



**BEXAR COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

Tuesday, May 24, 2022  
6:00 pm  
Tejas Conference Room  
University Health Business Center 2  
5959 Northwest Parkway  
San Antonio, Texas 78249

**MINUTES**

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**BOARD MEMBERS PRESENT:**

James R. Adams, Chair  
Ira Smith, Vice Chair  
Margaret Kelley, MD, Secretary  
Jimmy Hasslocher  
Anita L. Fernandez  
Pat Jasso

**BOARD MEMBERS ABSENT:**

L.P. Buddy Morris

**OTHERS PRESENT:**

George B. Hernández, Jr., President/Chief Executive Officer, University Health  
Elizabeth Allen, Director, External Communications/Corporate Communications, University Health  
Edward Banos, Executive Vice President/Chief Operating Officer, University Health  
Bryan J. Alsip, MD, Executive Vice President/Chief Medical Officer, University Health  
Ted Day, Executive Vice President, Strategic Planning/Business Development, University Health  
James Garcia, Vice President/Controller, University Health  
Rob Hromas, MD, Dean, Long School of Medicine, UT Health San Antonio  
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health  
Sherrie King, Deputy Chief of Police/Protective Services, University Health  
Leni Kirkman, Executive Vice President/Chief Marketing, Communication, and Corporate Affairs Officer,  
University Health  
Shelley Kofler, Senior Public Relations Manager/Corporate Communications, University Health  
Bill Phillips, Senior Vice President/Chief Information Officer, University Health  
Serina Rivela, Vice President/Chief Legal Officer, University Health  
Don Ryden, Vice President/Projects, Design and Construction, University Health  
A.J. Sandoval, Chief of Police/Protective Services, University Health  
Travis Smith, Vice President/Deputy Chief Financial Officer, University Health  
Rajeev Suri, MD, Interim Chair and Professor, Department of Radiology, UT Health, San Antonio; and  
President, Medical-Dental Staff, University Health  
Horacio Vasquez, Executive Director, Supply Chain Management, University Health  
Larry Wallis, Director, Internal Audit Services, University Health  
Chris Clark, Partner/Regional Industry Leader in Healthcare, BKD CPAs and Advisors

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Habin Chung, BKD CPAs and Advisors  
Kimberly Gonzales, Garza/Gonzales & Associates  
Fidel Navarro, Peace Officer Candidate  
George Simon, BKD CPAs and Advisors  
And other attendees.

**CALL TO ORDER:**

Mr. Adams called the meeting to order at 6:09 pm.

**INVOCATION AND PLEDGE OF ALLEGIANCE:**

Mr. Adams introduced Mr. Norbert Casas, University Health Volunteer Minister, for the invocation, during which a moment of silence was held for the families of the shooting victims at Robb Elementary School in Uvalde, Texas today. Mr. Adams made a few remarks expressing shock and sadness over the tragedy; he then led the pledge of allegiance,

**PUBLIC COMMENT:** None.

**APPROVAL OF MINUTES OF PREVIOUS MEETING(S): APRIL 26, 2022 (REGULAR MEETING)**

SUMMARY:	The minutes of the regular Board of Managers meeting of Tuesday, April 26, 2022 were submitted for approval.
RECOMMENDATION:	Staff recommends approval of the minutes as submitted.
ACTION:	There being <b>NO OBJECTION</b> , the minutes were <b>APPROVED</b> as submitted.
EVALUATION:	None.
FOLLOW-UP:	None.

**REPORT FROM UT HEALTH SAN ANTONIO — ROB HROMAS, MD, DEAN, LONG SCHOOL OF MEDICINE, FOR WILLIAM HENRICH, MD, PRESIDENT**

SUMMARY: Dr. Hromas provided an update regarding the National Residency Program Match held on March 18, 2022. All 210 graduated medical students from the Long School of Medicine have been matched to a residency program. Admitted 220 but graduated 210 due to many reasons. The incoming freshmen class has been increased from 220 to 230 beginning in the fall of 2022; and to 240 by the following year. Houston, Galveston and Southwestern Baylor are at 240 per incoming class and Southwestern Baylor is the preferred medical school by students from Texas. He announced that the National Institutes of Health would be awarding one of six anti-COVID Drug Development Centers to UT Health SA to be led by new Chair of Biochemistry & Structural Biology, Reuben Harris, PhD, in collaboration with the University of Minnesota. The total grant is for \$66 million most of which will get farmed out around the county, except for about \$3 million that is for UT Health. Recently received two scientist training grants for minorities also from the National Institutes of Health. One is for the renewal of a combined MD/PhD program, for which UT Health had the highest score, and the other is for a cancer-scientist PhD program. UT Health's goal is to recruit

more minorities from South Texas. Finally, Dr. Hromas is proud to have recruited Laurence Morel, PhD, as the Chair of the Department of Microbiology, Immunology and Molecular Genetics, a noted researcher of cancer and systemic lupus erythematosus. Upon Dr. Morel's arrival at UT Health on June 13, 2022, she will start a clinical trial for women who have been diagnosed with lupus to learn how to prevent development of long-term heart, lung and kidney disease. Also related to program match are the new physician residents at University Health. Dr. Suri announced 283 residents will start training at University Health facilities in July, with orientation being held in person for the first time in a couple of years. Incidentally, this group of residents will be the first to work in the new Women's & Children's Hospital in 2023. Epic Electronic Health Record training will also be in person this year which will be extremely helpful for those who have not used Epic in the past.

RECOMMENDATION: This report was provided for informational purposes only.  
ACTION: No action was required by the Board of Managers.  
EVALUATION: None.  
FOLLOW-UP: None.

**NEW BUSINESS:**

**CONSENT AGENDA – JIM ADAMS, CHAIR**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF MEMBERSHIP AND PRIVILEGES — RAJEEV SURI, MD, PRESIDENT, MEDICAL/DENTAL STAFF**

The Credentials Committee met on April 25, 2022, and reviewed the credential files of the individuals listed on the Credentials Report and the Professional Performance Evaluation Report provided to the Board. In its meeting of May 3, 2022, the Executive Committee of the Medical-Dental Staff approved the Credentials Committee Report in accordance with University Health's credentialing and privileging process. The Executive Committee, in turn, recommends approval by the Board of Managers.

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

The Credentials Committee met on April 25, 2022, and reviewed proposed revisions to Delineation of Privilege and the Professional Performance Evaluation Report and forms. In its meeting of May 3, 2022, the Executive Committee of the Medical-Dental Staff approved the Delineation of Privileges and Focused/Ongoing Professional Performance Evaluation Report, and in turn, recommends approval by the Board of Managers.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING RE-APPOINTMENTS TO THE CENTER FOR HEALTH CARE SERVICES BOARD OF TRUSTEES — JIMMY HASSLOCHER, CHAIR, NOMINATING COMMITTEE**

The current Sponsorship Agreement for The Center for Health Care Services between Bexar County and the University Health System establishes a Center Board of Trustees composed of nine (9) Trustees. Commissioners Court appoints five (5) Trustees, one appointed by each Court member. The Board of

Managers appoints four (4) Trustees. Richard Usatine, MD, has represented the Board of Managers on The Center for Health Care Services Board of Trustees since August, 2009. Graciela Cigarroa, JD, has represented the Board of Managers on The Center for Health Care Services Board of Trustees since July, 2014. Dr. Usatine and Mrs. Cigarroa would each like to continue to serve the Bexar County community in this capacity, and after thoughtful consideration, the Nominating Committee recommends their re-appointment to The Center for Health Care Services Board of Trustees for a two-year term beginning July 1, 2022 through June 30, 2024.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING PURCHASING ACTIVITIES (SEE ATTACHMENT A) — HORACIO VASQUEZ/TRAVIS SMITH**

The Purchasing Consent package includes new contracts or modification of existing contracts that require Board of Managers approval. The Purchasing Consent items generally contain supply and third party service contracts that are ordinary for daily business operations. The Consent Agenda is normally approved with one motion and vote, but any of the individual items can be selected or pulled for detailed Board discussion and action. The Purchasing Consent attachment for the month of May 2022 includes 15 proposed contracts for Board of Managers action. The total requested Board of Managers approval for these 15 contracts is \$8,213,850. Additional Presented contracts during the May Board of Managers meeting total \$8,793,723 and are considered for approval separate from the Purchasing Consent. Staff recommends Board of Manager's approval of Purchasing Consent items in the amount of \$8,213,850. During the month of May 2022, there were five contracts issued to Small, Minority, Woman, or Veteran Owned Business Enterprises (SMWVBE).

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

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

CONSENT EVALUATION: Mr. Hasslocher highlighted the reappointments of Dr. Richard Usatine and Mrs. Graciela Cigarroa, JD, to The Center for Health Care Services Board of Trustees; both are high quality, outstanding individuals who continue to give so much to the community, and he is supportive of their reappointments. Mr. Adams agreed.

CONSENT FOLLOW-UP: None.

**ACTION ITEMS:**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING COMMISSIONING OF A PEACE OFFICER FOR BEXAR COUNTY HOSPITAL DISTRICT — CHIEF A.J. SANDOVAL, III/EDWARD 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. The credentials of Fidel Navarro, Jr. have been examined and certified by the Chief of Police as meeting all of the requirements of a University Health Peace Officer, to include training.

RECOMMENDATION: Staff recommends Board approval to commission Mr. Fidel Navarro as a Bexar County Hospital District Peace Officer.

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

EVALUATION: Board members congratulated Officer Navarro and welcomed him to University Health. Chief Sandoval also made a few remarks regarding gun violence and asked attendees to include police officers and first responders in their thoughts and prayers following the tragedy in Uvalde, Texas.

FOLLOW-UP: None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE EXTERNAL AUDITOR'S REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR 2021 — BKD, LLP/JIMMY HASSLOCHER, CHAIR, AUDIT COMMITTEE**

SUMMARY: As Chair of the Board's Audit Committee, Mr. Hassloch reported that the Audit Committee met with the BKD CPAs and Advisors on Thursday, May 12, 2022. BKD presented the required communication, a draft of the audited financial statements and other documents, and reported that University Health's audit is complete and they plan to issue an unmodified or clean opinion. BKD also performed audits on five other University Health entities and Mr. Hurley provided the status of those independent audits, as follows:

- **Community First Health Plans, Inc.** - audit report was presented to and approved by the Community First Board on April 22, 2022.
- **Pension Plan** – audit report was presented to and approved by the Pension Trustees on May 12, 2022
- **Other Post-Employment Benefits (OPEB) Plan** – audit report was presented to and approved by the Pension Trustees on May 12, 2022
- **University Health Foundation** – presented to and approved by the Executive Committee of the Foundation Board on April 21, 2022.
- **Financial Assistance Programs** - engagement was delayed pending guidance from the American Institute of Certified Public Accountants (AICPA) on the appropriate testing and reporting of amounts received and expended related to the CARES Act. This audit should be completed in the next few weeks.

Mr. Hurley then introduced and yielded the floor to Mr. Chris Clark, Partner, BKD CPAs and Advisors. Mr. Clark introduced Mr. George Simon, who managed the Community First Audit, and Ms. Habin Chung, who managed the University Health audit. In addition, he introduced Ms. Kimberly Gonzales, of Garza/Gonzales & Associates. He reported that the BKD team was supported by two staff auditors from this SMWVBE firm.

**BKD's Responsibility and Opinion**

- ✓ Draft financial statements and related notes are being presented and we are prepared to issue an unmodified opinion
- ✓ Separate audits of CFHP, the Foundation, the Pension Plan, and OPEB Plan were performed
- ✓ Unmodified opinions were issued on each audit
- ✓ BKD had assistance from the staff of Garza-Gonzalez & Associates

**Accounting Policies and Practices**

- ✓ Consistent with accounting and industry standards

**There were no:**

- ✓ Difficulties encountered by our team when conducting the audit
- ✓ Disagreements with management
- ✓ Contentious accounting issues

- ✓ Consultations with other accountants

**Material Written Communications:**

- ✓ Audit communication letter
- ✓ Management representation letter
- ✓ We have provided separate communications to the governing boards of CFHP, the Foundation, and Pension and OPEB Trusts
- ✓ The Single Audit is in progress and will be issued shortly after the UH financial statement audit

**Risk**

Management Override of Controls  
 Revenue Recognition  
 Information Technology

**Comments**

No matters are reportable  
 No matters were reportable  
 BKD IT Specialists tested general and access controls related to financial statement applications at UH and CFHP. No matters were noted.

Management Estimates

No adjustments required.

- Allowance for contractual and uncollectible account adjustments
- Estimated third-party payer settlements, including Medicaid Waiver related receivables
- Accrual for malpractice, workers' compensation and health insurance claims
- Allowances for uncollectible property taxes and deferred property tax revenue
- Net Pension Liability
- Net OPEB Liability
- Reserve for CFHP medical claims liability

**Industry Comparison**

	Total Assets*	Total Debt*	Total Equity*	NPRSR+ Supplemental*	Total Discharges
Bexar County	\$3,716,191	\$996,258	\$1,697,053	\$1,239,782	30,363
Dallas County	\$3,312,133	\$615,689	\$1,665,734	\$1,747,707	43,688
Harris County	\$2,494,758	\$320,094	\$981,866	\$1,385,014	26,919
Tarrant County ***	\$1,745,313	\$29,931	\$1,373,266	\$845,514	23,461
Moody's Avg	N/A	\$443,360	\$958,460**	\$1,007,218	N/A

\*Excludes non-hospital component

\*\*Unrestricted equity only

\*\*\*As of 9/30/21 year end

**Balance Sheet**

	2017	2018	2019	2020	2021
<b>Current Assets</b>					
Cash and short-term investments	\$ 459,065	\$ 472,114	\$ 489,244	\$ 499,296	\$ 531,055
Property taxes receivable, net	215,777	246,097	242,075	248,805	385,760
Patient accounts receivable, net	122,843	127,922	134,774	138,606	150,865
Other current assets	159,670	192,008	224,755	226,436	233,901
	957,355	1,038,141	1,090,848	1,113,143	1,301,581
<b>Noncurrent Cash and Investments</b>	486,230	827,766	929,939	1,190,953	1,106,301
<b>Capital Assets, Net</b>	1,169,022	1,140,849	1,164,943	1,306,709	1,458,751
<b>Other Assets</b>	10,427	10,609	11,618	12,089	19,445
<b>Deferred Outflows of Resources</b>	75,423	71,169	85,494	109,617	117,573
	<u>\$ 2,698,457</u>	<u>\$ 3,088,534</u>	<u>\$ 3,282,842</u>	<u>\$ 3,732,511</u>	<u>\$ 4,003,651</u>
<b>Current Liabilities</b>	\$ 316,201	\$ 320,880	\$ 347,630	\$ 357,572	\$ 341,436
Net Pension Liability	166,683	128,144	166,730	147,006	112,262
Net OPEB Liability	-	25,409	32,033	59,195	78,777
Long-term Debt	652,107	916,091	878,253	1,008,598	968,618
Other Liabilities	5,169	5,484	5,173	10,082	7,082
<b>Deferred Inflows of Resources</b>	430,984	483,483	493,365	540,234	592,907
<b>Net Position</b>	<u>1,127,313</u>	<u>1,209,043</u>	<u>1,359,658</u>	<u>1,609,824</u>	<u>1,902,569</u>
	<u>\$ 2,698,457</u>	<u>\$ 3,088,534</u>	<u>\$ 3,282,842</u>	<u>\$ 3,732,511</u>	<u>\$ 4,003,651</u>

<u>Days Cash on Hand</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
University Health	252	248	264	273	273
Other Districts	225	225	225	225	225
Moody's	205	210	201	203	253

Note: Ratio excludes component units

**Net Days in Accounts**

<u>Receivable</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
University Health	77	71	67	69	60
University Health w/o CareLink	70	65	61	62	55
Other Districts	49	49	49	49	59
Moody's	48	48	46	47	46

**Long Term Debt  
to Capitalization**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
University Health	38%	43%	40%	39%	34%
Moody's	35%	35%	35%	32%	32%

**Statements of Revenue and Expenses**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net Patient Service Revenue	\$ 769,459	\$ 880,387	\$ 964,529	\$ 1,085,957	\$ 1,239,782
Premium revenue	496,472	517,460	553,402	599,969	614,741
Other Revenue	<u>83,233</u>	<u>90,453</u>	<u>92,863</u>	<u>98,173</u>	<u>122,385</u>
	<u>1,349,164</u>	<u>1,488,300</u>	<u>1,610,794</u>	<u>1,784,099</u>	<u>1,976,908</u>
Expenses					
Salaries and employee benefits	564,395	590,788	633,901	686,086	736,998
Medical claims expense	450,462	474,658	496,662	471,028	507,004
Supplies and other	588,636	676,787	717,700	797,798	875,080
Depreciation	<u>82,526</u>	<u>80,791</u>	<u>77,505</u>	<u>79,477</u>	<u>87,785</u>
	<u>1,686,019</u>	<u>1,823,024</u>	<u>1,925,768</u>	<u>2,034,389</u>	<u>2,206,867</u>
Operating Loss	(336,855)	(334,724)	(314,974)	(250,290)	(229,959)
Property Tax Revenue, Net	399,652	426,516	454,415	483,377	512,245
Provider Relief Fund Revenue	-	-	-	19,759	32,285
Other Revenue (Expense)	<u>(7,819)</u>	<u>3,830</u>	<u>10,986</u>	<u>(2,680)</u>	<u>(21,826)</u>
Change in Net Position	\$ <u>54,978</u>	\$ <u>95,622</u>	\$ <u>150,427</u>	\$ <u>250,166</u>	\$ <u>292,745</u>

Note: Condensed financial statements should be read in conjunction with the full set of financial statements.

**Uncompensated Care/**

<u>Gross Revenue</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Bad Debt	4%	2%	3%	2.5%	1%
Charity	23%	25%	26%	25%	26%

**Property Tax Revenue (Consolidated)**

<u>University Health</u>	<u>Dallas</u>	<u>Harris</u>	<u>Tarrant</u>
\$500,000 (20%)	\$75,000 (21%)	\$799,000 (18%)	\$475,000 (31%)

**COVID-19 and Provider Relief Funding**

- UH received \$32.3M and \$19.8M of Provider Relief Funding in FY2021 and FY 2020, respectively. Based on analysis of the impact of COVID-19 on operating revenues and expenses at December 31, 2021, all of this funding was recognized as revenue in the year it was received.
- Federal guidance surrounding these programs is subject to change.

**New Accounting Standard GASB Statement No. 87 – Leases**

- Leases will no longer be classified between capital and operating
- Leases will be recognized through an intangible asset and corresponding liability
- Effective for the year ended December 31, 2022
- University Health is utilizing LeaseVision to prepare the initial and ongoing accounting entries

**BKD + DHG effective June 1, 2022**

In conclusion, Mr. Clark announced the merging of BKD and Dixon Hughes Goodman, LLP (DHG) and he explained how this merger benefits BKD clients. It will be the 8<sup>th</sup> largest U.S. firm with a revenue of \$1.4 billion, over 53 partners and principals, over 5,400 team members, 69 markets in 27 states, United Kingdom, and Caymans.

Mr. Clark yielded the floor to Mr. George Simon, Diversity and Inclusion Champion, for a brief presentation regarding SKY, BKDs Diversity and Inclusion Initiative:

**Recruitment**

In the fall of 2020, BKD reviewed early career campus recruitment strategies and developed strategies to ensure that BKD was engaging all students from all backgrounds. They began building relationships with students in student groups such as National Association of Black Accountants, Association of Latin Professionals for America, and Ascend, the largest Pan-Asian business organization in North America. BKD's efforts are not just to attract talent but to ensure everyone feels supported once they have taken an opportunity with BKD. Staff sits down with organization leadership to understand the needs of their members, their concerns, and how BKD can be of assistance. Over the past 12 months, BKD has held 65+ introductions, chapter meetings, and various presentations on topics ranging from data analytics to having an inclusive conversation. To ensure BKD is putting a focus on diversity and inclusion throughout the recruitment process, they have a dedicated Recruiting Advisor offering insights and challenging BKD Talent Acquisition professionals to embed inclusive recruiting practices throughout the recruiting process. BKD's mission is to create rewarding career opportunities for all those interested in joining BKD.

**The following percentages are only made up of individuals who disclosed gender/ethnicity:**

- So far in FY22, 20 percent of Experienced hires identified as ethnically diverse and 59 percent of BKD hires have identified as female
- So far in FY22, 24 percent of BKD Campus hires identified as ethnically diverse and 51 percent BKD hires have identified as female
- Twenty-one (21) percent of BKD's recruiting team identifies as ethnically diverse and 60 percent as female.

**Retention**

BKD understands that to create diversity, staff must first provide the elements that will attract a diverse workforce to BKD. Intentionally creating equitable practices and inclusive workplaces will lead to attracting staff from diverse cultures and backgrounds aligning with BKD PRIDE values of



passion, respect, and integrity. Providing equitable practices means meeting potential diverse staffers where they are by intentionally offering BKD diverse talent the resources and opportunities they need to progress and thrive. BKD does this by offering programs that provide clear pathways to career progression. One such program is BKD's Career Mobility program which includes one-on-one coaching and career progression plans. To fuel growth among diverse talent, BKD offers professional development courses and training to meet their individual needs and expand and elevate their specific skills sets. Also, BKD has a program in place to cover the cost of the Becker Training materials for CPA licensure. BKD offers a variety of live Diversity & Inclusion trainings and online courses to grow and enhance the firm's Diversity & Inclusion acumen. Courses range from unconscious bias training to creating safe spaces for inclusive conversations.

#### **Retention Data**

From 2020 to 2021, BKD we experienced firm-wide decreases in turnover from ethnically diverse talent from 32 percent to 25.

#### **Advancement**

In 2014, the SKY Sponsor and Protégé program was implemented to increase the pipeline of women leaders, as well as provide access to sponsors and influential leaders in the firm. Since its inception, 72 protégés have participated in the SKY Sponsor-Protégé Program and 24 have achieved managing director and partner levels. As this program continues to yield positive outcomes, BKD now has former protégés "paying it forward" by serving as sponsors to provide targeted mentorship to BKD's next class of firm leaders. After completing the SKY Protégé program, graduates enter the Emerging Leaders Academy. To mitigate biases in project allocations BKD also ensures project allocations are fair and equitable. BKD tracks career progressions among diverse talent and look for biases in performance reviews.

**Advancement Data** - Notable increases among BKD diverse talent into leadership roles ranging from manager to managing director in FY 2020-2021:

- Manager roles increased from 8 to 11%
- Senior manager roles increased from 6 to 9%
- Managing directors increased from 4 to 10%

#### **Increases among Women – FY2020-2021**

- Partner/Principal increased from 19 to 22%
- Director increased from 43 to 45%
- Manager increased from 43 to 45%

#### **Professional Development Training and Education Program**

In conclusion, BKD provides the following internal training programs for those enrolled in its SKY Diversity and Inclusion Initiative: Various Level Trainings, SKY Alerts, Coaching for Inclusion, SKY Discussion Series, SKY Book Club, SKY Professional Development Trainings, Getabstract and BKD U, SKY Resource Center, and BKD University

RECOMMENDATION:

The Audit Committee of the Board of Managers recommends approval of the external independent auditors report by BKD CPAs and Auditors.

ACTION:

A **MOTION** to **APPROVE** the Audit Committee's recommendation was made by Mr. Hasslocher, **SECONDED** by Ms. Fernandez, and **PASSED UNANIMOUSLY**.

**EVALUATION:**

Regarding BKD's Diversity and Inclusion Initiative, Dr. Kelley asked if Mr. Simmons had visited any black colleges for recruitment purposes, to which he replied that he personally had not, but that the Talent Acquisition Team has a list of Historically Black Colleges and Universities (HBCU) that they have started to build relationships with. The colleges they have visited in the Dallas, Texas, area include UT Dallas, UT Arlington, and University of North Dallas. Dr. Kelley expressed appreciation for this presentation and the opportunity to provide minorities exposure for career development. Regarding the external audit, Mr. Smith ask if the COVID-19 Provider Relief Fund had restrictions on the use of those funds. The fund covers COVID-specific expenses, and that definition is broad. Anything having to do with a response to the pandemic regarding visitor and patient safety, or loss of revenue related to shut-downs during that period. Mr. Hernandez noted that a substantial amount of those funds were used by University Health for the COVID vaccination hub at Wonderland of the Americas. Mr. Adams commended BKD auditors for the use of charts allowing the comparison of University Health against its peers in other cities, it is very helpful for the Board of Managers to see results in context with similar organizations from a governing board perspective. Mr. Adams is also pleased that BKD continues to work with a minority firm on University Health's external audit. This year makes the 9<sup>th</sup> audit performed by BKD for University Health. Mr. Hernandez recalled that leadership was impressed with BKD's knowledge of health care and government supplemental funding streams, which is extremely important. BKD's practice over the years has been to rotate partners as lead auditors at University Health and to engage a quality review process, independent of University Health, to review the work that the lead auditor produces to ensure quality. The initial lead audit partner assigned to University Health nine years ago was Mr. Tom Watson, who now serves as the firm's Chief Executive Officer.

**FOLLOW-UP:**

None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE PURCHASE OF FURNITURE FOR THE WOMEN'S AND CHILDREN'S HOSPITAL FROM VARIOUS VENDORS — DON RYDEN**

**SUMMARY:**

Mr. Ryden conducted a brief update on the construction of the Women's and Children's Hospital. The Women's and Children's Hospital, garage, and Podium expansion spaces are projected to be complete in mid-2023. During the final months of construction, staff will begin moving certain equipment and systems into the building to allow for functional testing and operational validation prior to occupying the Project for use. Based on the design deliverables, Staff projected procurement and installation schedules for non-construction equipment including medical equipment, Furniture, Fixtures, and Non-Medical Equipment (FFE) and active IT systems. These schedules are being further coordinated with the final stages of construction to ensure that the Project can be occupied for full beneficial use as soon as possible. Due to supply chain impacts and

increasingly long lead times, Staff has determined that it is appropriate to order all selected furniture now. The Architecture/Engineering (A/E) team has validated that the proposed furniture list meets the functions of the project's basis of design for each of the rooms and spaces. Staff then reviewed recommended furniture types and quantities and directed the A/E to modify furniture lists and specifications according to final item selections. The approved furniture is incorporated into the master furniture list, including current estimated costs for purchase, shipping, storage, and installation by recommended vendors. Mr. Ryden provided a written list summarizing FFE and installation services that may be ordered as soon as procurement authority is granted. The total quoted cost for the various furniture and installation services is \$8,983,000 and aligns with coordinated design specifications and the Board-approved budget for this category of expense. Estimated shipping and freight charges have been included with the vendor quotes, and Staff has determined allowances to mitigate the risk of further market price escalation, shipping delays, and unforeseen changes to the construction schedule. The acquisition of FFE and services will be funded from existing Board-approved Project funds following University Health procurement policies. The workforce composition for the major vendors anticipated to be issued a contract or purchase order equal to or greater than \$250,000 were provided for the Board's review.

RECOMMENDATION: Staff recommends the Board of Managers approve the procurement of Furniture, Fixtures and Non-Medical Equipment and Installation Services from various vendors in an amount not to exceed \$8,983,000.

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

EVALUATION: None.

FOLLOW-UP: None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH SPAWGLASS CONTRACTORS, INC. FOR INTERIOR RENOVATIONS AT THE TEXAS DIABETES INSTITUTE — DON RYDEN**

SUMMARY: The Texas Diabetes Institute (TDI) opened its doors in 1999 and the facility has recently completed a phase one public restroom renovation project. The purpose of this request is to continue with phase two of the public restroom renovations that will create an updated and modern environment that is consistent with the newest Ambulatory clinics, Robert B. Green Campus and Dr. Robert L.M. Hilliard Center. The primary focus areas for this phase two renovation will be to update the remaining 12 public restrooms on the first and second floors of the TDI main building and the first floor of Dialysis West. The work shall consist of replacing deteriorating laminate countertops with new solid surface tops and integral sinks, installation of new floor and wall tile, painting, and installation of new plumbing fixtures and toilet partitions. The contractor will work with staff for scheduling the work in phases to accommodate continued clinical operations and facilitate patient access to services. Staff solicited Request for Competitive Sealed Proposals (RFCSP-222-01-013-CNST) for Construction Services with 6 (six) firms responding with

corresponding construction pricing ranging from \$505,181 to \$982,500; and construction schedules, in calendar days, ranging from 60 to 249 days. The submittals, received by Procurement Services, and were evaluated based on the qualification criteria included in the RFCSP. Of the firms that proposed, SpawGlass Contractors, Inc., was selected on the basis of their competitive pricing (\$520,920), proposed schedule (183 days), healthcare experience, and safety record. Staff has reviewed the SpawGlass Contractors Inc. pricing for construction services and recommends approval of their proposal for \$520,920. This purchase is to be funded from 2022 operational funds. The workforce composition for SpawGlass Contractors, Inc., was provided for the Board's review.

**RECOMMENDATION:** Staff recommends the Board of Managers approve the selection of SpawGlass Contractors, Inc. as Contractor for Interior Renovations at the Texas Diabetes Institute and authorize the President/Chief Executive Officer to execute a contract with SpawGlass Contractors, Inc. in the amount of \$520,920.

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

**EVALUATION:** None.

**FOLLOW-UP:** Mr. Adams asked about previously-reported thefts of copper during certain construction jobs at University Health, and whether that was still a problem. Mr. Ryden will assess that situation and report back to Mr. Adams.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORT FOR APRIL 2022 — REED HURLEY**

**SUMMARY:** University Health's consolidated bottom line for the month of April 2022 reflects a gain of \$17.3 million, \$15.0 million better than the budgeted gain of \$2.3 million. This gain is a combination of positive net patient revenue of \$12.8 million and \$7.5 million in lower than budgeted operating expense offset by lower than budgeted supplemental funding revenue of \$5.2 million related to the unapproved status of the DSRIP program and unrealized investment loss of \$3.2 million created by rising interest rates. In April, clinical activity (as measured by inpatient discharges) was down 10.2 percent for the month compared to budget and inpatient days were down by 3.7 percent. Surgical cases and Emergency Department visits were both over budget 16.4 percent and 3.4 percent, respectively. Community First Health Plans, Inc., (Community First) experienced a bottom line gain of \$8.0 million, which was \$6.0 million better than the budgeted gain of \$2.0 million. Community First fully insured membership was down 0.4 percent to budget. Premium revenue and claims expense at Community First were both higher due to recording additional revenue and expense related to the UHRIP program which was approved in April. Mr. Hurley reviewed significant items from the Monthly Consolidated Statement of Revenues and Expenses in detail with the Board.

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

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

EVALUATION: None.

FOLLOW-UP: None.

**INFORMATION ONLY ITEMS:**

**2022 QUARTER 1 SUPPLIER DIVERSITY REPORT — LATIFAH JACKSON/HORACIO VASQUEZ/TRAVIS SMITH**

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

**UNIVERSITY HEALTH FOUNDATION UPDATE — SARA ALGER**

**REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS — LENI KIRKMAN**

SUMMARY: Mr. Adams directed his colleagues' attention to the four informational reports above, and asked them to review on their own time.

RECOMMENDATION: These reports are for informational purposes only.

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

EVALUATION: Mr. Adams reminded Board members that the Board of Managers requested the supplier diversity report be provided on a quarterly basis. At this time, he asked Mr. Travis Smith to provide a succinct overview of the 2022 first quarter Supplier Diversity Report. Mr. Smith invited Horacio Vasquez, Executive Director/Procurement Services to join him. Both Mr. Vasquez and Ms. Latifah Jackson, who is not present this evening, are fairly new to University Health and Mr. Smith is very pleased with the progress made by the outreach team thus far to enhance University Health's relationships with local vendors. During this first quarter, he reported that staff met with 44 individual companies, for capability meetings, in which businesses expressed interest in doing business with University Health. These sessions are geared for University Health to better understand local SMWVBE businesses and on the flip side, these are mutual partnerships. The outreach team is always open and committed to partnering with different vendors and community members on specific procurement items and in educating local vendors. Oftentimes, large organizations lose sight of such local efforts, however, the staff is making concerted efforts to clarify and simplify the processes for local SMWVBE vendors to do business with University Health. In addition, staff also attended multiple networking events and planned/participated in several educational programs as indicated on page two of the Supplier Diversity Report.

FOLLOW-UP: None.

**Board of Managers Meeting**

**Tuesday, May 24, 2022**

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**ANNOUNCEMENTS:**

- Mr. Hernandez will keep the Board of Managers informed regarding the tragedy in Uvalde, Texas today. The media reports available right now claim that 18 children were killed and three adults.
- Mr. Hernandez noted results of primary run-off elections today so far indicate that Judge Peter Sakai will be the Democratic Party nominee to face Republican candidate and former Bexar County Commissioner, Ms. Trish DeBerry in the race for Bexar County Judge.
- Mr. Adams notified his Board colleagues that bi-monthly Board of Managers meetings will resume in June 2022.
- Ms. Kirkman distributed to each Board member in attendance a copy of the May 23, 2022 issue of *Newsweek* with its list of the best maternity hospitals in the United States. The list includes 350 hospitals divided into two performance categories. **University Health** is listed in the highest rating category — five ribbons — as one of five health systems in Texas. The list includes a total of 161 hospitals. *Newsweek's* ratings are based on three data sources: a national survey of hospital managers and maternity healthcare professionals that asked them to recommend top maternity hospitals; hospital performance data related to maternity care; and patient satisfaction data.

**ADJOURNMENT:**

There being no further business, Mr. Adams adjourned the meeting at 7:19 pm.

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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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Sandra D. Garcia, Recording Secretary