notice of a funding award from the National Institutes of Aging. This award is kin to the National Cancer Institute designation received for the Mayes Cancer Center. The comprehensive nature of the Biggs Institute is that it cares for patients and their families and faculty conducts basic clinical research in the area of Alzheimer's disease, which is badly needed in central and south Texas because there is a higher prevalence of Alzheimer's in this part of the country and the disease is 30 percent more common in Hispanic and Latino populations. Congratulations to Dr. Sudha Seshadri, this will be the only National Institutes of Aging-funded center in Texas. Dr. Henrich expressed pride in the faculty of the Biggs institute for their work, and for their partnership with University Health. Dr. Henrich yielded the floor to Dr. Scott Jones for an update on the incoming residents and new medical students starting their clinical rotations this time of year. It's a very exciting time for both faculty and students. Dr. Jones reported that over the last couple of weeks, the School of Medicine, along with Dr. Bryan Alsip and Mr. Christopher Copeland of Professional Staff Services, welcomed a total of 196 new interns, about 50 to 70 at a time. This year, the Long School of Medicine held its second Social Determinants of Health Orientation for all new residents. Dr. Alsip presented, Dr. Duran of Trinity University spoke about historical issues in the city, and Dr. Lisa Ochoa of the Hispanic Chamber of Commerce also addressed the residents about what is happening on the south side, in particular, the establishment of several medical clinics with easy access. In addition, incoming residents received guidance by two faculty members about what residents can do in their 80-hour work week to help the community. Dr. Jones yielded the floor to Dean Hromas who reported that the incoming residents have also received Implicit Bias Training and instruction on how to recognize and resolve micro-aggressions in real time. He assured the Board members that topics discussed at their last few meetings are already incorporated into resident training. Dr. Deborah Conway has been selected to fill the Vice Dean for Undergraduate Medical Education position and is in charge of all medical students. There are 220 medical students who will make their way around University Hospital at one time or another during their clinical rotations. Dr. Hromas thanked the Board and stated that without University Hospital as a teaching hospital, there would be no medical school. In addition, Dr. Hromas reported that the Long School of Medicine recently recognized and incentivized educational scholars. They were awarded as a small token of appreciation a membership to a society of their chose, a small gift, and one paid educational meeting of

their choice. There are approximately 15 faculty members who have been here a really long time, who were really appreciative. This event will take place annually.

RECOMMENDATION: This report was provided for informational purposes only.

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

EVALUATION: Dr. Jimenez noted a recent radio broadcast regarding life expectancy in the United States which has been falling since 2018, particularly in African- Americans, by 3.3 years, and Latinos by 3.8 years. Dr. Jimenez is startled and shocked with these statistics because there are so many medical advances available. It is his understanding that violence and certainly Alzheimer's play a role, but he asked the physicians in the room for their insight on this topic. Dr. Hromas stated that obesity and diabetes are now very common even in teenagers and is a major epidemic in the country, and he yielded the floor to Dr. Alsip for a more in-depth response. He reported that this trend was exacerbated by the pandemic, and to an extent, a small part of it was due to COVID-19. But what COVID-19 really did in many ways was accelerate certain medical conditions. During the pandemic, many delayed health care, such as cardiac care and cancer screenings, and such conditions were naturally compounded by all the complexities the pandemic brought about, and many of the existing inequities that already existed just worsened. Dr. Jimenez suggested that University Health and UT Health, as partners, address this trend in a more systemic role, by making an effort to help minorities by providing life-style training. Dr. Alsip agreed that some of that training would involve life-style changes, however, other causes are environmental. Regarding, violence, Dr. Jimenez reported that in his private psychiatry practice he sees 4 to 5 mothers and grandmothers per day whose lives have been affected by gun violence, which is absolutely concerning and scary for him. He is aware of the anti-gun violence program by the City of San Antonio, Metropolitan Health District to which Dr. Alsip replied that University Health is connected with the same program. The program offers consultants, who are licensed family counselors to work with hospital/trauma center staff and families to address trauma as it relates to gun violence.

FOLLOW-UP: None.

NEW BUSINESS:

CONSENT AGENDA – JIM ADAMS, CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF MEMBERSHIP AND PRIVILEGES — RAJEEV SURI, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

SUMMARY: Pursuant to Article III, Section 3.3-1 of the Medical-Dental Staff Bylaws, initial appointments and reappointments to the staff shall be made by the Board of Managers. The Board of Managers shall act on initial appointments, reappointments, or revocation of appointments only after there has been a recommendation from the Executive Committee. The Credentials Committee met on May 24, 2021, and reviewed the credential files of the individuals listed on the attached Credentials Report and the Professional Performance Evaluation

Report, which was approved by the Executive Committee at its meeting of June 1, 2021. The Executive Committee, in turn, recommends approval of clinical privileges for the list of the providers presented to the Board of Managers

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR PROFESSIONAL PRACTICE EVALUATIONS AND DELINEATION OF PRIVILEGES — RAJEEV SURI, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

SUMMARY: As part of continuous quality improvement, and in alignment with The Joint Commission standards, University Health's Professional Staff Services Office monitors the clinical privileges of all privileged providers through the Professional Practice Evaluation process. Professional Practice Evaluation is a process whereby Medical-Dental staff member(s) are evaluated in regards to his/her competency and professional performance. New privileges, results of Peer Review, and assessment of Supervision are all examples of Professional Practice Evaluation. Also in alignment with The Joint Commission standards, the Professional Staff Services Office maintains Delineation of Privileges (DOP) for the Medical-Dental Staff. The Delineation of Privileges is a process in which the organized Medical-Dental staff evaluates and recommends an individual practitioner be allowed to provide specific patient care services with well-defined training criteria. The Credentials Committee met on May 24, 2021 and reviewed proposed revisions to Delineation of Privilege and the Professional Performance Evaluation Report and forms. In its meeting of June 1, 2021, the Executive Committee of the Medical-Dental Staff approved the Focused/Ongoing Professional Performance Evaluation Report, Delineation of Privileges for University Health, and Medicine/Cardiology (revised), which were presented to the Board. The Executive Committee, in turn, recommends approval by the Board of Managers.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FOLLOWING ITEMS WITH ALAMO AREA RESOURCE CENTER FOR THE RYAN WHITE PROGRAM: AMENDMENTS TO THE PROFESSIONAL SERVICES AGREEMENTS FOR PART A, PART B SERVICE DELIVERY, AND STATE REBATE SERVICES; AND A PROFESSIONAL SERVICES AGREEMENT FOR HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS — *ROBERTO VILLARREAL, M.D.*

SUMMARY: Ryan White Grants consist of multiple parts, with each part having its own budget and objectives.

This is an Amendment request for the Part A (Formula & Supplemental) Agreement with the Alamo Area Resources Center, a sub-recipient of Ryan White HIV/AIDS Program funds, for a period of one year beginning March 1, 2021 through February 28, 2022, in the amount of $261,275. The Health Insurance Premium Cost Sharing Assistance portion is for $125,483, for a total of $386,758.00. The Part B (Service Delivery & State Rebate) Agreement is also for a one year period beginning April 1, 2021 through March 31, 2022. Service Delivery Health Insurance Premium Cost Sharing Assistance is for

$94,372; and the State Rebate portion is in the amount of $90,000, for a total of $184,372.

The second item is a request for a new agreement with the Alamo Area Resources Center, a sub-recipient of Ryan White HIV/AIDS Program funds for Housing Opportunities for Persons with AIDS, to enhance services for Ryan White-eligible patients, in the amount of $328,989. Housing Opportunities for Persons with AIDS includes the following categories for the Alamo Area Resources Center during fiscal years 2021-22: Short Term Rent, Mortgage, and Utilities Assistance Program; Tenant-Based Rental Assistance Program; Permanent Housing Placement Services; Supportive Services; and Administration. The term of this Agreement is September 1, 2021 through August 31, 2022.

Staff recommends approval of increasing current Ryan White Part A contract funds by $386,758, increasing Ryan White Part B contract funds by $184,372 and entering into a new Agreement with Alamo Area Resource Center, a sub-recipient of Ryan White HIV/AIDS Program funds for Housing Opportunities for People with AIDS Funds, to enhance services for Ryan White-eligible patients, for a total of $900,119.

CONSIDERATION AND APPROPRIATE ACTION REGARDING CONTRACTS WITH THE FOLLOWING VENDORS FOR EMPLOYEE BENEFITS — *ANDREA CASAS*

TRUSTMARK INSURANCE COMPANY (THROUGH BENEFIT SOURCE) FOR UNIVERSAL LIFE INSURANCE (RENEWAL)

SUMMARY: The current contract with Trustmark Insurance Company (through Benefit Source) allows for a one-year renewal; this contract request exercises the renewal option. There is no planned rate change for the 2022 benefit plan year. This contract was competitively bid on RFP-217-02-009-SVC in 2017 and received 15 responses. The contractual value is 100 percent contributory in nature and accrued through employee premiums. There are currently 314 participants in the plan. Overall participation in this voluntary benefit offering has increased by 288 percent over the term of the contract (4 years). Based on the current enrollment, the contract is valued at an estimated cost of $322,029 for the term beginning January 1, 2022 through December 31, 2022. Trustmark Life Insurance (through Benefit Source) will offer Universal Life Insurance to regular full and part-time staff. Staff recommends the Board of Managers approve the contract for administration services for the Universal Life Insurance through Trustmark Insurance Company (through Benefit Source) for a total contract estimated amount of $322,029 for a one-year renewal period.

NAVIA BENEFIT SOLUTIONS, INC. FOR FLEXIBLE SPENDING ACCOUNT (FSA), COBRA, 1095-C REPORTING AND RETIREE BILLING THIRD PARTY ADMINISTRATION SERVICES

SUMMARY: University Health provides Flexible Spending Account (FSA) benefits to regular, full/part-time (budgeted to work 20 hours or more) employees and Residents of University Health. It provides 1095-C administration

(reporting requirement of Affordable Care Act) to all employees and participants of University Health. It also provides COBRA and Retiree Billing services for departing and retired employees. The contract was competitively bid on RFP# 221-03-011-SVC and a total of thirteen (13) responses were received. Each response bid was compared utilizing a decision matrix, and reviewed for responsiveness to the request for proposal specifications. The bids were then equally weighed by administrative and financial criteria. Navia Benefit Solutions offered the best value to University Health in their overall package as they waived annual set up fees for FSA, COBRA, and Retiree Billing administration services, waived initial 1095-C mailing fees, and reduced the monthly administration costs for all services. Based on current utilization, the estimated cost to University Health will be $511,977 annually for a three-year period, beginning January 1, 2021 through December 31, 2024. This is a planned expense and funding will be included in the Year 2022 Annual Operating Budget. Staff recommends the Board of Managers approve a contract with Navia Benefit Solutions, Inc., for FSA, COBRA, Retiree Billing and 1095-C administration services the estimated annual amount of $170,492, for a total contract estimate amount of $511,977 for a three-year period.

AFLAC (THROUGH BENEFIT SOURCE) FOR GROUP LIFE AND AD&D, SHORT-TERM DISABILITY AND LONG-TERM DISABILITY

SUMMARY: This contract was competitively bid on RFP# 221-03-031-SVC. Twelve (12) responses were received for Disability, and a total of thirteen (13) responses were received for Term Life. The bids were compared utilizing a decision matrix and reviewed for responsiveness to the request for proposal specifications, and were then equally weighed based on administrative and financial criteria. Aflac (through Benefit Source) provided the best value due to lower fees, enhanced and variety of plan designs, extensive plan implementation support, and lower premiums. Benefit Source was selected as the broker based on the outstanding quality of service they have provided to University Health employees and their responsiveness to administrative needs. The employee cost for the voluntary short-term disability and long-term disability is $1,408,498 annually with a total contract cost (3-Year) of $4,225,494. This estimated cost is 100 percent contributory in nature and is accrued through employee premiums. University Health's costs for employer paid long-term disability, Resident short-term disability and Resident long-term disability is $325,864 annually with a total contract cost (3-Year) of $977,591. The employee cost for the term life insurance is $1,459,301 annually with a total contract cost (3-Year) of $4,377,903. This estimated cost is 100% contributory in nature and is accrued through employee premiums. University Health's costs for employer paid basic life insurance is $119,087 annually with a total contract cost (3-Year) of $357,260. Aflac's workforce composition was provided for the Board's review. Staff recommends Board of Managers' approval of a contract with Aflac (through Benefit Source) for Disability and Group Term Life Insurance for a total contract estimated amount of $9,938,248 for a three-year period.

DEER OAKS EAP SERVICES, LLC FOR EMPLOYEE ASSISTANCE PROGRAM

SUMMARY: This contract was competitively bid on RFP# 221-03-031-SVC. A total of fourteen (14) responses were received for the Employee Assistance Program. The bids were compared utilizing a decision matrix, reviewed for responsiveness to the request for proposal specifications, and were then equally weighed based on administrative and financial criteria. Deer Oaks EAP provides the best value for the following reasons: Extended dependent coverage to all household members, free unlimited telephonic consultation with financial counselors, extensive coverage on different education/guidance, high road program reimbursement up to $45 for one ride each year, unlimited employee assistance program webinars, smartphone app for employees, and coverage for 12 months after employee concludes employment. Based on the current staff census, the proposed estimated annual cost for the Employee Assistance Program is $166,530, or a total five-year cost of $832,651, which is an estimated annual cost increase of 26 percent due to additional staff and price inflation, as compared to the prior contract. The workforce composition for Deer Oaks EAP was provided for the Board's review. Staff recommends the Board of Managers approve the contract for administration services for an Employee Assistance Program with Deer Oaks EAP, LLC, for a total estimated amount of $832,651 for a five-year period beginning January 1, 2022.

CONSIDERATION AND APPROPRIATE ACTION REGARDING NEW POLICY NO. 9.11.03, PATIENT AND FAMILY ADVISORY COUNCILS— *THERESA DE LA HAYA*

SUMMARY: The purpose of this new policy, Patient and Family Advisory Councils (PFAC), is to establish guiding principles, authority and responsibilities for the Patient Family Resource/PFAC Department in order to carry out the responsibilities established by University Health senior management and the PFAC Steering Committee. The new policy contains an executive leadership review through the PFAC Steering Committee of new and existing PFAC initiatives that will include an analysis of the PFAC's impact along with an annual report of the PFAC's accomplishments and future plans. The new policy supports accuracy and consistency for the Health System's efforts to promote change in diversity and inclusion. It further provides meaningful partnerships between patients and families, key stakeholders, and community and academic partners across service lines that yield improvements in clinical, operational and patient experience outcomes. Staff recommends approval of this new policy.

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

SUMMARY: A total of 19 contracts with a value of $26,677,407 are presented to the Board of Managers in June 2021. The following contracts require approval by the BCHD Board of Managers: 11 consent contracts with a total value of $10,116,225; and 8 presented contracts with a total value of $16,561,182. During the month of June, there were zero contracts classified as Small, Minority, Woman, or Veteran-owned Business Enterprises (SMWVBE). June 2021 SMWVBE status report reflects items submitted for Board approval today

CONSENT AGENDA RECOMMENDATION: Staff recommends approval of the items on the consent agenda as submitted.

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

CONSENT AGENDA EVALUATION: None.

CONSENT AGENDA FOLLOW-UP: None.

<u>ACTION ITEMS</u>:

<u>CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORT FOR MAY 2021 — REED HURLEY</u>

SUMMARY: In May, clinical activity (as measured by inpatient discharges) was down 6.5 percent for the month compared to budget. Community First Health Plans, Inc., (Community First) fully insured membership was up 16.1 percent to budget. On a consolidated basis, gain from operations was $20.0 million, $10.6 million better than budget. The consolidated bottom line gain (before financing activity) was $13.5 million, $10.9 million better than the budgeted gain of $2.7 million. Higher supplemental revenues partially offset by lower patient revenue and lower operating expenses resulted in performance better than budget. Community First experienced a bottom line gain of $2.4 million, which was $0.2 million better than the budgeted gain of $2.1 million. Higher premium revenue and claims expense resulted in performance being flat to budget. Debt service revenue was $6.3 million, $170 thousand higher than budget. Mr. Hurley reviewed notable increases and/or decreases from the December 31, 2020 Consolidated Balance Sheet.

<u>Report on Allocation of Reserves</u>

Mr. Hurley also reported that based on audited results for calendar year 2020, $229.6 million in cash flow reserves will be transferred as provided for under the Reserve Policy (No. 7.05.04) and the Funding of Financial Reserve for Capital Expenditures Policy (No. 7.05.02). Of the amount of the transfer, $21.2 million will be transferred to the Emergency Operating Account to meet the 90 days of cash expenditure level provided for in Section III.G of the Reserve Policy. The remaining $208.4 million will be transferred to the Capital Account to address future capital needs as provided for in Policy (No. 7.05.02). After the transfer, the total in the Emergency Operating Account will be $336.1 million. The total in the Capital Account will be $601.6 million, of this amount $347.1 million has been committed leaving an unencumbered balance of $254.5 million.

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

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

EVALUATION: Mr. Hurley and his Texas hospitals CFO colleagues are assuming that the Federal Medical Assistance Percentage (FMAP) funds will flow through the end of 2021, or at the end of the calendar year when the National Emergency Declaration is ended.

FOLLOW-UP: None.

PRESENTATIONS AND EDUCATION:

REPORT ON THE 87TH TEXAS LEGISLATIVE SESSION — ANDREW SMITH

SUMMARY: Mr. Andrew Smith introduced himself and two University Health legislative consultants to the Board of Managers: Mr. Joe Garcia who has provided these services for University Health for at least 10 years, and Mr. Chris Traylor, formerly Executive Commissioner of the Texas Health and Human Services Commission in 2016. They provided a recap of the 87th Legislative Regular Session, 2020-2021 State Budget Overview, Discussed System Related Bills/Issues, and concluded with a Question & Answer session. There will be at least two special sessions this summer with the first commencing on July 8 to review Redistricting and appropriations of federal COVID-19 Relief Funding. Approximately 7,000 bills were filed during the regular session and about 15.5 percent passed, the second lowest passage rate in five sessions since 2019. Between January and May, the Texas economy improved significantly enough to wipe out a projected 2021 ending deficit and provided the Legislature with an additional $3B for SFY 2022-2023; much of the credit going to the successful rollout of the COVID-19 Vaccine. General Appropriations Act (GAA) came in at $248B in all funds for 2022-2023; $64B all funds for Medicaid. Medicaid Expansion under the ACA did not pass, but two bills did "expand" coverage for Children's Medicaid and Woman Postpartum. Telehealth was expanded by making many temporary COVID-19 telehealth rules/waivers permanent; and to assist, broadband development expansion legislation should move the state towards greater access. Healthcare Cost Transparency and Price Disclosure, mirroring federal rules, was given a high priority. Medicaid Managed Care was a significant issue – MCO contract procurement, covered and mandatory benefits. As political subdivisions of the state, hospital districts deal with many issues other hospitals do not. University Health has a really strong team which includes the Bexar County Delegation, CFHP, Bexar County, CHCS and Partnerships – THOT, THA, TAHP, and TACHP. In addition, the 87th Texas Legislative Session yielded the following results:

- Conducting Business during a Pandemic
- New Speaker of the House
- Budgets/Revenue Estimates
  - Jan. 11th – 2020-2021 Ending Deficit projected at $946M
  - $112.54B in revenue available for general-purpose spending during the 2022-23 biennium (0.4 percent decrease from 2020-21)
  - May 3 – Revised estimate added approximately $1.67 for SFY 2020-21
  - Additional $3.12B from January estimate

SB 1 - General Appropriations Act
2022-2023

- SB 1 includes $163B in General Revenue funds and $248B in the All Funds for 2022-2023.
- Medicaid
- SB 1 includes $64B in All Funds, including $23.5B in General Revenue for the 2022-23 biennium for Medicaid client services. Compared to 2020-21, this is a decrease of $0.3B in All Funds
- Does not fund projected biennial cost growth (medical inflation, higher utilization, or increased acuity), which, based on HHSC's most recent forecast, was projected to be approximately $5B in All Funds, including $1.9B in General Revenue
- Does include increases for caseload growth
- Cost containment rider directs the Health and Human Services Commission (HHSC) to achieve savings of at least $350M
- Safety-Net Hospital add-on – $300M
- Trauma-designated hospital add-on – $360M
- Behavioral Health – $8.4B, Including $30M increased funding for additional state-purchased inpatient psychiatric beds.
- GME - $199M ($42M increase) to grow the number of 1st year residency positons
- Woman's Health Program - $352.6M (Increase of $10.2M)

<u>System Issues</u>

- Medicaid Expansion
- HB 290 – 12 months continuous Coverage for children's Medicaid
- HB 133 to extend health care coverage for new moms from 60 days to six months after delivery
- Community Health Plans
- HB 4 – Telehealth
- HB 5 – Broadband
- SASH Funding - $152.4M
- SB 1827 – Opioid Settlements
- SB 6 – Liability Protection for Health Care Workers
- SB 1137 – Health Care Cost Transparency and Price Disclosure

<u>Hospital District Related – "Political Subdivisions</u>"

- HB 1927 – Constitutional Carry – Hospitals are exempt and may still prohibit the carrying of firearms on its premises through the posting of signage
- HB 1869 – Debt Issuance – Requiring Voter Approval (hospital districts with a teaching hospital exempt)
- SB 968 – Would have prohibited hospitals from requiring staff to COVID vaccinated (hospitals exempted)
- HB 3046 – Would have required hospital districts to choose between following federal health care guidelines OR an opposing OAG Opinion in cases of Presidential Executive Orders – implications for reimbursements, licensure, and penalties (bill did not pass)
- SB 2122 – Would have required hospitals to send an itemized statement with every request for payment sent to a patient; compliance would have generated a significant expense (bill did not pass)

<u>Conclusions/Q&A</u>

- 6,927 Bills Filed
- Passed – 1,073 (15.5%)
- Vetoed – 20 (Line Item Veto of the Legislative Budget)
- Our partners
- Teaching Hospitals of Texas tracked 2,203 bills

- Texas Hospital Association tracked 1,453 bills
- Texas Association of Health Plans tracked 433
- Along with these bills the system tracked 200+ bills.
- Special Sessions – first session starts July 8; second session to be determined

Due to the expanded Medicaid coverage for children and postpartum women, Community First Health Plans, Inc., University Health's managed care organization, resides in Texas House District 124, developed a handout targeting women and their families citing exceptional health care coverage for children expectant mothers, adults, and special needs children through Medicaid STAR with 38,936 existing members, STAR Kids with 1,922 existing members, CHIP with 2,063 existing members, and other health programs with 5,630 members. Membership for 2021 represents zip code areas 78207, 78226, 78227, 78237, 8238, 74245, 78250, 78251, and 78254.

RECOMMENDATION: This report was provided for informational purposes.

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

EVALUATION: Dr. Jimenez was surprised at the lack of attention given to the mental health consequences following the COVID-19 pandemic. Mr. Andrew Smith offered to make a list available of the 25 individual Behavioral Health agencies that received funding from the 87th Texas Legislature in the total amount of $30M ($15M for urban agencies /$15M for rural agencies) in addition to the increased funding for state-purchased inpatient psychiatric beds earmarked for The Center for Healthcare Services. The Center will also receive a portion of the $15M urban-designated funds. Mr. Andrew Smith noted that many were surprised at the lack of funding for infectious diseases, prevention, planning, and response. Further, he reported that the Governor has not yet released COVID relief federal funds in the amount $16.7B and another $11B for cities and counties, which will be part of one of the upcoming summer sessions because legislators want a greater role in how that money will be spent. Although the legislature did not pass any new initiatives for healthcare in public schools for children, Mr. Hernandez assured Dr. Jimenez that telemedicine and broadband will be helpful to school health. Dr. Kelley asked about provider reimbursements and Mr. Traylor informed her that there have been very few reimbursement increases since 2007; however, there were no substantial provider rate reductions made during the regular session as may have been anticipated in January 2021, which is fortunate. Mr. Hasslocher raised the issue of surrounding counties whose constituents are seen at to University Hospital Emergency Department and/or Trauma Services without any type of reimbursement for the uninsured. There must be fairness and equity and other counties ought to share their resources to pay for the out of county healthcare their citizens receive. In the past, University Health has used those out-of-county costs to demonstrate to the legislature that University Health is a benefit to all of South Texas and surrounding counties in order to be carved out of other legislation. Mr. Hasslocher is extremely supportive of University Health providing healthcare to these individuals, it is a matter of funding; everybody needs a place to go to receive quality healthcare.

FOLLOW-UP: None.

TRENDS IN HEALTH SYSTEM INTEGRATION: INTRODUCTION – *TED DAY/ED BANOS*

SUMMARY:

Mr. Hernandez reported that the staff has been working on developing the Health System's framework to provide affordable, quality healthcare and improve access. The staff has prepared a series of presentations to familiarize the Board of Managers with trends in health system integration, to cite examples of systems that have achieved high levels of such integration, and to introduce a series of updates on developments the Health System has in process in these areas of integration, some in partnership with UT Health San Antonio. Integrated Delivery Systems (IDS) are also known as Integrated Delivery Networks (IDN), and he yielded the floor to Mr. Banos and Mr. Day for the following presentation:

Definition and National Trends

1. A Health System pursuing horizontal and vertical integration with the goal of moving toward organization and effective care
2. Main drivers are affordability and accessibility
3. Drives increase in scale of organizations as smaller organizations connect and as various health care providers connect electronically, relationally, and sometimes contractually
4. Many examples across the country of such developments (some of which will be profiled today)
5. University Health has been integrated with UT Health San Antonio for years (expansion on IDS elements today)

Benefits

1. Connects providers serving common patients to coordinate care
2. Leads to improved quality of care due to effective collaboration
3. Aligns incentives & resources within a health system and with partners
4. Done right, can reduce unnecessary utilization
5. Drives increase in scale making existing organizations and connected partner organizations more sustainable

Examples of IDNs include: Ascension Health (multi-state), Baylor Scott & White (Texas), Cleveland Clinic (multi-state), Geisinger Health System (Pennsylvania), Highmark Health (Pittsburgh), Intermountain Healthcare (Western US), Jefferson Health (Philadelphia), Kaiser Permanente (multi-state), Mayo Clinic (multi-state), UC Health (Colorado & adjoining states), and UPMC (Pittsburgh).

The terms IDS/IDN are used broadly to define an organization that provides a continuum of health care services. Mr. Day described the Continuum of Care Concept beginning with Community-based care (provided at home, via e-visits, Wellness & Fitness Centers, Physician Clinics, Diagnostic Imaging Centers, Retail Pharmacies, Urgent Care Centers, and Ambulatory procedure centers). Acute care is provided in hospitals, and Post-Acute Care is provided in an Inpatient Rehab setting, Skilled Nursing Facility, Outpatient Rehab, or Home Care/Senior Living).

Tools for Integrated Delivery System Development

In a competitive market, to enable the negotiation of favorable insurance contracts, and be a leader in high quality and value-based care, four key

areas of health system integration are key for future health system success:

- System electronic medical record (EMR) integration
- Ambulatory and physician network integration
- Post-acute and senior care offering integration
- Health plan and managed care agreement integration

<u>Electronic Health Record Tool - IDS Approach</u>

- Single electronic platform that supports communication between providers in all care settings within the system (implemented Epic in 2020)
- Potential to also connect with local/regional/ national Health Information Exchanges (HIE)
- Effective tool to support value-based care initiatives

<u>Ambulatory Network and Physician Integration as IDS Development Tools - IDS Approach: *Build large ambulatory network including employed and affiliated private practice providers*</u>

- Enhances communication throughout continuum of care
- Supports value-based contracts
- Leverages scale to rapidly deploy new technologies and care models (e.g., telemedicine/virtual care)

University Health established University Medicine Associates as an employed physician group in 1999.

<u>Post-Acute Care Connections as IDS tools - IDS Approach</u>

- Implement post-acute strategies focused on improving quality through defined networks based on standardized metrics incorporating providers like:
- Skilled Nursing Facilities (SNF)
- Inpatient Rehabilitation Facilities
- Home Health Agencies
- Long Term Acute Care

University Health started a SNF partnership with Touchstone Communities for ownership/management of three facilities in 2015 and expanded one year later with a fourth

<u>Payer-Provider Integration as IDS Tools - IDS Approach: Launch and/or expand their own managed care plans. Pursue value-based contracts with payers and employers</u>

- Provider-Owned Managed Care Organizations
- Accountable Care Organizations and Clinically Integrated Networks
- Value-Based Agreements

University Health launched Community First Health Plans in 1995 (for Medicaid, CHIP, and system employees/dependents) and the CareLink managed care program in 1997 (for Bexar County uninsured residents).

<u>Recent Integration Developments</u>

- Kaiser Permanente and Mayo Clinic investing in Medically Home
- Lifepoint Health to buy Kindred Healthcare

Profile 1 – Ascension - This health system built integration through launching common enterprise EMR, building/buying/affiliating with multiple acute & ED facilities, large physician/ambulatory network growth & clinical integration, expansive ownership of post-acute facilities, and refining managed care plan offerings. $25B Annual Operating Revenue; 160,000 Employees; Spans 19 States and District of Columbia; 2,600+ sites of care; 40,000 aligned providers plus 9,000 employed providers. Mr. Day provided census/activity numbers for Ascension's Ambulatory/Outpatient Care, Acute Care, and Post-Acute Care facilities.

Profile 2 – UCHealth - This health system built integration through launching common enterprise EMR, building/buying and affiliating with multiple acute & ED facilities, large physician/ambulatory network clinical integration, and expanding ownership of post-acute facility ownership. $9B Annual Operating Revenue; 24,460 Employees, Spans three states, 162+ sites of care; 3,500 aligned providers, including 85-+ employed physicians. Mr. Day provided census/activity numbers for Ascension's Ambulatory/Outpatient Care, Acute Care, and Post-Acute Care facilities.

Profile 3 – UPMC Life Changing Medicine - This health system built integration through launching common enterprise EMR, building/buying/affiliating with multiple acute & ED facilities, large physician/ambulatory network clinical integration, ownership of post-acute facilities, and growing large health plan. $23B Annual Operating Revenue; 92,000+ Employees; Spans three states and four other countries; 840+ Sites of Care. Mr. Day provided census/activity numbers for Ascension's Ambulatory/Outpatient Care, Acute Care, and Post-Acute Care facilities.

Profile 4 - Baylor Scott & White Health - $7.3B Annual Operating Revenue; 35,000+ Employees; 850+ Patient Access Points; 5,800+ Affiliated Physicians.

Continuum of Care Concept and University Health's IDS Status
- Community-based care - 90 percent of volume (E-visits, Wellness & Fitness Centers, Physician Clinics, Diagnostic Imaging Centers, Retail Pharmacies, Urgent Care Centers, and Ambulatory procedure centers).
- Acute Care – 10 percent of volume (University Hospital)
- Post-Acute Care - Inpatient Rehab setting, Skilled Nursing Facility, or Outpatient Rehab.

Future Presentation in Series
1. How we will address needs in Post-Acute and Ambulatory Redesign
2. Other integration initiatives

RECOMMENDATION: This presentation was provided for informational purposes only.
ACTION: No action was required by the Board of Managers.

EVALUATION:

Mr. Hasslocher recalled open enrollment at his company and the interest expressed by some of the insurance companies to do business with University Health, to which Mr. Hernandez replied that University Hospital is in need of more beds for medicine patients, geographically spread out, and that is the reason for the presentation on integration. Dr. Jimenez expressed skepticism when integration revolves around the hospital, hospital systems, and specialty care. He is more comfortable with early case findings and early interventions and he has noted very little talk and interest in this area. He feels the public health system in this country has been dismantled and primary prevention is no longer the focus, however, there is focus on secondary prevention. Discussion ensued regarding University Health's strategy for growth. Ambulatory care is 95 percent of what University Health does, and integration is not meant to be hospital-centric, it is community-based care, such as University Health's partnership with various school districts in establishing school-based clinics; there continues to be interest from other school districts. For the past 25 years, University Health's growth has been on the outpatient side, with ambulatory surgery centers, clinics and partnerships in the community, including the use of Epic as a tool to retrieve better data and consolidation of data into one system. Today's presentation is an overview of some structure the staff is interested in and is looking at to design a system. However, Dr. Jimenez's issue is that there is not a systematic effort to develop a method of early case findings. How will University Health develop and preserve involvement with a patient's family? It is his experience that families get lost in these large health systems. In Dr. Jimenez's private practice, he gets to know the families very well, and he advises them on what to do and where to go before medical issues get any worse. Dr. Kelley appreciates today's presentation; however, it has left her wondering what University Health's strategy is, locally. In comparison with the health organizations mentioned in today's presentation, they are in different states and they have expanded by acquisition. Also, they are very aggressive health systems, very profit-driven and in many ways have a different mission. She understands the integration of health data and/or the health record, however she is not understanding University Health's role. Is the strategic plan to expand outside of the county, or acquire small facilities? University Health's trauma center is in a region that serves 20 counties outside of Bexar County, Community First Health Plans, Inc., services 8 counties outside of Bexar County; the cardiac program, transplant center and Neonatal Intensive Care Unit cover 40-50 counties in the state, so University Health definitely has established a footprint in Texas. There is no county line, the tax payers of Bexar County are the only ones supporting University Health with property taxes. It is possible to grow University Health organically through partnerships in the community and build an integrated network. Drs. Jimenez and Kelley both agreed that the models in the presentation do not fit as compared to University Health. Mr. Ira Smith agreed in that the Board has been presented with several models, but the Board as a whole has not discussed an appropriate model for University Health. Ms. Anita Fernandez expressed her view that what she hears in the community about University Health are partnerships. The presentation today focuses on the bottom line; however, when broken down, she does not see where University Health plugs in and there are some areas on which University

Health can improve upon, such as social determinants of health. She sees opportunity; University Health must continuously and intentionally grow as an organization, however, if University Health is going to partner with local providers, take away the numbers and replace with people, and tie back to the public health perspective. Mr. Adams thanked the staff for the great presentation. University Health does not have a choice but to undertake something like this, but how will it be implemented? Because the staff proposes a full continuum of care for the community, University Health has an advantage. Mr. Smith recommended that the Board and senior staff meet for a planning session with a focus on integrated delivery systems and how University Health can expand from there. Mr. Hernandez thanked the Board and stated that he values each and every comment today. Mr. Hernandez's staff will determine the best date for a planning session with the Executive Committee of the Board (Mr. Adams, Mr. Smith, and Dr. Kelley) and staff will proposes or define the frame-work/

FOLLOW-UP: As indicated above.

At this time, Dr. Jimenez asked Ms. Kirkman to elaborate on the American College of Cardiology's NCDR Chest Pain – MI Registry Platinum Performance Achievement award for 2021. The award recognizes University Health's commitment and success in implementing a higher standard of care for heart attack patients and achieving an aggressive goal of treating these patients in accordance with the most current, science-based guidelines. The Registry establishes a national standard for understanding and improving the quality, safety, and outcomes for high-risk heart attack patients.

INFORMATION ONLY ITEMS:

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS — LENI KIRKMAN

UPDATE ON THE WOMEN'S AND CHILDREN'S HOSPITAL AND ASSOCIATED PROJECTS — DON RYDEN

SUMMARY: Mr. Adams directed his colleagues' attention to the two (2) informational reports above, and asked them to review on their own time.
RECOMMENDATION: These report 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 public meeting at 8:07 pm.

James R. Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary