



# University Health System

## REGULAR BI-MONTHLY MEETING OF THE BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

Tuesday, April 18, 2017  
2:00 p.m.

Cypress Room  
University Hospital  
4502 Medical Drive  
San Antonio, Texas 78229

### MINUTES

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#### **BOARD MEMBERS PRESENT:**

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

#### **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  
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  
Don Finley, Director, External Communications/Corporate Communications, 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 Communications and Patient Relations, University Health System  
Virginia Mika, PhD, Executive Director, CareLink Financial Assistance Program, University Health System  
Serina Rivela, Senior Associate General Counsel, University Health System  
Kirsten Plastino, MD, President/Medical Dental Staff, University Health System; and Professor, Department of Obstetrics and Gynecology, UTHSCSA  
Maulik Purohit, MD, MPH, Vice President/Chief Medical Information Officer, University Health System  
Richard Rodriguez, Vice President/Asset & Property Management, University Health System  
Michael Roussos, Hospital Administrator, University Health System  
Armando J. Sandoval, Chief of Police, University Health System  
Theresa Scepanski, Senior Vice President/Chief Administrative Officer, University Health System  
Travis Smith, Deputy Chief Financial Officer, University Health System  
Allen Strickland, Vice President/Hospital Administration, University Hospital  
Emily Volk, MD, MBA, Senior Vice President, Clinical Services, University Health System  
Mark Webb, Chief Executive Officer/University Children's Health, University Health System

James Willis, Vice President, Hospital Administration University Health System  
Francine Wilson, Senior Vice President, Supply Chain Management, University Health System  
And other attendees.

**CALL TO ORDER AND RECORD OF ATTENDANCE: JAMES R. ADAMS, CHAIR, BOARD OF MANAGERS**

Mr. Adams called the meeting to order at 2:18 p.m.

**INVOCATION AND PLEDGE OF ALLEGIANCE:**

Ms. Julie Rowe, Chaplain, University Hospital, said the invocation, and Mr. Adams led the pledge of allegiance.

**NEW BUSINESS:**

**INTRODUCTIONS: BRYAN ALSIP, MD**

**Emily Volk, MD, MBA, Senior Vice President, Clinical Services:**

Dr. Emily Volk joined University Health System on Monday, April 3, 2017. She will serve as a key member of the leadership team, and will work with our physician leaders and other clinical providers to improve quality outcomes, drive a culture of patient safety and promote interdisciplinary communication that supports our strategic goals and the Triple Aim *plus*.

Dr. Volk most recently served as chief quality officer for the Baptist Health System here in San Antonio. In that role, she led regional team operations for Quality, Performance Improvement, Accreditation, Risk Management, Infection Prevention, Transitional Care Management and Value Based Purchasing Care activities across all local Baptist facilities.

As a clinical pathologist, Dr. Volk also serves as vice chairman of the Council on Government and Professional Affairs for the College of American Pathologists. Emily obtained her bachelor of arts from the University of Missouri and her medical degree from the University of Missouri School of Medicine. She completed her residency in Anatomic and Clinical Pathology and a Fellowship in Surgical Pathology at the Cleveland Clinic as well as a Cytopathology Fellowship at the William Beaumont Hospital in Michigan. Emily obtained her master's in Business Administration from the University of Massachusetts at Amherst.

**Maulik Purohit, MD, MPH, Vice President/Chief Medical Information Officer:**

Dr. Maulik Purohit joined University Health System on Monday, March 27, 2017. He will serve as a key member of the leadership team and the primary physician liaison for all clinical systems, working with inpatient and outpatient providers and clinical staff to optimize our IT systems and workflows. He will also help oversee our telemedicine initiatives and lead our actions for successful attestation of meaningful use requirements.

Dr. Purohit comes to us from the Metropolitan Washington, D.C., area, specifically the National Intrepid Center of Excellence for the Department of Defense and Fort Belvoir Community Hospital, where he served as Chief Information Officer, Chief of Medical Services, and Chief of Research while providing clinical duties as a Physical Medicine and Rehabilitation physician. Maulik obtained his bachelor's degree from Trinity University in San Antonio, his medical degree from UT Southwestern School of

Medicine, and completed his residency at Baylor College of Medicine. He obtained Fellowships in both Traumatic Brain Injury and Integrative Medicine at Harvard Medical School and received his Master of Public Health degree from the Harvard School of Public Health.

**CONSENT AGENDA – JIM ADAMS, CHAIR:**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A LEASE RENEWAL WITH 2014 HIGHPOINT, LP, FOR CLASSROOM AND TRAINING SPACE AT HIGH TOWER 1, 4801 DATA POINT DRIVE, SAN ANTONIO, TEXAS 78229—THERESA SCEPANSKI/RICHARD RODRIGUEZ**

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A DONATION TO THE AMERICAN KIDNEY FUND IN SUPPORT OF CONTINUOUS MEDICAL INSURANCE COVERAGE FOR CARELINK MEMBERS—VIRGINIA MIKA, PHD/ROBERTO VILLARREAL, MD**

SUMMARY: The two items above were submitted as consent agenda items.  
RECOMMENDATION: Staff recommended approval of the consent items as submitted.  
ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Ms. Barrera, and **PASSED UNANIMOUSLY**.  
EVALUATION: None.  
FOLLOW-UP: None

**ACTION ITEMS:**

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

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FOLLOWING CONTRACTS FOR EXPANDING CAPACITY OF THE WEST PARKING GARAGE: DESIGN SERVICES CONTRACT WITH RVK ARCHITECTS; AND PROJECT MANAGEMENT CONTRACT WITH PROJECT CONTROL OF TEXAS—MARK WEBB**

SUMMARY: Mr. Hernandez pulled this item from today's Board agenda; it will be rescheduled at a more appropriate time. He clarified that this item is a subcomponent of a larger project; therefore the future presentation will discuss the whole concept.  
RECOMMENDATION: None.  
ACTION: None.  
EVALUATION: None.  
FOLLOW-UP: None

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE PURCHASE OF MOVABLE FURNISHINGS AND EQUIPMENT FOR PHARMACY—MARK WEBB**

SUMMARY: This request is related to the purchase of specialized active information technology equipment, specialized pharmacy equipment, and furniture, fixtures, & equipment (FF&E) for the new Pharmacy Project on the

ground level of the Rio and Horizon Towers at University Hospital. The 12,000 square foot Pharmacy will include the following functional areas: administrative and staff offices, staff support space, receiving/stockroom, clean room suite, pre-pack compounding, secured narcotics vault, and distribution. Also included with the Pharmacy build-out will be a new mechanical room to provide HVAC services to the Pharmacy. Construction for the Interior build-out is in progress with final completion set for October 2017. Appropriated funding for these items is \$2,310,000. Funding for this project is through existing capital funds with appropriation previously approved at the July 19, 2016 Board of Managers Meeting. The total project cost is \$11,299,928. Capital funds were previously transferred through Board action from Capital Reserves for Moveable Items on this project (BRN 616810). Purchase Orders for movable furnishings, equipment, and active IT will include, but not limited to, the following vendors, all registered with the Health System, were previously selected:

Specialized Pharmacy Equipment: Cardinal Health Laboratory Products, Clean Air Products, Follett Corporation, Germfree Laboratories, Inc., InterMetro Industries, Nuair Inc., and Thermo Fisher Scientific.

Furniture, Fixtures, and Equipment: Workplace Resource, OfficeSource

Active IT: CDW, Dell, Kronos, MTS, Presidio, and VIA

RECOMMENDATION: Staff recommends Board of Managers' approval to execute the purchase orders in an amount not to exceed \$2,310,000 for all Medical Equipment, FF&E, and Active IT for the Pharmacy within the approved funding level.

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

EVALUATION: Mr. Smith asked whether local and minority vendors are still afforded an opportunity to participate in the procurement process for Health System projects. Yes, and Mr Webb cited this particular furniture request. Since the Health system has standardized certain office equipment and furniture, the same local vendor will be used. There is no impediment placed by the procurement services department as to which vendors participate in the process. There are several different ways that the Health System can involve local vendors, either by obtaining items through State contracts, or the GPO can distribute between two or three local vendors. High dollar medical equipment is run through EMTS to ensure the Health System is getting best value; ECRI is used for evidence based data to validate appropriateness of components being purchased for the equipment. The Health System's primary GPO is MedAssets (now Vizient). Does MedAssets (Vizient) prevent local vendors from participating in the procurement process? No, what happens with some local vendors when they are successfully awarded a MedAssets/Vizient contract, is that the distributor contract includes a non-compete clause which does not allow them to distribute their product to the Health System, they are not allowed to syphon off the market share that the distributor has established with the Health System; and they will have to sell their product to other healthcare organizations. A Chief Pharmacist for the inpatient pharmacy has been selected and will start work during the month of May, 2017. Mr. Adams asked if any of the items approved

today will expedite the dispensing of prescriptions. The items approved by the Board today will put University Hospital inpatient pharmacy in line with local pharmacies and will make our work more efficient. Upon the Chief Pharmacist's arrival, the staff may be able to look at advanced distributing tools to expedite dispensing. The new inpatient pharmacy will have automated carousals installed since we are trying to automate as much as possible. The new leader provided design input and recommended three carousals versus two. Mr. Adams advised the staff to ensure the pharmacy design benefits patients.

FOLLOW-UP: None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING THE FINANCIAL REPORT FOR MARCH 2017—REED HURLEY**

**SUMMARY:** In March clinical activity (as measured by inpatient discharges) was down 0.5% for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was up 0.1%. Gain from operations was \$7.1 million, \$1 million worse than budget. The bottom line gain (before financing activity) was \$784,000, \$842,000 worse than budget and was due primarily to lower operating revenues. Debt Service Revenue was \$4.7 million which is equal to the budgeted Debt Service payment of \$4.7 million. The March 2017 payer mix is as follows: Month Year To Date Funded – 74.1; CareLink – 7.8; UHS – 3.0, and Unfunded 15.1. Mr. Hurley also presented 2017 Operating Cost Per Adjusted Discharge, and discussion ensued. Mr. Hurley reviewed notable increases and/or decreases from the Consolidated Balance Sheet in detail with the Board.

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

**ACTION:** A **MOTION** to accept the financial reports subject to audit was made by Mr. Burns, **SECONDED** by Dr. Burns, and **PASSED UNANIMOUSLY**.

**EVALUATION:** Mr. Hurley informed the Board that the Texas Health and Human Services Commission has received approval from the Centers for Medicare and Medicaid Services to implement the Uniform Hospital Rate Increase Program (UHRIP) for hospital services beginning September 1, 2017 for Bexar County and El Paso. This is good news in that the rate increases will reduce hospitals' Medicaid shortfall in the managed care service delivery areas in which the program is implemented. Mr. Hernandez will meet with the HHSC Executive Commissioner later this week to solidify the UHRIP increase for Bexar County. Discussion ensued regarding clinical activity, and patient visits versus adjusted discharges. Mr. Adams suggested a pocket folder that includes budget numbers, annual visits, adjusted discharges, number of CareLink members, and other helpful information for Board members to have available when they address community groups.

**FOLLOW-:** Corporate communications staff will develop pocket folder statistics for Board members' use.

**PRESENTATIONS AND EDUCATION:**

**ANNUAL UNIVERSITY HEALTH SYSTEM FOUNDATION REPORT—DENISE**

**PRUETT/LOURDES CASTRO-RAMIREZ/LARRY KURTH**

SUMMARY: Ms. Castro-Ramirez introduced and yielded the floor to Mr. Larry Kurth, Chair, University Health System Foundation, for an update regarding Foundation activities.

Board Member Development - In 2016, three (3) new board members were recommended and appointed by the University Health System Board of Managers and included Janie Barrera, Jimmy Hasslocher and Joe Earl Linson, which brings the current Foundation Board of Directors to twenty-seven (27). A maximum of 31 board members are allowed per the Foundation's Bylaws.

Annual Medical Miracles Gala – In 2016, the Gala netted \$207,717, and hosted almost 700 guests. In its 11-year history, the gala has netted a total of \$1,856,846 to support projects and programs of the University Health System.

Employee Giving Campaign - In the 2016-2017 cycle, a total of 620 employees contributed (8%), raising \$110,552.66 in cash gifts and pledges through payroll deduction. The cumulative total raised since inception in 2009 is \$923,466.

Nursing Scholarship Program - To date a total of 85 nursing scholarship recipients have become registered nurses with either an Associate's Degree in Nursing or a Bachelor of Science in Nursing (BSN) for University Health System. Of the 85 program graduates, 61 are currently employed by the Health System, a 71 percent retention rate. Of the 24 program graduates who are no longer employed by the Health System only one has a remaining balance and continues to repay their monetary obligation. The 23 other former scholars satisfied all obligations to University Health System. With the Nursing Scholarship Fund having such a healthy balance throughout 2016 (Year-End: \$918,672), the Nursing Scholarship Ad-Hoc Committee recommended an expansion of scholarships awarded to include Allied Health professionals. The expanded scholarship program will include the following allied health areas:

- Radiologic Technologist (2 year Associate of Applied Science program)
- Medical Laboratory Scientist (2 year Bachelor's program)
- Respiratory Therapist (2 year Bachelor's Degree program)
- Rehabilitation Therapist (2 year Doctoral or Master's program)

The expanded scholarship program will align with the current scholarship program process. In 2017, the Foundation's Board of Directors will evaluate the feasibility of funding years two and three of the programs while considering the investment options of the University Health System Foundation.

Registered Nurse Student Loan Repayment Program - The Registered Nurse Student Loan Repayment Program proposal would align with the University Health System tuition reimbursement initiative by offering up

to \$1,800 a year in “loan repayment.” The human resources team would develop eligibility criteria so that an employee would not have also accessed Foundation nursing scholarship dollars or tuition reimbursement dollars. Distribution of Loan Repayments will occur each year as follows:

First Year: 50% distribution after successful completion of 6 months  
50% distribution after successful completion of 1 year  
Second Year: 100% distribution after successful completion of 2 years  
Third Year: 100% distribution after successful completion of 3 years  
Fourth Year: 100% distribution after successful completion of 4 years

The ad-hoc nursing scholarship committee recommended approving the Foundation’s support of the loan repayment program at a 25% level. In 2017, the Board will evaluate the feasibility of funding years two and three of the programs while considering the investment options of the University Health System Foundation. The loan repayment program launched January 1, 2017.

#### Our Sons & Daughters Scholarship Program

This fund provides financial support in the form of a one-time scholarship in the amount of \$1,000 to the dependent children of University Health System employees who are pursuing a post-secondary degree. Scholarship awards are based on available fund balance, grade point average, and extracurricular activity involvement. A total of eleven (11) scholarships were awarded in 2016. Since 2010, thirty-three (33) \$1,000 scholarships and twenty-one (21) \$500 scholarships have been awarded.

In conclusion, Mr. Kurth informed the Board that the Foundation raised a little over \$1.1 million (unaudited) in new revenue in 2016 and is slightly ahead of the 2015 new revenue total of \$1.02 million (audited). He provided a breakdown of the cash contributions/donations and provided a brief overview of funds in the amount of \$534,659 invested in 2016.

RECOMMENDATION:  
ACTION:

This report was provided for informational purposes only.  
A **MOTION** to accept the annual report of the University Health System Foundation was made by Mr. Engberg, **SECONDED** by Mr. Smith, and **PASSED UNANIMOUSLY**.

EVALUATION:

Mr. Engberg expressed that it is gratifying for the Board of Managers to see the Health System Foundation grow as it has, and also, the interest of the staff to make it the exciting entity we now have. He thanked Mr. Kurth for his volunteer work on the Foundation Board to benefit both patients and staff. Mr. Adams thanked Mr. Kurth for his determination to move the Foundation forward and upward. He also acknowledged the work of Ms. Denise Pruett in getting the Foundation where it is today. Both Ms. Castro-Ramirez and Ms. Pruett visions that are very large and very possible, and as such, will visit the Parkland Foundation on May 9, 2017, to learn from their experiences.

FOLLOW-UP:

None.

**CLOSED MEETING:**

Mr. Adams announced this meeting closed to the public at 3:23 p.m., pursuant to the Texas Open Meetings Act, TEX. GOV'T CODE § 551.001 et seq. (Vernon 2004). The following Board members were present: Ira Smith, Vice Chairman; Dr. Dianna M. Burns-Banks, Secretary; Janie Barrera; Robert Engberg; and James Hasslocher. Staff present include: George B. Hernández, Jr.; Ed Banos; Reed Hurley; Bryan Alsip, M.D.; Mark Webb; Ted Day; Roe Garrett; Serina Rivela; and Travis Smith. A closed meeting was held pursuant to TEX. GOV'T CODE, Section 551.085 (Vernon 2004) to receive information on regarding pricing, market data and/or financial planning information relating to the arrangement or provision of proposed new services and/or product lines. A closed meeting was also held pursuant to TEX. GOV'T CODE, Section 551.085 (Vernon 2004) to receive information regarding pricing or financial planning information relating to a bid or negotiation for the arrangement or provision of services or product lines to another person if disclosure of the information would give advantage to competitors of the hospital district. After discussion, no action was taken in closed session. Mr. Adams announced the closed meeting ended at 5:18 p.m., and the public meeting reconvened.

**ADJOURNMENT:**

There being no further business, Mr. Adams adjourned the Board meeting at 5:18 p.m.

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James R. Adams  
Chair, Board of Managers

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

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Sandra D. Garcia, Recording Secretary