



**BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, November 19, 2019

2:00 p.m.

Encino Room

University Hospital

4502 Medical Drive

San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Ira Smith, Vice Chair
Dianna M. Burns, M.D., Secretary
Robert Engberg
James C. Hasslocher
Janie Barrera

BOARD MEMBERS ABSENT:

Roberto L. Jimenez, M.D, Immediate Past Chair

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Bryan Alsip, MD, 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
William Henrich, MD, President, UT Health San Antonio
Rob Hromas, MD, Dean, Long School of Medicine, UT Health, San Antonio
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Leni Kirkman, Senior Vice President, Strategic Communications and Patient Relations, University Health System
Elliott R. Mandell, Senior Vice President/Chief Pharmacy Officer, Pharmacotherapy & Pharmacy Services, University Health System
Teresa Nino, Director, Epic, University Health System
Bill Phillips, Senior Vice President/Chief Information Officer, Information Services, University Health System
Serina Rivela, Vice President/Chief Legal Counsel, University Health System
Michael Roussos, Hospital Administrator, University Hospital
Don Ryden, Vice President/Project, Design, and Construction, University Health System
Allen Strickland, Vice President, Hospital Administration, University Hospital
Rajeev Suri, M.D., Medical Director, Radiology Services; and President, Medical/Dental Staff, University Health System; Professor, Vascular Interventional Radiology, UT Health San Antonio

Jim Willis, Associate Administrator, University Hospital
Ricardo Villarreal, President, Community First Health Plans, Inc.
Emily Volk, MD, Senior Vice President/Clinical Services, University Health System
In addition, other attendees.

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

Mr. Adams called the meeting to order at 2 pm.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Adams introduced Mr. Norberto Casas, Jr., Our Lady of Guadalupe Catholic Church in Helotes, Texas, 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: Dr. Henrich invited the Board of Managers to a welcome reception on Wednesday, December 11, 2019 at the end of the day at UT Health SA honoring the School of Medicine's newest recruit, Dr. Allen Anderson. Dr. Anderson comes from the Department of Medicine, Division of Cardiology, Northwestern University, Feinberg School of Medicine in Chicago, Illinois. He will serve as Chief of Cardiology and physician leader of the Heart Vascular Institute at University Hospital. Dr. Henrich is proud of this major recruit, a result of the collaboration between UT Health and University Health System. He wished everyone Happy Thanksgiving and yielded the floor to Dr. Hromas. Dr. Hromas greeted and invited Board members to the School of Medicine's Holiday party, which he and his wife are co-hosting with Dr. Richard Becker, a UT Health alumnus, on Saturday, December 14, 2019 at 6:00 pm. Dr. Becker is a wine connoisseur so the evening will include a wine tasting activity at the San Antonio Museum of Art. Dr. Suri recognized the physician leaders present. He reported that the certain members of the Medical/Dental staff are on a fast projectory for the standardized Epic training. Providers who have trained elsewhere on Epic will train in a faster, e-learning, track. Early next year these trained physicians will serve as super-users and in turn, will train other UT Health and University Medicine Associates providers. The new PACS (Picture Archiving & Communication System) imaging system, AFGA, will go live on December 16. Images taken anywhere, either in ambulatory or Emergency Department, will be available at the bedside to patients and providers.

RECOMMENDATION: This report was provided for informational purposes only.

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

EVALUATION: Mr. Adams reported that upon his arrival at University Hospital today, he opted to use the West Parking Garage as patients, visitors, and staff are doing now. He parked on the sixth level of the garage. He noted ample signage and nice people along the way, just as others have recounted their experiences to him. The public perception is that Health System staff is

working hard to minimize disruptions through the project, not an easy task as far as parking is concerned.

FOLLOW-UP: None.

CONSENT AGENDA –JIM ADAMS, CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR STAFF MEMBERSHIP — RAJEEV SURI, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

CONSIDERATION AND APPROPRIATE ACTION TO APPOINT DR. RALPH J. RIVIELLO AS THE CLINICAL DEPARTMENT CHAIR OF EMERGENCY MEDICINE — RAJEEV SURI, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN APPOINTMENT TO UNIVERSITY HEALTH SYSTEM PENSION BOARD OF TRUSTEES — ROBERT ENGBERG, CHAIR, NOMINATING COMMITTEE

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

SUMMARY: Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Staff Membership — Rajeev Suri, 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. In addition, the Executive Committee of the Medical/Dental Staff recommends approval of revisions (10/2019) to the following Delineation of Privilege forms: Advanced Practice Nurse, Family & Community Medicine; Physician Assistant; and Medicine/Rheumatology.

Consideration and Appropriate Action to Appoint Dr. Ralph J. Riviello as the Clinical Department Chair of Emergency Medicine — Rajeev Suri, M.D., President, Medical/Dental Staff - Pursuant to the Bylaws of the Medical/Dental Staff, the recommendation of naming a Clinical Department Chair is a joint decision between University Health System and the Long School of Medicine. The goal to select the best qualified candidate whose personal qualifications and clinical practice experience can best lead the department's operations, assure high quality care, patient satisfaction and efficiency. The recommended Clinical Department Chair is subject to Executive Committee and Board of Managers approval. All Clinical Department Chairs must be members in good standing of the Active or Provisional Staff at the time of nomination and appointment. They must remain active members in good standing during their term of office. The Executive Committee of the Medical/Dental Staff recommends approval of Dr. Ralph J. Riviello as Clinical Department Chair for the Department of Emergency Medicine.

Consideration and Appropriate Action Regarding an Appointment to University Health System Pension Board of Trustees — Robert Engberg, Chair, Nominating Committee – Pursuant to the Bylaws of the University Health System Pension Plan Board of Trustees, the Board of Managers shall approve the appointments of Pension Plan Trustees. There is currently one vacancy on the Board of Trustees created by the departure of community leader, Mr. David Ballard. Ms. Maxwell is currently an employee of Kennedy Capital Management, Inc., a boutique investment firm, as Director of Business Development. Based on candidate interviews and qualifications, the Nominating Committee of the Board of Managers recommends approval to appoint Ms. Christa Maxwell, a community leader, to the Pension Board of Trustees, for a term effective immediately and expiring on December 31, 2023.

Consideration and Appropriate Action Regarding Purchasing Activities (Attachment A) — Antonio Carrillo/Travis Smith – 12 contracts with a value of \$200,172,079 have been presented to the Board of Managers during the month of November. The following contracts require approval by the Board of Managers: Seven (7) consent contracts with a total value of \$5,645,094; and five (5) presented contracts with a total value of \$194,526,985. During the month of November, there were four contracts classified as Small, Minority, Woman, or Veteran owned Business Enterprises (SMWVBE). November SMWVBE status report reflects items submitted for Board approval. Staff recommends approval of the purchasing activities for November 2019.

RECOMMENDATION: Staff recommends approval of the items listed on the consent agenda.
ACTION: A **MOTION** to approve staff's recommendation was made by Ms. Barrera, **SECONDED** by Dr. Burns, and **PASSED UNANIMOUSLY**.
EVALUATION: Drs. Suri and Alsip clarified for Mr. Adams that staff bring forth the forms in the credentialing package every 4-5 years based on feedback from various professional associations. Today's action approves those forms at the request of the Credentials Committee and the Executive Committee of the Medical/Dental staff.
FOLLOW-UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FOLLOWING:

PUBLIC HEARING OF THE MANDATORY PAYMENT FOR THE BEXAR COUNTY HOSPITAL DISTRICT LOCAL PROVIDER PARTICIPATION FUND; AND

SUMMARY: Senate Bill (SB) 1545 signed by the Governor on June 10, 2019 authorized the establishment of a Local Provider Participation Fund (LPPF) for Bexar County. The Board of Managers approved the creation of an LPPC on June 25, 2019. To generate funding for an Intergovernmental Transfer (IGT), due in February 2020, the first Bexar County Hospital District LPPF assessment is necessary. The assessment will be due in January 2020. It is projected there will be quarterly

- assessments to generate the required IGT funding. As required by Chapter 298F of the Texas Health and Safety Code, a notice for the public hearing was published in the San Antonio Express News on November 11, 2019 and the public hearing of the mandatory payment for the Bexar County Hospital District LPPF is planned to take place during today's Board of Managers meeting.
- RECOMMENDATION: Pursuant to Chapter 298F of the Texas Health & Safety Code, staff requested a public hearing at this time to receive feedback.
- ACTION: The Chair, Mr. Adams, announced a recess from the regular Board meeting at 2:13 p.m., and welcomed testimony regarding the mandatory payment for the Bexar County Hospital District local provider participation fund.
- EVALUATION: There being no speakers to comment on this matter, Mr. Adams declared the public hearing as concluded at 2:14 pm, and he immediately resumed the regular Board meeting.
- FOLLOW-UP: Board to consider and take appropriate action regarding a resolution setting the mandatory payment rate for the Bexar County Hospital District LPPF.

CONSIDERATION AND APPROPRIATE ACTION REGARDING RESOLUTION SETTING THE MANDATORY PAYMENT RATE FOR THE BEXAR COUNTY HOSPITAL DISTRICT LOCAL PROVIDER PARTICIPATION FUND — GEORGE B. HERNÁNDEZ, JR./REED HURLEY

- SUMMARY: The first quarterly LPPF assessment is based on an estimated amount of IGT needed to fund the DY9 Advance uncompensated care (UC) Payment in February 2020 for Bexar County hospitals. Total estimated annual IGT, for the Bexar County private hospitals, for DY9 UC is \$48.5 million. Without knowing exactly how large Health and Human Services Commission will make the February 2020 UC payment, \$26.9 million is a conservative estimate for the first assessment to ensure sufficient funding is available. UC Payments were estimated using HHSC's new UC methodology, distributed based on proportional S-10 costs, from a \$3.87 billion pool. This assessment of 0.69 percent of the net patient revenue for the Bexar County private hospitals is projected to generate \$26,895,250.68.
- RECOMMENDATION: Staff recommends that the Board of Managers adopt a Resolution authorizing the Bexar County Hospital District to set the initial rate for the Bexar County Hospital District Local Provider Participation Fund at 0.69 percent.
- ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Engberg, **SECONDED** by Ms. Barrera, and **PASSED UNANIMOUSLY**.
- EVALUATION: This is a new financing mechanism, acceptable to the Center for Medicare and Medicaid Services (CMS). There is no impact to Bexar County Hospital District taxpayers from the LPPF levy and paying providers may not add a surcharge to a patient bill.
- FOLLOW-UP: Staff will invoice for IGT payment due in February 2020, and will manages these funds separately; they will not be co-mingled with hospital funds. For the administrative burden, the Health System is

estimated to receive \$14,000 for the first quarter, approximately \$100 million by the end of the year.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR WORKERS' COMPENSATION CLAIMS ADMINISTRATION WITH HULL & COMPANY, INC. DBA ANCHOR RISK & CLAIMS MANAGEMENT — THERESA SCEPANSKI

- SUMMARY:** This contract for workers' compensation third party claims administration services was competitively bid as RFP-219-07-018-SVC, and resulted in four (4) responses. The selection process involved a comprehensive review of third party claims administration vendor fees for primary services that include medical and indemnity claims processing, run-off claims processing, benefit review conferences (BRC), contested case hearings (CCH) and data conversion. Hull & Company was the lowest bidder demonstrating the best value. In addition to professional claims administration services, Hull & Company, will investigate claims, file state mandated correspondence, and pay for medical, disability and lost time claims. As compared to the current contract, there is an 18 percent increase (\$22,720) in annual third party claims administration fees. There will be one-time fee for claim conversion of \$7,500 and run-off claims of \$5,000 during this transition. The cost of this contract is estimated to be \$467,660 for a period of three years beginning January 1, 2020 through December 31, 2022. The workforce composition data for Hull & Company, based out of Dallas, Texas, was provided for the Board's review.
- RECOMMENDATION:** Staff recommends Board of Managers' approval of the contract for third party claims administration with Hull & Company, Inc. DBA Anchor Risk & Claims Management for a total of \$467,660.
- ACTION:** A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Mr. Smith, and **PASSED UNANIMOUSLY**.
- EVALUATION:** Ms. Scepaniski introduced Mr. Nick Perez, an adjuster with Hull & Company from the San Antonio office. The third party claims administration process is required under state workers' compensation guidelines. Mr. Adams noted that, in her written report, Ms. Scepaniski did not provide information regarding other vendors' responses to the RFP. Mr. Adams reiterated that this information is helpful to the Board in assessing staff's recommendation. Mr. Smith asked Ms. Scepaniski to define best value, which she stated was the overall value of the comprehensive services, in terms of what the vendor offers, not only in adjudicating claims, but assisting in accident investigations, reviewing claims so that the Health System does not pay more than it has to, and all of the reporting required by the State of Texas. She also described the elements in the scoring matrix that the selection team used in arriving at their recommendation.
- FOLLOW-UP:** None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR WORKERS' COMPENSATION COST CONTAINMENT AND CLAIMS MANAGEMENT WITH MEDICAL AUDIT CONSULTANTS — THERESA SCEPANSKI

- SUMMARY:** This contract for medical cost containment and claims management services was competitively bid as RFP-219-07-019-SVC, and resulted in five (5) responses. The primary services for cost containment and claims management vendor fees include percentage of savings opportunities for medical and hospital bill audits, pre-authorization of services, physician peer reviews, utilization reviews, case management, and vocational rehabilitation. Considering all factors and specifications in the RFP, Medical Audit Consultants demonstrates the best value in providing cost containment and claims management services to the Health System. Medical Audit Consultants will provide the Health System with a customized program to maximize savings within a cost effective fee structure. The contract includes fees for at an estimated cost of \$318,600 for a period of three years, beginning January 1, 2020 and ending December 31, 2022, unless earlier terminated pursuant to the University Health System Standard Purchase Terms and Conditions. Medical Audit Consultants will provide injured employees with prompt and effective medical treatment. This new contract period includes the customary monthly fees of \$8,850 for the duration of the new contract period, a 1.0 percent (\$3,600) annual increase in overall fees. This increase is primarily due to the volume of claims requiring additional medical services. This is a planned expense and funding has been included in the 2020 Annual Operating Budget. The workforce composition data was provided for the Board's review. Medical Audit Consultants is a local vendor.
- RECOMMENDATION:** Staff recommends the Board of Managers approve the contract for medical cost containment and claims management services with Medical Audit Consultants at an estimated cost of \$318,600 for a period of three years.
- ACTION:** A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.
- EVALUATION:** Ms. Scepanski introduced Ms. Kim Davenport of Medical Audit Consultants. Other benefits to the Health System include access to quality medical and preferred provider organization networks, regulatory compliance and medical dispute support, web-based access with bill tracking and opportunities for improvement and appropriate use of physician review of impairment ratings to prevent overpayment of indemnity benefits.
- FOLLOW-UP:** None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH UT HEALTH SAN ANTONIO FOR PROFESSIONAL MEDICAL AND DENTAL SERVICES FOR CARELINK PATIENTS — ROBERTO VILLARREAL, M.D.

- SUMMARY:** University Health System has had a contract with UT Health San Antonio since 1998, through its School of Medicine, for primary and specialty care services. Dental services are provided through its School of Dentistry.

This is a request to renew the agreement for primary care, specialty care, which includes services such as radiation therapy, surgical procedures, and dental services. This is a fee for service agreement and will be paid at the current Medicare rate. The new contract for 2020 will include hospital-based charges increasing the value of the contract by approximately \$5.7 million per year. Although this contract has been combined, UT Health San Antonio will start billing on behalf of the Department of Oral and Maxillofacial Surgery, which will increase the value of this contract by approximately \$335,000. The term of the contract is for one year beginning January 1, 2020 and ending December 31, 2020. The agreement shall be renewed for up to two successive one (1) year terms if UT Health San Antonio meets all performance standards, patient satisfaction and quality risk management standards. The total estimated amount requested for medical and dental services for one year is \$19,528,533 and for 3 years is \$58,585,599. (This amount includes an estimated \$5,684,870 of UT Health hospital based charges and \$335,000 for dental services.) For comparison purposes, Dr. Villarreal noted that in 2018, CareLink paid \$12,834,231 for medical services; and as of September 30, 2019 (last month of completed claims data available due to the 90 day lag on claims) CareLink has paid \$10,131,497. In 2018, CareLink paid \$421,940 for dental services; and as of September 30, 2019, \$250,710. 2020 estimated figures are as follows:

	First Year	3 years
Medical services	\$13,508,663	\$40,525,989
Previous base care	\$ 5,684,870	\$17,054,610
Dental	<u>\$ 335,000</u>	<u>\$ 1,005,000</u>
Total	\$19,528,533	\$58,585,599

UT Health SA's workforce composition data was provided for the Board's review.

RECOMMENDATION: Staff recommends Board of Managers approval to execute an Agreement with UT Health San Antonio for professional medical and dental services a total estimated contract amount of \$58,585,599 for 3 years.

ACTION: There being **NO OBJECTION** to the **MOTION APPROVING** staff's recommendation made by Ms. Barrera, the **MOTION CARRIED**.

EVALUATION: This transaction allows the Health System to reduce payment from the regular UT Health contract that covers administrative positions. Discussion ensued regarding the differences between charity debt and bad debt. The Health System's charity care policy was updated in late 2017 or 2018 when the federal government expanded the definition and criteria for charity care, which has been a big topic of discussion in Austin, Texas. The private hospitals are doing presumptive charity care. Mr. Hurley noted that payments made for direct patient care qualify as charity care. To qualify for CareLink, families must be at 200 percent of the federal poverty level, which qualifies them for charity care. Otherwise, the patient is asked to fill out a charity care application and 70 percent of the gross charges will be written-off. The patient will be billed the remaining 30 percent of charges. The patient must engage with staff and be proactive in finding appropriate funding. Dr. Burns asked if medical service agreements include facility charges, to which Mr. Hurley replied that contracts only pay for hospital care; all patients are charged a facility fee. Mr. Adams encouraged senior leadership to

incentivize and volume-orient the providers, include metrics in contracts and fee for service clauses, even when a particular contract, such as this, is based on the number of encounters. Under this contract, if providers do not see CareLink members, they will not get paid. Dr. Hromas interjected that incentives are addressed in the Quality Incentive Agreement between University Health System and UT Health. CareLink contracts used to have a capitated rate tied to them, but that has changed and they are now fee for service agreements, which allows for incentives. Ms. Barrera asked for a report over the last two years and going forward, year after year, of the number of patients seen by UT Health so that the Board can compare. Such a Carelink report is prepared monthly and includes patient satisfaction, waiting times, Per Member/Per Month costs, drug costs, and other useful data. Mr. Adams reiterated the need to align both organizations with metrics and incentives. He would like to make it worthwhile for providers to improve through put and provide quality services. Both organizations have room to grow in increasing volume and in setting metrics and incentives.

FOLLOW-UP: Staff will provide a one-page follow up report to the Board of Managers demonstrating the total number of patients seen by UT Health providers.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A MASTER HEALTHCARE SERVICES AGREEMENT WITH UT HEALTH SAN ANTONIO — ED BANOS

SUMMARY: This agreement replaces the prior Bexar County Clinical Services (BCCS) arrangement that had been in place since 2006. BCCS was set up as a non-profit corporation formed by local private hospitals, entered into agreements with UT Health San Antonio, to provide medical care to uninsured Bexar County patients under a community benefit model. The Center for Medicare & Medicaid Services now considers this a violation of CMS regulations, even though it approved this arrangement in 2006. This agreement replaces the prior BCCS medical services arrangement and ensures that qualified medical professionals are available 24/7/365 to diagnosis and treat patients at Health System facilities. The agreement has individual attachments for approximately 27 medical service lines. Major service line breakdown of the prior BCCS agreement includes:

- Anesthesia: \$16.6 million
- Medicine (to include Medicine sub-specialties): \$33.2 million
- OB/Gyn: \$5.1 million
- Orthopedics/Orthopedics-Trauma: \$8.4 million
- Pediatrics: \$11.7 million
- Surgery/Surgery-Trauma: \$24.7 million
- Transplant: \$5.4 million
- Various Other Departments: \$16.8 million

The maximum base compensation payable to UT Health San Antonio during the one-year term from September 1, 2019 through August 31, 2020 is for an amount not to exceed \$131,594,246, a 7.3 percent increase. These increases were due to agreed market-based increases to Certified Registered Nurse Anesthesiologists (CRNAs), expanded Neurology services, improved coverage of the Women's Emergency

Department with the addition of a full-time physician, and increased physician assistants in the Transplant program. This program has grown by over 50 transplants this current year to just under 300. In addition to the base compensation, the Health System will compensate UT Health San Antonio for achieving improved quality and efficiency as demonstrated by the attainment of certain metrics set forth in the specific Schedules of Services. The maximum payment for all metrics shall not exceed \$2,750,000 with a downside risk to UT Health San Antonio of \$550,000. In the event that base performance thresholds are not maintained, the Health System will deduct the amount prescribed in the specific Schedule of Service from the base compensation.

RECOMMENDATION: Staff recommends Board of Managers' approval to enter into the Master Health Care Services Support and Coverage Agreement for Direct Patient Care with UT Health San Antonio for an amount not to exceed \$131,594,246 plus any payment for the achievement of metrics in an amount not to exceed \$2,750,000.

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

EVALUATION: Quality benchmarks will be based to achieve national healthcare rating agency performance including CMS Star Ratings, Leapfrog, Patient Satisfaction and Productivity. The 14 metrics that relate to this particular agreement are baseline requirements that allow for improvements in this area. The total value of the work performed at University Hospital by the School of Medicine exceeds \$ 200 million, according to Dr. Hromas. The relationship with University Health System; however, goes beyond professional services, the education and training at University Hospital of healthcare providers is irreplaceable. Discussion ensued regarding length of stay and discharge orders needed by 10 am for discharge by 12 noon. The Health System met its goal for 2019, which as 30 percent hospital discharges by 12 noon; a 22 percent increase from 2018. Dr. Hromas thanked Dr. Alsip, Mr. Banos and Dr. Levinson for working through these provider issues in such detail.

FOLLOW-UP:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A LEASE AGREEMENT WITH CROSSROADS MALL PARTNERS, LTD. IN SUPPORT OF THE EPIC ELECTRONIC HEALTH RECORD PROJECT — DON RYDEN/ BILL PHILLIPS

SUMMARY: The Health System's adoption of a new Electronic Health Record requires an average of eight hours face-to-face classroom training and competency testing for each clinical and non-clinical staff to gain access. In March 2020, the Health System will begin the process of classroom training for over 9,000 employees and providers. Many of the staff members will be required to attend and complete training outside of the normal work schedule. Due to the necessary operational modification to parking and the progression of the Women's and Children's Hospital and associated capital projects at the University Hospital campus, it became clear that using conference rooms as classrooms would increase congestion. Wonderland of the Americas, located on Fredericksburg

Road and Loop 410, has 40,544 rental square feet available that is built-out as a learning environment. The current layout of the proposed rental space consists of 18 classrooms, several offices, and a breakroom. The first year's annual rental rate for this space is \$20.00 per square foot. As built out ready to use space, this cost per square foot is less than comparable space the Health System is currently paying for other existing leases. The proposed term of this agreement is for 12 months with termination rights after June 30, 2020, without termination fees. This cost is for maintenance, insurance, chilled water and janitorial service. The lease expense for the initial term (December 1, 2019 – June 30, 2020) is not to exceed \$810,880. The monthly rent for this suite is \$67,573. The tenant's workforce composition was not available at the time of the Board meeting.

- RECOMMENDATION: Staff recommends Board of Managers' approval of a 12-month lease agreement for the training space located at Wonderland of the Americas with Mall Partners Ltd., in an amount not to exceed \$810,880.
- ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.
- EVALUATION: The information technology infrastructure is under evaluation and associated costs will be presented to the Board of Managers at a later date. Epic training for super-users will begin in January and other staff will train in April. Registration for training started yesterday, with 700 individuals registering on the first day.
- FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING BEXAR COUNTY HOSPITAL DISTRICT D/B/A UNIVERSITY HEALTH SYSTEM'S OPERATING, DEBT SERVICE AND CAPITAL BUDGETS FOR FISCAL YEAR 2020 — GEORGE B. HERNÁNDEZ, JR./ REED HURLEY

SUMMARY: Mr. Hurley provided follow up information, brief answers, to three items in the 2020 Operating, Debt Service, and Capital Budget previously presented to the Board on November 11, 2019:

- Freon Conversion
- UMA Activity and Provider Recruitment
- Preliminary 2020 Consolidated Financial Budget and Recommendation

Freon Conversion Plan

- 22 Units remaining on R-22 (HCFC-22) Freon
- Primarily at Ambulatory Clinic Locations
- Average Cost to Replace current units with R-410 (HFC-410A) Freon is approximately \$10,000 per unit
- Plus additional rental cost of crane service to access units

Total 2020 Cost Impact: \$250,000

UMA Activity vs. Provider FTE Trends

	RVUs	FTEs
2018	716,327	151.9
2019	697,297	137.4

2020 Budgeted 721,593 142.5

Next Steps

- Final stages of Premier engagement to enhance and realign ambulatory services
- Continue development of scribe and medical assistant (MA) program to provide more robust support staff to providers
- Continue to actively recruit for all primary care and specialty positions

2020 Consolidated Budget (in millions)

Total Operating Revenue	2,084.1
<u>Total Operating Expense</u>	<u>2,017.2</u>
Operating Gain	\$66.9
Non-Operating Revenue (Expense)	
Depreciation/Amortization	(\$76.7)
Other Non-Operating	\$25.7
Premium Deficiency Reserve	\$1.2
<u>Total Non-Operating Revenue</u>	<u>(\$49.8)</u>

Bottom Line excluding Debt Service

2020 Consolidated Capital Summary

	Total Clinical Services
Mandated	\$7,748,137
Replacement	\$22,783,897
Strategic (New Service/ Expansion)	<u>\$9,651,316</u>
Grand Total	\$40,183,350*

*Includes \$285,000 in CFHP Capital requests

2020 Debt Service (in millions)

2019 Projected	\$66.0
Debt Service I&S Tax Funds	\$66.0
2020 Preliminary Budget	\$70.2
Debt Service Payment	\$70.2
Variance from Projected	\$ 4.2
<u>% Variance</u>	<u>\$ 4.2</u>
<u>Net Debt Service Revenue</u>	<u>0.0%</u>

RECOMMENDATION: Staff recommends Board of Managers' approval of the proposed Operating, Debt Service and Capital Budgets for Fiscal Year 2020, and endorses it to Bexar Commissioners' Court for their final approval on December 3, 2019

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

EVALUATION: Mr. Smith suggested that staff look into R-22 Freon conversion kits to minimize expenses. Senior leadership is committed to recruiting and retaining the providers needed to reach the 142.5 FTEs approved in the 2020 budget. In 2019, UMA lost a total of 14 providers; however, at this time, UMA has five physicians, as well as five advanced practitioners, that will start work before the end of the year. The UMA

provider vacancies are due to various reasons, such as retirements, more money, and natural turnover. In addition, senior leadership has learned that the Health System/UMA did not appropriately address provider needs as quickly as it should have. Leadership's philosophy now going forward is that UMA will recruit continuously throughout the year; recruitment will no longer be a stagnant process due to growth and volume. The recent approval by the Board for use of scribes by UMA in areas with high volume is helpful, and the expectation is that when scribes are used, physicians will book more visits, see more patients, and decrease some of the burnout. The Health System is nearing the end of an ambulatory assessment by Premier, which will help leadership redesign and realign processes. Implementation of the Epic Electronic Health Record will also help with the efficiencies leadership expects because using Allscripts is indeed cumbersome. In addition, there is now an ambulatory steering committee comprised of physicians, senior staff and administrators who are overlooking the ambulatory re-design project. Another strategy to promptly address issues, is the establishment of a UMA advisory council, which is comprised of physicians and administrators and is making a concerted effort to catch those physicians who are planning to leave. Mr. Banos sees a need for senior leadership to be more open-minded and accommodating by offering some flexibility in the providers' work schedules and placing much more focus on their well-being. At this time, UMA has five full-time physicians and two part-time physicians who have committed to start in 2020, at various times. There are also four offers pending to Family Practice resident physicians who are in their final phase of residency at UT Health SA. Four physicians and two advanced practitioners are in line to interview soon. Every candidate meets with Dr. Alsip and Mr. Banos; currently working with approximately 21 providers who are very good potential hires. Dr. Burns agrees with Mr. Banos that most physicians these days prefer to go into private practice because of the flexibility. There are a lot more women in medicine, with families, who are asking for flexibility and have different expectations, and they really do not understand the business side of medicine. It is her professional opinion that other organizations are facing the same challenges. Mr. Hernandez voiced what he sees as the biggest challenge for the Health System at this time, which is to reduce length of stay at University Hospital to allow for the activity growth projected and the additional revenue indicated in the budget. Dr. Hromas agreed. As far as communicating with physicians the critical nature of early discharge orders and discharges by noon, Dr. Austin reported that staff, physician leaders, hospitalists, and case managers, have daily huddles and monthly length of stay power-through meetings at which discharges are reviewed; nursing staff meets daily at 2 am. Staff tracks discharges by noon according to physician and at this time, there is no punitive measure in place, however; it all starts with the hospitalists. Dr. Burns noted that in teaching hospitals, entire teams round whereas in private hospitals there is no such thing. In the private sector, Dr. Burns rounds and writes discharge orders for her patients the night before so 100 percent of her patients are discharged by 12 noon the following day. The Health System's goal is to improve length of stay every 6 months and staff works closely with physician partners to

achieve goals. Board members engaged Mr. Roussos in a discussion regarding appropriate and inappropriate transfers from other hospitals. Mr. Engberg thanked the staff's for addressing physician needs and length of stay issues. All questions raised by Board members during the budget process have been answered satisfactorily. The proposed budget is comprehensive, conservative, thorough, and well-supported. The 2020 budget has broken the \$2 billion mark.

FOLLOW-UP: Mr. Smith requested a pocket-size reference sheet that includes budget data, such as annual ambulatory visits, discharges, and CareLink membership. Physician burn-out is a hot issue across the country and Mr. Adams urged the staff to consider invitations from Dr. Ruth Berggren to lectures sponsored by the Center for Medical Humanities & Ethics. The center collaborates with various agencies who know about physician issues.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORT FOR OCTOBER 2019 — REED HURLEY

SUMMARY: In October, clinical activity (as measured by inpatient discharges) was up 4.9 percent for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was down 1.4 percent at 135,000 members. On a consolidated basis, gain from operations was \$12.0 million, \$5.4 million better than budget. The consolidated bottom line gain (before financing activity) was \$8.7 million, \$7.1 million better than the budgeted gain of \$1.6 million. Higher net patient revenue and supplemental revenue resulted in performance better than budget. CFHP experienced a bottom line gain of \$842,000 which was \$954,000 better than budget. Premium revenue was over budget more than medical claims expense was over budget resulting in the bottom line better than budget. Debt service revenue was \$5.3 million which was \$180,000 above budget. Month to date outpatient activity was 5.5 percent below budget, or 57,259 visits for the month. Prior year visits were at 57,444. Month to date total funded visits was 74.1 percent; and year to date is 74.1 percent. Mr. Hurley reviewed 2019 operating indicators and discussion ensued regarding notable increases and/or decreases from the December consolidated balance sheet.

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

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

EVALUATION: The December Board of Managers meeting will be held on the 10th therefore; financials will not be available until the January Board meeting.

FOLLOW-UP: None.

PRESENTATIONS AND EDUCATION:

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

SUMMARY: Mr. Ryden provide a brief update regarding the Children's & Women's Hospital and associated projects:

- a) Heart/Vascular and Endoscopy Center
 - Construction commenced in June 2019
 - Work includes HVAC demolition, underfloor plumbing, and framing
- b) Women's & Children's Hospital
 - Re-routing of utilities began in August 2019 and was completed in October 2019
 - Design development is 100% complete
 - Enabling projects prior to the demolition of the North Parking Garage are in progress
 - Demolition of the North Parking Garage will commence in mid-November
- c) Garage
 - A/E Design Development is complete
- d) Podium Expansion
 - Preliminary A/E conceptual plans are complete

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: No action was required by the Board of Managers.
EVALUATION: The Women's and Children's Hospital will not have open access due to the security issues posed for children. Mr. Engberg informed the Board that family members were recently on site and his daughter described the experience as unbelievable and the staff as caring professionals, beginning in the parking garage all the way through the discharge process.
FOLLOW-UP: None.

Information Only Items:

- (a) Epic Electronic Health Record Project Update — *Bill Phillips/George B. Hernández, Jr.*
- (b) University Health System Foundation Update — *Lourdes Castro Ramírez*
- (c) Report on Recent Recognitions and Upcoming Events — *Leni Kirkman*
- (d) 3rd Quarter Supplier Diversity Report — *Antonio Carrillo/Travis Smith*

SUMMARY: Mr. Adams directed his colleagues' attention to the four informational reports above and asked them to provide feedback, comments, or questions directly to the staff.
RECOMMENDATION: These reports were provided for informational purposes only.
ACTION: No action by the Board of Managers was required.
EVALUATION: None.
FOLLOW-UP: None.

ANNOUNCEMENTS:

Ms. Barrera conveyed congratulations on behalf of the Board of Managers to Ms. Lourdes Castro-Ramirez who will be honored with the Community Partner Award by the American Institute of Architects at the McNay Museum today at 6 pm. Prior to her current position as President of the University Health System Foundation, Ms. Castro-Ramirez served as President Obama's Principal Deputy Assistant Secretary, leading the U.S. Department of Housing and Urban Development's Office of Public and Indian Housing. During her tenure (2009-2015) as President/CEO of the San Antonio Housing Authority, the Housing Authority was recognized for its innovative initiatives and expansion of affordable housing.

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the Board meeting at 4:18 p.m.

James R. Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary