



University Health System

BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

By Telephone

Tuesday, June 30, 2020

6:00 p.m.

Board Room

Cypress Room, University Hospital

4502 Medical Drive

San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Ira Smith, Vice Chair
Roberto L. Jimenez, M.D., Immediate Past Chair
Robert Engberg
James C. Hasslocher
Margaret Kelley, M.D.
Thomas C. ("TJ") Mayes, J.D.

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Bryan J. 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, University Health System
Rob Hromas, MD, Dean, School of Medicine, UT Health San Antonio
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Leni Kirkman, Senior Vice President, Strategic Communications, Patient Relations, University Health System; and Interim President, University Health System Foundation
Bill Phillips, Senior Vice President/Information Services, University Health System
Serina Rivela, Vice President/General Counsel, Legal Services, University Health System
Don Ryden, Vice President, Project, Design and Construction, University Health System
Crystal Senesac, Executive Director/Marketing, Strategic Communications, University Hospital
Theresa Scepaniski, Interim President/Chief Executive Officer, Community First Health Plans, Inc.
Travis Smith, Deputy Chief Financial Officer, University Health System
Allen Strickland, Vice President/Hospital Administration-Fiscal, University Health System
Rajeev Suri, MD, Professor/Department of Radiology, UT Health; and President/Medical-Dental Staff, University Health System
And other attendees.

CALL TO ORDER:

Mr. Adams called the meeting to order at 6:00 pm. He yielded the floor to the Recording Secretary for the roll call to confirm a quorum. All Board members indicated “present.” Upon confirmation of a quorum, Mr. Adams asked Board members to hold their questions until after each presentation. Voting today will be conducted by individual roll call to clearly identify each Board member by name and vote. Mr. Adams addressed the audience and 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, please email them 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.

Mr. Smith left the Board meeting at 6:06 pm and returned at 6:09 pm.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Adams introduced Ms. Anna-Melissa Cavazos, University Health System Foundation Employee and Eucharistic Minister at University Hospital, for the invocation. However, Ms. Cavazos had technical difficulties and Mr. Smith was asked to step in with a brief invocation. Mr. Adams led the pledge of allegiance.

PUBLIC COMMENT: None.

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

SUMMARY:	Dr. Henrich greeted the Board and thanked the senior leadership team for the collaboration during these difficult times. Dr. Hromas reported that as of July 1, 2020, there will be 220 new medical students for a total of 880 medical students at the Long School of Medicine. The average number of residents at any given time is 800.
RECOMMENDATION:	None.
ACTION:	None.
EVALUATION	None.
FOLLOW-UP	None.

At this time, Mr. Adams acknowledged receipt of a letter – A Call to Action - that was sent to all employees from Mr. Hernandez, President/CEO, regarding racial injustices. In the letter, Mr. Hernandez asks the workforce to reflect upon what can be done as individuals and “public servants,” and as a health organization and one of the largest employers in the community, to champion for diversity, equity, inclusion and justice. He also reminds the workforce that as public servants, one must never become complacent or cavalier about the duty to root out racism and equality. Ms. Kirkman reported that Mr. Hernandez had received about 100 responses to his letter. The plan is to set up a committee to be chaired by Mr. Hernandez and supported by Ms. Kirkman, Vice President, Corporate Communications; and Ms. Scepanski, Senior Vice President/Chief Administrative Officer. Mr. Adams and Dr. Jimenez requested that Mr. Hernandez provide the Board with periodic updates on the committee’s work.

NEW BUSINESS

CONSENT AGENDA – JIM ADAMS, CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN APPOINTMENT/REAPPOINTMENT TO THE BOARD OF DIRECTORS OF THE ALAMO AREA COUNCIL OF GOVERNMENTS — 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

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR STAFF MEMEBERSHIP AND DELINEATION OF PRIVILEGES — DRAJEEV SURI, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FOLLOWING ONE-YEAR CONTRACT EXTENSIONS FOR EMPLOYEE BENEFITS: A) TRUSTMARK INSURANCE COMPANY (THROUGH BENEFIT SOURCE) FOR UNIVERSAL LIFE INSURANCE; B) TOTAL ADMINISTRATIVE SERVICES CORPORATION (TASC) FOR FSA, COBRA, ACA REPORTING AND RETIREE BILLING THIRD PARTY ADMINISTRATION SERVICES, AND RELIANCE STANDARD (THROUGH INSURANCE POINT) FOR SHORT AND LONG-TERM DISABILITY AND TERM LIFE INSURANCE BENEFITS - — THERESA SCEPANSKI

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

SUMMARY: Consideration and Appropriate Action Regarding An Appointment/Reappointment to the Board of Directors of The Alamo Area Council of Governments — Robert Engberg, Chair, Nominating Committee - In March 2006, the Board of Managers approved: a) the transfer of the Center for Health Care Services Mental Retardation Authority (MRA) role to the Alamo Area Council of Governments (AACOG); and, b) redirection of the Health System’s 10 percent local match from CHCS to the new AACOG MRA. The MRA transition also provided for continued Health System oversight of the new MRA through representation on the AACOG Board. To fulfill the Health System oversight requirement, Mr. Hasslocher has now served as the Board’s primary representative since November 2015, with his most recent term expiring on June 30, 2020. The alternate representative has been Mr. Engberg. The Nominating Committee recommends the reappointment of Mr. James C. Hasslocher to the AACOG Board of Directors as primary representative, with Mr. Thomas (“TJ”) Mayes as an alternate appointee, effective July 1, 2020 through June 30, 2022.

Consideration and Appropriate Action Regarding An Appointment to the University Health System Foundation Board of Directors — Robert Engberg, Chair, Nominating Committee - The University Health System Foundation is a 501(c)(3) charitable organization founded in 1983 to solicit, receive and maintain funds exclusively for the benefit of University Health System and the community served through its charitable mission. The Board of Managers, as the governing body, shall approve appointments to the Board of Directors of the Foundation. On

June 23, 2020, the Board of Managers appointed Dr. Margaret Kelley to fill the unexpired term of Ms. Janie Barrera through December 2020. However, Ms. Barrera would like to stay connected to the Health System *via* a community position on the Foundation Board of Directors. The Nominating Committee recommends approval of the appointment of Ms. Janie Barrera to fill a vacant community representative position on the University Health System Foundation Board of Directors, effective immediately through December 31, 2022.

Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Staff Membership and Delineation of Privileges — Rajeev Suri, M.D., President, Medical/Dental Staff - Monthly Credentials Committee Report (listing of providers in accordance with the Health System’s Credentialing and Privileging Process); and Focused/Ongoing Professional Performance Evaluation Reports submitted to the Board of Managers for approval.

Consideration and Appropriate Action Regarding the Following One-Year Contract Extensions for Employee Benefits:

- a) Trustmark Insurance Company (Through Benefit Source) for Universal Life Insurance - The contract was competitively bid on RFP-217-02-009-SVC in 2017. A total of fifteen (15) bid responses were received. This contract was competitively bid and awarded based on the best value, which includes favorable pricing and meeting the Health Systems bid requirements assigned by the Evaluation Team. Trustmark Insurance Company (through Benefit Source) provides the best value for the following reasons: (1) provides lowest premiums based on sample illustrations, (2) provides a 43 percent reduction in non-smoking premiums for employees, (3) provides a 49 percent reduction in non-smoking premiums for spouses; and (4) expanded dependent coverage availability. The workforce composition for Trustmark Insurance Company was provided by the Board’s review. Staff recommends Board of Managers’ approval of the contract with Trustmark Insurance Company (through Benefit Source) for universal life insurance for an estimated amount of \$290,516 for a one-year period.

- b) Total Administrative Services Corporation (TASC) for FSA, COBRA, ACA Reporting and Retiree Billing Third Party Administration Services - This contract was competitively bid on RFP-217-02-006-SVC. A total of nine (9) responses were received. Based on best value, the evaluation committee recommends a one-year contract renewal with Total Administrative Services Corporation (through Benefit Source) for Flexible Spending Accounts (FSA), Consolidated Omnibus Budget Reconciliation Act (COBRA), Affordable Care Act (ACA) Reporting and Retiree Billing benefits for regular full and part-time staff, house staff and departing employees. Best value includes favorable pricing and meeting the Health Systems bid requirements assigned by the Evaluation Team. Total Administration Services Corporation (through Benefit Source) provides the best value for the following reasons: (1) competitive

administrative fees; (2) enhanced administrative services, and; (3) additional reporting services. Based on current utilization, the estimated cost to the Health System is \$218,376 for a one-year period. There are no planned changes in the monthly administrative fees. This is a planned expense and funding will be included in the 2021 Annual Operating Budget. This request exercises the renewal option, for a one-year period beginning January 1, 2021 and ending December 31, 2021. The workforce composition for Total Administrative Services Corporation was provided for the Board's review. Staff recommends Board of Managers' approval of the contract for FSA, COBRA, ACA Reporting and Retiree Billing third party administration services with Total Administrative Services Corporation (through Benefit Source) for an estimated amount of \$218,376.

- c) Reliance Standard (through Insurance Point) for Short and Long-Term Disability and Term Life Insurance Benefits — Theresa Scepanski - This contract was competitively bid on RFP-217-02-009-SVC in 2017. The Health System received a total of fifteen (15) bid responses. This is a request for a one-year contract renewal for universal life insurance for regular full and part-time staff. This bid response is provides best value for the following reasons: (1) provides lowest premiums based on sample illustrations, (2) provides a 43 percent reduction in non-smoking premiums for employees, (3) provides a 49 percent reduction in non-smoking premiums for spouses; and (4) expanded dependent coverage availability.

Long-Term Disability - There are 3,341 regular and house staff participants in the employer sponsored long-term disability. Estimated cost to the Health System is \$499,383 for the one-year period. There are currently 1,569 regular staff participants in the voluntary long-term disability. Contractual value is 100 percent contributory in nature and accrued through employee premiums.

Short-Term Disability - There are currently 787 house staff participants in the employer sponsored short-term disability. The estimated cost for house staff participants is \$41,931 for the one-year period. There are currently 4,847 regular staff participants in the voluntary short-term disability. The short-term disability for regular employees' contractual value is 100 percent contributory in nature and accrued through employee premiums.

Supplemental Life Insurance - There are currently 3,776 regular staff participants in supplemental life insurance. The supplemental life insurance for regular employees' contractual value is 100 percent contributory in nature and accrued through employee premiums. The estimated cost is \$1,092,054 for the one-year period. There is no change to the premium rate compared to the current contract.

Dependent Life Insurance - There are currently 2,560 participants in dependent life insurance. The dependent life insurance contractual value is 100 percent contributory in nature

and accrued through employee and house staff premiums. The estimated cost will be \$161,598 for the one-year period.

Basic Life Insurance - There are currently 8,220 participants in basic life insurance. The estimated cost to the Health System will be \$108,960 for the one-year period. There is no increase in fees or premiums for the 2021 plan year.

The workforce composition for Reliance Standard was provided for the Board's review. Staff recommends the Board of Managers approve the contract for Short and Long-Term Disability and Term Life insurance benefits with Reliance Standard (through Insurance Point) for an estimated premium cost to the Health System of \$650,273. The cost to employees is \$3,932,200. The total cost for a one year period is \$4,582,473.

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) — Antonio Carrillo/Travis Smith - A total of 39 contracts with a value of \$64,698,082 are being presented to the Board of Managers for approval during the month of June 2020. Twenty-two (22) consent contracts with a total value of \$14,041,611, and seventeen (17) presented contracts with a total value of \$50,656,471. Five (5) contracts are classified as Small, Minority Woman or Veteran-Owned Business Enterprises (SMWVBE).

RECOMMENDATION: Staff recommends approval of the items listed on the consent agenda.
ACTION: A **MOTION** to approve staff's recommendation as made by Dr. Jimenez, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.
EVALUATION: None.
FOLLOW-UP: None.

Mr. Ira Smith left the Board meeting at 6:26 pm and returned at 6:27pm.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH DELTA DENTAL INSURANCE COMPANY (THROUGH BENEFIT SOURCE) FOR DENTAL BENEFIT SERVICES— THERESA SCEPANSKI

SUMMARY: The Health System solicited Request for Proposals (RFP-220-01-005-SVC) for dental benefit services. A total of six (6) responses were received. The bids were compared utilizing a decision matrix and reviewed for responsiveness to the request for proposal (RFP) specifications. The bids were then equally weighed based on administrative and financial criteria. The Evaluation Committee rated Delta Dental Insurance Company (through Benefit Source) as providing the best value for the following reasons: (1) lower negotiated discounted fees, (2) enhanced and variety of plan designs, (3) extensive plan implementation support, (4) large provider network; and; (5) lower

premiums. Benefit Source is recommended as the broker based on the outstanding quality of service they have provided to University Health System employees and their responsiveness to administrative needs. Ms. Scepanski provided a table in her written report that listed the six agencies that submitted bids and their corresponding pricing; as well as the contract's scope of service. She also provided some of the covered services and estimated patient charges for the HMO and PPO (both low and high plans) and benefit coverages provided by each. The contractual value is 100 percent contributory in nature and is accrued through employee premiums; the Health System does not incur a cost for this contract. There is a slight increase in monthly premiums (13.7 percent average) as the new plan offers lower co-pays on several services. The average increase in premium is \$2.89 per month. Ms. Scepanski also broke down new monthly premiums and benefit coverages for the HMO and PPO (both high and low plans) for employee only, for employee & spouse, employee & children, and employee & family). The HMO plan value is estimated to be \$655,223 annually (\$1,965,668 over a three-year period) and the PPO plan value is estimated to be \$3,175,798 annually (\$9,527,395 over a three-year period). Overall, the total estimated amount for the contract is \$3,831,021 annually (\$11,493,063 over a three-year period). The contract period is for three years beginning January 1, 2021. The workforce composition for Delta Dental and Benefit Source was provided for the Board's review.

RECOMMENDATION: Staff recommends the Board of Managers approve the three-year contract with Delta Dental Insurance Company (through Benefit Source) for a total estimated amount of \$3,831,021 annually, or \$11,493,063 over a three-year period.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH CONTINENTAL AMERICAN INSURANCE COMPANY - AFLAC GROUP (THROUGH BENEFIT SOURCE) FOR CANCER AND CRITICAL ILLNESS INSURANCE — THERESA SCEPANSKI

SUMMARY: This contract was competitively bid on RFP-220-02-011-SVC. A total of ten (10) responses were received. The bids were compared utilizing a decision matrix and reviewed for responsiveness to the request for proposal (RFP) specifications. The bids were then equally weighed based on administrative and financial criteria. The evaluation committee rated Continental American Insurance Company – Aflac Group as providing the best value for the following reasons: (1) Enhanced plan designs, (2) fewer plan limitations, (3) extensive plan implementation support, and; (4) no conditions on multiple years. Benefit Source is recommended as the broker based on the outstanding quality of service provided to University Health System employees and their responsiveness to administrative needs. The contract includes the cost for cancer and critical illness insurance for a four-year period and includes optional coverage amounts, increased coverage of different illnesses and varied

plan options. Employee premiums are determined by age, coverage amount and smoker/non-smoker rates. The total estimated cost for cancer and critical illness insurance is \$671,064 annually for a total of \$2,684,256 for a four-year period. The contractual value is 100 percent contributory in nature and is accrued through employee premiums. The Health System does not incur a cost for this contract. The contract shall be for a four-year term beginning January 1, 2021. The workforce composition for Continental American Insurance Company – Aflac Group and Benefit Source was provided for the Board’s review

RECOMMENDATION: Staff recommends the Board of Managers approve the four-year contract with Continental American Insurance Company – Aflac Group (through Benefit Source) for a total estimated amount of \$671,064 annually for a total of \$2,684,256 for a four-year period.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A FUNDING AGREEMENT WITH THE SOUTHWEST TEXAS REGIONAL ADVISORY COUNCIL (“STRAC”) FOR A UT HEALTH BEHAVIORAL HEALTH RAPID ACCESS CLINIC — SALLY TAYLOR, M.D.

SUMMARY: Dr. Sally Taylor greeted the Board and thanked Dr. Steve Pliszka, Professor and Chairman of the Department of Psychiatry at UT Health, for joining her today. The Southwest Texas Regional Advisory Council (STRAC) is designated by the Texas Department of State Health Services (DSHS) to develop, implement and maintain the regional trauma and emergency healthcare system for the 22 counties in Trauma Service Area-P. The Southwest Texas Crisis Collaborative (STCC), a division of the STRAC, is an innovative, private/public payor coalition comprised of the mental health service stakeholders and Bexar County health systems. In March 2020, a City of San Antonio and Bexar County Mental Health Systems Collaborative Gap Analysis identified rapid access to outpatient behavioral health treatment as a needed service in Bexar County. This is a proposed funding agreement that would support a Behavioral Health Rapid Access Clinic (RAC) with the UT Health Department of Psychiatry. Funding the RAC through the STCC will give this treatment service broad visibility as a community service and transparency to the community in treatment outcomes and performance. Since January 2014, initially as a UT Health 1115 Waiver project and later through a contractual arrangement with University Health System, the UT Health Department of Psychiatry’s Transitional Care Clinic (TCC) has been providing rapid follow-up for Health System adult psychiatric patients discharged from University Hospital. While providing treatment services, the TCC also trains the future behavioral health workforce in evidence-based practices. The TCC is well-poised to expand services for the RAC. RAC visits will be provided in person and virtually through telehealth. The RAC will include peer support specialists along with a Center for Health Care Services (CHCS) liaison to provide linkage for those patients with severe mental illness who

ultimately need more intensive services for a much longer period of time. With the predicted post COVID-related mental health needs, including new onset depression, anxiety and post-traumatic stress disorder, access to treatment for Health System employees and CareLink members should also improve with the RAC. The funding provided by this agreement will support personnel, including a fulltime psychiatrist (including the role of Medical Director for the clinic), counselors (i.e., licensed professional counselor, licensed clinical social worker, licensed chemical dependency counselor), caseworker, peer support specialist, and a CHCS liaison. In addition the funding supports initial infrastructure (e.g., furniture, phones, computers, etc.), medication assistance, bus passes, lab fees, a computer scheduling system, and space lease. Other personnel (e.g., medical assistant, scheduler, benefit coordinator, etc.) will be supported by UT Health's third party fee collections. The term of this contract will be for the period beginning approximately August 1, 2020 and ending December 31, 2021, pro-rated for the months during 2020 when the service is in operation, with a maximum financial outlay of \$1,400,000.00 annually. This contract amount is included in the Health System's 2020 budget. The workforce composition of UT Health San Antonio was provided for the Board's review.

RECOMMENDATION: Staff recommends the Board of Managers approve funding in the amount not to exceed \$1,400,000.00 annually beginning in calendar year 2020 (pro-rated for months of operation), through December 31, 2021, for the Southwest Texas Regional Advisory Council to support the UT Health Department of Psychiatry Behavioral Health Rapid Access Clinic, and authorize the President/CEO to execute an appropriate agreement.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH ST ENGINEERING AETHON, INC. FOR AUTOMATED GUIDED VEHICLE SYSTEMS FOR THE WOMEN'S AND CHILDREN'S HOSPITAL AND ASSOCIATED PROJECTS — DON RYDEN

SUMMARY: Per previous Board authorizations, construction has begun on early design packages for the Women's & Children's Hospital, Garage, and Heart/Vascular & Endoscopy Center (Project). The project design for the Women's & Children's Hospital (WCH) included automated guided vehicle (AGV) elevators, pathing, and support spaces for material management throughout the new facility including patient care, operational support, and administrative support areas. The basement areas of the new facility are included in early design packages and a cost-effective construction plan requires knowledge of all installed equipment requirements (e.g. electrical circuits, communications outlets, structural embeds, etc.) to preclude later rework to accommodate vendor furnished systems like the AGV equipment. At the present time, this is the case with the existing AGV system in the Sky Tower. Staff has determined that open competition for the most appropriate AGV equipment solution would provide the best value. A Request for Proposal (RFP) was

published in April 2020 and interested vendors responded to pre-proposal discussions and various RFP amendments to clarify the Health System’s requirements. Proposals were received in May, and a selection panel evaluated the proposals in early June 2020. From an initial list of four potential vendors, two firms indicated interest in meeting Health System requirements. Savant, the provider of current AGV systems servicing Health System facilities, proposed an enhanced vehicle operating system and new models of AGVs that would be fully compatible with existing Health System material management carts and processes, including radio-frequency identification tagging of carts to reduce human intervention for dispatching. Aethon, a competing firm, offered complete replacement of all AGVs with Autonomous Mobile Robots (AMRs), a different technology that would also require replacement or modification of existing material management carts, but would require no infrastructure support and so is potentially more operationally flexible. Both respondents included rework of portions of the existing AGV system in the Sky Tower, not including the separate system which supplies Sterile Processing and the two operating room floors. These modifications to the system in Sky Tower unify the AGV control system and allow increased interoperability between Sky Tower and WCH without multiple dispatching systems. Updated Sky Tower material management includes supplies, linens, equipment, and waste throughout the building. Evaluators considered several aspects of the offerings including qualifications, technical merit, past performance and experience, and overall price. Aethon’s proposal requires modifications to existing carts to work compatibly with the new vehicles. However, the Aethon solution has no reliance on built-in infrastructure and can be readily re-programmed to rapidly accommodate future operational changes. Aethon has experience in over 150 healthcare facilities of all sizes and clearly demonstrated their ability to anticipate and support top-tier healthcare material movement requirements. The cost of the Aethon AGV equipment solution is \$2,601,600, which includes lump sum pricing for the equipment installation and commissioning plus \$830,500 for a 5-year post-installation maintenance support program. Only a portion of this cost is included in the current approved Project capital funds. Further, some modification to existing AGV carts may be required, and is currently estimated at \$419,840 to modify 328 carts. Therefore, the total evaluated price for the Aethon proposal is \$3,851,940 while the total cost for the Savant system is \$4,235,845. Therefore, the evaluation panel determined that Aethon offers the best value. In his written report, Mr. Ryden allocated the total cost of \$3,851,940 as follows:

\$1,118,688 – WCH Capital Funds	\$	\$1,482,912 – Routine Capital (2021)
<u>\$830,500 – Operational Funds</u>		<u>\$419,840 – Operational Funds</u>

The workforce composition for ST Engineering Aethon, Inc., was provided for the Board’s review.

RECOMMENDATION: Staff recommends the Board of Managers approve the capital purchase request for ST Engineering Aethon, Inc. AGV equipment described in this document for the Women’s and Children’s Hospital project in the amount of \$2,601,600.

- ACTION: A **MOTION** to approve staff's recommendation as made by Mr. Hasslocher, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.
- EVALUATION: Dr. Jimenez again expressed concern with the vendor's workforce composition, which is 94.62 percent white. When Dr. Kelley asked whether this component could be factored into the scoring, Mr. Hernandez informed her that the Health System, by law, is not allowed to give preference to a vendor on that basis alone. In response to Mr. Adams' question about whether the staff is convinced that the automated vehicles are a feasible solution to Health System needs, Mr. Hurley and Mr. Banos both expressed support for various reasons, such as the 328 heavy carts that are all over the hospital and can be reused with modification, no previous injuries, less supervision required on the evening and night shifts, and no additional staff needed. Although failure rate information Mr. Smith asked for was not immediately available, Mr. Ryden noted that post installation maintenance is covered by the agreement for 5 years.
- FOLLOW-UP: Mr. Ryden will convey the Board's local and minority procurement policy to the vendor and encourage workforce diversity.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT TO THE PROFESSIONAL SERVICES CONTRACT WITH MARMON MOK LLP FOR ARCHITECTURAL SERVICES FOR THE WOMEN'S AND CHILDREN'S HOSPITAL AND ASSOCIATED PROJECTS TO INCLUDE BUILD-OUT DESIGN FOR THE 12TH FLOOR — DON RYDEN

- SUMMARY: Phase I of the Women's and Children's Hospital (WCH) and associated projects (Projects) included master planning, program validation, scope alignment, site investigations, and budget development. In July 2018 the Architectural/Engineering (A/E) team commenced full architectural and engineering design services for the WCH and Projects. The Project's design phase is on schedule. The A/E team has completed construction documents for the Heart/Vascular & Endoscopy Center (HVE) which is currently underway. The Underground Utility Reroute and North Garage demolition are complete. The garage retention system, site work, excavation, haul off and foundation drilled piers are currently underway. Construction documents (CD) for the Garage and the Women's and Children's Hospital are nearing completion and on schedule, including the build out of floors 8-11 which will accommodate the inpatient programs identified in the Blue Cottage Clinical Space Program. Upon approval, the A/E will prepare CD's for the build out of an additional thirty (30) private inpatient rooms on Level 12 to address the high demand and future growth at University Hospital. The Kitchen, Sery, Dining Room, Conference Rooms, and corridor connection to the staff bridge are not currently included in the project scope of the Podium expansion. However, in order to support the construction schedule of the core and shell of the Podium expansion, and to effectively plan for the future relocation of these ancillary support areas to the WCH, staff recommends that design services commence for these areas that will comprise approximately 51,000 square feet in the Podium. Time is of the essence in approving Additional Service Request #3R3 and #13R1 to support the current construction schedule and completion dates. The

Additional Service Requests include A/E Construction Administration fees to ensure the associated areas are available to support the Women’s and Children’s Hospital. Project Manager and staff have reviewed and negotiated the fees associated with Additional Service #3R3 and #13R1 and recommend approval of the following services in the total amount of \$3,746,847, and (funding sources):

Additional Service #3R3 Podium Expansion Partial	
Interior Build Out	\$ 2,562,584
(Board Designated Funds)	

Additional Service #13R1 Level 12 Build Out	
(WCH Capital Budget)	<u>\$ 1,184,263</u>
Total	<u>\$ 3,746,847</u>

Original contract amount:	\$31,981,288
<u>Previously Approved Amendments</u>	<u>\$12,829,691</u>
Total Contract Amount	\$44,810,979
<u>Amount Requested today</u>	<u>\$ 3,746,847</u>
Revised Contract Amount	\$48,557,826

The workforce composition for Marmon Mok|ZGF was provided for the Board’s review.

- RECOMMENDATION: Staff recommends Board of Managers’ approval to amend the design services contract with Marmon Mok LLP in the amount of \$ 3,746,847.
- ACTION: A **MOTION** to approve staff’s recommendation as made by Mr. Engberg, **SECONDED** by Mr. Hasslocher, and **PASSED UNANIMOUSLY**.
- EVALUATION: Dr. Jimenez asked for a future presentation that details how the Departments of Pediatrics and Obstetrics will work to attract patients to the new Women’s & Children’s Hospital. Dr. Hromas assured him that both departments are very collaborative and he will be happy to provide a presentation.
- FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH REVIVE PUBLIC RELATIONS, LLC D/B/A REVIVE HEALTH FOR COMPREHENSIVE BRANDING AND MARKETING SERVICES — LENI KIRKMAN

SUMMARY: Ms. Kirkman introduced and yielded the floor to Ms. Crystal Senesac, Executive Director of Marketing. The purpose of this contract is to engage a branding and marketing services firm with extensive experience in health care, specifically one with experience building brand awareness and preference for academic medical centers across the U.S. The scope of work includes working closely with University Health staff to update and implement a comprehensive brand improvement strategy and ultimately, deploy a brand campaign that clearly differentiates University Health System among key audiences, highlighting the assets of an academic medical center and defining them as benefits to consumers and referrers. Staff also works with a significant number of local and SWMBE marketing and advertising services firms to develop a wide range of specific public service, health promotion and service line campaigns - MarketVison, Design Film, Creative Noggin, ESD &

Associates, Sprocket Media Hub, Prost Media, Baymare, Brenner, Caprice Productions, GEOMedia, Jump Communications, CODESM and YNIS. Previously, the University Health System issued an RFP for a Comprehensive Branding/Advertising Services firm with extensive experience in branding for academic medical centers in July of 2015. In October on 2015, the Board of Managers approved the selection of Neathawk Dubuque, & Packett (ND&P). As the contract with NDP will expire in 2020, the decision was made to issue a new RFP to ensure the Health System was able to contract for this important service with a firm with the strongest team, the best insights and recommendations, and offering the best value. While the incumbent agency, NDP, did submit a proposal for RFP 219-08-005-SVC, following a thorough review of proposals and in-person presentations, the selection committee concluded that Revive Health best meets the current needs of the organization. Revive conducted extensive research to demonstrate their ability to quickly learn the landscape of the San Antonio medical community. Funds for the first year of this contract, as well as campaign implementation costs and media spend are included in the Corporate Communications & Marketing 2020 budget. Revive will be paid a \$30,000 monthly retainer for general account and management services, as well as strategic counsel and planning. Media commissions will be negotiated based on the size of the buy. Additional services will be billed on an hourly basis with rates ranging from \$85 to \$245. Revive will not conduct any work outside of the monthly retainer without prior authorization from University Health System. The Health System will pay all third-party vendors at net rates. Based on the scope of work, and the estimated hours required to perform these functions, the recommended contract total is \$800,000 per year for a term of three years. The workforce composition of Revive Public Relations, LLC d/b/a Revive Health was provided for the Board's review. Revive has extensive experience in building strong academic health brands. They do not know the Bexar County/South Texas community as well as University Health System's internal team, or as well as many local firms. However, Ms. Kirkman noted that the firm conducted extensive research to demonstrate their ability to quickly learn the landscape of the San Antonio medical community. Therefore, to also enable local firms to gain valuable experience, the Health System will continue to partner with several local agencies. Staff plans to continue to hold semi-annual retreats with all partners to maximize collaboration, ensure all are well-educated on Health System goals, priorities and values, and ensure consistency in how the Health System positions itself in all external and internal messaging. The workforce composition for Revive Health was provided for the Board's review. It was noted that out of 88 employees, 80 are white.

RECOMMENDATION: Staff recommends Board of Managers' approval not-to-exceed three-year contract in the amount of \$2.4 million with Revive Health for comprehensive branding and marketing services.

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

EVALUATION: In light of the heavy Latino market in Bexar County and South Texas, Dr. Jimenez expressed concern regarding the vendor's lack of Hispanics and African Americans on their staff. Dr. Kelley referenced Mr.

Hernandez’s beautiful letter to the staff – A Call to Action – and expressed that racial relations must be in everything the Health System does, the geography where this vendor is located is inconsistent with the Board’s small and local business policy. In addition, the Health System has been in existence for over 50 years and is affiliated with a world-class medical school. Dr. Kelley expressed her view that the Health System’s marketing strategy ought to reflect what it wishes “to be.” Mr. Hernandez agreed in that prior to 2015, the Health System was just Bexar County’s “safety net.” Since the opening of the Sky Tower, the Health System’s updated vision statement is “...**to be** one of the nation’s most trusted health institutions,” exactly as Dr. Kelley described. With that said, Mr. Hernandez noted that the best is not always in San Antonio, as is the case with Revive Health. Regarding Dr. Jimenez’ request for assurance that Revive Health will work closely with the internal marketing team and the local minority firms that the Health System has previously engaged, Ms. Kirkman stressed that the staff’s intent is to maintain contracts with local marketing vendors to work side by side with Revive to address the Board’s concern; and she acknowledged that there is indeed local talent to be tapped. Ms. Kirkman also agreed to share the extent of this conversation with the vendor and committed to lend encouragement to diversify its workforce as much as possible. In addition, Ms. Senesac agreed with Dr. Jimenez that digital marketing and branding is the way of the future, and although this firm is steps ahead of the game in that regard, the bulk of the digital work is done at the local level. Dr. Jimenez also urged the staff to keep in mind that there is a huge difference between marketing and branding for Academic Medical Centers and private hospitals.

.FOLLOW-UP: As indicted above.

Mr. T.J. Mayes left the Board meeting at 7:54 pm and returned at 7:56 pm.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A MAINTENANCE AGREEMENT WITH EPIC FOR THE EPIC ELECTRONIC HEALTH RECORD PROJECT — BILL PHILLIPS

SUMMARY: In October of 2018, the Board of Managers approved acquisition and implementation of the Epic Electronic Health Record Project. At that time, no expenses were recognized for software maintenance as the maintenance fee is not due until go-live. The approaching go-live date is July 11, 2020, and it is now time to complete the contractual agreement with Epic for annual software maintenance. Staying current with software maintenance ensures the Health System has the latest software upgrades and support in the event software issues arise. The total cost of the Epic maintenance agreement is \$3,297,304. This agreement covers maintenance fees for a period of 12 months and will be billed monthly beginning on July 11, 2020. The workforce composition for Epic was provided for the Board’s review, and Mr. Phillips noted several discussions with Epic CEO encouraging her to diversify Epic workforce by hiring more minorities.

RECOMMENDATION: Staff recommends Board of Managers’ approval of procurement of the Epic Software Maintenance Agreement from Epic in the amount of \$3,297,304.

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

EVALUATION: The impact COVID-19 has had on the Epic implementation has been minimal, delayed by several weeks.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A PROFESSIONAL SERVICES AGREEMENT WITH IMPACT ADVISORS, LLC FOR THE EPIC ELECTRONIC HEALTH RECORD PROJECT — BILL PHILLIPS

SUMMARY: In October of 2018, the Board of Managers approved acquisition and implementation of the Epic Electronic Health Record Project. As the staff prepares for the July 11 go-live date, at the elbow or bedside assistance for end users is a key role to a successful go-live. To accomplish this function, the Health System will have 630 staff members that have been trained as super-users providing support throughout the Health System. Epic will also provide support staff on site and remotely. Staff has identified three areas that are critical for additional provider support: Emergency Department, Operating Rooms and Hospitalists. These areas have been identified due to the complexity and high patient volumes. To assist with this critical additional support, staff is requesting approval for a contract with Impact Advisors to provide 27 Epic trained clinicians (i.e., RN's, MA's, Therapists) to support these areas for two weeks or 3,648 hours. Impact Advisors has been providing consulting support services since the beginning of the Health System's project and have qualified trained staff available for travel during this period. Mr. Phillips explained to the Board why Impact Advisors is uniquely qualified to fill this role. The total cost of the acquisition of services is not to exceed \$409,000. This contract will provide 27 support staff for two weeks of on-site go-live services for a total of 3,648 hours. The workforce composition for Impact Advisors was provided for the Board's review.

RECOMMENDATION: Staff recommends the Board of Managers approve procurement of Provider go-live support services from Impact Advisors in the amount not to exceed \$409,000.

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

EVALUATION: None.

FOLLOW-UP: None.

At this time Mr. Adams announced that Dr. Hilda Draeger/University Medicine Physicians, has been selected for Epic's Rheumatology Steering Board. This is a group of highly regarded rheumatologists that collaborate to define the gold standard for workflows, recommendations, and best practices in the Epic system.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORT FOR MAY 2020 — REED HURLEY

SUMMARY: In May, the Health System operations continued to be significantly impacted by the COVID-19 crisis resulting in stay at home and social distancing directives reducing in and outpatient activity. Clinical activity

(as measured by inpatient discharges) was down 18.1 percent for the month compared to budget. Community First Health Plans (CFHP) fully insured membership was up 8.9 percent to budget. On a consolidated basis, gain from operations was \$23.2 million, \$24.4 million better than budget. The consolidated bottom line gain (before financing activity) was \$19.9 million, \$25.2 million better than the budgeted loss of \$5.3 million. Higher other operating revenue and lower operating expense offset lower net patient revenue to result in performance better than budget. CFHP experienced a bottom line gain of \$9.0 million, which was \$9.7 million better than the budgeted loss of \$734 thousand. Higher premium revenue and lower claims expense accounted for the performance to budget. Debt service revenue was \$5.9 million, which was equal to budget. May 2020 payor mix funded rate is 75.7 percent, the highest the Health System has ever had. Days' worth of revenue in Accounts Receivable excluding SNF and CareLink is 53.89. Main drivers for the month of May include the delay in Epic implementation, CFHP positive bottom line, supplemental funding, and \$14 million from CARES Act. Dr. Jimenez was interested in knowing how the Pathology Department is handling the surge of COVID testing. The Pathology Department is running steadily. The staff has significantly increased output on Covid-19 test results, there are multiple machines available in the lab. Mr. Hurley reviewed notable increases and/or decreases from the consolidated balance sheet.

RECOMMENDATION: Staff recommends acceptance of the financial reports subject to audit.
ACTION: A **MOTION** to approve staff's recommendation as made by Mr. Engberg, **SECONDED** by Mr. Hasslocher, and **PASSED UNANIMOUSLY**.
EVALUATION: None.
FOLLOW-UP: None.

PRESENTATIONS AND EDUCATION:

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

SUMMARY: In the interest of time, Mr. Adams deferred this presentation. He encouraged his Board colleagues to review the written report.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None.

INFORMATION ONLY ITEMS:

SECOND QUARTER QUALITY REPORT — BRYAN ALSIP, M.D

2019 ANNUAL REPORT ON LEARNING AND DEVELOPMENT — THERESA SCEPANSKI

EPIC ELECTRONIC HEALTH RECORD PROJECT UPDATE — BILL PHILLIPS

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS — LENI KIRKMAN

SUMMARY: Mr. Adams directed the Board's attention to the informational reports above. He urge them to review the documents and contact the staff directly with questions or comments.

RECOMMENDATION: None.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: None.

ADJOURNMENT — JIM ADAMS, CHAIR

There being no further business, Mr. Adams adjourned the Board meeting at 8:23pm.

James R. Adams
Chair, Board of Managers

James C. Hasslocher
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary