



**BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, March 31, 2026
6:00 pm
Cypress Room, University Hospital
4502 Medical Drive
San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

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

OTHERS PRESENT:

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

COMMENTS: Dina Perez-Graham, Sr. Vice President, Chief Nursing Executive read staff names at the request of Mr. Hasslocher in recognition for assisting him during a hospital visit. They are Siprianita “Sippy” White, ED Nurse, Dr. Christopher Caro, ED Resident and Dr. Jared Walker, Attending Physician. Mr. Hasslocher expressed his gratitude to the staff.

CALL TO ORDER:

Mr. Hasslocher called the Board meeting to order at 6:04pm.

INVOCATION AND PLEDGE OF ALLEGIANCE — Jimmy Hasslocher, Chair

Invocation – Father Bobby Thomas, University Health Chaplain — *Jimmy Hasslocher, Chair*

Mr. Hasslocher led the pledge of allegiance.

PUBLIC COMMENT: NONE

Approval of Minutes of Previous Meeting: March 31, 2026 (Regular Meeting)

SUMMARY: The minutes of the Board meeting of Tuesday, March 31, 2026 were submitted for the Board's approval.

RECOMMENDATION: Staff recommends approval of the minutes as submitted.

COMMENTS /DISCUSSIONS: None

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

EVALUATION: None

FOLLOW UP: None

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

SUMMARY: Mr. Hasslocher offered his congratulations to Dr. Cigarroa on being named International Citizen of the Year by the World Affairs Council and thanked him for his many years of service and collaboration throughout the years. Dr. Cigarroa provided comments on The School of Health Professions will be celebrating its 50th year anniversary this summer. Noting that many of the graduate's transition into being employed at University Hospital. Dr. Taylor Eighmy is launching a strategic planning process for the integrated universities and will align with the six schools within the Health Science subsets.

Dr. Hromas mentioned matched day on March 19th during which 98.5% matched and are working with 4 students to get their match and a very successful match. Additionally, US News and World Report ranked UT Health Medical School at Tier 2 between 26th and 50th place while at the World rankings we are at the 39th Medical School in the US. This would not have been possible without the partnership between University Health and UT Health. There are 8 UT Health departments ranked in the Top 35 in the nation. Lastly, the San Antonio Express News conducted their reader's poll and the results and UT Health was voted most favorite medical group to include primary care groups as well.

NEW BUSINESS:

CONSENT AGENDA — *Jimmy Hasslocher, Chair*

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

SUMMARY: The Credentials Committee met on February 23, 2026 and reviewed the credential files of the individuals listed on the attached Credentials Report and the Professional Performance Evaluation Report. In its meeting of March 3, 2026, the Executive Committee of the Medical-Dental Staff recommended approval of the Credentials Committee Report.

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

SUMMARY: The Credentials Committee met on February 23, 2026 and reviewed proposed revisions to Delineation of Privilege and the Professional Performance Evaluation Report and forms. In its meeting of March 3, 2026, the Executive Committee of the Medical-Dental Staff recommended approval of the attached Delineation of Privileges and Focused/Ongoing Professional Performance Evaluation Report.

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

SUMMARY: The Board of Managers of University Health holds approval authority for appointing clinical providers to the Medical-Dental Staff and for granting clinical privileges, as part of its oversight of the quality of care and the provision of treatment to patients.

The Professional Staff Services Department (PSS) is identified as the department responsible for ensuring compliance for all applicants undergoing credentialing and privileging, including providers seeking approval for Telehealth privileges.

In alignment with Section 3.7 (“Telehealth”) of the Bylaws, when University Health facilities serve as the originating site, University Health may rely on the privileging and credentialing decision from the distant site to inform and make a final privileging decision, provided that all required elements are met.

Consideration and Appropriate Action Regarding Infection Prevention and Control Program and Antibiotic Stewardship Lead Appointment — *Bryan Alsip, M.D.*

SUMMARY: CMS Conditions of Participation require the governing body to appoint the leaders of the Infection Prevention and Control Program and the Antibiotic Stewardship Program. To comply with those requirements, University Health is requesting Board of Managers approval of the designated leads for both programs. Laura Solis, BS, CIC for Infection Prevention and Control Program Responsibility and Jason E. Bowling, MD, FIDSA for Antibiotic Stewardship Program. This item is presented as a governance action necessary to meet CMS regulatory requirements.

Consideration and Appropriate Action Regarding a Professional Services Agreement with Alamo Area Resource Center in Support of Ryan White Part B HIV/AIDS Services — *Anna Taranova, M.D.*

SUMMARY: University Health will use Ryan White HIV/AIDS Program Part B funding, administered through DSHS, to enter into a sub-award agreement with the Alamo Area Resource Center (AARC) for April 1, 2026, through March 31, 2027. The agreement supports core medical and support services for low-income persons living with HIV/AIDS across the 12-county San Antonio Health Service Delivery Area, with a focus on improving access to care and maintaining viral suppression. Funded service categories include health insurance premium and cost-sharing assistance, medical transportation, and referral for health care.

AARC, a long-time nonprofit partner and existing Ryan White subrecipient, will provide services on a cost-reimbursement basis. The agreement supports the broader Ending the HIV Epidemic initiative, ensures continuity of care in Bexar County and surrounding areas, and is budget-neutral to University Health.

Consideration and Appropriate Action Regarding Renewal of Air Medical Services Agreement for Specialty Transport with Apollo MedFlight, LLC — *Ted Day*

SUMMARY: University Health reported sustained growth in women’s, children’s, neonatal, pediatric, and maternal services, especially since opening the Women’s & Children’s Hospital in December 2023.

The hospital's Level IV Maternal and Level IV Neonatal designations and comprehensive pediatric specialty services have increased demand for timely specialty transports from referring hospitals across South Texas. In 2025, specialty transport teams completed 684 air and ground transports, including 201 helicopter transports, with rotor wing aircraft also used at times for adult and pediatric ECMO patients.

To support this need, University Health is renewing its agreement with Apollo MedFlight, LLC, its rotor wing transport provider since May 2023. Apollo will continue providing aircraft, pilots, aviation services, maintenance, fuel, insurance, selected equipment, and integrated communications support. The renewal also strengthens requirements for a San Antonio-based back-up aircraft for at least 180 days to reduce service interruptions. Safety, CAMTS accreditation, quality oversight, training, and formal performance metrics remain central to the agreement.

Consideration and Appropriate Action Regarding an Amendment to the Professional Services Agreement between University Medicine Associates and UT Health San Antonio for Pediatric Hematology/Oncology Services — *Monika Kapur, M.D./Edward Banos*

SUMMARY: University Health, University Medicine Associates, and UT Health San Antonio's Department of Pediatrics established this pediatric hematology and oncology partnership in 2014 to provide specialized safety-net services for children in Bexar County. Staff requested approval to amend the current agreement, which expires August 31, 2026, by transitioning services from a standalone lease to a 17-month agreement aligned with the Professional Services Agreement to improve standardization and operational alignment.

The amendment maintains 5.2 physician FTEs and 1.8 APP FTEs and adds 1.0 physician FTE for infusion oversight and 1.61 FTEs for psychology services, for a total of 6.2 physician FTEs and 3.41 APP/psychology FTEs under one agreement. Staff stated that consolidating these services improves scope clarity, accountability, and coordination for multidisciplinary care.

The proposed annual amount would increase from \$1,562,443 to \$3,315,801, including \$716,224 in services moved from the Master Services Agreement and \$1,037,134 for market-based compensation alignment. In 2025, the program generated \$1,871,288 in professional collections, completed 62 outreach visits, and achieved 99 percent top-box patient satisfaction scores for physicians listening carefully.

Consideration and Appropriate Action Regarding an Temporary Staffing Agreements — *Andrea Casas*

SUMMARY: University Health reported major progress in workforce recruitment and retention, reducing its temporary staffing budget from \$28.2 million in 2023 to a requested \$2 million in 2026, a decrease of about 93%. Despite this improvement, staff said temporary agency staffing remains an important contingency tool to address short-term staffing gaps, seasonal fluctuations, unexpected patient volume increases, and growth at University Hospital and three planned community hospitals. The requested \$2,000,000 for April 1, 2026 through March 31, 2027, supports this flexible staffing strategy and will be recorded in salaries and wages as contract labor substituting for regular staff.

University Health maintains agreements with multiple staffing agencies to provide qualified nurses, respiratory therapists, radiology professionals, and other healthcare staff on an as-needed basis at competitive rates. Staff emphasized that this model supports continuity of care, patient safety, operational flexibility, and burnout prevention, while avoiding overstaffing and fixed labor commitments during lower census periods. Agencies bill only for services used, providing built-in cost control.

Consideration and Appropriate Action Regarding an Amendment to the Agreement with Beyond Faith Homecare & Rehab of Abilene, LLC d/b/a Beyond Health Homecare & Rehab of San Antonio for CareLink and Unfunded Patients — Virginia Mika, PhD

SUMMARY: University Health, through CareLink and Case Management, is requesting a 120-day extension of its home health services agreement with Beyond Health Homecare & Rehab of San Antonio through July 31, 2026, while a request for proposals is completed to establish a high-value post-acute care network. The current contract, originally effective April 1, 2021, expires March 31, 2026 after two one-year renewals. Home health services support uninsured Bexar County residents and unfunded patients by facilitating safe hospital discharges, reducing length of stay, and helping decompress the emergency department. The amendment adds funding to maintain service continuity during the RFP process. Services are reimbursed on a fee-for-service basis at 100% of Medicare rates.

The agreement also requires compliance with utilization review, quality assurance, eligibility verification, pre-authorization, and patient satisfaction standards. The estimated cost of the extension is \$500,000, split evenly between CareLink and Case Management.

Consideration and Appropriate Action Regarding an Administrative Services Agreement with Community First Third-Party Administrator Services, Inc. For CareLink — Virginia Mika, PhD

SUMMARY: University Health is seeking to transition CareLink from its legacy DOS-based IDX claims system, which has been used for more than 20 years and is now the last such system remaining at the organization, to the QNXT platform. Leadership approved the change to improve claims administration, efficiency, reporting, and regulatory compliance. Under the agreement, Community First Third-Party Administrator Services, Inc. will provide third-party administrator services, including QNXT and related software systems, to adjudicate claims and pay providers for the CareLink program.

Staff stated that the new system will reduce manual claims review and processing and provide more accurate, reportable data. The agreement includes performance standards addressing payment accuracy and timeliness. Pricing is based on 25,000 members, at \$6.22 per member per month for approximately the first four months, increasing to \$10.31 per member per month once all systems are live. The estimated first-year cost is \$2,684,000, with ongoing annual costs of about \$3,093,000 and a total five-year cost of \$15,056,000.

Consideration and Appropriate Action Regarding a Contract between Community First Health Plans, Inc., and Peller Technologies for Microsoft 365, Azure Subscriptions, and Microsoft Fabric — Theresa Scepanski

SUMMARY: Community First Health Plans is seeking a five-year agreement with Peller Technologies to support its modernization efforts through enterprise licensing and technical services. Peller would serve as both value-added reseller and implementation partner for Microsoft 365, Azure, Microsoft Fabric, and related cloud, security, and analytics platforms. Staff said this would allow Community First to consolidate major technology subscriptions under one partner while advancing cloud transformation, cybersecurity, interoperability, and data modernization.

Microsoft Fabric is intended to become Community First's unified analytics and data management platform, consolidating legacy systems into a scalable data-lakehouse environment supporting claims, clinical, provider, and operational data, including FHIR-based integration for CMS interoperability requirements. Peller would also provide migration, architecture, optimization, and ongoing deployment support.

The proposed contract term is January 1, 2026 through December 31, 2031. Compared with the current annual contract amount of \$1,023,650, the new annual contract reflects an increase of \$316,900, or 31%. Staff noted this is a planned expense and is included in the Annual Operating Budget.

Consideration and Appropriate Action Regarding a Contract Renewal Between Community First Health Plans, Inc., and Unite USA, Inc. d/b/a Unite Us — Theresa Scepanski

SUMMARY: Community First Health Plans is seeking a three-year renewal with Unite Us to strengthen its ability to address members' health-related social needs through a coordinated, data-driven infrastructure. Unite Us will continue providing network access to its care coordination platform, including licenses, account management, training, technical support, and maintenance of the regional provider network.

The agreement also includes care coordination services to help identify member social needs, create referrals, connect members with appropriate community organizations, and document outcomes through closed-loop referral processes. In addition, Community First will receive three Unite Us Insights analytics dashboard licenses to monitor referral activity, health equity trends, resource recommendations, and user performance. The contract term would run from April 1, 2026, through December 31, 2028. Year one cost reflects a \$4,605 increase, or 7%, over the current annual amount of \$65,790, with similar increases in later years, for an estimated total contract amount of \$226,314.

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

SUMMARY: University Health's Purchasing Consent package consists of new contracts or modifications to existing contracts that require Board of Managers approval. The items are generally supply and third-party service contracts that support routine, day-to-day business operations. The Consent Agenda is typically approved through one motion and vote; however, the Board may select or pull individual items for separate discussion and action. The package is organized into two sections. "Attachment A" provides the list of each item under consideration by the Board. The subsequent numbered pages correspond to the reference numbers shown in Attachment A and provide supporting detail for each proposed contract included in the Purchasing Consent agenda.

University Health's Purchasing Consent attachment for March 2026 includes 21 proposed contracts requiring Board of Managers action. The total approval amount requested for these 21 contracts is \$30,727,620. All other Board of Managers agenda items and contracts will be addressed and approved separately by the Board.

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

- 1) Purchasing Consent Agenda Items; and,
- 2) Purchasing Consent Attachment "A" in the amount of \$30,727,620

COMMENTS /DISCUSSIONS: None

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

EVALUATION: None

FOLLOW UP: None

SUMMARY: University Health's 2026 Quality Plan is aimed at improving publicly reported ratings and reducing pay-for-performance penalties while sustaining gains that supported its Leapfrog "Straight A" safety grade through Fall 2025. The plan reviews more than 280 metrics across 14 publicly reported programs and identifies 21 tactical metrics with the greatest impact on outcomes, safety, and reimbursement. Targets include top 10th percentile, top 25th percentile, mid-range national benchmarks, and internal improvement goals.

A major 2026 change is adoption of CMS Failure-to-Rescue in place of PSI 04, expanding outcome review to deaths within 30 days of the inpatient event and including both traditional and managed Medicare patients. Key focus areas remain mortality, sepsis survival, documentation accuracy, palliative care, hospice use, and 30-day readmissions, including CHF.

Additional 2026 quality priorities include readmissions, NPOA complications, infections, ambulatory prevention metrics, and sepsis compliance. Readmission targets cover all payer discharges and aim for top-quartile performance. Five NPOA tactical metrics include failure-to-rescue, postoperative hemorrhage/hematoma, perioperative DVT/PE, PSI-90, and CMS/Leapfrog injury rates. Infection prevention remains central, with tracking of C. diff, CAUTI, CLABSI, MRSA, and surgical site infections, plus added hand hygiene observation and compliance metrics. Ambulatory focus measures are potentially preventable inpatient admissions and emergency visits. SEP-1 remains the sole tactical process metric, with a target at or above the national top decile. University Health will reinforce accountability through dashboards, leadership meetings, medical director oversight, a new ICU Critical Care Quality and Safety Committee, and CMS Star gap analyses targeting a four-star rating.

University Health reported that clinical contract monitoring remains in place to ensure compliance with Policy 2.04 and CMS Conditions of Participation. Clinical contracts are defined as external agreements for care, treatment, and services provided to hospital patients, and each contract must undergo an annual review covering scope of services, quality and performance metrics, and compliance with contract requirements. University Health currently has 156 contracts meeting this definition, including 49 contracts, or 31 percent, with UT Health San Antonio. Each contract is assigned to a monitoring officer responsible for completing the annual evaluation. Other monitored clinical contracts include interpretation services, staffing agencies, specialized laboratory testing, community provider agreements, and operational services such as food service and environmental services. Staff reported that all clinical contracts continue to be reviewed and reported in accordance with policy and CMS standards.

COMMENTS /DISCUSSIONS: Ms. Rodriguez thanked Dr. Alsip for the report and asked about the reporting per facility, is it one NPR for the three facilities and or will each facility have its' own NPR? Dr. Alsip replied that it will be both as there in a single license for all the facilities for various reasons, however depending on the rating agency such as Leapfrog will consider each facility individually; but some of the data is shared across. Further discussions ensued.

Action Items:

Consideration and Appropriate Action Regarding University Health's Community Health Needs Assessment and Implementation Strategy — Carol Huber, DrPH

SUMMARY: University Health reported that, as a 501(c)(3) tax-exempt organization, it must complete a Community Health Needs Assessment every three years and adopt an implementation strategy addressing identified needs. The Board previously approved the 2022 CHNA and Implementation Strategy in March 2023.

For the 2025 cycle, University Health again partnered through the Health Collaborative, which published the new Bexar County CHNA in October 2025. The Institute for Public Health then used that report to develop University Health's updated Community Health Implementation Strategy.

The CHNA analyzes more than 100 data metrics and incorporates community and key informant input. Needs are organized into three categories: what people need for health, how people care for themselves, and how the community is faring overall. University Health's Institute for Public Health, launched in 2022, led development of the strategy with support from the Health Equity Leadership Team.

The strategy aligns programs and initiatives to those three need areas, including screening for social needs, connecting patients to community resources, expanding transportation and telehealth access, supporting healthcare workforce development, and providing disease management, injury prevention, primary care, preventive care, and mobile health services across Bexar County.

University Health's Implementation Strategy also addresses the "How We Are Faring" category by expanding behavioral health services, addressing substance use through grant-funded programs such as OTRS, strengthening infectious disease prevention, providing comprehensive diabetes care through the Texas Diabetes Institute, and supporting maternal and infant health through inpatient and outpatient services. The Institute for Public Health monitors alignment and impact through the Health Equity Leadership Team and reports progress annually in the Annual Health Equity Report. The Institute also supports leaders across University Health with assessments, data disaggregation, gap analyses, evidence-based strategy development, and program evaluation. Staff noted that improving upstream social and economic drivers of health supports the "Triple Aim Plus" by improving quality, safety, outcomes, patient satisfaction, efficiency, and access to care.

Financially, University Health contributes \$41,800 annually to the Health Collaborative, with all 2026 initiative costs already included in the approved budget and no new funding requested.

RECOMMENDATION: Staff recommends the Board of Managers approve the adoption of the Community Health Needs Assessment (CHNA) and the Community Health Implementation Strategy.

COMMENTS /DISCUSSIONS: Dr. Kelley commented on the statistics on poor outcomes of African and Latin American Women in Bexar County for Maternal, severe maternal morbidity, mortality and low birth weight. What is the strategy for addressing this issue. Dr. Huber replied and further discussions ensued.

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

EVALUATION: None

FOLLOW UP: None

Consideration and Appropriate Action Regarding Selected Purchasing Items:

Consideration and Appropriate Action Regarding a Professional Services Agreement with the UT Health San Antonio School of Dentistry for Dentistry and Oral and Maxillofacial Surgery Call Coverage – *Edward Banos*

SUMMARY: University Health reported that UT Health San Antonio School of Dentistry has provided continuous 24/7 Oral and Maxillofacial Surgery coverage for University Hospital's emergency and trauma patients since 2010, making it the only hospital in Southwest Texas with this level of OMS support.

The agreement has expanded to include medical direction for the pediatric cleft/craniofacial surgery program and advanced practice provider support, but its primary purpose remains continuous OMS call coverage for the Emergency Department and Operating Room.

Staff emphasized that OMS services are essential to trauma and emergency operations, managing a high volume of facial trauma, dentoalveolar trauma, and serious dental infection cases, many of which require surgery. Because other hospitals in the region have limited OMS coverage, University Health receives referrals from across South and West Texas, including Corpus Christi, Laredo, and the Rio Grande Valley. The program also supports multidisciplinary coordination with Emergency, Trauma, Otolaryngology, and Plastic Surgery, while APP support improves inpatient and operating room efficiency. Quality provisions include credentialing, board certification, utilization review, quality assurance, timely emergent consult response, and compliance with clinical protocols.

In 2025, the OMS service completed more than 1,045 consults and consistently met response-time standards, demonstrating dependable support for emergency and trauma operations. Providers are also required to maintain timely, accurate medical record documentation in compliance with University Health policy and Joint Commission standards, supporting care coordination, regulatory compliance, and quality outcomes.

The proposed renewal maintains the current annual funding of \$1,455,000 with no cost increase, including \$1,050,000 for OMS call coverage, \$105,000 for pediatric cleft/craniofacial surgery medical direction, and \$300,000 for two advanced practice providers. Strategically, the agreement supports trauma readiness, preserves access to specialized surgical care across South and West Texas, strengthens University Health's role as a regional referral center, and advances community engagement, provider education, research, and multidisciplinary collaboration.

RECOMMENDATION: Staff recommends the Board of Managers' approval of the Oral and Maxillofacial services agreement with UT Health San Antonio School of Dentistry for a two-year term in the amount of \$2,910,000 Beginning April 1, 2026 and ending March 31, 2028.

COMMENTS /DISCUSSIONS: Mr. Hasslocher thanked Dr. Cigarroa and Dr. Hromas for the continued support and partnership. Dr. Cohen asked if this is only for Oral and Maxillofacial surgery or is there capabilities of taking care of indigent patients through the Dental School for standard dental services. Further discussions ensued.

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

EVALUATION: None

FOLLOW UP: None

Consideration and Appropriate Action Regarding an Amendment with Press Ganey Associates, LLC for Strategic High Reliability and Just Culture Consulting Services — Bill Phillips/ Leni Kirkman

SUMMARY: This section framed University Health's next goal as becoming a high reliability organization (HRO), moving beyond being a strong organization to one that consistently operates safely in complex, high-risk environments while avoiding catastrophic failure. Speakers emphasized that high reliability begins with leadership's commitment to zero harm for patients, families, and the workforce, supported by vigilance, resilience, psychological safety, and a nonpunitive culture where staff feel safe raising concerns. The discussion tied patient experience directly to safety and quality, not just customer service or satisfaction scores. Leaders explained that patients first expect safe care, with compassion, communication, and kindness built on that foundation.

Workforce engagement was described as essential, since staff must feel supported and empowered to stop, speak up, and address risks. The presentation also focused heavily on organizational culture, describing it as the practical expression of University Health's values through daily behaviors, expectations, and accountability.

Leadership acknowledged some inconsistencies in culture and stressed the need to intentionally design a unified culture as the organization expands. A just culture approach was highlighted, meaning errors and near misses should be reviewed through curiosity and transparency rather than blame. The goal is to understand what happened, why it happened, whether systems or behaviors contributed, and how risks can be reduced going forward.

The discussion emphasized that University Health's high-reliability model must distinguish between system-related errors, which require training, support, and process improvement, and reckless behavior, which involves knowingly disregarding policies or accepted standards. Leaders stated that because the organization is committed to zero harm and full patient trust, intentional noncompliance cannot be treated the same as mistakes caused by system or workload issues.

Speakers said this work has been under discussion for about a year and is now ready to be formally embedded into the organization's culture. They stressed that the goal is not a temporary quality campaign or "flavor of the month," but a long-term cultural transformation built into orientation, continuing education, leadership expectations, physician engagement, and staff development at every level.

To support this effort, University Health hired Dr. Lisa Rose approximately a year ago from Houston Methodist Hospital because of her experience leading similar high-reliability work. Leadership also determined that outside support was needed to fully implement the initiative.

After reviewing multiple vendors, University Health selected Press Ganey, noting its existing role in patient experience and employee survey work, its expertise in patient experience improvement and just culture, and its broad global experience with 41,000 organizations in more than 100 countries. Staff also reported conducting reference checks with Texas Health Resources, Jackson Hospital and Clinics, FirstHealth, and Yale New Haven Health, and concluded that Press Ganey was the best fit to help roll out the culture change effectively.

RECOMMENDATION: Staff recommends the Board of Managers approve a contract amendment with Press Ganey Associates, LLC in the amount of \$577,000 for strategic consultation, over a 24-month period, to support University Health's journey to build and sustain a safety-first culture based on High Reliability Organization and Fair & Just Culture principles.

COMMENTS/DISCUSSIONS: Ms. Rodriguez asked if aside from the dollar amount being requested, is there a budget UH. Leni Kirkman replied and further discussions ensued.

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

EVALUATION: None

FOLLOW UP: None

Consideration and Appropriate Action Regarding a Purchase and Sale Agreement with Rubyroo Holdings, LLC to Acquire a Commercial Property located at 226 W Rector Street, San Antonio, Texas 78216 and Approval of Related Demolition and Parking Lot Renovation Expenses — Christa Olvera/Brian Freeman

SUMMARY: The presentation described the North Clinic as a heavily used facility with space and parking limitations that have become a significant operational challenge.

The clinic sits on 1.685 acres and includes about 23,000 square feet of clinical space and 6,500 square feet of warehouse space. Staff reported that the clinic sees approximately 65,000 patients and operates with 27 exam rooms, underscoring its major role in serving the community.

To address longstanding parking constraints, University Health has pursued acquisition of the adjacent property at 2226 West Rector, which has been vacant for six to eight months. After prior unsuccessful attempts to reach an acceptable purchase price, staff indicated the seller is now willing to move forward. The property would add about 0.69 acres and roughly 30,000 square feet. After evaluating the structure, staff determined the building is not well suited for reuse due to multiple additions and uneven floor elevations, making demolition the preferred option.

University Health reported that it has executed a non-binding letter of intent to purchase the adjacent 226 W. Rector property for \$1.65 million, supported by a March 2026 independent land appraisal. Preliminary planning indicates that demolition of the existing structure would allow construction of 70 additional parking spaces, enough to meet current parking demand and support future patient and staff growth. The demolition and parking lot development are estimated to cost an additional \$550,000. Staff also noted that the added parking would eliminate the need to lease 50 employee parking spaces, generating about \$30,000 in annual savings.

The project is planned as a multi-year phased initiative, with the pharmacy component identified as phase two. Staff estimated that the future pharmacy phase could conservatively recapture about \$2 million annually from prescription revenue currently leaving the system. Phases 2 through 6 will be brought back to the Board for future approval.

RECOMMENDATION: Staff recommends Board of Manager's approve the acquisition of the 226 W. Rector property for \$1,650,000, plus related closing costs, and approval of \$550,000 for demolition and parking lot renovation costs.

COMMENTS /DISCUSSIONS: Mr. Hasslocher commented on his visit to this property and shared additional comments as this is critically opportunity to provide adequate patient care. Further discussions ensued.

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

EVALUATION: None

FOLLOW UP: None

Consideration and Appropriate Action Regarding a Lease Amendment with Ackerman One Medical Park, LLC for Urology Clinic Space at 14615 San Pedro Ave., San Antonio, Texas 78232 and Approval of Tenant Improvement Costs and Related Furniture, Fixtures, Medical Equipment and Information Technology Equipment Costs — Christa Olvera/ Brian Freeman

SUMMARY: University Health reported that after opening its One Medical Park clinic in December 2024, it identified a need for additional space to support growth in urology services. The current temporary arrangement at Robert B. Green does not allow for expansion, and with a second urologist expected in summer 2026, staff sought a location that could accommodate both physicians, exam space, and a procedure room. After reviewing several options, Suite 105 at One Medical Park was identified as the best fit.

An architect's test fit confirmed that Suite 105 can support urology operations, including a dedicated procedure room for cystoscopy, UroCuff testing, and stent removal, improving access and reducing hospital-based utilization. Staff emphasized that co-locating services in the same building improves staffing flexibility, supports continuity of care, reduces overtime and temporary staffing reliance, and enhances patient convenience. University Health has entered a non-binding letter of intent to amend its lease by adding Suite 105, increasing total leased space from 6,449 to 9,134 rentable square feet. The rent will remain \$31.93 per square foot with a 3% annual escalation, and the new 60-month lease will align both suites under a coterminous term.

The proposed amendment would place both suites under a modified gross lease with a 2026 base year, meaning University Health would pay its pro rata share of operating expenses exceeding the 2026 baseline. Staff noted that Suite 105 will require renovation to create the clinical space needed for urology services. To offset those build-out costs, the landlord will provide a tenant improvement allowance of \$80 per square foot, totaling \$214,800. This structure supports the planned expansion while helping reduce University Health's upfront renovation expense.

RECOMMENDATION: Staff recommends the Board of Managers approve the lease amendment for the urology clinic space with Ackerman One Medical Park, LLC in the amount of \$794,524 for a 60-month term and further approve the project costs and other associated costs in support thereof in an amount not to exceed \$840,325.

COMMENTS /DISCUSSIONS: Mr. Banos offered milage clarification as 14 miles to University Health Retama and 14 miles to University Health Palo Alto and 7 miles to University Health. Further referrals and location discussions ensued.

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

EVALUATION: None

FOLLOW UP: None

Finance Agenda – Jimmy Hasslocher, Chair

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

SUMMARY: The February 2026 financials showed University Health's consolidated bottom line for the month to reflect a gain of \$22.4 million, \$13.8 million better than the budgeted gain of \$8.7 million. This gain to budget is primarily due to patient activity driving positive net patient revenue of \$17.6 million with operating expenses over budget by \$7.8 million.

In February, clinical activity (as measured by inpatient days) was up by 2.0% and inpatient discharges were higher than budget by 9.9%. Volumes exceeded prior year's performance across most key service delivery areas.

Community First experienced a bottom-line gain of \$6.5 million, which was \$121 thousand better than the budgeted gain of \$6.4 million. Community First membership is down 0.4% compared to Budget.

Operating Revenue:

- Net patient revenue is over budget by \$17.6 million driven by high patient volumes, increase in commercial patients and the continued growth of retail pharmacy volumes.

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- Supplemental revenue is under budget \$0.8 million for the month of February due to lower than budgeted HARP and NAIP program revenue.
 - Community First premium revenue was over budget by \$100 thousand.

Operating Expense:

- Employee Compensation is slightly over budget by \$2.0 million or 1.8%
- Supplies are over budget by \$3.4 million or 7.0%.
- Community First medical claims expense is over budget by \$1.1 million.
- Purchase Services are over budget \$2.1 million, driven by Organ acquisition costs \$1.2 million and Equipment repairs of \$1.1 million.

Non-Operating Expense:

- Investment income of \$6.0 million was higher than budget by \$645 thousand.
- A net unrealized gain of \$1.3 million was recorded in February.
- Unrealized gains and losses occur due to valuing our investments at current market prices each month. No actual gains or losses are realized if the investments are held to maturity, which is our standard practice.

Consolidated Balance Sheet Report:

- Days Revenue in Patient Accounts Receivable: 33.6 days on a budget of 35.0 days.
- The Community Hospitals project has a total expected budget of \$1.58 billion; of which \$1.4 billion in contracts have been approved by the Board of Managers. Total payments of \$877 million have been paid to date leaving \$543 million encumbered. Of the Community Hospital's \$1.58 billion budget, \$1.36 billion in cash and bond proceeds have been funded for the project and additional cash reserves will be allocated over the next two years to fully fund the project.
- At the June 2025 Board meeting, \$91 million was encumbered for the acquisition of the former Christus Medical Center hospital campus. This transaction closed in February 2026 and \$71 million was expended. In February 2026, the Board of Managers approved the acquisition of two medical office buildings attached to the Babcock Specialty Hospital. The approved \$50 million acquisition was completed at the end of February.
- Unencumbered funds reserved for future capital needs has a negative balance of \$(51.3) million, this account will be replenished after the audit.
- University Health's Net Asset Value has increased \$55.1 million year to date on a Generally Accepted Accounting Principles (GAAP) basis including debt service tax revenue and interest expense on bonds.

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

COMMENTS /DISCUSSIONS: Mr. Hasslocher commented on another great month and thanked Reed Hurley and staff for their hard work.

ACTION:

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

EVALUATION:

None.

FOLLOW UP:

None

Presentations and Education:

SUMMARY: University Health reported that its Pension Plan, established in 1974, is a qualified governmental retirement plan held in trust for eligible employees and beneficiaries. The Plan includes a legacy Defined Benefit component, which was closed to new participants in July 2012, and a Cash Balance Plan for employees hired thereafter. University Health also maintains a separate OPEB trust to fund retiree health insurance benefits for certain Defined Benefit participants; that plan was likewise closed to new entrants in 2012.

Governance of the Pension Plan is provided by a nine-member Pension Board of Trustees, appointed by the Board of Managers in accordance with pension bylaws. The board includes representatives from the Board of Managers, University Health administration, and community investment professionals. The Pension Board meets quarterly and is supported by Callan for investment consulting and Willis Towers Watson for actuarial valuations and required financial reporting. The Texas Pension Review Board provides additional oversight and guidance.

As of December 31, 2025, the Pension Trust held \$808 million in assets and was funded at approximately 80% of its actuarial liability under GASB 68. In 2025, the trust earned a 17.2% return, generating about \$118 million in investment income, compared with 8.6% or \$54 million in 2024. Staff reported that long-term performance has exceeded five- and ten-year benchmarks and ranks in the top quartile among peer funds. The OPEB Trust held \$86.3 million in net assets against an actuarial liability of approximately \$300 million, for a funded ratio of 26% under GASB 75. In 2025, the OPEB Trust earned 17%, or \$12.5 million, compared with 10%, or \$6.8 million, in 2024, and currently performs slightly above peer funds.

COMMENTS /DISCUSSIONS: Mr. Banos reminded the Board members of the upcoming May 2nd Medical Miracles Gala

Information Only Items:

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

Adjournment: — *Jimmy Hasslocher, Chair*

There being no further business Mr. Hasslocher adjourned the public meeting at 8:07pm.


Jimmy Hasslocher
Chair, Board of Managers


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


Janie M. Guevara, Recording Secretary

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

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

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