



**BEXAR COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

Tuesday, May 21, 2024

6:00 pm

Cypress Room, University Hospital

4502 Medical Drive

San Antonio, Texas 78229

**MINUTES**

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**BOARD MEMBERS PRESENT:**

James R. Adams, Chair

Jimmy Hasslocher, Vice Chair

Margaret Kelley, MD, Secretary

Anita L. Fernandez

Patricia (Pat) Jasso

Dianna Burns, MD

David J. Cohen, MD

**OTHERS PRESENT:**

George B. Hernández, Jr., President/Chief Executive Officer, University Health

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

Ted Day, Executive VP, Strategic Planning & Business Development, University Health

Reed Hurley, Executive VP, Chief Financial Officer, University Health

Shelley Kofler, Sr. Public Relations Manager, Corporate Communications, University Hospital

Robert Hromas, MD, Dean and Professor of Medicine, Vice President for Medical Affairs, UT Health San Antonio

Robert Leverage, MD, Acting Vice President of Medical Affairs

Michael Little, MD, President, Medical/Dental Staff, University Health; and Associate Professor, Department of Anesthesiology, UT Health SA

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

Bill Phillips, Executive Vice President/Chief Information Officer, University Health

Don Ryden, Vice President/Project, Design & Construction, University Health

Travis Smith, Sr. VP, Chief Financial Officer/Clinical Operations, University Health

Andrew Smith, Executive Director, Government Relations and Public Policy

Horacio Vasquez, Executive Director, Supply Chain Management, University Health

Sherrie King, Chief of Police, BCHD Protective Services, University Health

Dr. Bryan Alsip, Executive VP, Chief Medical Officer, University Health

Dr. Sally Taylor, Sr. Vice President, Chief Behavioral Medicine, University Health

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Dr. Monika Kapur, President, CEO, University Medicine Associates, University Health  
Josh Nieto, Chief Compliance, HIPPA Officer, University Health  
Brian Freeman, Executive Director, Capital Improvements, University Health  
Elizabeth Allen, Dir. External Communications, Corporate Communications, University Health  
James Garcia, VP, Controller, University Health  
Anna Taranova, Deputy Chief of Public Health, Innovation & Equity Officer, University Health  
Sherrie King, Chief of Police, Bexar County Hospital District PD, University Health  
Jennifer Rodriguez, VP, Chief Pharmacy Officer, University Health  
Dina Perez-Graham, Sr. Vice President, Chief Nursing Executive, University Health  
Leni Kirkman, Executive VP, Chief Marketing Comm./Corp. Affairs Officer, University Health  
Latifah Jackson, Director of Supplier Diversity, University Health  
Theresa Scepanski, President and CEO, Community First Health Plans  
Carol Huber, Deputy Chief Public Health & Equity Officer, University Health  
And other attendees.

**CALL TO ORDER:**

Mr. Adams called the Board meeting to order at 6:03 pm

**INVOCATION AND PLEDGE OF ALLEGIANCE — JIM ADAMS, CHAIR**

Invocation – Jeanene Atkinson, University Health Chaplain — *Jim Adams, Chair*

Mr. Adams led the pledge of allegiance.

**PUBLIC COMMENT:** None at this time

**APPROVAL OF MINUTES OF PREVIOUS MEETING:** April 30, 2024 (Regular Meeting)

**SUMMARY:** The minutes of the Board meeting of Tuesday, April 30, 2024 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 Mr. Hasslocher, and **PASSED UNANIMOUSLY**.

**EVALUATION:** None.

**FOLLOW UP:** None

**Report from UT Health San Antonio — *Robert Hromas, MD.***, Acting President and Professor of Medicine, Vice President for Medical Affairs, UT Health San Antonio

**SUMMARY:** Acting President Hromas provided an update that UT Health graduated 209 students last Saturday. There were 10,000 people in attendance with 1200 of them being healthcare graduates and 360 Nurses and about a 1/3 of them work at UH. On Friday, President Hromas commissioned 5 officers into the Military Services, 5 UT Doctors going into the Military Services noting that 18% of the UT Staff are Veterans. Additionally, UT Health was voted as #16 best Place to Work A by Forbes Magazine. Acting President also expressed his gratitude for the partnership with University Health. Mr. Adams added some brief comments.

**NEW BUSINESS – CONSENT AGENDA – JIM ADAMS, 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 April 29, 2024 and reviewed the credential files of the individuals listed on the attached Credentials Report and the Professional Performance Evaluation Report. In its meeting of May 7, 2024, 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 April 29, 2024 and reviewed proposed revisions to Delineation of Privilege and the Professional Performance Evaluation Report and forms. In its meeting of May 7, 2024, the Executive Committee of the Medical-Dental Staff recommended approval the attached Delineation of Privileges and Focused/Ongoing Professional Performance Evaluation Report.

**Consideration and Appropriate Action Regarding a Reappointment to The Center For Health Care Services Board of Trustees — *Jimmy Hasslocher, Chair, Nominating Committee***

**SUMMARY:** The existing Sponsorship Agreement for The Center for Health Care Services (the Center) between Bexar County and University Health establishes a Center Board consisting of nine (9) Trustees. Five (5) Trustees are appointed by the Commissioners Court, with each Court member appointing one Trustee. The University Health Board of Managers appoints the remaining four (4) Trustees. The Trustee terms are staggered in a way that only two of the four University Health appointments are due in any one year.

Mrs. Graciela Cigarroa, J.D. has been representing the Board of Managers on the Center's Board of Trustees since July 2014. She has been actively involved in the Finance Committee, Executive Committee, and currently serves as the Liaison to the Center's Foundation Board of Directors. Her role is crucial in representing the interests of University Health and the community served by The Center.

The Nominating Committee recommends the re-appointment of Graciela Cigarroa to The Center for Health Care Services Board of Trustees for a two year term beginning July 1, 2024 through June 30, 2026.

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

**SUMMARY:** 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 University Health's 10% local match from CHCS to the new AACOG MRA. The MRA transition also provided for continued University Health oversight of the new MRA through representation on the AACOG Board.

To fulfill University Health oversight requirement, a position was created on the AACOG Board in June 2006. Currently Jimmy Hasslocher has served as the primary representative, with Anita L. Fernandez serving in the capacity as an alternate.

After thoughtful consideration, the Nominating Committee recommends the reappointment of me, Jimmy Hasslocher, to the AACOG Board of Directors as primary representative, and Anita L. Fernandez serving as alternate appointee, for a two year term beginning July 1, 2014 through June 30, 2026. Both one-page biographies are attached for the Board's review.

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

**SUMMARY:** University Health, as a recipient of Public Funds within the State of Texas, is subject to management of those funds under the Public Funds Investment Act (PFIA). Compliance with the Public Funds Investment Act is detailed within Chapter 2256 of the Texas Government Code and includes provisions, among others, requiring a written investment policy which must primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity along with the quality and capability of investment management.

University Health achieves compliance with the PFIA through its Investment Policy, 7.05. The Policy governs the investment of all University Health funds with the exception of funds trusted by other parties, such as Pension, OPEB, and Foundation Endowment funds and was last approved in May 2023.

As compared to the previous approved version of the University Health Investment Policy 7.05, the proposed version has been updated to reflect the current language and guidelines in the Public Funds Investment Act along with clarification of the policy's Investment Objective to ensure University Health obtains the highest yield within cash flow limitations and policy guidelines. The policy is designed to preserve the safety of principal and ensure liquidity to meet all obligations in a timely manner. The Investment Policy must be submitted to the governing body annually for review and approval.

University Health's Executive Policy Review Committee requests Board approval of the Investment Policy, 7.05, in accordance with Chapter 2256 of the Texas Government Code, known as the Public Funds Investment Act.

**Consideration and Appropriate Action Regarding Renewal of Lease Agreements for Transplant Clinics with:**

1. Construction & Restoration Group, LLC located at 5022 Holly Road, Corpus Christi, Texas 78411

**SUMMARY:** In May of 2020, the University Health Board of Managers approved the transfer of leases and operations of Transplant Clinics held by The University of Texas Health Science Center at San Antonio (UTHSCSA). University Health assumed these spaces to provide access to care for patients suffering from end-stage organ failure, but whose frailty and socioeconomic challenges could otherwise keep patient and caregiver from traveling to San Antonio for transplant patient care. The Corpus Christi Clinic was assigned from UTHSCSA to University Health in January of 2021. The original term of the lease was for 3 years and included an extension term that consisted of three, one-year extensions. All renewal extensions, associated with the original agreement, are expended and the lease is due to terminate July 31, 2024.

The purpose of this contract is to renew the existing lease, which consists of 1,423 rentable square feet of space, for an additional one-year term. This renewal was requested by the UH Transplant Center leadership. This will allow University Health to continue the mission of providing Transplant Services, in Corpus Christi.

University Health will execute a Lease Agreement for a one (1) year term that can be terminated by either party, by submitting a written 60-day notice. University Health will pay \$1,838 per month or \$22,056 yearly for the base rent, plus its share of Operating Expenses. This Lease Agreement will commence on August 1, 2024 and shall continue for a period of one-year, unless either party facilitates the appropriate termination process.

2. Gastroenterology of San Marcos located at 2028 Sundance Parkway, New Braunfels, Texas 78130

— *Don Ryden*

**SUMMARY:** In July 2020, University Health entered into a Timeshare Office Agreement with Gastroenterology of San Marcos, in an effort to provide convenient patient care for patients who are suffering from end-stage organ failure and whose ability to travel for care may be difficult. The term of the original agreement provided an initial one-year term, as well as two, one (1) year renewals. Included in the Timeshare Agreement are exclusive use of two (2) exam rooms, as well as non-exclusive use of waiting room, restrooms, and other common areas. Use of remote clinics have strengthened University Health Transplant Clinic's relationship with the local referring MD's, improved our post-transplant survival rates and increased evaluations for our living donor programs. This location will provide local adult and pediatric patients access to specialty care in Hepatology for liver disease management, transplant evaluation and management of patients who have had, or may become candidates for liver transplant.

University Health will renew the Timeshare Agreement for a one (1) year extension. This renewal will include a termination clause that can be exercised by either party with a 60-day written notice. University Transplant Clinic will utilize the space on Friday from 7:30am to 4:30pm every other month for a rate of \$300.00 per use or \$1,800.00 annually.

This amount includes the spaces defined and the furniture, fixtures and equipment provided in the room. The renewal period for the timeshare will commence on July 1, 2024 for a term of one (1) year.

**Consideration and Appropriate Action Regarding Extension of the Professional Services Agreement with City of Laredo to Expand Viral Hepatitis B and C Screening and Vaccination Services to Patients in the South Texas Region Funded through the Cancer Prevention & Research Institute of Texas — Roberto Villarreal, MD**

**SUMMARY:** In 2021, University Health received a three-year award from the Cancer Prevention & Research Institute of Texas (CPRIT) to expand the existing viral hepatitis screening and vaccination program in Bexar County for the underserved population of South Texas. The **Hep C – C.A.R.E (Colonias Advancing & Restoring Esperanza)** Program is much needed to better serve the South Texas region with already high rates of tuberculosis, hepatitis, HIV, diabetes, cancer, and end-stage liver disease. The program incorporates provider and patient education on viral hepatitis and increases access to screening and vaccination services and intends to enhance care coordination services for the most vulnerable communities.

CPRIT approved funding for University Health to continue offering services to eligible patients for an additional 12- month period, and maintain the collaboration with this partner for during this extension. The purpose of this Agreement is to provide additional funding through the CPRIT grant funding to the City of Laredo Health Department for a term agreement beginning June 1, 2024 through May 31, 2025, at a total cost of \$353,093 fully reimbursable through the award, with a possibility of program extension.

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The prior two-year agreement provided \$631,468 for the City of Laredo and will end May 31, 2024. The CPRIT grant funding award was extended through the no cost extension giving the opportunity to continue this collaboration between University Health and City of Laredo.

A systematic effort is needed to prevent cancer. This inter-professional collaborative effort addresses several components impacting the quality of care, provide access to care and services, and improve the client experience, ultimately delivering better outcomes to address viral hepatitis to South Texas Region communities. The City of Laredo Health Department has designated program metrics associated with the funding and based on the program's goals. The total proposed extension contract amount for Hep C – C.A.R.E City of Laredo Health Department is \$353,093 for June 1, 2024 – May 31, 2025. The Board of Managers approved agreements below in July 2022. The table below reflects the funding allocated to the City of Laredo Health, throughout the life of the program.

<b>Period/Year</b>	<b>CLHD Budget</b>	<b>CLHD Allocated Amount</b>
Y1- Y2: FY 22-24 07/01/2022-5/31/2024	\$622,620	Y1 (07/01/2022-5/31/2023): <u>\$ 321,009</u> Y2(06/01/2023-5/31/2024): <u>\$ 353, 143</u>  Total: <u>674,152</u>
Y3: FY 24-25 06/01/2024-5/31/2025	\$353,093	<u>\$ 353,093</u>

All services in this contract are funded with the CPRIT grant award and thus the activities will have no negative fiscal impact on University Health.

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

**SUMMARY:** University Health’s Purchasing Consent attachment for the month of May 2024 includes 18 proposed contracts for Board of Managers action. The total requested Board of Managers approval for these 18 contracts is \$34,770,286. Additional Presented contracts during the May 2024 Board of Managers meeting total \$99,574,823 and are considered for approval separate from the Purchasing Consent.

**RECOMMENDATION:** Staff recommends Board of Manager’s approval of:  
1) Purchasing Consent Agenda Items; and,  
2) Puchasing Consent Attachment “A” in the amount of \$34,770,286

**COMMENTS /DISCUSSIONS:** None.

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

**EVALUATION:** None.

**FOLLOW UP:** None

**Action Items:**

**Consideration and Appropriate Action Regarding Selected Purchasing Items:**

**Consideration and Appropriate Action Regarding Commissioning of a Peace Officer for Bexar County Hospital District — Chief Sherrie King/Ed Banos**

**SUMMARY:** University Health is authorized by the Texas Health & Safety Code to appoint and commission peace officers to provide a safe and secure environment for patients, visitors, staff, and facilities. A peace officer's authority is limited to property owned or controlled by University Health, including an abutting street, right of way or easement in the property. The Texas Code of Criminal Procedure identifies persons commissioned by the Board of Managers of University Health as peace officers.

The credentials of Clemente Perez have been reviewed, and after the final assessment on May 22<sup>nd</sup>, the Chief of Police will certify Mr. Perez as meeting all of the requirements of a University Health Peace Officer. As required of all University Health peace officers, Mr. Perez has completed all necessary training requirements. The commissioning of this Peace Officer will be filling one open position due to a budgeted New Full Time Employee position.

**RECOMMENDATION:** Staff recommends Board approval to commission Clemente Perez as a Bexar County Hospital District Peace Officer.

**COMMENTS /DISCUSSIONS:** Mr. Hasslocher offered his Congratulations to newly appointed BCHD Police Officer.

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

**EVALUATION:** None.

**FOLLOW UP:** None.



**Consideration and Appropriate Action Regarding the External Auditor's Report on the 2023 Audited Financial Statements — Forvis, LLP/Reed Hurley**

**SUMMARY:** Reed Hurley introduced Danielle Zimmerman and Chris Clark, Primary Auditors with FORVIS and Kimberly Garza and George Castillo with Garza & Gonzalez Firm. Mr. Clark highlighted the System Audit consisting of the following:

- The Community First Health Plans audit report was presented to and approved by the Community First Board on April 26, 2024.
- The Community First Insurance Plans audit report was approved by their audit committee on April 26, 2024 and will be presented to that board at their next scheduled meeting on June 28, 2024.
- The Pension Plan and OPEB Plan audit reports were presented to and approved by the Pension Trustees on May 9, 2024. The Pension Plan and OPEB financial statements are included in the University Health audit report.
- The Foundation audit report was presented to and approved by the Foundation Board on Thursday, May 16, 2024.
- The University Health System Services of Texas audit was presented to and approved by their Board of Directors on Wednesday, May 15, 2024.
- The Financial Assistance Programs audit (single audit or grant audit) is in process and will be completed in the next few weeks.

The accounting policies and practices are consistent with prior years and consistent with industry standards and accounting standards. There were no difficulties encountered by our team when conducting the audit and there were no disagreements with management.

The Finance/Audit Committee met with the Forvis audit partners, who were engaged to examine the financial statements of University Health. On Thursday May 16, 2024, Forvis presented the required communication, a draft of the audited financial statements and other documents to the Finance/Audit Committee. Forvis reported that University Health's audit is complete and they plan to issue an unmodified or clean opinion. The Audit Committee voted unanimously to recommend approval of the 2023 Independent Auditors Report and Financial Statements to the Board of Managers.

**RECOMMENDATION:** The Finance/Audit Committee of the Board of Managers recommends approval of the external audit by Forvis Auditors.

**COMMENTS/DISCUSSIONS:** Both Mr. Adams and Mr. Hasslocher thanked the FORVIS staff, James Garcia, Reed Hurley and staff for their work collaborative work on the audit.

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

**EVALUATION:** None.

**FOLLOW UP:** None

**Consideration and Appropriate Action Regarding Selected Purchasing Items:**

**1. Consideration and Appropriate Action Regarding a Support Agreement with UT Health San Antonio Department of Psychiatry for an Adolescent Outpatient Behavioral Health Program — *Sally Taylor, M.D.***

**SUMMARY:** Access to specialty and evidence-based outpatient behavioral health treatment in the San Antonio area is limited for adolescents struggling with mental health disorders, suicidality, or self-injurious behavior. Moreover, treatment is scarce to non-existent for those adolescents struggling with substance use issues. Rates of suicide have been increasing in this group since 2011 and the COVID-19 pandemic exacerbated stress on families in general. According to the Centers for Disease Control and Prevention, in 2020 in Texas, suicide was the second leading cause of death for those 10-14 years of age and the third leading cause of death for ages 15-24 years. A recent survey by the San Antonio Youth Commission found that almost 50% of the 846 respondents in San Antonio ages 12-19 years were experiencing mental health disturbances. In addition, the adolescent death rate from overdose in 2022 was 8.4 deaths/100,000 adolescent population, an increase of 44.8% since 2018.

The 2023 Region VIII Regional Needs Assessment (RNA) completed by the San Antonio Council on Alcohol and Drug Awareness indicates that in 2021 nearly one in five students were offered or given an illegal drug on school property. In 2022, 38.9% of eighth graders indicated alcohol would be “somewhat” or “very easy” to get. The Texas School Survey of 7<sup>th</sup> – 12<sup>th</sup> graders indicates the average age of first use is 12.5 years for alcohol, 12.7 years for tobacco, 13.6 years for marijuana, 13.5 years for any drug, and a lifetime prevalence rate for use of non-prescribed prescription drugs of 15.7%. Substance use is a major risk factor for dropping out of high school, and in 2021, the dropout rate was 6.2% (up 0.9 points from 2020). In addition, the RNA estimated that 10.5% of children in Region 8 are uninsured, an additional barrier to behavioral health treatment.

The UT Health Department of Psychiatry has received funding through 2025 from the City of San Antonio’s allocation of the Federal American Rescue Plan Act COVID-19 relief funding to create a New Opportunities for Wellness–Junior (NOW-Jr.). The Outpatient Behavioral Health Clinic includes counseling services for school-aged youth (12-19 years). The UT Health Be Well Institute is a comprehensive Center of Excellence for substance use and related disorders and is home to Be Well, Texas, a program comprised of treatment, community and provider engagement, research, and workforce development/expansion.

The proposed support agreement provides for the development of an Adolescent Outpatient Behavioral Health (BH) Program, which will enhance treatment services offered for individuals aged 11-21 years, and their families. This program will be available at both the NOW-Jr. and a Be Well Adolescent Clinic, serving funded and unfunded patients. It will encompass both in-person and virtual visits, particularly important options for adolescent and young adult patients.

**RECOMMENDATION:** Staff recommends the Board of Managers approve and authorize the President/CEO to execute a twelve-month agreement with the UT Health San Antonio Department of Psychiatry for the Adolescent Outpatient Behavioral Health Program, in an amount not to exceed \$850,000 annually, pro-rated for the 2024 calendar year, with two, successive, one-year automatic renewals, for a total of \$2,550,000 for the entire three-year term.

**COMMENTS/DISCUSSIONS:** Dr. Cohen asked what is the definition of behavioral health which includes mental health and drug addiction? Dr. Taylor replied when we use the term behavioral health it is referred to mental health and substance use disorders. A brief discussion ensued. Mr. Adams thanked Dr. Taylor and her efforts with these programs.

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

**EVALUATION:** None.

**FOLLOW UP:** None

**2. Consideration and Appropriate Action Regarding an Agreement between University Medicine Associates and UT Health San Antonio for Pediatric Surgical Services**

— *Ed Banos*

**SUMMARY:** University Health has previously secured pediatric surgical services through a third party agreement with Pediatrix Medical Services, Inc. (Pediatrix). However, in 2022, UT Health San Antonio (UT Health) hired its' first pediatric surgeon Dr. Katie Wiggins. This hiring was made possible through a professional services agreement (PSA) in which Dr. Wiggins was leased and billed under University Medicine Associates (UMA).

Currently, Dr. Wiggins is responsible for providing pediatric surgical services to University Health patients under the existing PSA which expires June 26, 2024. This agreement was the first step in building the internal pediatric surgery service line. Dr. Ian Mitchell, a local pediatric surgeon was also recruited and will begin providing pediatric surgical services for University Health patients in October 2024. To ensure sufficient call coverage, the pediatric surgical services will need to recruit at least one more additional pediatric surgeon. Throughout the years, University Health and UMA have collaborated with the UT Health Department of Pediatrics by leasing physicians. This collaboration has been instrumental in ensuring high quality care in neonatology, general pediatrics, and hematology/oncology services. It has also facilitated the recruitment of board-certified primary care and pediatric specialists and provided a mechanism for UMA to bill for these services and collect patient revenue.

UMA will compensate UT Health an amount not to exceed \$762,835 per year, which includes salary and fringe benefits for the Dr. Wiggins. This is \$13,400 less per year than the previous agreement due to recalculation of UT overhead that is charged in the lease.

The terms of the PSA allows UMA to retain 100% of professional fee collections as a partial offset to these expenses. This is a planned expense and is included in the 2024 Operating budget.

**RECOMMENDATION:** Staff recommends the Board of Managers approve and authorize the execution of a two-year Professional Services Agreement with UT Health San Antonio in an amount not to exceed \$762,835 per year, for a total amount not to exceed \$1,534,000 during the term of the agreement beginning June 27, 2024 and ending June 30, 2026.

**COMMENTS /DISCUSSIONS:** Dr. Cohen asked if there is a thought on having a formal Pediatric and Surgical fellowship? Mr. Banos replied that the idea is something to talk about with UT Leadership to ensure there are enough cases. UH would be interested in this collaboration.

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

**EVALUATION:** None.

**FOLLOW UP:** None

**Consideration and Appropriate Action Regarding Guaranteed Maximum Price Proposals for the Construction Manager at Risk Agreements for:**

- a. Major Equipment with Turner/Byrne/Straight Line Management Joint Venture at University Health Palo Alto Hospital (GMP #6), and
  - b. Structure and Major Equipment with Layton Construction Company, LLC at University Health Retama Hospital (GMP #6)
- Don Ryden

**SUMMARY:** In March 2023, the Board approved University Health's recommendations for Construction Managers (CMs) to collaborate with the A/E during the design phase and to provide pre-construction services as advisors and estimators. Turner-Byrne-Straight Line (TBS) Joint Venture was assigned as the CM for the University Health Palo Alto Hospital and Layton Construction Company (Layton) will serve as CM for the University Health Retama Hospital. The CMs contracts were awarded in April 2023. Both CMs have coordinated and collaborated with the A/E and hospital leadership during the design phase and continue to provide recommendations and solutions in the construction phase.

**TBS (GMP #6)**

The proposed value of TBS GMP #6 is \$22,370,658 including direct and indirect construction costs and appropriate reserves and will increase the Construction Cost Limitation (CCL) established in their CM Agreement to include this new work. GMP #6 will be issued to the existing TBS contract per University Health procurement policies.

The current TBS approved contract value is summarized below:

Preconstruction	\$ 1,232,000
GMP#A Public Works Drainage Project	\$ 11,613,724
GMP#1 Design Assist Subcontractors	\$ 3,166,223
GMP#2 Prefabricated Restroom Pods Design Assist	\$ 78,230
GMP#3 Site Utilities and Grading	\$ 10,120,599
GMP#4 Major Electrical, Deep Foundations	\$ 34,729,109
GMP#5 Suspended Slab and Major Mechanical Equipment	\$ 89,586,833
<b>Current Contract Value</b>	<b>\$ 150,526,718</b>
<b>Proposed net increase (GMP #6)</b>	<b>\$ 22,370,658</b>
<b>Proposed Total Contract Value</b>	<b>\$ 172,897,376</b>

**Layton (GMP #6)**

The proposed value of Layton’s GMP #6 is \$72,740,216 including direct and indirect construction costs and appropriate reserves and will increase the Construction Cost Limitation (CCL) established in their CM Agreement to include this new work. GMP #6 will be issued to the existing Layton contract per University Health procurement policies.

The current Layton approved contract value is summarized below:

Preconstruction	\$ 890,000
GMP#1 Design Assist Subcontractors	\$ 1,901,467
GMP#2 Prefabricated Restroom Pods Design Assist	\$ 82,674
GMP#3 Major Electrical, Sitework	\$ 37,945,683
GMP#4 Major Mechanical Equipment, Drilled Piers, Pier Caps, and Mud Slab	\$ 33,153,239

GMP#5 Suspended Slab and Crawl Space	\$ 19,982,909
<b>Current Contract Value</b>	<b>\$ 93,955,972</b>
<b>Proposed net increase (GMP #6)</b>	<b>\$ 72,740,216</b>
<b>Proposed Total Contract Value</b>	<b>\$ 166,696,188</b>

The total cost of both new GMP proposals combined is therefore \$95,110,874; Staff propose utilization of previously Board-approved funds for the Project to issue each GMP.

Approval of these increases in commitment of Project funding will raise the previously approved total Project obligations of \$336,705,471 by \$95,110,874, to a new total of \$431,816,345.

**RECOMMENDATION:** Staff recommends the Board of Managers approve the addition of GMP #6 to the CM Agreement with Turner Byrne Straight Line JV and GMP #6 to the CM Agreement with Layton Construction Company, LLC and authorize the President/Chief Executive Officer to execute the appropriate contract actions thereto in amounts not to exceed \$95,110,874:

TBS GMP #6	\$ 22,370,658
Layton GMP #6	\$ 72,740,216

**COMMENTS /DISCUSSIONS:** Mr. Adams asked based on these presented numbers is it anticipated that there may be bigger problems ahead with any added expenditures. Mr. Ryden commented that the projects are on schedule, pricing of the GMPs are in line with what was projected by the respective CMs along with good pricing in the market place. Additionally, we have not yet encountered any supply chain issues.

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

**EVALUATION:** None.

**FOLLOW UP:** None

**Consideration and Appropriate Action Regarding the Financial Report for April 2024 —**  
***Reed Hurley***

**SUMMARY:** University Health's consolidated bottom line for the month of April 2024 reflects a gain of \$41.0 million, \$38.4 million better than the budgeted gain of \$2.6 million. This gain to budget is primarily due to patient activity driving positive net patient revenue of \$24.1 million, and higher than budget DSH revenue of \$4.2 million.

In April, clinical activity (as measured by inpatient patient days) was up by 15.5% and inpatient discharges were higher than budget by 12.3%. Volumes exceeded budget across all key service delivery areas.

**Year to Date Operating Revenue**

- Net patient revenue is over budget \$63.7 million driven by high patient volumes, acuity of inpatient services, and the continued growth of retail pharmacy volumes.
- Supplemental revenue is over budget \$18.1 million due to the deferral of DSH cuts, an unexpected increase in the HARP program for 2024 and the reconciliation payment of FFY 2023 TIPPS.
- Community First premium revenue is under budget \$47.2 million related to lower than budgeted Medicaid membership which was impacted by the State's disenrollment process.

**Year to Date Operating Expense**

- Medical Services are under budget \$12.8 million related to lower than budget UT Health physician contracted fees and a refund for prior year UHRIP supplemental IGT expense.
- Supplies are over budget \$15.8 million due to \$10.3 million in higher pharmaceuticals expense from the retail pharmacy programs and \$5.3 million in higher medical supplies from the operating room and procedural departments
- Community First claims expense is under budget \$37.5 million primarily driven by the lower than budgeted Medicaid membership.

**Year to Date Operating Non-Operating Expense**

- Investment income of \$31.2 million was higher than budget by \$9.7 million.
- An unrealized gain of \$1.5 million was higher than a budgeted zero.

Consolidated Balance Sheet (Monthly Financial Report page 3) highlights are as follows:

- Days Revenue in Patient Accounts Receivable: 36.8 days on a budget of 38.0 days. Improved cash collections and AR cleanup has moved this metric in a positive direction.
- The Women's and Children's Hospital and associated projects has a budget of \$838 million, \$758 million has been paid to date leaving a balance of \$80 million. A large portion of the remaining balance is encumbered and expected to be paid on the project.
- The Community Hospitals project with a preliminary budget of \$1.2 billion currently has a reserved cash balance of \$839 million. The budget is now being trued-up based on final design development drawings, site conditions, projected workforce shortages in the skilled trades and other inflationary factors. University Health has paid out \$78 million to date on this project.
- Unencumbered funds reserved for future capital needs has a balance of \$19.8 million.
- University Health's Net Asset Value has increased \$124.0 million year to date on a Generally Accepted Accounting Principles (GAAP) basis including debt service tax revenue and interest expense on bonds.
- Detailed information on Balance Sheet accounts is located on page 7 of the Monthly Financial Report.

**RECOMMENDATION:** Staff's recommendation to approve the April 2024 Financial Report as presented to the Board of Managers subject to Audit.

**COMMENTS /DISCUSSIONS:** Mr. Hasslocher commented on another great month, very fortunate to be in a good place with adequate funding for the new hospital and heading in the right direction.

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

**EVALUATION:** None.

**FOLLOW UP:** None

**Consideration and Appropriate Action Regarding an Incentive Benefit for the President/CEO — Jim Adams, Chair**

**SUMMARY:** **MEETING WAS REOPENED AT 7:54PM.** Mr. Jimmy Hasslocher was appointed by Mr. Adams to chair an ad hoc committee with the charge of conducting the mid-year performance review for consideration of a one-time incentive benefit in accordance with terms of the President/CEO Employment Agreement. Mr. Hasslocher, together with Ms. Pat Jasso and Dr. Dianna M. Burns-Banks, assessed Mr. Hernández's remarkable accomplishments in light of the 2024 goals and as further supported by the 2024 Mid-Year Goals Update report. Moreover, his unwavering commitment to University Health was duly acknowledged, as demonstrated by his decision to postpone his resignation until July 1, 2024, in order to ensure a seamless transition. The findings of the ad hoc committee have been reviewed and discussed with the full Board of Managers in Executive Session. Both the ad hoc committee and the Board of Managers are composed entirely of individuals without a conflict of interest with the determination of the President/CEO incentive benefit.

**RECOMMENDATION:** The ad hoc committee in recognition of Mr. Hernández's mid-year performance, recommended that Mr. Hernández receive a one-time \$200,000.00 incentive benefit bonus.

**ACTION:** After due discussion and consideration, a **MOTION** to approve a one-time annual incentive benefit in the amount of \$200,000.00 for Mr. George Hernández was made by Mr. Hasslocher on behalf of the ad ho committee, **SECONDED** by Dr. Cohen, and **PASSED UNANIMOUSLY** by those Board Members present.



**EVALUATION:** The Board expressed their gratitude to Mr. Hernández for his unwavering commitment as President/CEO and recognized his outstanding leadership approach, blending vision and action, that has been instrumental in the impressive evolution of University Health. Mr. Hernández relayed that it has been his honor to serve as the President/CEO and that it has been an opportunity of a lifetime.

**FOLLOW UP:** None

**Presentations and Education:**

**2024 Quarter 1 Supplier Diversity Report — *Latifah Jackson/Horacio Vasquez/Travis Smith***

**SUMMARY:** During the 1<sup>st</sup> Quarter of 2024, the Supplier Diversity program has continued working on various projects that will provide enhancements to the Small, Minority, Women, and Veteran Owned Business Enterprise (SMWVBE) Program.

Enhancements:

- Through a collaborative effort of supplier diversity advocacy with the UTSA Small Business Development Center and Bexar County Small Business Advisory Committee University Health enhanced our payment terms.

Previously the standard terms and conditions stated that payment would be received in 45 days although many times University Health paid vendors in a more timely manner. To overcome perceived barriers to small businesses, the payment terms are documented to be 30 days or less, to more closely align with Bexar County and other local public entities.

- Staff is leveraging partnerships to expand the reach of solicitation advertisement with entities such as the Hispanic Contractors Association, Black Contractors Association, Prosper West and others.
- University Health is partnering with community and other public entity leaders who are engaged with Supply SA, a city-wide initiative to help champion opportunities and improve access for the local vendor community.
- During the 1<sup>st</sup> Quarter, the Supplier Diversity team met with 46 individual companies for capability meetings. The intent of these meetings is to help gauge the ability of those organizations to conduct business with University Health.

Staff also attended multiple networking events to include the following:

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- Government Contracting Summit – (Jan 25<sup>th</sup>)
- Lunch and Learn: Understanding University Health Bid Packages with Buyers (Jan 29<sup>th</sup>)
- Lunch and Learn: Understanding University Health Bid Packages with Buyers (Feb 12<sup>th</sup>)
- Finding Financing: Grants and Loans (Feb 20<sup>th</sup>)
- Community Hospital Outreach with Layton Construction and Turner/SLM/Bryne (March 5<sup>th</sup>)
- Lunch and Learn: Understanding University Health Bid Packages with Buyers (March 11<sup>th</sup>)
- San Antonio Business Opportunity Council: Quarterly Bid Forecast (March 29<sup>th</sup>)

Staff has several events planned for the 2<sup>nd</sup> Quarter which are listed below:

- Fair Contracting Coalition (April 24<sup>th</sup>)
- Small Business Development Series: Understanding RFP (April 30<sup>th</sup>)
- University Health Open House (May 1<sup>st</sup>)
- SMSDC Annual Conference (May 22<sup>nd</sup>)
- African American Business Enterprise Workshop Series
  - Week 1 - June 3, 2024 - Finding Public Contract Opportunities
  - Week 2 - June 10, 2024 - Bidding/Responding on Public Contract Opportunities
  - Week 3 - June 17, 2024 - Post Award Debriefing, Opportunities & Triumphs, Tribulations and Thriving
  - Week 4 - June 24, 2024 - Small Business Resources and Capacity Building

Using detailed methodology, University Health paid \$16.3 million to certified SMWVBE vendors in the 1<sup>st</sup> Quarter of 2024, not including the Tier II amounts for Joeris/JE Dunn's work on the Women's & Children's Hospital. This \$16.3 million in payments results in certified SMWVBE vendors receiving 4.1% of the total 1<sup>st</sup> Quarter payments at University Health.

Supplier Diversity also monitors financial impact to local vendors as a targeted approach to enhance our community. University Health defines local as Bexar County and the surrounding 16 counties it serves. University Health payments to local vendors were \$119 million or 29.6% of 1<sup>st</sup> Quarter payments in 2024.

The third targeted vendor category monitored by the Supplier Diversity team is Community Not-for-Profits. This vendor category provides a significant opportunity for University Health to enhance the local community and to collaborate with organizations making a positive impact on the underserved population. These vendors are not strictly donations, but some are partnerships and bided opportunities to vendors who are not eligible for SMWVBE certification due to their not-for-profit status. University Health payments to Community Not-for-Profits were \$98 million or 24.4% of the 1<sup>st</sup> Quarter payments in 2024.

Additional detail of payments to vendors through the end of 1<sup>st</sup> Quarter of 2024 are shown below. Payments are summarized by vendor type to include Services, Construction, Supplies, and a combined total that includes all vendor types. Payments by SMWVBE category are detailed by each vendor type and illustrate the diversity of vendor payments as a percentage of the total payments in the most recent quarter and a year-to-date analysis.

**RECOMMENDATION:** None

**COMMENTS /DISCUSSIONS:** None

**ACTION:** This report is presented for information only. No action is required by the Board of Managers.

**EVALUATION:** None.

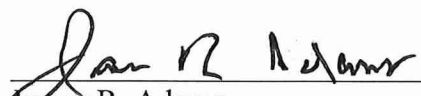
**FOLLOW UP:** None

**Information Only Items:**


1. Update on the Women’s and Children’s Hospital and Associated Projects — *Don Ryden*
2. Update on the Community Hospitals and Associated Projects — *Don Ryden*
3. University Health Foundation Update — *Sara Alger*
4. Report on Recent Recognitions and Upcoming Events — *Leni Kirkman*

**Adjournment:** — *Jim Adams, Chair*

There being no further business Mr. Adams adjourned the public meeting at 7:59pm.

  
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James R. Adams  
Chair, Board of Managers

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

  
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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.

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**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.