



**BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, November 15, 2022

6:00 pm

Tejas Conference Room

University Health Business Center 2

5959 Northwest Parkway

San Antonio, Texas 78249

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Margaret Kelley, MD, Secretary
Jimmy Hasslocher
Anita L. Fernandez
L.P. Buddy Morris
Pat Jasso
Dianna M. Banks-Burns, MD

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
William Henrich, MD, President, UT Health San Antonio
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health
Leni Kirkman, Executive Vice President/Chief Marketing, Communication, & Corporate Affairs Officer,
University Health
Bobby Maxwell, Captain, Protective Services, University Health
Joshua Nieto, General Counsel, Chief Compliance/HIPPA Officer, University Health
Serina Rivela, Vice President/Chief Legal Officer, University Health
Travis Smith, Deputy Chief Financial Officer, University Health
Horacio Vasquez, Executive Director, Supply Chain Management, University Health
Roberto Villarreal, MD, Senior Vice President/Chief Public Health/Innovation & Equity Officer,
University Health
Larry Wallis, Director, Internal Auditor, University Health
And other attendees.

CALL TO ORDER:

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

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Christopher Sandles, President/Hospital Operations, provided the invocation and Mr. Adams led the pledge of allegiance.

PUBLIC COMMENT: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): OCTOBER 25, 2022 (REGULAR MEETING):

SUMMARY: Minutes for the previous Board meeting were provided for review and approval by the Board of Managers.
RECOMMENDATION: Staff recommends approval of the meeting minutes as submitted.
ACTION: A **MOTION** to approve the minutes as submitted was made by Ms. Fernandez, **SECONDED** by Ms. Jasso, and **PASSED UNANIMOUSLY**.
EVALUATION: None
FOLLOW UP: None.

REPORT FROM UT HEALTH SAN ANTONIO — WILLIAM HENRICH, MD, PRESIDENT

SUMMARY: Mr. Adams welcomed Dr. Henrich who reported that there are a number of joint recruitments taking place, with Radiology Chair interviews wrapping up, an incredibly important position to both institutions. There are several well qualified finalists, and it is his hope a selection will be made in the next month or so. Other than that, the UT Health SA research portfolio this year is nearing \$400 million, which is very good news, making UT Health SA one of the most research-intense health science centers in the State.
RECOMMENDATION: This report was provided for informational purposes.
ACTION: No action is 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 October 24, 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 November 1, 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 October 24, 2022, and reviewed proposed revisions to Delineation of Privilege and the Professional Performance Evaluation Report and forms. In its meeting of November 1, 2022, the Executive Committee of the Medical-Dental Staff approved the Delineation of Privileges and Focused/Ongoing Professional Performance Evaluation Report, which was provided for the Board's review, and in turn, recommends approval by the Board of Managers.

CONSIDERATION AND APPROPRIATE ACTION REGARDING APPOINTMENT(S) TO THE UNIVERSITY HEALTH PENSION BOARD OF TRUSTEES — JIMMY HASSLOCHER, CHAIR, NOMINATING COMMITTEE

The Bylaws of the University Health Pension Plan Board of Trustees state that the Bexar County Hospital District Board of Managers, as the governing body, shall approve the appointments of Pension Plan Trustees. There are currently nine positions on the Pension Plan Board of Trustees composed of two members from University Health administration, two members from the Board of Managers, and five community members who are investment professionals. The following members are up for re-appointment: Mr. Carlos Resendez (Board of Managers Rep) and Mr. Reed Hurley (University Health Administration Rep). The Nominating Committee of the Board of Managers recommends approval to re-appoint Mr. Carlos Resendez and Mr. Reed Hurley to the Pension Plan Board of Trustees, effective immediately through December 31, 2026.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH MAVERICK COUNTY HOSPITAL DISTRICT, FUNDED BY THE CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS, FOR COLORECTAL EDUCATION AND SCREENING – VIRGINIA MIKA, PH.D./ROBERTO VILLARREAL, MD

University Health received a grant award through the Cancer Prevention & Research Institute of Texas, RFA No. P-22.2-EPS titled "Expansion of Cancer Prevention Services to Rural and Medically Underserved Populations." The program aims to reduce overall cancer incidence and mortality and to improve the lives of individuals who have survived or are living with cancer. This award, titled *Get FIT*, will support the coordination and expansion of evidence-based services to prevent or screen for cancer in underserved populations who do not have adequate access to cancer prevention intervention and health care, bringing together networks of public health and community partners to carry out programs tailored for their communities. University Health, through its CareLink Program, provides medical services to uninsured residents of Bexar County and sought out this funding to enhance services for its members. The specific goal of this program is to increase colorectal screening among rural and medically underserved populations. The primary patient population of focus are CareLink members with secondary focus on Maverick County residents. Maverick County Hospital District is a key partner in assisting us to meet our grant goals. It is a public entity performing an essential public function, providing hospital and medical care to its uninsured residents. Their providers and staff are knowledgeable of community resources and make referrals when necessary. Maverick County Hospital District will educate its patients and providers about colorectal screening, provide navigation services to eligible patients for FIT testing, and provide colonoscopies to anyone with a positive FIT test. They will also navigate any patients with colorectal cancer to treatment. The workforce composition for Maverick County Hospital District was provided for the Board's review. Staff recommends Board of Managers' approval to execute an Agreement with Maverick County Hospital District for a total estimated contract amount of \$265,262 for 3 years, beginning September 1, 2022 through August 25, 2025.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AMENDMENTS TO PROFESSIONAL SERVICES AGREEMENTS WITH ALAMO AREA RESOURCE CENTER, BLACK EFFORT AGAINST THE THREAT OF AIDS COALITION TRUST, CENTROMED, AND SAN ANTONIO AIDS FOUNDATION IN SUPPORT OF THE RYAN WHITE PART A PROGRAM, SERVING HIV-AFFECTED CLIENTS AND FUNDED THROUGH THE HEALTH RESOURCES AND SERVICES ADMINISTRATION — ROBERTO VILLARREAL, MD

The purpose of these Amendments is to provide carryover Health Resources and Services Administration (HRSA award number H89HA31891) funds from budget period 3/1/2021-2/28/2022 into the current budget period to care for persons with HIV in Bexar County and other South Texas counties most severely affected by the HIV/AIDS epidemic funds for Early Intervention Services; Food Bank/Home Delivered Meals; Medical Transportation; Mental Health Services; Referral for Health Care and Support Services; and Substance Abuse – Outpatient; to Alamo Area Resource Center, Black Effort Against the Threat of AIDS Coalition Trust, El Centro del Barrio, Inc. d/b/a CentroMed, and San Antonio AIDS Foundation for medical and support services for people affected by HIV/AIDS. The Ryan White grants are provided on a cost-reimbursement basis. All of the partners are local non-profit organizations, and CentroMed is a Federally Qualified Health Center. The overall impact of the program and the sub-award agreements are budget neutral. HIV services shall be invoiced monthly and reimbursed for actual costs incurred. The Ryan White Program is a payer of last resort and provides financial and social services to those not covered by other resources, ensuring continuity of services and emphasizing the public health benefit to reduce HIV transmission rates and end the HIV epidemic. The partners’ workforce composition data was provided for the Board’s review. Distribution of funds for FY 2022-2023 is as follows:

<u>Source of Funding</u>	<u>Ryan White Overall Budget</u>	<u>Allocated Funds</u>
<u>FY 22-23 - 3/01/22 – 02/23/23</u>		
Ryan White Part A Formula	\$3,695,051	AARC: \$1,046,531 BEAT AIDS: \$191,347 CentroMed: \$573,204 SAAF: \$553,745
Ryan White Part A Supplemental	\$1,894,925	AARC: \$540,386 BEAT AIDS: \$91,729 CentroMed: \$300,554 SAAF: \$282,836
Ryan White Part A Minority AIDS Initiative	\$689,640	AARC: \$234,838 BEAT AIDS: \$145,394 CentroMed: \$75,831 SAAF: \$98,356

Staff recommends approval of new agreements with the Alamo Area Resources Center, Black Effort Against the Threat of AIDS Coalition Trust, El Centro del Barrio, Inc. d/b/a CentroMed, and San Antonio AIDS Foundation sub-recipients of Ryan White HIV/AIDS Program funds, to enhance services for Ryan White-eligible patients.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT TO THE AGREEMENT WITH RDE SYSTEM SUPPORT GROUP, LLC FOR SOFTWARE SERVICES FOR THE RYAN WHITE PART A AND ENDING THE HIV EPIDEMIC – OPERATION BRAVE PROGRAMS, FUNDED THROUGH THE HEALTH RESOURCES AND SERVICES ADMINISTRATION — ROBERTO VILLARREAL, MD

RDE System Support Group, LLC, the maker of the eCOMPAS® and e2® suite of software products, has served public health for over 30 years. RDE’s software solution eCOMPAS® is a user-friendly data management system; its features have helped users nationwide reduce administrative burden while

improving client care. It provides data management, Federal reporting, quality improvement, client outreach, and client satisfaction for Ryan White-funded programs nationwide. This amendment will enhance the system by adding Quality Management modules and an advanced fiscal/electronic contract management (ECM) module. The Quality Management modules will include 1) Mobile/Web patient satisfaction survey module; 2) Oral Health & Medical Case Management HAB Measures module; 3) Centralized CQI Repository & Quarterly CQI report with provider submission including narrative module; and 4) Stratification Report module. The advanced fiscal/ECM module will facilitate online contract, fiscal management and sub recipient service delivery billing. eCOMPAS® systems are HIPAA compliant. Ending the HIV Epidemic Program – Operation BRAVE and Ryan White Part A required data services will be performed by RDE during the term of this Agreement. February 1, 2022 through February 28, 2025 and will include a total increase of \$323,200 in following components:

Service Category	Initial Allocation	Increase	Revised Allocation
EHE (BRAVE) Initiative Infrastructure	\$613,596.00	\$143,200.00	\$756,796.00
RW Part A Administration & Quality Management Services	\$276,404.00	\$180,000.00	\$456,404.00
Total	\$890,000.00	\$323,200.00	\$1,213,200.00

The workforce composition data for RDE System Support Group, LLC, was provided for the Board’s review. The activities for the Ending the HIV Epidemic Program – Operation BRAVE and Ryan White Part A are funded by HRSA, award numbers are UT8HA3392 and H89HA31891, respectively. The funding for this agreement with RDE is included in the aforementioned HRSA grant awards. Staff recommends approval to amend the agreement with the RDE System Support Group, LLC., to enhance services for eligible patients for an increase of \$323,200 for a revised total of \$1,213,200.00 funded by Ending the HIV Epidemic and Ryan White HIV/AIDS Program funds for a three-year term.

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

University Health’s Purchasing Consent agenda for the month of November 2022 includes 7 proposed contracts for Board of Managers action. The total requested Board of Managers approval for these 7 contracts is \$6,291,999. Additional Presented contracts during the November Board of Managers meetings total \$75,178,193 and are considered for approval separate from the Purchasing Consent. Staff recommends Board of Managers’ approval of Purchasing Consent Agenda items in the amount of \$6,291,999.

CONSENT
 RECOMMENDATION: Staff recommends Board of Manager’s approval of items presented under the consent agenda.

CONSENT
 ACTION: A **MOTION** to approve the minutes as submitted was made by Mr. Hasslocher, **SECONDED** by Ms. Fernandez, and **PASSED UNANIMOUSLY**.

CONSENT
 EVALUATION: None.

CONSENT
 FOLLOW UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AFFILIATION AGREEMENT WITH TEXAS A&M UNIVERSITY – SAN ANTONIO AND TEXAS A&M UNIVERSITY HEALTH SCIENCE CENTER — TED DAY/ BRYAN ALSIP, M.D.

SUMMARY:

This is a proposed, new affiliation agreement between University Health, Texas A&M-San Antonio (TAMUSA) and Texas A&M University Health Science Center (TAMU HSC), which will enable University Health to expand clinical and public health services for the medically underserved population in that area of Bexar County. This master agreement is structured to enable the parties to build definitive agreements in areas of collaboration. The parties are committed to the mission of promotion of University Health's values by ensuring that all patient care will be high quality and compassionate above all, attentive, kind and helpful without exception, and wise in the use of resources. The values espoused by the parties in this agreement include such approaches as patient-centered culture, service to the community through effective patient care and approaches to elevate the health of the community. Additionally, clinical care and educational endeavors will be culturally sensitive to our growing and diverse population. Slated to run for 20 years beginning later this year, the affiliation agreement is broad enough to allow for dynamic developments in healthcare delivery, public health, and educational endeavors, to be delineated in future sub-agreements. This agreement does not contain fiscal terms for University Health. The possibility exists for future financial contributions from Texas A&M San Antonio and/or from Texas A&M Health Sciences Center to University Health or vice-versa for specific services or considerations. Any future financial arrangements would be included in appropriate sub agreements. Execution of this affiliation agreement will enable University Health to advance the system mission to serve the community through expanding capacity for clinical care and public health services in underserved areas of Bexar County and the region. Expansion of current services and education of the next generation of physicians, clinicians, and public health workers, will be key tenets. This partnership includes collaboration with existing visionary programs, such as Texas A&M's ASPIRE Partnership program to help more secondary students pursue advanced education in these areas. Mr. Day described the ASPIRE Partnership program as a first-of-its-kind collaborative effort between a public university and seven South Bexar County ISDs (East Central, Edgewood, Harlandale, Somerset, South San Antonio, Southside and Southwest).

RECOMMENDATION:

Staff recommends the Board of Managers approve and authorize the President/CEO to execute the Master Affiliation Agreement with Texas A&M University-San Antonio and Texas A&M University Health Science Center.

ACTION:

A **MOTION** to approve staff's recommendation was made by Ms. Fernandez, **SECONDED** by Ms. Jasso, and **PASSED UNANIMOUSLY**.

EVALUATION:

Dr. Henrich expressed support for expanding access to care in areas that have historically been under represented. However, training professionals are getting harder to find and it is even more difficult to place nurses, residents, and allied health students for clinical rotations;

the demand for which continues to grow. The University Health leadership group has already been informed that UT Health will be looking for additional places to train students. There is a requirement for the number of weekly hours and exposure that nurses and residents must meet and there is a finite number of places where that can occur. When affiliation agreements occur in one hospital with two academic partners, the accreditation body of the school will not let that happen because they do not agree that mixing and matching is good for educational purposes. It has been tried at a number of places, most notably Yale University. Dr. Henrich would like for it to be understood that there is pressure to produce health professionals in nursing, physical therapy, respiratory care, and medicine. As agreements come through and as University Health seeks additional partnerships, Dr. Henrich respectfully requested that this be kept in mind, and that UT Health SA be involved in future University Health discussions regarding affiliations. He is all for growing the availability of training sites and he whole-heartedly supports his institution. He does not want wires crossed in the future and he would like to make sure the partners do not end up in a situation where the parties have taken steps that limit training. San Antonio is a hub for training professionals, and the demand for Graduate Medical Education slots is so great, he wanted to take the time to inform the Board of Managers of his concerns. Ms. Jasso agreed that the staff ought to be in constant communication with Dr. Henrich; and staff must prioritize these discussions. Regarding the exponential growth of San Antonio's south side, she noted that the Southside Chamber of Commerce, very much involved in the economic growth occurring there, has recently re-branded as the South Texas Business Partnership to reflect the group's larger strategic effort to position both South San Antonio and the South Texas region as a prime landing spot for new investments; she added that University Health might benefit from having a representative on the Board of the South Texas Business Partnership. Ms. Fernandez and Mr. Hassloch expressed support and excitement for the new affiliation with a trusted community partner. Mr. Adams thanked Dr. Henrich for the partnership and for his candid feedback.

FOLLOW UP:

None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN ASSET AND PURCHASE AGREEMENT WITH DIALYSIS CLINIC, INC. IN SUPPORT OF THE RE-ESTABLISHMENT OF UNIVERSITY HEALTH NORTHWEST DIALYSIS CENTER - EDWARD BANOS

SUMMARY:

The University Hospital Dialysis Center predominantly served patients who resided in northwest Bexar County. In 2010, the construction of the Sky Tower at University Hospital necessitated the relocation of the outpatient dialysis facility to leased space on Louis Pasteur Drive where it operated until December 31, 2019 as the Northwest Dialysis Center. The Northwest Dialysis Center location was ideal but the building needed significant renovation due to age and new regulatory requirements. Over the past two years, leadership searched for existing

buildings with close proximity to University Hospital that had suitable capabilities for a dedicated dialysis center. After numerous evaluations, the estimated cost to build out a new location was approximately \$6 million (\$300 a square foot) and \$1 million for furniture, fixtures, and equipment for a total project cost of \$7 million. Unfortunately, staff was unable to find another suitable location to move Northwest Dialysis Center and construction of a new facility was not financially feasible given other more pressing projects like the Women's and Children's Hospital and the Advanced Diagnostic Center. Accordingly, existing Northwest Dialysis patients were relocated to the other University Health outpatient dialysis locations when the center closed. Patient demand continues to exist for a University Health dialysis facility near University Hospital. Over half of the Bexar County population lives north of NW Loop 410. Moreover, there is a growing demand for hemodialysis and peritoneal dialysis services in the community. The other three University Health dialysis facilities are located south of downtown and are not convenient to many of our patients, including many of our transplant program patients. In 2021, Dialysis Clinic Inc. opened a new facility in Leon Valley at 6146 Wurzbach Road near Evers Road. It currently provides adult hemodialysis and peritoneal dialysis with nineteen (19) chairs, with capabilities to provide an approved home dialysis program. Dialysis Clinic Inc. has been unable to develop a patient referral pattern from local hospitals and now plans to leave the San Antonio market. Staff has been in discussions with Dialysis Clinic Inc. over the last few months to determine the suitability of their Leon Valley facility as the new University Health Northwest Dialysis Center. After due diligence, staff believes the acquisition of the facility assets and lease will be beneficial to patients and the University Health Transplant Institute. The facility is new, well maintained and meets our brand standards. The site has ample parking and is only two miles from University Hospital. The agreed upon acquisition cost for the dialysis clinic from Dialysis Center Inc. is \$2 million. This is \$5 million less than what it would cost University Health to build a new center. In addition, the facility will require a one-time make ready expense of approximately \$400,000 for IT infrastructure and signage. Funding will come from the Board Designated Capital account. The Dialysis Center Inc., is leasing 10,000 square feet of space from BE Rios, LTD., the property owner. The current lease is assignable and the property owner has approved the assignment should University Health acquire the dialysis facility. The annual base lease expense during the initial term for the facility is \$85,000 and is subject to a 9.75% pro rate share of property taxes and insurance costs for a total annual amount of \$109,600. The initial term of the lease expires February 2025 and contains four renewal term options of five years each. Staff estimates University Health will have a year-end contribution margin of \$1.9 million from an estimated 39,000 dialysis treatments in 2022. The estimated contribution margin for the Northwest Dialysis Center is \$773,280 based on an average of 30 patients a month.

RECOMMENDATION:

Staff recommends the Board of Managers authorize the President/CEO to execute an asset purchase agreement for the Dialysis Clinic, Inc. in an amount not to exceed \$2,000,000 and that it further authorize a one-time

expense of \$400,000 for conversion of IT infrastructure and re-branding. Staff further recommends the Board of Managers authorize the President/CEO to execute the assignment and assumption of the lease agreement with BE Rios, Ltd. The total project amount will not to exceed \$2,400,000 plus the annual lease expense.

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

EVALUATION: None.

FOLLOW UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A PROFESSIONAL SERVICES AGREEMENT WITH UT HEALTH SAN ANTONIO FOR CARELINK MEMBERS — VIRGINIA MIKA, PHD/ROBERTO VILLARREAL, MD

SUMMARY: University Health's CareLink financial assistance program is recognized locally and nationally as model health care coverage program. While CareLink is not health insurance, it nevertheless uses managed care principles like providing members a medical home, a schedule of benefits, and medication assistance to assure optimal member health. Currently, CareLink provides access to health care for approximately 28,000 uninsured Bexar County residents. The purpose of this agreement is to continue to secure primary care, specialty care and dental services for CareLink members, including radiation therapy, surgical procedures, and both inpatient and outpatient care. In 2021, UT Health San Antonio provided services to 20,869 CareLink members. In 2021, UT Health San Antonio Dental School provided services to 517 CareLink members. UT Health provides primary care through its two resident clinics located at the Robert B. Green campus. There are approximately 1,200 CareLink members who have Family Health as their Primary Care Provider and about 1,100 with the Internal Medicine Clinic. UT Health also provides specialty care to CareLink members at approved locations. The UT services with the highest CareLink activity are Radiology, Pathology, Ophthalmology, Internal Medicine (primarily for inpatient visits), and Anesthesiology. 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. This is a fee for service agreement paid at the current Medicare rate for all services. In 2021, CareLink paid UT Health \$20,736,178 under the current agreement. As of September 30, 2022 (last month of completed claims data available due to our 90 day lag on claims), CareLink has paid UT Health \$15,740,258. The total estimated amount requested for medical and dental services for fiscal year 2023 is \$20,987,010. The estimated three-year expense authorization is \$62,961,030. The workforce composition data for UT Health SA 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 UT Health San Antonio for a total estimated contract amount of \$62,961,030 for 3 years.

ACTION: A **MOTION** to approve staff’s recommendation was made by Dr. Kelly, **SECONDED** by Ms. Fernandez, and **PASSED UNANIMOUSLY**.

EVALUATION: To Dr. Kelly’s question about the UT clinic locations accessible by CareLink members, Mr. Hernandez reiterated that members have a choice; primary care is available at the RBG Family Health Center and Internal Medicine Clinic; as well as, CommuniCare Health Centers in Bexar County, several CentroMed locations, and specialty care is provided at UT Health clinics located at the Robert B. Green, Texas Diabetes Institute, and the Medical Arts and Research Center (MARC) in the South Texas Medical Center.

FOLLOW UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE PURCHASE OF PEDIATRIC CATHETERIZATION EQUIPMENT AND OTHER FURNISHINGS FOR THE WOMEN’S AND CHILDREN’S HOSPITAL FROM VARIOUS VENDORS — DON RYDEN

SUMMARY: During the pre-installation validation of medical equipment purchases authorized by the Board in August and October 2021, staff identified additional quantities of patient monitoring displays and exam room lighting needed to support future operational procedures planned for the Women’s and Children’s Hospital. Staff further identified operational efficiencies and reduced material management requirements by adopting a common standard for disposable curtains across the current and new facilities. The medical equipment planner has therefore been directed to work with vendors on updated or new quotes as appropriate. Barring an unforeseen significant price increase since the original purchase, Staff expects the final quoted costs of these additional quantities of approved items to be within Board-approved Project funds. The following is a summary of catheterization and other medical equipment and installation services that may be ordered as soon as procurement authority is granted:

Equipment Description/ Proposed Vendor	Cost (millions)
Long-lead mechanical & electrical equipment/Joeris+JE Dunn (CM)	\$ 1.310
Catheterization equipment/Philips	\$ 2.852
Patient monitoring displays & SpO2 adaptors/Philips	\$ 0.629
Exam room lighting/Stryker	\$ 0.047
Disposable curtains/ Medline	\$ 0.266
Total	\$ 5.104

The most cost-effective way to expedite the purchase of electrical and mechanical equipment is by a directed change order to the Construction Manager, Joeris+JE Dunn, a Joint Venture. In collaboration with the Architectural/Engineering team, this equipment has been priced at \$1,810,312. Sufficient contingency funds remain Joeris+JE Dunn contract to fund this requirement. No change to the total contract amount is required and no additional Project funds are needed. The workforce composition for vendors with purchases over \$250 thousand was provided for the Board’s review. Remaining vendors for smaller purchases under \$250 thousand will be procured using Group Purchasing Organization contracts when available or through competitive bids per University

Health procurement guidelines and policies. Mr. Hasslocher asked about lag times for obtaining construction supplies and medical equipment for the Women's and Children's Hospital to which Mr. Ryden replied that some items are taking up to 10 months to receive.

RECOMMENDATION: Staff recommends the Board of Managers approve the early procurement of pediatric catheterization equipment and supporting electrical and mechanical equipment and associated installation services and an increase in quantities of previously authorized medical equipment and authorize the President/Chief Executive Officer to execute the appropriate contracts thereto in an amount not to exceed \$5,103,950.

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

EVALUATION: None.

FOLLOW UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING BEXAR COUNTY HOSPITAL DISTRICT D/B/A UNIVERSITY HEALTH'S CONSOLIDATED OPERATING, DEBT SERVICE AND CAPITAL BUDGETS FOR FISCAL YEAR 2023 — GEORGE B. HERNÁNDEZ, JR./REED HURLEY

SUMMARY: Mr. Hurley provided a 2023 consolidated operating budget update since the last Board presentation on October 25, 2022:

Community First has increased 2023 budgeted HIE membership by 8,600 members due to two plans exiting the market.

- This increased revenue by \$69 million and expense by \$64 million
- Increasing the Community First bottom line to \$12.8 million

The Clinical Services Division increased the budget for operating expense by \$5 million.

- \$4 million related to projected physician salary increases
- \$1 million in additional supply expense based on latest projections
- Updated bottom line \$12.3 million

Consolidated Total Operating Revenue: \$2.96 Billion

- Community First Premium Revenue: \$1,021.4M / 34.6%
- Other Revenue: \$133.4M / 4.5 %
- Net Patient Revenue: \$1,043M / 35.3%
- Property Taxes: \$524.5M / 17.7%
- Supplemental Funding: \$232.8M / 7.9%

Consolidated Total Operating Expenses: \$2.83B

- Medical Claims: \$908M / 32.1%
- Salaries: \$778M / 27.5%
- Benefits: \$133M / 4.7%
- Medical Services: \$253M / 8.9%
- Supplies: \$378M / 13.3%
- Purchased Services: \$380M / 13.4%

Consolidated Budget

Consolidated (Dollars in Millions)	2021 Audited	2022 Projected	2023 Preliminary Budget	Variance from Projected	% Variance
Total Operating Revenue	\$2,459.4	\$2,738.6	\$2,955.8	\$217.2	7.9%
Total Operating Expense	\$2,119.8	\$2,486.8	\$2,828.9	\$342.1	13.8%
Operating Gain	\$339.7	\$251.8	\$126.9	(\$124.9)	(49.6%)
Nonoperating Revenue/(Expense):					
Depreciation/Amortization	(\$87.8)	(\$86.9)	(\$105.6)	(\$18.7)	(21.5%)
Other Non-operating	(\$0.0)	(\$14.4)	\$2.9	\$17.2	(119.9%)
Premium Deficiency Reserve	\$1.2	\$1.0	\$1.0	\$0.0	5.1%
Total Non-Operating Revenue	(\$86.6)	(\$100.3)	(\$101.7)	(\$1.4)	(1.4%)
Bottom Line excluding Debt Service	\$253.1	\$151.5	\$25.2	(\$126.3)	(83.4%)
Debt Service Revenue	\$75.2	\$69.2	\$87.5	\$18.3	26.4%
Debt Service	\$75.2	\$69.2	\$87.5	\$18.3	26.4%
Net Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Capital Requirements	\$40.5	\$40.9	\$45.1	\$4.2	10.2%

RECOMMENDATION:

Staff recommends Board of Managers' approval of Consolidated Operating, Debt Service and Capital Budgets for Fiscal Year 2023, and endorsement to Bexar County Commissioners' Court for their final approval on December 13, 2022 at 10 am.

ACTION:

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

EVALUATION:

For clarification purposes, today's presentation is the 2023 consolidated budget, which includes both University Health and Community First Health Plans, Inc. It is the version of the budget that will be presented to Bexar County Commissioners' Court and labeled as such. Individual preliminary budgets for each University Health and Community First were presented to the Board on October 25, 2022.

FOLLOW UP:

None.

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

SUMMARY:

University Health's consolidated bottom line for the month of October 2022 reflects a gain of \$7.8 million, \$9.2 million better than the budgeted loss of \$1.4 million. This gain to budget is due to positive net patient revenue of \$17.5 offset by employee compensation expense over budget by \$10.3 million. In October, clinical activity (as measured by inpatient discharges) was up 1.6 percent for the month compared to budget and inpatient days were up by 7.0 percent. Emergency Department visits were over budget 10.4 percent. Community First Health Plans, Inc., experienced a bottom line gain of \$4.3 million, which was \$6.1 million better than the budgeted loss of \$1.8 million. Community First fully insured membership was up 22.7 percent to budget. Net patient revenue over budget \$19.2 million driven by an improvement in payer mix, high acuity of inpatient activity, and higher outpatient procedural volumes. Supplemental revenue over budget \$31.3 million due to the late approval of the FFY22 HARP program at \$35.8 million offset by the loss of DSRIP revenue of \$5.1 million related to the unapproved status of the program in 2022, Community First premium revenue over budget \$7.1 million related to additional UHRIP program payments of \$6.0 million

and other premium revenue of \$7.9 million offset by \$6.7 million in experience rebate expense. Employee compensation over budget \$8.5 million driven by higher than budgeted temporary personnel expense of \$5.8 million and health insurance costs of \$1.4 million offset by a lower than budgeted 2022 pension expense of \$1.3 million. Lower than expected pension expense was provided by third-party actuaries for the month as compared to budget. The positive benefit variance will continue through the remainder of 2022. Purchased services over budget \$1.1 million related to lower organ acquisition costs, advertising and software costs offset by higher utilities cost and SNF expense. Supplies over budget \$4.5 million related to medical supplies \$1.9 million, pharmaceuticals of \$1.8 million and implants \$1.0 million.

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 Ms. Fernandez, and **PASSED UNANIMOUSLY**.
EVALUATION: None.
FOLLOW UP: None

INFORMATION ONLY ITEMS:

3RD QUARTER 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 Board colleagues' attention to the four reports above, and urged them to review on their own time.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW UP: None.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the public meeting at 7:13 pm.

James R. Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary