



University Health System

BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

Tuesday, November 13, 2018

2:00 p.m.

Encino Conference Room

University Hospital

4502 Medical Drive

San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

Jim Adams, Chair
Ira Smith, Vice Chair
Dianna M. Burns, M.D., Secretary
Roberto L. Jimenez, M.D, Immediate Past Chair
Robert Engberg
James C. Hasslocher

BOARD MEMBERS ABSENT:

Janie Barrera

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Tommye Austin, Ph.D., Senior Vice President, Chief Nurse Executive, University Health System
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Lourdes Castro-Ramirez, President, University Health System Foundation
Ted Day, Executive Vice President, Strategic Planning and Business Development, University Health System
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Leni Kirkman, Senior Vice President, Strategic Communication and Patient Relations, University Health System
Teresa Nino, Director, Epic Communications, University Health System
Rosa Olivares, Administrative Resident, Trinity University
Bill Phillips, Senior Vice President/Chief Information Officer, University Health System
Kirsten Plastino, M.D., President, Medical/Dental Staff, University Health System; and Professor, Department of Obstetrics & Gynecology, UT Health, San Antonio
Serina Rivela, Interim Chief Legal Officer, University Health System
Michael Roussos, Administrator, University Hospital
Armando J. Sandoval, Chief of Police, Protective Services, University Health System
Travis Smith, Deputy Chief Financial Officer, University Health System
Jim Willis, Vice President, Associate Administrator, University Hospital
Gary Joeris, Chief Executive Officer, Joeris Construction
Russell Templin, Vice President, J.E. Dunn

And other attendees.

CALL TO ORDER AND RECORD OF ATTENDANCE: JIM ADAMS, CHAIR, BOARD OF MANAGERS

Mr. Adams called the meeting to order at 2:04 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Adams introduced and yielded the floor to Christina Williams, Senior Administrative Assistant, University Health System, for the invocation and he led the Pledge of Allegiance.

CITIZENS' PARTICIPATION: None.

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

SUMMARY: In the absence of Drs. Henrich and Hromas, Dr. Plastino was asked to provide a Medical/Dental staff update. She will complete her term at the end of this year and will hand off the role for 2019 to Dr. Rajeev Suri, Professor and Vice Chair, Department of Radiology. Mr. Adams thanked Dr. Plastino for serving two terms as President of the Medical/Dental Staff. He credited her and Dean Hromas for the substantial improvements between the Health System and the School of Medicine.

RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None.

NEW BUSINESS – CONSENT AGENDA:

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR STAFF MEMBERSHIP — KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

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

SUMMARY: The items above were presented for the Board's consideration as consent items. The following details are associated with these consent items:

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

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) — Antonio Carrillo/Travis Smith - A total of ten (10) contracts with a value of \$41,965,211 are being presented to the Board of Managers during the November 2018 Board meetings. The following

contracts require approval by the BCHD Board of Managers: Six (6) Consent contracts with a total value of \$ 8,352,760; and four (4) presented contracts with a total value of \$ 33,612,451. During the month of November, there were four (4) contracts classified as Small, Minority, Woman, or Veteran Owned Business Enterprises (SMWVBE). The November 2018 SMWVBE Status Report reflects all items submitted this month for Board approval.

RECOMMENDATION: Staff recommends approval of the consent agenda, minus the contract with AmeriCorp Financial, LLC, pulled by Mr. Hernández.

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

EVALUATION: Mr. Hernandez pulled purchasing consent item no. 3, contract with Americorp Financial, LLC, for a Biofire instrument reagent rental for the Microbiology Lab, in the amount of \$5,417,190. Mr. Hernandez would like the staff to further research this contract.

FOLLOW-UP: None.

REVIEW AND DISCUSSION OF PRELIMINARY FINANCIAL REPORT FOR OCTOBER 2018
— REED HURLEY

SUMMARY: Since the Health System closes its books on the eighth working day, Mr. Hurley informed the Board that he would provide a full financial report for the month of October via electronic mail to the Board early next week. The Board will be asked to accept the reports, subject to audit, in January 2019. This month, the staff will have a better view of supplemental funding due to the way the state and federal fiscal years work. October was a very good month with a bottom line of approximately \$12.5 million. There were three main drivers: 1) Additional \$5 million pick up of DSRIP funding, due to a measurement change; 2) Net Patient Revenue is approximately \$6 million better than budget; and 3) Increase in Accounts Revenue by \$1 million. About \$5 million will go straight to the bottom line. Salaries and supplies are also up, and drugs are up. Without the extra DSRIP supplemental revenue the Health System was on track for a good month, staff has been busy, and case mix is up. There is a \$3 million reserve pick up for some paybacks that the Health System was going to have to make for supplemental funding for years 2014, 2015, and 2016. For 2018, the Health System we will not have to make payment for those earlier years, so staff will unwind those reserves. For October and November Mr. Hurley expects an \$8 million supplemental funding lift. Community First Health Plans has had a positive bottom line for the last two months. The October \$250,000 positive bottom line is driven by an increase in rates.

RECOMMENDATION: None.

ACTION: None.

EVALUATION: None.

FOLLOW-UP: Full financial report to be provided to the Board of Managers next week.

ACTION ITEMS

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE CENTER FOR HEALTH CARE SERVICES FOR PSYCHIATRIC SERVICES FOR CARELINK MEMBERS — VIRGINIA MIKA, PH.D./ROBERTO VILLARREAL, M.D.

SUMMARY: The purpose of this agreement is to continue to secure professional psychiatric services for CareLink members. Over the past 16 years, The Center for Health Care Services (“the Center”) has provided services to CareLink members suffering with mental health disorders, substance abuse challenges and developmental disabilities. In 2017, the Center provided these services to 838 CareLink members. As of July 31, 2018, the Center has provided services to 543 CareLink members. Over the past 12 months there have been no unresolved patient satisfaction concerns or quality of care issues. This agreement includes performance standards that address quality of care, access, appropriate utilization, and patient satisfaction. In 2017 CareLink paid the Center \$246,172. During the first seven (7) months of 2018 (January - July, 2018) the average monthly amount paid was \$14,525. Staff estimates the 2018 annual amount to be \$174,301. The contract is negotiated at 90 percent of the current Medicare Fee Schedule. The estimated total amount requested for approval for 2019 is \$174,301. This agreement shall be renewed for up to two successive one (1) year terms if the Center meets all performance standards and patient satisfaction metrics. The estimated total value of the contract for all 3 years is \$522,905. The Center’s workforce composition data was provided for the Board’s review.

RECOMMENDATION: Staff recommends the Board of Managers approve and authorize the President/Chief Executive Officer to execute an Agreement with The Center for Health Care Services for a total estimated contract amount of \$522,905 for 3 years.

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

EVALUATION: None.

FOLLOW-UP: None

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH THE CENTER FOR HEALTH CARE SERVICES FOR DETOXIFICATION AND SUBSTANCE ABUSE SERVICES FOR CARELINK MEMBERS — VIRGINIA MIKA, PH.D./ROBERTO VILLARREAL, M.D.

SUMMARY: The purpose of this agreement is to continue to secure services for residential detoxification, substance abuse, and outpatient services for CareLink members through The Center for Health Care Services’ Restoration and Transformational Center (“the Center”). These services will alleviate the demands for services in the Health System’s Emergency Department. During 2017, 837 CareLink members received care from the Center for one or more detoxification or substance abuse services. From September 1, 2017 to August 31, 2018, 1,600 CareLink members received care from the Center for one or more detoxification or substance abuse services. Out of 1,600 patients, 784

successfully completed the residential detoxification program and 207 patients successfully graduated from the 90-day program and transitioned to the community. Also, the Center agrees that it will have at least three (3) detoxification beds available at all times for patients who are referred by the Health System. Over the past twelve months there have been no unresolved patient satisfaction concerns or quality of care issues. This agreement includes performance standards that address quality of care, access, appropriate utilization, and patient satisfaction. In 2017 CareLink paid the Center \$672,013.30. We anticipate the 2018 approved claims for CareLink members will be \$750,000. The term of this contract is for one year beginning January 1, 2019 and ending December 31, 2019. This agreement shall be renewed for up to two successive one (1) year terms if the Center meets all performance standards and patient satisfaction metrics. The Center's workforce composition data was provided for the Board's review.

RECOMMENDATION: Staff recommends the Board of Managers approve and authorize the President/Chief Executive Officer to execute an Agreement with The Center for Health Care Services for a total estimated contract amount not to exceed \$750,000 annually or \$2,250,000 for 3 years.

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

EVALUATION: None.

FOLLOW-UP: None

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT FOR THE CONSTRUCTION MANAGER AT RISK FOR THE WOMEN'S AND CHILDREN'S TOWER AND ASSOCIATED PROJECTS — DON RYDEN

SUMMARY: In June of 2017, the Board of Managers authorized staff to proceed with the completion of an integrated suite for Heart, Vascular, and Endoscopy Services in the Sky Tower and for the construction of a new tower to serve the needs of the Women's and Children's Service Lines. For the construction of the project, staff has determined that using the construction-at-risk delivery method will provide the best value for delivery of the Project. In August 2018, the Health System issued a Request for Proposal (RFP-218-08-048-SVC) for Construction Management Services for the Women's and Children's Tower and Associated Projects. The following respondents submitted proposals to the RFP in September 2018. Joeris and J. E. Dunn; Layton Construction Company; Robin's & Morton; SpawGlass & Kitchell, and J.T. Vaughn Construction. In October 2018, all five respondents presented their proposals and respective project team members to a Health System Evaluation Committee. The respondents were evaluated and scored on the basis of the following criteria:

- Firm qualifications and hospital construction experience.
- Team qualifications & staffing plan.
- Quality of the pre-construction services plan
- Quality of the construction phase plan
- Quality of approach to team collaboration and design assist services
- Contractual issues and fee structure
- Quality of a Community Outreach Plan including SWMBE
- Quality of recommendation for using a controlled insurance program

The Health System's Evaluation Committee for these presentations and interviews was comprised of the following participants: George Hernandez; Ed Banos; Reed Hurley; Rebecca Cedillo; Lorrie Elizarraraz; Don Ryden; Robert Leverence, MD, Chief Medical Officer, UT Health Long School of Medicine; and Maria Zampini, Chief Operating Officer, University Medical Center El Paso. Ex-Officio Members included: Jerry Akin (Broadus & Associates); Tiffany Robinson Long (Marmon Mok/ZGF); and Louis Stranahan (Design & Planning Consultant). Based on the qualitative criteria and a special emphasis on the relevant healthcare experience of the firm and its individual team members, their approach to the construction phasing plan, local participation, and fee structure, the Evaluation Committee recommends Joeris & J.E. Dunn as the Construction Manager at Risk to the Board of Managers for approval. The fee structure for Joeris was higher than two firms, both Vaughn and Layton. The evaluation team adjusted for this difference and awarded both Vaughn and Layton the maximum points for price. Even with this adjustment, the Joeris/JE Dunn ranked best. Joeris scored particularly well on firm qualifications, hospital construction experience, team qualifications, staffing plan and community outreach. The Construction Manager at Risk fee will be a lump sum fee combining the pre-construction and construction management fee, general & administrative costs, bonds and insurance. Over the course of the Project, the contract with the Construction Manager at Risk will be modified by respective contract amendments for separate design packages under a Guaranteed Maximum Price (GMP) Methodology. Each GMP will be approved by the Health System in accordance with the Project budget. The workforce composition data for Joeris General Contractors & J.E. Dunn Construction Company was provided for the Board's review. The local participation goal for the Construction Manager at Risk is 75 percent with a SMWVBE participation target of 35 percent.

RECOMMENDATION: Staff recommends the Board of Managers approve Joeris & J.E. Dunn as the Construction Manager at Risk firm for the Women & Children's Project and authorize the President/Chief Executive Officer to execute a contract with Joeris & J.E. Dunn in the amount of \$30,246,439.

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

EVALUATION: The amount approved by the Board today only takes care of the construction manager at risk. Staff will return over the course of the project for approval of Guaranteed Maximum Price (GMP) packages for the different construction components within the scope of the project budget. The two firms, Joeris and J.E. Dunn, are working as a joint venture. Joeris is a second generation firm from San Antonio, and J.E. Dunn is national construction firm dating back to 1924 in Kanas City. J.E. Dunn will primarily receive support from Dallas, Austin, and Nashville locations. Mr. Engberg asked Mr. Ryden to elaborate regarding the job description of what the construction manager at risk will be doing for the \$30 million fee. The delivery method selected for this project is known as the construction manager at-risk delivery method. The \$30 million is comprised of a \$16.8 million fee; \$7.5 million for general and administrative overhead; and just under \$6 million allotted for bonds and insurance. The construction manager is at risk for delivery of the project, for the budget that was

established, and the design that will be implemented. The construction managers are at risk not only as agents of the Health System, but in terms of liability, services, and the end product. Mr. Engberg asked how many of the firms' employees would be involved. The basic staffing model under this fee is a team of 43, a mix of Joeris and J.E. Dunn, and they will undoubtedly rely on other corporate resources as needed. Target date for completion of the women's and children's tower is 2022; however, the staff hopes to beat that preliminary target. With the construction manager on board, the current team is able to better plan the construction phase. So far the Health System has been working with the architect team and recently selected project manager; however, the construction manager is key because they are the ones performing the construction. Builders' risk and liability is covered under their construction controlled insurance program (CCIP). The construction manager at-risk for the Sky Tower had a similar arrangement, a joint venture between Zachry, Vaughn and Layton. The construction manager at risk has a CCIP clause in the contract which covers the SMWVBE subcontractors they choose to work with. At some point in the near future, Dr. Burns would like to see the contract terms regarding financial risk. In addition, she expressed concern regarding the SMWVBE participation goal. If 35 percent is allocated to small businesses that means that the other 35 percent is going to minorities. Where is the Hispanic breakdown? Is every minority category placed in this 10 percent pool? If so, that seems like a very small number considering the ethnic make-up of this community, which is over 50 percent Hispanic. According to Mr. Hernandez, what the evaluation committee liked most about this team is their very robust community outreach plan. In the Health System's experience at the Robert B. Green campus with some of these same teams, every single standard was exceeded. Since the Health System does not have a disparity study to use as a guide, the Health System cannot set goals for the vendors. However, Joeris is aware of the Board's expectations that they will do a good job. Mr. Hernandez believes that these goals will be exceeded. Dr. Jimenez agreed that Joeris seems to do a little better in community outreach because they are a local firm and know this community. However, the Board has raised this point often, when dealing with vendors outside of Bexar County, they need a little help to do business in this region. Joeris is very strong in this area, with a senior, 7-year employee doing the outreach with the help of two consultants. Mr. Hasslocher commended Joeris' excellent reputation in the community. He asked about the start date for construction of the tower to which Mr. Ryden responded that staff recently completed the schematic design phase for the Heart Vascular and Endoscopy Suite and are moving into design development. The target for the Heart Vascular and Endoscopy Suite is April 2019 with completion by next summer at the very latest. Now that the construction manager is on board, staff will try to get some activity going on the tower as soon as possible. However, almost one-year of design work remains on the tower. The teams have completed schematic design on the garage, and are evaluating that information right now. Staff is exploring some temporary parking opportunities around the campus. If staff is able to pull off parking at multiple locations, the overall construction plan will be accelerated. Staff is working with UT Health to maximize parking opportunities. Mr. Engberg asked about Health System projects that Joeris

has previously completed. Their most recent project is the inpatient pharmacy at University Hospital. Mr. Ryden has had the opportunity to work with Joeris and J.E. Dunn as a joint venture at another hospital; they have track record of working well together. Dr. Jimenez reiterated the unique nature of the women's and children's tower; it is very important to the Board that this project be successfully completed, the nation is watching to see how it will work out. Mr. Ryden assured the Board that Joeris has a great deal of health care experience. Regarding J.E. Dunn, the staff is working with the health care division, so the team they are bringing specializes in health care. Dean Hromas added that the difference with the women's and children's tower is that this is a combination facility that will offer only advantages. There will be experts in Ob/Gyn, Pediatrics, and Neonatology, working hand in hand; only a few combination hospitals exist, such as Texas Children's. The topic was discussed quite a bit with J.E. Dunn, to the point that they included examples of similar specialty hospitals they've worked on in Dallas, Atlanta, Phoenix, Houston, and Albuquerque. Other vendors, such as Marmon Mok, have great San Antonio experience. ZGF has specific experience with women's & children's facilities. Both were at the construction management interviews and asked questions to help the staff arrive at their recommendation. Mr. Hernandez stated that he is personally comfortable that all metrics will be met. Other members of the Evaluation Committee have a lot of health care experience such as Dr. Robert Leverence, Chief Medical Officer, UT Long School of Medicine; and Maria Zampini, Chief Operating Officer, University Medical Center El Paso. The staff put together a great team to address criteria set forth. Mr. Ryden introduced Mr. Gary Joeris, Chief Executive Officer, who stated he was confident that Joeris Construction will beat the goals set for the firm. He also introduced Mr. Russell Templin, Vice President, J.E. Dunn who looks forward to learning about community outreach while working on the women's and children's tower with Joeris Construction.

FOLLOW-UP:

None.

CONSIDERATION AND APPROPRIATE ACTION TO APPROVE A CONTRACT WITH BRYCO CONSTRUCTION FOR CONSTRUCTION SERVICES FOR INTERVENTIONAL RADIOLOGY ROOM NO. 2 AT UNIVERSITY HOSPITAL — DON RYDEN

SUMMARY:

The current bi-plane angiography machine, located in Interventional Radiology (I.R.) Room No. 2, was installed in March of 1997. New parts for this system are no longer available requiring the use of refurbished parts, if available, to keep the equipment operational. In addition to the unreliability of the machine, years of hard use have taken its toll on image quality. Therefore, on September 14, 2018 the Health System solicited a Request for Proposals (RFCSP-218-009-052-CNST) for Construction Services with five firms responding. The proposals received were evaluated based on the criteria provided to the firms in the RFP. Of the firms that proposed, Bryco Construction was selected based on their competitive pricing, proposed schedule, healthcare experience and safety record. Staff has reviewed and negotiated the pricing for these services and recommends approval of construction phase services for the upgrades to I.R. No. 2 in the amount of

\$593,107. This project will be funded with available contingency from 2018 capital funds. The overall project budget is as follows:

<u>I.R. No. 2 Upgrade</u>	<u>Currently Funded</u>	<u>Estimated at Completion</u>
Design	\$59,200	\$59,200
Construction	\$593,107	\$593,107
<u>Philips Bi-Plan</u>	<u>\$1,587,354</u>	<u>\$1,587,354</u>
Total	\$2,239,661	\$2,239,661

The workforce composition data for Bryco Construction, LLC., was provided for the Board's review.

RECOMMENDATION:	Staff recommends the Board of Managers approve the selection of Bryco Construction as Contractor for Interventional Radiology Room No. 2 and authorize the President/Chief Executive Officer to execute the Construction Services Agreement with Bryco Construction in the amount of \$593,107.
ACTION:	A MOTION to approve staff's recommendation was made Mr. Hasslocher, SECONDED by Mr. Hasslocher, and PASSED UNANIMOUSLY .
EVALUATION:	Physician leaders were involved in the selection of Bryco Construction for this project.
FOLLOW-UP:	None.

INFORMATION ONLY ITEMS:

Epic Electronic Health Record Project Update — George B. Hernández

Report on Actuarial Audit of University Health System's Pension Plan by Milliman — Theresa Scepanski

Update on Planning, Design and Construction Activities — Don Ryden

University Health System Foundation Update — Lourdes Castro-Ramírez

2018 Third Quarter Supplier Diversity Report — Antonio Carrillo/Travis Smith

SUMMARY:	Mr. Adams noted the five (5) informational reports above and encouraged his Board colleagues to review on their own time. Dr. Burns raised a question on the Epic Schedule A. Are the numbers for travel correct? Consultant travel is allocated at \$7, 466,667 while travel for Epic staff is allocated at \$6,570,167, which totals over \$13 million. Although these dollar figures appear to be high, the project is almost two years in length and funds will be used to pay for temporary housing and meals. Mr. Hurley confirmed that the dollar amounts reflected on Schedule A are correct.
RECOMMENDATION:	None.
ACTION:	None.
EVALUATION:	Mr. Adams thanked the Board members for their work. The Board members rely on each other for certain skills, such as Mr. Engberg for construction matters, and Dr. Burns for the women's and children's tower. They serve as Board liaisons and keep the other members up to date. This Board enjoys working together, and has not had any public disputes or problems, which goes to show that the residents of Bexar County are in charge. This is a compliment to the Bexar County Commissioners who appointed the Board members.
FOLLOW-UP:	None

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the public Board meeting at 3:20 p.m.

Jim Adams
Chair, Board of Managers

Dianna M. Burns, M.D.
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary