



University Health System

BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

Tuesday, October 23, 2018
2:00 p.m.
Cypress Conference Room
University Hospital
4502 Medical Drive
San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

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

BOARD MEMBERS ABSENT:

Jim Adams, Chair
Janie Barrera

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive 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
Antonio Carrillo, Executive Director, Procurement Services, University Health System
Ted Day, Executive Vice President, Strategic Planning and Business Development, University Health System
Roe Garrett, Vice President/Controller, 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
Brian Lewis, Vice President/Quality, 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
Serina Rivela, Interim Chief Legal Officer, University Health System
Ron Rodriguez, M.D., Ph.D., Henry B & Edna Smith Dielmann Memorial Chair in Urologic Science, Department of Urology, UT Health, San Antonio
Don Ryden, Vice President/Project, Design, and Construction, University Health System
Travis Smith, Deputy Chief Financial Officer, University Health System
Jim Willis, Vice President, Associate Administrator, University Hospital
And other attendees.

CALL TO ORDER AND RECORD OF ATTENDANCE: IRA SMITH, vice CHAIR, BOARD OF MANAGERS

Mr. Smith called the meeting to order at 2:16 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Ms. Smith introduced Ms. Jeanene Atkinson, University Health System Chaplain, for the invocation and he led the Pledge of Allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S):

TUESDAY, SEPTEMBER 18, 2018

SUMMARY: The minutes of the Board meeting held on Tuesday, September 18, 2018, were presented for approval.
RECOMMENDATION: Staff recommended approval of the minutes as submitted.
ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Mr. Engberg, **SECONDED** by Mr. Hasslocher, and **PASSED UNANIMOUSLY**.
EVALUATION: None.
FOLLOW-UP: None.

TUESDAY, SEPTEMBER 25, 2018 (REGULAR MEETING)

SUMMARY: The minutes of the regular Board meeting held on Tuesday, September 25, 2018, were presented for approval.
RECOMMENDATION: Staff recommended approval of the minutes as submitted.
ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Mr. Hasslocher **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.
EVALUATION: None.
FOLLOW-UP: None

At this time, Mr. Adams asked Dr. Ronald Rodriguez to provide an update on behalf of the Long School of Medicine. Dr. Rodriguez reminded the Board that the Liaison Committee on Medical Education (LCME) will visit the Long School of Medicine in January 2019. Today, Dr. Hromas is out conducting an LCME site visit himself as a member of an evaluation committee. UT Health, San Antonio is partnering with the San Antonio Independent School District to open CAST Med High School at Brooks City Base. This is the third in a series of industry-supported, career-focused high schools that is slated to open in August 2019. CAST Med will offer three pathways for students: Medicine, Public Health, and Biomedical Research. Industry partners will also provide mentors, job shadowing opportunities and internships. In addition to UT Health, other CAST Med industry partners include University Health System, The Children's Hospital of San Antonio, and Mission Trail Baptist Hospital. H.E.B. donated \$2 million last week and several grants will be matched by other community partners, with a total budget of approximately \$14 million over a five year period. There will be 150 students selected for CAST Med in the fall of 2019. The school will be the third campus in the Centers for Applied Science and Technology (CAST) network. It is a network of tuition- free, industry-led, career-themed high schools in San Antonio. CAST Tech was the first and CAST Med is the second such high school within SAISD; and CAST Stem is in the Harlandale Independent School District. Mr. Hernandez interjected that Health System staff assisted with the setup of CAST Tech in 2005, which focuses on coding, cyber security, entrepreneurship and business.

CONSENT AGENDA — IRA SMITH, JR., VICE CHAIR

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 MEDICAL-DENTAL STAFF RECOMMENDATIONS FOR MEDICAL-DENTAL STAFF OFFICERS FOR 2019-2020 — KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT RENEWAL OF THE LOCAL MATCH AGREEMENT WITH THE ALAMO AREA COUNCIL OF GOVERNMENTS (AACOG) FOR STATE FY 2019 — GEORGE B. HERNÁNDEZ, JR.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE 3RD QUARTER 2018 INVESTMENT REPORT — ROE GARRETT/REED HURLEY

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 – 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 Medical-Dental Staff Recommendations for Medical-Dental Staff Officers for 2019-2020 — Kristen A. Plastino, M.D., President, Medical/Dental Staff - The Bylaws of the Medical/Dental staff outline the process for nominating the Officers of the Medical/Dental Staff and the election of officers requires approval by the Board of Managers. All officers shall serve for a term of two years. Officers shall take office on the first day of the staff year following election. The President, Vice President, Secretary and two (2) members-at-large of the Executive Committee shall be elected during even numbered years and two (2) members at large of the Executive Committee shall be elected during odd-numbered years. The Medical/Dental staff recommends the following slate of officers for 2019-2020:

President, Medical/Dental Staff: Dr. Rajeev Suri – Interventional Radiology
Vice President, Medical/Dental Staff: Dr. Lillian Liao – Surgery/Trauma
Secretary, Medical/Dental Staff: Dr. Gregory Bowling – Medicine/Hospital Medicine
Members-at-Large:
Dr. Sarah Page-Ramsey, Obstetrics/Gynecology
Dr. Michael Little, Anesthesiology

Consideration and Appropriate Action Regarding a Contract Renewal of the Local Match Agreement with the Alamo Area Council of Governments (AACOG) for State FY 2019 — George B. Hernández, Jr. - The local match in support of AACOG’s role as the mental retardation authority for State Fiscal Year 2019 is \$307,076 consistent with the prior year. The Local MRA is now referred to as the Local IDD (Intellectual and Developmental Disabilities) Authority. The local match provided by the Health

System generates payment by HHSC of \$3.4 million to ACOG for mental retardation services. During State Fiscal Year 2018, ACOG utilized local match funds as follows:

1. Forensic Services (15 percent of local match funds): includes cognitive testing and evaluation of inmates in the Bexar County Detention Center who may be found incompetent to stand trial or have other re-entry needs);
2. Crisis Intervention and Respite Services (39 percent of local match funds): includes crisis response workers who evaluate patients in University Hospital or who need respite facilities; and
3. Preadmission Screening and Resident Review (47 percent of local match funds): required for all patients with IDD who are referred to skilled nursing facilities, including those referred from the Health System.

Staff recommends Board of Managers' approval to execute the renewal of an Agreement with the Alamo Area Council of Governments in the amount of \$307,076.00 for a term of one year, with up to two consecutive one-year renewals.

Consideration and Appropriate Action Regarding the 3rd Quarter 2018 Investment Report — Roe Garrett/Reed Hurley - The Investment Portfolio Summaries for the Health System and CFHP for the third quarter of 2018, indicate the value of all invested funds as of September 30, 2018 was \$1,139,154,973 consisting of Health System, Project, Certificate and CFHP Funds. The reports include all information required by the Texas Public Funds Investment Act. In addition, the Health System and CFHP portfolio reports were provided separately. The portfolios earned \$6,154,895 in interest income in the third quarter and had an unrealized loss of \$2,556,894, a result of increasing interest rates during the quarter. Interest income has more than doubled from the same period last year.

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) — Antonio Carrillo/Travis Smith - A total of nine contracts with a value of \$7,749,772 are being presented to the Board of Managers during the October 23, 2018 meeting. The following contracts require approval by the BCHD Board of Managers: Seven (7) consent contracts with a total value of \$5,468,971; and two (2) presented contracts with a total value of \$2,280,801. During the month of October 2018 there was one contract classified as a Small, Minority, Woman, or Veteran Owned Business Enterprises (SMWVBE). The October 2018 SMWVBE Status Report reflects items submitted for Board approval.

RECOMMENDATION: Staff recommended approval of the items listed on the consent agenda.
ACTION: A **MOTION** to **APPROVE** staff's recommendation was made by Mr. Engberg, **SECONDED** by Mr. Hasslocher, and **PASSED UNANIMOUSLY**.
EVALUATION: Mr. Smith thanked Dr. Plastino for her contributions during her tenure as President of the Medical-Dental Staff.
FOLLOW-UP: None.

PRESENTATIONS AND EDUCATION:

THIRD QUARTER QUALITY REPORT – BRYAN ALSIP, M.D.

SUMMARY: The Health System's quality composite metric is composed of four performance categories: mortality; hospital readmissions; healthcare associated infections; and patient safety. These four categories represent the majority of items that comprise

the publically reported Centers for Medicare and Medicaid Services (CMS) Hospital Star Rating. Dr. Alsip provided a summary of the Health System's year to date performance for each category:

Inpatient Mortality – Observed to Expected (O:E) - The standard measurement of mortality is calculated as an observed to expected ratio based on the types of patients seen, including their diagnoses and severity of illness. This expectation is set by CMS based on coded documentation and the number of inpatients. This benchmark allows the Health System to compare against other, like facilities, and what the expectations are for the government. Mortality reduction year to date performance is at 96 percent of the targeted goal. This performance places the Health System in the 74th percentile (higher is better) when compared to a national academic cohort of teaching hospitals with greater than 400-bed capacity. The target for 2018 is to reach the 75th percentile when compared to this cohort. Current performance represents a significant improvement over the Health System's 2017 baseline at the 24th percentile. Target is .76, currently at .79 percent. Documentation is getting better.

Sepsis Mortality Rates - A specific diagnosis focus area for mortality reduction is sepsis, a complex disease state. Actions surrounding sepsis bundle compliance (a core measure) and the timing of multiple bundle elements have had a profound effect on reducing sepsis mortality. A rolling 14-month trend of data to the present month demonstrates 60 percent drop in overall sepsis mortality from July 2017 to August 2018. The Health System is measured on how well its documentation is, specifically identification of patients that have certain vital signs that would suggest sepsis. It is a very complicated metric that has multiple elements, such as how quickly the patient is administered fluids and how quickly the patient is administered antibiotics. A lot of time is spent with the physicians in the ED as well as on the inpatient units; however, the majority of patients are identified early in the ED. The goal is to capture and identify those with sepsis early on and document in a manner that makes sense. Even if the staff does all that is required, and lacks the documentation, it does not count. Year to date, the highest compliance with this metric is around 30 percent, which is significant, and the goal was actually 50 percent. This percentage pushes the most important value, which is - patients are getting better care. Nursing is really involved, and all staff members are on the same page. To bring that process metric down, the staff is essentially providing better care which should result in a lower mortality percentage. Dr. Jimenez asked how a secondary diagnosis is handled. A secondary diagnosis would contribute to the patient's acuity level; and therefore the expected mortality will be higher. Also, how does the staff re-balance after a bad outcome? The appropriate placement of patients in hospice care is another element that contributes to a lower inpatient mortality rate. Patients have options – there are outpatient hospice services available, as well as inpatient services. As far as the religious department's involvement, patients are encouraged to have these types of consults; however, the Health System's Palliative Care Department provides end of life consults, and if they are engaged early on, they have a huge impact on the prognosis of the patient.

Readmissions – Disease Specific - The standard measurement of hospital readmissions is calculated as a composite metric of inpatient readmissions representing all payers for the seven (7) readmission diagnoses included in the CMS Readmission Reduction Program including the following: acute myocardial

infarction (AMI); congestive heart failure (CHF); chronic obstructive pulmonary disease (COPD); pneumonia (PNE); stroke; coronary artery bypass graft surgery (CABG); and hip and knee joint replacement surgery (THA/TKA). This metric is influenced by reducing preventable readmissions to the hospital within 30 days of the initial discharge. Readmission reductions year to date performance is at 70 percent of the targeted goal with only one disease category, COPD, currently at target. For 2018, the targets for six of the seven readmission diagnoses were set at or above the 75th comparative database percentile. The AMI target was set at the 50th comparative database percentile. Overall, the Health System's performance has declined year to date when compared to 2017 performance for this metric. However, results for June 2018 and July 2018 demonstrate that overall readmission rates are trending downward (lower is better). In fact, the Health System still has opportunity to reach several of the 2018 readmission targets, particularly for AMI, COPD, and CHF patients, all areas with high patient volumes. Additionally, a focused readmission review of 2018 year to date reveals opportunities in post-acute care discharge follow up, specific to potentially preventable readmissions. The readmissions composite percentage of 12 percent in January, 2018, declined to 5 percent in August 2018. Dr. Alsip noted five consecutive months with zero readmissions for hip and knee joint replacement surgery (THA/TKA); and three consecutive months with zero readmissions for coronary artery bypass graft surgery (CABG). The prior success with congestive heart failure (CHF) was attributed to a special DSRIP project that provided follow up care by Dr. Fernando Lopez, a cardiologist, three days post discharge. Every readmission case is different with a mean return at 14-15 days. However, the farther out from the initial hospitalization a re-admission occurs, the higher the likelihood other factors have contributed. To address hospital re-admissions system-wide, the care transitions team reviews every discharge to identify high risk patients so that follow up care is appropriately scheduled and to ensure the patient has the appropriate support at home. Mr. Hernandez re-emphasized what Dr. Jimenez has stated before – research indicates that social determinants at home also impact a patient's re-admission factor. CMS is putting emphasis on controlling those social determinants; and they have tasked hospitals to help identify.

Central Line Associated Bloodstream Infections (CLABSI) – The Health System is currently not meeting targets for CLABSI. There were 13 patients with CLABSI in March 2018, with several units involved. There were only a total of 14 CLABSI from April 2018 to date. Despite the bump in March, the Health System is doing very well with line management and infection control interventions, and can still meet target goal for year to date.

Catheter-Associated Urinary Tract Infections (CAUTI) – The Health System is doing better year to date than 2017 and getting closer to meeting targets for CAUTI by the end of the year. Exceptions were January and June; a total of 8 patients were identified as having CAUTI. This target is still within reach by the end of the year.

Healthcare Associated *C. difficile* infections – The Health System is doing better year to date than 2017, currently well below target. This was attributed to ordering appropriate labs, eliminating poor specimens, not testing patients who are on laxatives due to high, false positive rate, and documenting any patients who have *C. difficile* infections present upon admission. Dr. Alsip predicts that the Health System will meet and exceed target goal by the end of the year.

Healthcare Associated MRSA Bloodstream Infections – The Health System is doing better than year to date, but even with the current run rate, will not meet 2018 target. These are rates per 10,000 patient days; therefore infections for the months of January through August represent only six. Very low number, the goal is zero.

Patient-Safety Indicators Composite - Patient Safety Indicators (PSI) are specific, hospital-acquired patient outcomes also used to measure safety. PSI-90 is the calculated, composite metric used by CMS obtained from claims data. PSI-90 is composed of ten (10) individual metrics. Current performance for the PSI-90 composite metric is much better than the 2018 target (set at the comparative database 50th percentile). Efforts surrounding the review and actions relative to improving patient safety metrics include the quality medical information team (QMIT) conducting real-time reviews of all patient safety indicators specific primarily to provider documentation opportunities. With some metrics, the Health System has done extremely well; specifically three – pressure ulcers, perioperative hemorrhaging, and axinofunction laceration. Staff has really pushed the base line much lower than it was last year and we are now looking at creating an incentive program for physicians so that the baseline can be reset. Every one of the PSI (90) claims submitted is coded correctly because the staff is focused. Dr. Alsip noted a downward trend in July. He expects other things to make this score better, not just by educating the physicians about documentation, but also in the way of the electronic medical record, which will bring frequent queries to the physicians so that they can clarify what they want to document. Dr. Alsip has challenged the staff to bring these scores all down to zero. At the next management council, he will acknowledge the various nursing units that have gone one year without any central line infections, and several have gone longer than one year without zero Catheter-Associated Urinary Tract Infections (CAUTI).

Dr. Jimenez expressed concern, as Dr. Burns has in the past, regarding the connection between the data presented today and the Health System's ambulatory network. It is their view that the connection is not there, that the Health System's ambulatory network is set up to deal with acute health issues, not chronic disease management. The concern is that the Health System does not have a comprehensive clinic, for example, to manage congestive heart failure (CHF). Much of the indicators for CHF are preventable, or at least treatable to reduce morbidity/mortality numbers significantly, as well as costs. Dr. Jimenez advised that a comprehensive clinic is needed to manage, for example, malignant hypertension, with access to a multitude of services such as nephrology, cardiology, primary health, internal medicine, and social services, to conduct outreach and screen for those who become non-compliant patients. Dr. Alsip agreed with Dr. Jimenez about the need to restructure local public health and expressed his own professional opinion that the Health System will benefit from being a member of the Southwest Texas Crisis Collaborative (STCC) Steering Committee where all local major hospitals and health systems have contributed money and effort in identifying high utilizers, at-risk individuals for mental health issues, and homelessness. Where ever these patients present, the roll out of the TAV software earlier this year allows the various providers to connect to see patient information, including social determinants of health. If the patient is normally followed by another health system everyone has visibility on the TAV system. At the present time, only local hospitals participate; however, there is interest in creating a statewide network.

RECOMMENDATION: This report was provided for informational and discussion purposes only.
ACTION: No action was required by the Board of Managers.
EVALUATION: As indicated above. Dr. Alsip introduced Brian Lewis, Vice President for Quality, as the man behind the data presented today.
FOLLOW UP: Dr. Jimenez requested a future presentation on the Health System's palliative care department.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH CINTAS CORPORATION FOR AUTOMATED SCRUB DISPENSERS — JIM WILLIS

SUMMARY: In January 2013, the Health System purchased four scrub distribution machines as well as software support from Carefusion to support the machines. In December 2017, Carefusion ceased to manufacture, service, and provide software support of their scrub machines. As a result, the Health System has been using these machines to dispense scrubs but with limited maintenance or tracking system to ensure scrubs are appropriately returned. Cintas offers the Health System a completely turn-key scrub lease solution, which will include the provision of scrub machines, machine maintenance, software upgrades, garments, electronic monitoring, data reporting, daily restocking, laundering, pickup/delivery and education. This new lease agreement will represent operational expense for a 60 month period. Total expense will be \$394,745 annually or \$1,973,725 for the full five year term. This project will also include a onetime cost of \$37,800 for minor construction, data drops, and electrical, for a total contract value of \$2,011,525. Approximately \$221,000 operating expenses incurred today in the form of EVS labor, laundry fees, scrub replacement costs, software fees, and maintenance costs will be eliminated. As a result of this offset, the total true implementation of the Cintas program will increase existing operational costs by approximately \$173,745 per year with the cost mitigation.

RECOMMENDATION: Health System staff recommends the Board of Managers approve a new, 60-month contract with Cintas in the amount of \$2,011,525.

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

EVALUATION: Mr. Hasslocher asked how much was invested in the prior system that was purchased in 2013. Mr. Willis estimates \$300,000 to \$350,000 was spent for the equipment, with a five to six year life for each. He noted that the Health System will no longer have to purchase scrubs, they will be replaced by the vendor. Dr. Jimenez asked what other hospitals in the community have to say about their experience with this system. What do the physicians have to say? How does the military handle their laundry situation? Mr. Willis did not have scrub information from other community hospitals, nor the military's, readily available, however; he stated that physicians "rave" about this system. Dr. Jimenez reminded the staff that the Board does not make decisions solely based on costs. He asked that in the future staff be prepared to provide feedback and background information, both pros and cons. Mr. Banos noted that the staff at the ambulatory surgery center at the Medical Arts and Research Center (MARC) specifically requested this type of system for efficiency purposes. Dr. Rodriguez confirmed that at the MARC, scrubs are stored folded in a closet and are often missing large and extra-large sizes. He does not

believe there is not a better option for the staff in the Operating Rooms at University Hospital due to space limitations. Mr. Hernandez supports the staff's recommendation for automatic scrub dispensers due to efficiency and infection control purposes. Mr. Smith suggested additional due diligence was needed on this item.

FOLLOW UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORT FOR SEPTEMBER 2018 — REED HURLEY

SUMMARY: In September clinical activity (as measured by inpatient discharges) was up 1.2 percent for the month compared to budget. Total funded payer mix was 74.0 percent, budget was 73.8 percent. Year to date total funded payer mix is 74.5 percent. Community First Health Plan (CFHP) fully-insured membership was down 0.6 percent. On a consolidated basis, gain from operations was \$8.4 million, \$1.5 million better than budget. The consolidated bottom line gain (before financing activity) was \$2.7 million, \$1.8 million better than budget. Higher non-patient revenue combined with lower purchased service and drug expense were somewhat offset by higher than budget employee compensation expense. CFHP experienced a bottom line gain of \$327 thousand which was \$432 thousand worse than budget. Premium revenue was up \$4.1 million due to an increase in reimbursement rate that took effect in September. Medical claims expense was higher than budget by \$4.4 million. Debt Service Revenue was \$5.0 million which is equal to the budgeted Debt Service payment of \$5.0 million. Mr. Hurley discussed notable increases and/or decreases from the December 31, 2017 Consolidated Balance Sheet in detail with the Board.

RECOMMENDATION: Staff recommends acceptance of the financial reports subject to audit.
ACTION: A **MOTION** to accept staff's recommendation was made by Mr. Hasslocher. There being **NO OBJECTION**, the **MOTION CARRIED**.

EVALUATION: Dr. Jimenez commended the staff for the current payer mix. Mr. Hurley attributed the success in payer mix to multiple reasons: the growth in pediatrics, since all children are covered by Medicaid; and also the efficient utilization of Operating Rooms at University Hospital. The area with lowest payer mix is the Emergency Department (ED). Patients who do not have health insurance use the ED as their primary care provider. Approximately 40 percent of the ED visits are for uninsured patients, compared to 26 percent in other service areas. University Medicine Associates has a strong base of funded patients, so Health System has a good payer mix on the ambulatory side as well. Dr. Jimenez described Bexar County as the poorest, large county in Texas. The Health System has been more successful than others in reducing the impact of uninsured patients due in part to staff's work on the Affordable Care Act and insurance exchange, and also due to the job market in San Antonio. University Health System is the largest health system in the state as far as assets. In addition, the Health System has the lowest property tax revenue at about 22-23 percent. The staff has worked hard and it is beginning to show in the payer mix. Another factor in the payer mix, according to Ms. Kirkman, is the Health System's improved reputation at the opening of the Sky Tower in 2014 both from a capacity standpoint, as well as the new facilities commensurate with the expertise provided by the partnership with UT Health. In addition, the leadership has recruited some real amazing people with real talent to run the various units and find efficiencies throughout the organization, a great job in telling our story. Dr. Jimenez reiterated the fact that Bexar County Commissioners will not tolerate healthcare

service cuts, to which Mr. Hernandez replied that the Health System is able to fund its mission of serving the uninsured a lot better because of the CareLink program and the ambulatory network, both of which help to improve payer mix. The CareLink program has approximately 30,000 members, with most members having many medical issues. This population is much more stable with access to primary care, pharmaceuticals, and UT Health specialists. Mr. Smith asked how well the Health System does financially with Medicaid deliveries. Mr. Hurley noted that deliveries, in general, do not bring in a lot of money, unlike NICU deliveries which drive revenue. However, those NICU families are more likely to return for other services if they have a positive experience. There is no specific methodology for tracking those families, except for the medical record number of individual patients. Dr. Burns expressed her understanding which is that there are a large percentage of Medicaid births in Bexar County, and these deliveries do not generate revenue. Rather, established research indicates that women make healthcare decisions on behalf of their families. If the mom is impressed, she will refer families and friends. Mr. Hernandez agreed with Dr. Burns regarding Medicaid deliveries based on conversations with Texas Hospital Association members. The external auditors will provide a comparison between the Health System and other hospital districts across the state during the annual audit in early 2019 regarding payer mix. For example, Mr. Hurley cited Harris Health System as being close to 50 percent unfunded and 50 percent Medicaid. Parkland Health System's uninsured population is in the mid-30's. Parkland Health System has a high percentage of Medicaid for women's and children's services.

ADJOURNMENT:

There being no further business, Mr. Smith adjourned the public Board meeting at 3:15 p.m.

Jim Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary