



University Health System

BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

Tuesday, March 24, 2020
2:00 p.m.
Board Room
Texas Diabetes Institute
(By Telephone)
701 S. Zarzamora
San Antonio, Texas 78207

MINUTES

BOARD MEMBERS PRESENT:

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

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health System
Bryan J. Alsip, MD, Executive Vice President/Chief Medical Officer, University Health System
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Ted Day, Executive Vice President/Strategic Planning, University Health System
Rob Hromas, MD, Dean, School of Medicine, UT Health San Antonio
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health System
Monika Kapur, MD, President/Chief Executive Officer, University Medicine Associates
Leni Kirkman, Senior Vice President, Strategic Communications, Patient Relations, University Health System; and Interim President, University Health System Foundation
Lauren Morris, Invocator, Chaplain/Spiritual Care Services, University Health System
Bill Phillips, Senior Vice President/Information Services, University Health System
Serina Rivela, Vice President/General Counsel, Legal Services, University Health System
Don Ryden, Vice President, Project, Design and Construction, University Health System
Rajeev Suri, MD, Professor/Department of Radiology; and President/Medical-Dental Staff, University Health System
And other attendees.

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

Mr. Adams called the meeting to order at 2:02 pm. In light of the ongoing COVID-19 global pandemic, and the Governor's temporary suspension of certain open meeting statutes, today's Board meeting will be held telephonically to reduce the large group of people who normally gather in the Board Room. Mr. Adams called the roll to confirm a quorum and to guide the discussion as necessary. All Board members indicated "present." Upon confirmation of a quorum, Mr. Adams asked Board members to hold their questions until after each presentations. Mr. Adams further explained that voting today would be conducted by individual roll call to clearly identify each Board member by name and vote.

Mr. Adams also addressed anyone from the public or media who may be joining this meeting by telephone. He thanked them for their interest, and stated that the Board of Managers strongly believes that the people of Bexar County should be aware of how their hospital district is operating. He also asked the audience to please bear with any technical glitches that might occur during the call. This is the first time that the Board of Managers has ever had to hold a Board meeting by teleconference. If the staff does encounter any problems with sound or other technical issues, the staff is doing their best to address issue and work to improve future phone meetings. While members of the public are not able to ask questions during this meeting, should any citizen or member of the media have any questions or comments, please email them to Public.Relations@uhs-sa.com. This email address is on the Health System's corporate website in the Contact Us section. A staff member will follow up within a day or two.

At this time, Mr. Smith thanked everyone for their well wishes while he was out for spinal cord surgery. The hospitalization was longer than anticipated, however, he appreciates the prayers, visits, and phone calls, and he is especially grateful for his wife who he loves dearly and deserves a gold medal.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Adams introduced Ms. Lauren Morris, Chaplain, Spiritual Care Services, University Hospital, for the invocation, and he led the pledge of allegiance.

CITIZENS' PARTICIPATION: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): February 18, 2020 (*Regular Meeting*)

SUMMARY:	The minutes of the regular meeting of Tuesday, February 18, 2020 was submitted for approval.
RECOMMENDATION:	Staff recommends approval of the minutes as submitted.
ACTION:	There being NO OBJECTION to staff's recommendation, the item PASSED UNANIMOUSLY .
EVALUATION:	None.
FOLLOW-UP:	None.

NEW BUSINESS

CONSENT AGENDA – JIM ADAMS, CHAIR

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

SUMMARY: 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.

RECOMMENDATION: Staff recommends approval of the Medical-Dental Staff Recommendations for staff membership and delineation of privileges.

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

EVALUATION: None.

FOLLOW-UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT BETWEEN UNIVERSITY MEDICINE ASSOCIATES AND UT HEALTH SAN ANTONIO FOR PEDIATRIC HEMATOLOGY/ONCOLOGY SERVICES — ED BANOS

SUMMARY: Services under this agreement with UT Health San Antonio, Department of Pediatrics, Division of Hematology/Oncology, consist of direct patient care rendered to Health System pediatric hematology/oncology patients through physicians and advanced practice providers employed by UT Health and leased by University Medicine Associates. Under the current agreement, UMA leases 5.2 board-certified pediatric hematologist/oncologist FTEs and 1.8 advanced practice provider FTEs. Additionally, the Health System provides physical space and support staff at no cost to UT Health San Antonio. UMA bills and collects all professional fees generated by the UT Health San Antonio providers for pediatric hematology/oncology services rendered. The current agreement expired February 29, 2020. UMA will compensate UT Health San Antonio an amount not to exceed \$1,462,443 per year for 7.0 total FTEs. This amount includes physician bonuses based on the achievement of metrics agreed upon by both organizations. Cash collections in 2019 were \$360,000, reducing the net cost to UMA. This is a planned expense and is included in the 2020 operating

- budget. The workforce composition data for UT Health SA was provided for the Board's review.
- RECOMMENDATION: Staff recommends Board of Managers' approval to execute a two-year agreement with UT Health San Antonio for 7.0 pediatric hematology/oncology provider FTEs at an amount not to exceed \$1,462,443 per year. The total contract is for an amount not to exceed \$2,924,886 for the two year period from March 1, 2020 through February 28, 2022.
- ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.
- EVALUATION: Mr. Engberg asked about the satisfaction ratings and quality measures for performance under the previous term of this agreement. The physicians reached the 82nd percentile in patient satisfaction, which exceeded the agreed upon 75th percentile. Cumulatively, the score was over 90 percent; however, the physicians did not meet the metrics for the first quarter of the last year of the contract. They exceeded metrics for the final three quarters and they subsequently, ended up at 90 percent. The new contract states that a minimum score of 90 percent must be achieved on quality metrics.
- FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH AZTECA DESIGNS TO PROVIDE CONSTRUCTION SERVICES FOR INTERIOR RENOVATIONS AT THE TEXAS DIABETES INSTITUTE — DON RYDEN

SUMMARY: The Texas Diabetes Institute (TDI) opened its doors in 1999; however, the facility has not undergone a significant interior renovation in over 20 years. The primary focus for this renovation will be to update all thirty-one (31) restrooms in the TDI facility to be standardized and consistent with the newest clinics. This project will include the demolition and replacement of all flooring, wall tile, plumbing fixtures, and toilet partitions in eighteen (18) restrooms on Level one, nine (9) restrooms on Level two, and four (4) restrooms on Level three. Staff will also work with the contractor to complete the project in various phases to accommodate continued clinical operations and facilitate patient access to services. The Health System's Procurement Services solicited and received formal bids from seven (7) General Contractors. The following are the respondents and their corresponding construction pricing and construction schedule in calendar days:

<u>Respondent</u>	<u>Pricing</u>	<u>Schedule</u>
Azteca Designs	\$ 599,884	79 calendar days
Bryco Construction	\$1,149,856	189 calendar days
Consolidated Installation Support	\$ 564,340	160 calendar days
Huband-Mantor Construction	\$1,211,899	180 calendar days
Falkenberg Construction	\$1,123,654	334 calendar days
Metropolitan Construction	\$1,492,304	330 calendar days
Valla Construction	\$1,175,744	121 calendar days

The proposals were evaluated based on the criteria provided to the firms in the RFP. Of the firms that proposed, Azteca Designs was selected based on their competitive pricing, proposed schedule, healthcare experience and safety record.

Project Budget Summary

Scope	Cost
Design Services	\$ 27,500
General Contractor Construction Services*	\$599,884
Pre-construction services	\$ 12,000
Total	\$639,384

**This request*

Staff has reviewed the Azteca Design pricing for construction services and recommends approval of their proposal in the amount of \$599,884. This purchase is to be funded from 2020 operational funds. The workforce composition data for Azteca Designs was provided for the Board's review.

RECOMMENDATION: Staff recommends the Board of Managers approve the selection of Azteca Designs as Contractor for Interior Renovations at the Texas Diabetes Institute and authorize the President/Chief Executive Officer to execute a contract with Azteca Designs in the amount of \$599,884 and completion of the project within 79 calendar days.

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

EVALUATION: Mr. Engberg noted that the total bid submitted by Azteca Designs is half the amount and half the time submitted by the highest bidder at \$1,175,744 and 121 calendar days. What does the staff know about Azteca Designs in terms of operations and financial condition? Mr. Ryden had the procurement services department double check Azteca's bid to make sure that the vendor did not leave anything out of its response. Azteca Designs has previously performed work for the Health System, although it has been some time. There is previous work history with this team. When Joeris+JE Dunn sponsored the big SMWVBE meeting at St. Philip's College last year, Azteca was one of the small businesses extremely interested in business opportunities with the Women's and Children's Hospital. The owner of Azteca understands the Health System wants to use local businesses. This particular job will be very controlled and they understand the scope of the contract. Mr. Hernandez added that this is a family-run business with offices in rural Bexar County. He attended an open house and they had quite a few local vendors there. The leadership believes this is the perfect project for Azteca. Mr. Smith declared his full support in working with SMWVBE and wanted to know the mechanism in place to ensure small and local businesses will succeed. Azteca will be bonded, as any other general contractor, and will have a Health System project manager from the Project, Design, and Construction department assigned to work closely with them, especially regarding the phasing that will be required.

Mr. Ryden assured Mr. Smith that he would be able to determine well ahead of time if there is a problem with the work performed by Azteca Designs.

FOLLOW-UP:

None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE UNIVERSITY HEALTH SYSTEM'S COMMUNITY HEALTH NEEDS ASSESSMENT AND IMPLEMENTATION STRATEGY — TED DAY

SUMMARY:

On June 25, 2019 the Board of Mangers approved the creation of the Bexar County Hospital District Local Provider Participation Fund (LPPF) which will be the source of Intergovernmental Transfer (IGT) funding for private hospitals in Bexar County. Based on estimated IGT needs, the LPPF can assess a fee not to exceed six percent on the net patient revenues of private hospitals in Bexar County. To generate funding for IGTs related to UC, UHRIP and DSRIP projected to be due in the second quarter 2020, the Bexar County Hospital District LPPF assessment is necessary. A notice for the public hearing was published in the San Antonio Express News on March 26, 2020 and the public hearing will be held at the March 31, 2020 Board of Managers meeting. The assessment will be collected as necessary over a period not to exceed ninety (90) days, beginning April 1, 2020. The second quarterly LPPF assessment is based on the estimated amount of IGT that will be required to fully fund the Bexar private hospital IGT needs. This quarter's estimate is impacted by proposals to fast track certain supplemental funding payments due to the Coronavirus pandemic. The assement based on the rate not to exceed 2.60 percent of eligible hospitials net patient revenue will generate \$101,344,423 for the second quarter IGT needs for the Bexar private hospitals. 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. A Resolution Setting the Second Quarterly Rate of Mandatory Payment for the Bexar County Hospital District's Local Provider Participation Fund for Fiscal Year 2020 was provided for the Board's review

RECOMMENDATION:

Staff recommends that the Board of Managers adopt the proposed Resolution authorizing the Bexar County Hospital District to set the April 2020 assessment rate for the Bexar County Hospital District Local Provider Participation Fund not to exceed 2.60 percent.

ACTION:

A **MOTION** to approve staff's recommendation was made by Mr. Engberg. There being **NO OBJECTION**, the **MOTION CARRIED AND PASSED UNANIMOUSLY**.

EVALUATION:

Mr. Engberg stated that he was impressed with the presentation, and not previously aware of IRS requirement. He described a thorough and well-documented record of what this institution does for its community and its citizens, which is a lot more than he realized. Mr. Hernandez made a point of clarification in that when the Health System wanted to set up 403(b) deferred compensation plan in 2018, one of the necessary step was to apply for non-profit status. One of the requirements to maintain this non-profit status is

FOLLOW-UP: the community needs assessment, and Mr. Day is making sure that the Health System maintains that status.
None.

CLOSED MEETING: Mr. Adams telephonically announced this meeting closed to the public at 2:30 pm pursuant to TEX. GOV'T CODE, Section 551.074 (Vernon 2004) to evaluate the performance and duties of the President/CEO. The following Board members were present on the conference line: James R. Adams, Ira Smith, Dr. Dianna M. Burns-Banks, Roberto Jimenez, M.D., Janie Barrera, Robert Engberg, and James C. Hasslocher. After discussion, no action was taken in closed session. Mr. Adams announced that the closed meeting ended at 3:03 pm, and he reconvened the public meeting immediately thereafter at 3:04 pm.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE ANNUAL EVALUATION OF THE PERFORMANCE AND DUTIES OF THE PRESIDENT/CHIEF EXECUTIVE OFFICER — JIM ADAMS, CHAIR

SUMMARY: Ms. Janie Barrera was appointed by Mr. Adams to chair an ad hoc committee with the charge of performing the annual evaluation of the President/CEO. Ms. Barrera and the members of the ad hoc committee met and actively solicited input from all members of the Board during the process. The ad hoc committee further reviewed and considered Mr. Hernández's exemplary performance in exceeding the 2019 goals as well as his recent honor of receiving the 2019 Earl M. Collier Award for Distinguished Health Care Administration bestowed to him in recognition of his dedication to the health care industry for the last 30 years of service. Also reviewed were compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions; the availability of similar services in Texas; and two current compensations surveys prepared by independent firms. The findings of the ad hoc committee have been reviewed and discussed with the full Board of Managers in Executive Session. Both the ad hoc committee and the Board of Managers are composed entirely of individuals without a conflict of interest with respect to the determination of the compensation to be paid to the President/Chief Executive Officer.

RECOMMENDATION: The ad hoc committee recommends that Mr. Hernández's base salary remain at \$733,000.00 annually. In addition, the ad hoc committee, in recognition of Mr. Hernández's performance, recommended that Mr. Hernández receive a one-time bonus in the amount of \$145,000.00, for a total compensation of \$878,000.00 for this year. Based on the detailed analysis the committee has performed, the ad hoc committee believes that this total compensation level is reasonable.

ACTION: After due discussion and consideration, a **MOTION** to keep Mr. George Hernández's annual salary at 733,000.00 and a one-time annual incentive payment in the amount of \$145,000.00 was made by Ms. Barrera. There being **NO OBJECTION**, the **MOTION CARRIED AND PASSED UNANIMOUSLY**.

EVALUATION: Each member of the Board expressed their personal gratitude to Mr. Hernández for his leadership, dedication and commitment to

the Health System's mission and that the Board is truly blessed and thankful to have a person of his caliber to lead this organization. Mr. Hernández thanked the Board of Managers for their consideration and support.

INFORMATION ONLY ITEMS (PRESENTATIONS TO BE MADE AT A LATER DATE):

OPERATIONS REPORT FOR COMMUNITY FIRST HEALTH PLANS, INC. — RICARDO VILLARREAL

SUMMARY: A written report was provided for the Board's review. A presentation will be provided at a later date.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None

OPERATIONS UPDATE FOR UNIVERSITY MEDICINE ASSOCIATES — MONIKA KAPUR, MD

SUMMARY: A written report was provided for the Board's review. A presentation will be provided at a later date.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW-UP: None

ADJOURNMENT — JIM ADAMS, CHAIR

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

James R. Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary