



**BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, May 19, 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
Robert Hromas, MD, Dean and Professor of Medicine, UT Health San Antonio
And other staff attendees.

CALL TO ORDER:

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

INVOCATION AND PLEDGE OF ALLEGIANCE — Jimmy Hasslocher, Chair

Invocation – Sophia Gilmour, University Health Pharmacist — *Jimmy Hasslocher, Chair*

Mr. Hasslocher led the pledge of allegiance.

PUBLIC COMMENT: None

Approval of Minutes of Previous Meeting: May 19, 2026 (Regular Meeting)

SUMMARY: The minutes of the Board meeting of Tuesday, May 19, 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. Kelley, **SECONDED** by, Ms. Fernández and **PASSED UNANIMOUSLY**.

EVALUATION: None

FOLLOW UP: None

Report from UT Health San Antonio — Dean Hromas provided comments in place of Francisco G. Cigarroa, M.D., EVP/Health Affairs and Health System.

SUMMARY: Dean Hromas commented on the naming of the Public School, The Kate Marmion School of Public Health was made possible by a \$30 Million investment from the Kate Marmion Charitable Foundation. Additionally, twenty-three students became the first to graduate from the Kate Marmion School of Public Health. Dr. Basan Ramashandra, Cardiologist received his Rural Hypertension Study renewed in Mississippi and will open a practice in South Texas within 6 months around Uvalde and Eagle Pass areas. On May 14, 2026, UT San Antonio honored body donors at annual Burial of Ashes ceremony; the annual gathering inters the cremated remains of individuals who gave their bodies for Health Professional education and research to include honoring their lasting contributions. Dr. Kelly Hitchcock was elected President of the National Society of the HLA Typing Tissue. Dr. Little also commented on an observation during the Living Donor event, a family member reflected on a celebration recognizing a seven-person living-donor liver transplant chain. The first donor, who became an anonymous altruistic donor, said University Health's organization-wide commitment and clarity of purpose gave him confidence to proceed. The member emphasized that this shared purpose, demonstrated by all employees, is central to University Health's success and helped make the transplant chain possible.

NEW BUSINESS:

Consent Agenda — *Jimmy Hasslocher, Chair*

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

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

Consideration and Appropriate Action Regarding Telemedicine Privileges

Consideration and Appropriate Action Regarding Review and Approval of Investment Policy No. 7.05 — *Reed Hurley*

Consideration and Appropriate Action Regarding Reappointment(s) to the Alamo Area Council of Governments — *Jimmy Hasslocher, Chair, Nominating Committee*

Consideration and Appropriate Action Regarding Appointments to the Center for Health Care Services Board of Trustees — *Jimmy Hasslocher, Chair, Nominating Committee*

Consideration and Appropriate Action Regarding an Amendment to the Dialysis Consulting Agreement with Continuous Practice Improvement, Inc. — *Stephanie Stiefer*

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

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

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

University Health's Purchasing Consent attachment for May 2026 includes 20 proposed contracts requiring Board of Managers action. The total approval amount requested for these 20 contracts is \$13,981,395. 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 \$13,981,395

COMMENTS /DISCUSSIONS: None

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

EVALUATION: None

FOLLOW UP: None

Action Items:

Consideration and Appropriate Action Regarding the External Auditor's Report on the 2025 Audited Financial Statements — *Forvis Mazars, LLP/Reed Hurley*

SUMMARY: Mr. Reed Hurley introduced Danielle Zimmerman and Holland Chung With Forvis Mazars. Forvis Mazars presented University Health's 2025 audited financial statements and issued an unmodified, or clean, opinion. Related entities and benefit plans also received clean opinions. The audit was completed smoothly, with no disagreements, difficulties, or proposed adjustments. Key audit areas included patient receivables, third-party payer balances, Community First claims reserves, property taxes, pension liabilities, and other post-employment benefit obligations.

The auditors highlighted key disclosures related to Medicaid supplemental funding, property taxes, medical claims, pension, and OPEB liabilities.

At December 31, 2025, University Health reported approximately \$6.2 billion in assets, \$1.3 billion in debt, \$3.2 billion in net position, and \$3.4 billion in operating revenue. Net position increased approximately \$350 million. Property taxes provided 16% of operating support, below comparable Texas public hospital districts.

RECOMMENDATION: Staff recommends the Board of Managers approve the Forvis Mazars, LLP Consolidated External Audit Report on the Audited Financial statements for 2025.

COMMENTS /DISCUSSIONS: Ms. Rodriguez asked if there are any recommendations for any improvement? Ms. Zimmerman reported no material weaknesses, significant deficiencies, or written findings during the audit. Management also noted that property tax revenue declined by approximately \$20 million from 2024 to 2025. The decrease resulted from an increased homestead exemption requested by the Bexar County Commissioners Court, reducing University Health's property tax collections. Mr. Hasslocher emphasized that University Health's strong financial condition and favorable audit results are especially significant given the organization's size and operational complexity. The clean audit provides assurance to bond investors, the public, and other stakeholders that the Board closely oversees the organization's finances and year-to-year performance. Mr. Hasslocher expressed appreciation to University Health's finance team, the assisting accounting firm, and the external auditors for their work and positive report.

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

Finance Agenda – Jimmy Hasslocher, Chair

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

SUMMARY: The April 2026 financials showed University Health's consolidated bottom line for the month to reflect a gain of \$14.8 million, \$7.7 million better than the budgeted gain of \$7.0 million. This gain to budget is primarily due to patient activity driving positive net patient revenue increase of \$13.2 million with operating expenses over budget by \$7.4 million.

In April, clinical activity (as measured by inpatient days) was up by 5.0% and inpatient discharges were higher than budget by 6.5%. Volumes exceeded prior year's performance across most key service delivery areas.

Community First experienced a bottom-line gain of \$1.2 million, which was \$2.8 million less than the budgeted gain of \$3.9 million. Community First membership is down 1.4% compared to Budget.

Operating Revenue:

- Net patient revenue is over budget by \$69.1 million driven by high patient volumes, increase in commercial patients and the continued growth of retail pharmacy volumes.
- Supplemental revenue is under budget by \$2.7 million.
- Community First premium revenue was under budget \$1.6 million.

Operating Expense:

- Employee Compensation is over budget by \$12.1 million or 2.6%. This is driven by the volume increase and the one-time salary increases.
- Supplies are over budget by \$7.4 million or 3.6%.

- Community First medical claims expense is over budget by \$7.9 million or 1.96%.
- Purchase Services are under budget by \$2.6 million primarily related to the timing of projects and professional services.

Non-Operating Expense:

- Investment income of \$24.4 million is over budget by \$1.4 million.
- A net unrealized loss of \$1.2 million has been recorded.

Consolidated Balance Sheet Report:

- Days Revenue in Patient Accounts Receivable: 32.2 days on a budget of 35.0 days.
- The Community Hospitals project has a total expected budget of \$1.58 billion; of which \$1.5 billion in contracts have been approved by the Board of Managers. Total payments of \$907 million have been paid to date leaving \$562 million encumbered. Of the Community Hospital's \$1.58 billion budget, \$1.38 billion in cash and bond proceeds have been funded for the project and additional cash reserves will be allocated over the next two years to fully fund the project.
- The Babcock Specialty Hospital & MOB project has a total expected and approved budget of \$176 million of which \$121.7 million has been spent.
- Unencumbered funds reserved for future capital needs has a negative balance of \$(87) million, this account will be replenished after the 2026 Reserve Rebalance.
- University Health's Net Asset Value has increased \$92.2 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 April 2026 Financial Report subject to audit.

COMMENTS /DISCUSSIONS: Mr. Hurley noted that Ms. Zimmerman Management clarified that UHSST is a non-operating services company used to hold ownership interests in joint ventures, including Central Texas Laundry, PAM Rehab, and a developing venture with GLI and CommuniCare. April discharges exceeded budget by 6.5%; year-to-date discharges were approximately 9% above budget and nearly 8% above the prior year. Average daily census was 825 for April and 820 year to date. April's combined gain was \$14.8 million, including \$13.6 million from Clinical Services and \$1.2 million from Community First. Year-to-date gain totaled approximately \$74 million. Higher patient volume increased revenue, while supplies were slightly above budget. Community hospital staffing costs are expected to reach approximately \$6 million monthly before the hospitals open in early 2027. Ms. Rodriguez asked that with the opening of Palo Alto and Retama will a decrease in activity be seen at the Medical center? Management estimated that 60 to 100 current patients, primarily from the South Side, may shift to the Palo Alto community hospital. Planning identified approximately 80 to 90 lower-acuity medical and obstetric patients residing within a 10-mile radius of Palo Alto who could receive care there. University Hospital is expected to backfill much of the transferred volume quickly because it currently declines numerous transfer requests due to capacity constraints. Further discussions ensued.

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

EVALUATION: None.

FOLLOW UP: None

Presentations and Education: None

Information Only Items:

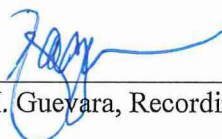
- A. Update on the Community Hospitals — *Brian Freeman*
- B. University Health Monthly Foundation Update — *Sara Alger*
- C. Report on Recent Recognitions and Upcoming Events — *Leni Kirkman*

Adjournment: — *Jimmy Hasslocher, Chair*

There being no further business Mr. Hasslocher adjourned the public meeting at 6:35pm. Executive Session followed.


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.



**MEETING OF THE BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS CERTIFIED AGENDA**

Tuesday, May 19, 2026

The following is an agenda of a closed meeting of the Board of Managers of the Bexar County Hospital District d/b/a University Health, held pursuant to the Texas Open Meetings Act, TEX. GOV'T CODE § 551.001 et seq. (Vernon 2004).

The Board Chair, Jimmy Hasslocher, announced this meeting closed to the public at 6:37 p.m., on the 19th of May 2026 with the following Board members present:

Jimmy Hasslocher, Chair
Anita L. Fernández, Vice Chair
Margaret A. Kelley, M.D., Secretary
David J. Cohen, M.D., Member
Beverly Watts-Davis, Member
Melinda Rodriguez, P.T., D.P.T., Member
Pat Jasso, Member

Also present were Edward Banos, President/Chief Executive Officer; Bill Phillips, EVP/Chief Operating Officer; Reed Hurley, EVP/Chief Financial Officer, Ted Day, EVP/ Strategic, Planning & Business Development; Bryan Alsip, M.D., EVP/Chief Medical Officer; Christopher Mendoza, CEO Palo Alto Hospital; Jeremy Riney, CEO Retama Hospital; Brian Freeman, VP, CAP, IMP, Projects & Real Estate; and Serina Rivela, SVP/Chief Legal Officer.

A closed meeting was held pursuant to TEX. GOV'T CODE, Section 551.085 (Health Care Services) 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 of a hospital district.

The Board Chair, Jimmy Hasslocher, announced that the closed meeting ended at 8:16pm on the 19th of May 2026.

I certify that this agenda kept pursuant to TEX. GOV'T CODE, §551.103 (Vernon 2004) is a true and correct record of these proceedings.


Jimmy Hasslocher
Board of Managers Chair