



# University Health System

## BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

Tuesday, March 26, 2019  
6:00 p.m.  
Board Room  
Texas Diabetes Institute  
701 S. Zarzamora  
San Antonio, Texas 78207

### MINUTES

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

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

#### **BOARD MEMBERS ABSENT:**

Janie Barrera

#### **OTHERS PRESENT**

George B. Hernández, Jr., President/Chief Executive Officer, University Health System  
Bryan J. Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System  
Tommye Austin, Senior Vice President/Chief Nurse Executive, University Health System  
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System  
Bill Bedwell, Executive Director of Reimbursement/Treasury Management, University Health System  
Antonio Carrillo, Executive Director, Procurement Services, University Health System  
Lourdes Castro-Ramirez, President, University Health System Foundation  
Edward Cruz, Jr., Director, Supplier Diversity/Procurement Services, University Health System  
Ted Day, Executive Vice President, Strategic Planning and Business Development, University Health System  
Theresa De La Haya, Senior Vice President/Health Promotion and Clinical Prevention, University Health System - Texas Diabetes Institute  
Stacy Foremski, Special Assistant to the Chief Operating Officer, University Health System  
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.  
Rob Hromas, M.D., 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  
Brian Lewis, Vice President/Quality, University Health System  
Bill Mundt, Deputy Chief Information Officer, Information Services, University Health System

Joshua Nieto, General Counsel, Chief Compliance/HIPAA Officer, Integrity Services, University Health System  
Teresa Nino, Director, Epic Communications, University Health System  
Bill Phillips, Senior Vice President/Chief Information Officer, Information Services, University Health System  
Serina Rivela, Interim Vice President/General Counsel, Legal Services, University Health System  
Ronald Rodriguez, M.D., Chair, Department of Urology, UT Health San Antonio  
Michael Roussos, Hospital Administrator, University Health System  
Don Ryden, Vice President/Projects, Design, and Construction  
Allen Strickland, Vice President/Hospital Administration, Fiscal, University Hospital  
Andrew Smith, Director, Government Relations, University Health System  
Travis Smith, Deputy Chief Financial Officer, University Health System  
Rajeev Suri, M.D., Professor and Vice Chair, Department of Radiology, UT Health San Antonio; and  
President, Medical/Dental Staff, University Health System  
Jim Willis, Associate Administrator, University Hospital  
Emily Volk, M.D., Senior Vice President/Clinical Services, University Health System  
And other attendees.

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

Mr. Adams called the meeting to order at 6:05 p.m.

**INVOCATION AND PLEDGE OF ALLEGIANCE**

Mr. Adams introduced Mr. Marco Mendoza of Westover Hills Assembly of God for the invocation, and he led the pledge of allegiance.

**CITIZENS' PARTICIPATION:** None.

**APPROVAL OF MINUTES OF PREVIOUS MEETING(S):** *None at this time.*

**REPORT FROM UT HEALTH SAN ANTONIO – WILLIAM HENRICH, M.D., PRESIDENT**

**SUMMARY:**

Dr. Hromas provided an update on behalf of Dr. Henrich. One chair candidate for Radiation Oncology will be back for second round interviews. There is one strong candidate as finalist for the chair position for the Department of Anesthesiology, who will return to meet with hospital leadership. Long School of Medicine leadership continues to search for Emergency Medicine candidates, two candidates are returning; however, there is a need for stronger candidates, the Search Committee will re-open this position. NEH funding for the School of Medicine reached \$80 million in 2018, and surpassed UT Houston for the first time. Dr. Hromas just returned from a national Deans meeting and is grateful for the relationship with University Health System and loves being part of this team. One entire morning at the conference was devoted to the benefits and dangers of artificial intelligence. Dr. Hromas expressed the need for UMA/UT Health physicians to be better prepared. Leadership needs to collectively think what the next step will be when the EHR interprets the data, we must come up potential solutions. Physicians will play a key role in supervising artificial intelligence and

programming. There will be a massive demand for it, and our physicians are not being trained. As a result, Dr. Hromas announced a new MD/Master of Science dual degree program in artificial intelligence with The University of Texas at San Antonio (UTSA). Dr. Hromas also referenced an editorial in the Sunday paper on March 24, 2019 titled *More Residency Funding Needed* wherein the Editorial Board of the San Antonio Express News noted that Texas taxpayers' investment in medical education is benefitting other states. Not all Texas medical school graduates have the opportunity to remain in the state. Dr. Hromas confirmed that there are not enough residencies to accommodate the growing number of doctors who finish their schooling and need the postgraduate residency to get licenses. If it were not for University Hospital, San Antonio would be willfully understaffed with physicians, and the editorial made an excellent point of that. In five (5) years, Texas will have 30 percent more medical students than residency slots, which means San Antonio will be a net exporter of medical students from the State. It is really unfortunate that the State has not connected medical schools with residencies. The answer to this problems lies with the Higher Education Board, the State of Texas, and/or the Center for Medicare and Medicaid Services (CMS) to remarkably increase residency spots otherwise, Texas' state dollars will be going to support medical students that must leave the state for future training. But, there is federal legislation before both houses of congress to increase CMS funding for residents. Regarding a recent court decision in favor of vacating the 22 percent cut in 340B payments that will allow qualified hospitals to buy certain outpatient drugs at or below cost, word is that the Trump Administration will appeal. However, the lawyers feel they have strong legal ground. Dr. Jimenez discussed a National Public Radio program about issues raised by philosophers and ethicists that in the future, important decisions will be made based on data and there is a growing concern that some boards are making decisions primarily based on data without much input from the people who are affected, which can be dangerous. Dr. Jimenez feels there should be some ethical and philosophical discussions about the impact certain decisions can have. Dr. Hromas agreed that physicians must always check results because it is possible for physicians to be wrong; and the whole point of artificial intelligence is to free up the doctor to spend more time with the patient, not less time. At this point, individuals are the artificial intelligence for computers. Artificial intelligence can do a lot of work on behalf of physicians so that they can interact with their patients on a more personal level to increase compliance and quality of life. Mr. Adams countered that the next big debate will be what is put into computers and how the data is used, putting a lot more power on data. The question is how will the data be used and how will it be tested. Dr. Hromas acknowledged Dr. Jimenez's concern and he will make sure the Long School of Medicine provides training on artificial intelligence.

RECOMMENDATION: This report was provided for informational purposes only.  
ACTION: No action by the Board of Managers was required.  
EVALUATION: None.  
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 REGARDING AN APPOINTMENT TO THE BOARD OF DIRECTORS OF COMMUNITY FIRST HEALTH PLANS, INC. — ROBERT ENGBERG, CHAIR, NOMINATING COMMITTEE**

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

SUMMARY: The items above were presented for the Board’s consideration as consent items. The following details are associated with these consent items:

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.

Consideration and Appropriate Action Regarding an Appointment to the Board of Directors of Community First Health Plans, Inc. — Robert Engberg, Chair, Nominating Committee - Ms. Penny Wallace’s re-appointment to the Board of Directors was approved by the Board of Managers last fall for a term beginning September 1, 2018 through September 30, 2020. However, due to a recent opportunity to represent District 7 on the Seguin City Council, she has resigned this position. The Board’s Nominating Committee recommends the appointment of Mr. Reed Hurley to replace Ms. Wallace on the CFHP Board of Directors. As her replacement, his term will coincide with hers, effective immediately through September 30, 2020. Mr. Hurley’s short bio was provided for the Board’s review.

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) — Antonio Carrillo/Travis Smith – A total of 21 contracts with a value of \$21,665,758 are being presented to the Board of Managers during the month of March, 2019. The following contract amounts require approval by the BCHD Board of Managers: Contracts with a total value of \$8,548,444; and presented contracts with a total value of \$13,117,314. During the month of March 2019 there were five (5) contracts classified as a Small, Minority, Woman, or Veteran Owned Business Enterprises (SMWVBE). March 2019 SMWVBE Status Report reflects items submitted for Board approval.

RECOMMENDATION: Staff recommends approval of the items listed on the consent agenda.

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

EVALUATION: Mr. Adams and Dr. Burns congratulated Mr. Reed Hurley for his appointment to the CFHP Board. Mr. Hurley's familiarity with financial matters will give the Board of Managers some insight.

FOLLOW-UP: None.

**ACTION ITEMS:**

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

**CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH UT HEALTH SAN ANTONIO SCHOOL OF DENTISTRY FOR ORAL & MAXILLOFACIAL SURGERY (OMS) CALL COVERAGE AT UNIVERSITY HOSPITAL —MICHAEL ROUSSOS**

SUMMARY: Since 2010, UT Health San Antonio School of Dentistry has provided call coverage for services to the Health System's Emergency and Trauma patients presenting to the University Hospital Emergency Department. Coverage is provided 24 hours per day, 365 days per year and also includes support of Otolaryngology and Plastic Surgery Trauma patients as needed. The support currently provided to the School of Dentistry for Oral and Maxillofacial Surgery (OMS) call coverage is \$350,000 per year. This amount has remained unchanged since 2010. During the last seven (7) years, the total number of patients treated by the OMS service has grown from just over 1,500 annually to over 4,000 annually. The OMS service currently sees 50 percent of the facial trauma patients and 100 percent of the dentoalveolar trauma and dental infection patients, with a majority of these patients requiring surgical intervention. From 2017 to 2018, the number of surgeries performed by the OMS service increased 19 percent. Although the current agreement does not terminate until December 31, 2019, the School of Dentistry has requested that the Health System eliminate the pertinent provisions of the existing agreement and enter into a new and separate agreement for OMS Call Coverage. The current annual expense for OMS call coverage is \$350,000. The request for the new agreement is to increase this amount to \$700,000 per year. As explained to Dr. Jimenez, if the new contract runs out of funds before its expiration, Mr. Roussos will need to return to the Board of Managers for approval of additional funds. Although this is a significant increase, it equitably reflects the increased cost the School of Dentistry has absorbed due to the increase in activity seen since the amount of original support was agreed upon. The workers composition data of UT Health San Antonio was provided for the Board's review.

RECOMMENDATION: Staff recommends Board of Managers' approval of the Oral and Maxillofacial Call Coverage Agreement with UT Health San Antonio-School of Dentistry in the amount of \$700,000 for one year beginning April 1, 2019, with an option to extend this agreement for two additional one year terms under the same terms and conditions.

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

EVALUATION: Mr. Roussos introduced Edward Ellis, D.D.S., Professor and Chair, Department of Oral and Maxillofacial Surgery, School of Dentistry, UT Health, SA. He addressed the Board in support of OMS service in the Emergency Department and Trauma Services. University Hospital is the only facility in South Texas to provide this service in the Emergency Department. Every other hospital wants to transfer their patients here.

FOLLOW-UP: None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONSULTING AGREEMENT WITH PRICEWATERHOUSECOOPERS ADVISORY SERVICES, LLC – BILL BEDWELL/REED HURLEY**

SUMMARY: The Health System currently contracts with PricewaterhouseCoopers Advisory Services, LLC (PwC) to review the annual Medicare Cost Reports from 2007 through 2015 for opportunities to improve future reimbursement. PwC was selected as the Medicare cost report consultant after RFP (213-08-039-SVC) was completed in 2014. The services provided by PwC resulted in the Health System capturing over \$19 million in additional cost report reimbursement. The Health System's Rural Referral Center (RRC) designation will produce a benefit of \$21 million over the next three years. Due to PwC's previous audit success, their unique understanding of the Health System's business practices, and expertise in evaluating and implementing strategic reimbursement opportunities a new RFP was not repeated in 2019. The purpose of this new contract is to add five (5) additional cost report review years to the agreement as well as additional years to maintain the Geographical Reclassification of RRC strategy to ensure the Health System maintains the qualification. While there are other potential consultants that could review Medicare cost reports, PwC has a unique understanding of the Health System's business practices and has a proven record of being a good business partner. PwC has demonstrated expertise in evaluating and implementing strategic reimbursement opportunities, which has directly benefited the Health System. This contract is contingency-based and can only produce a positive impact to the Health System's bottom line. Medicare reimbursement for the five (5) cost report years covered by the contract will exceed \$750 million. PwC will charge a 15 percent contingency fee for any additional reimbursement realized by the Health System as a result of the services listed below with the exception of the ongoing Geographic Reclassification services which will be charged at a 2.5 percent contingency fee. The fees will be capped at \$3.1 million for all of the above services with the exception of the Geographical Reclassification review work which is capped at \$300,000 (\$100,000 per year). The review also has the benefit of ensuring the Health System is compliant with new Medicare regulations. The contract with PwC covers many complex areas that have the potential for missed reimbursement including: Medicare DSH Analysis; Medicare Bad Debt Analysis for fiscal years 2016 - 2020; Medical Education Strategy for fiscal years 2015 forward; Medicare and Medicaid Cost Reports fiscal years 2016- 2020; Geographic Reclassification Analysis; and Worksheet S-10 Analysis for fiscal years 2018-2020. PwC is a limited liability partnership that is comprised of over 41,000 U.S staff per the firm's latest federal workplace

- filings, of which 47 percent are women and 36 percent are racial and ethnic minorities.
- RECOMMENDATION: Staff recommends the Board of Managers approve and authorize the President/Chief Executive Officer to execute a contingency based contract with PwC for a total amount not to exceed \$3.4 million.
- ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.
- EVALUATION: Mr. Banos informed the Board that outside of PwC there are currently 12 clinical documentation specialists at the hospital to review and run analysis for opportunities, the specialists send queries to the physicians while the patient is still in the hospital to maximize reimbursement.
- FOLLOW-UP: None.

**CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH PREMIER HEALTHCARE SOLUTIONS, INC. TO PROVIDE REGULATORY COMPLIANCE SERVICES FOR THE WOMEN'S AND CHILDREN'S TOWER AND ASSOCIATED PROJECTS — DON RYDEN**

SUMMARY: As the design process continues for the HVE and the Women's and Children's Tower, it is critically important that the plans not only adhere to local building and fire codes, but also are in compliance with the National Fire Protection Association (NFPA) 101 Life Safety Code. The Health System's accreditation bodies, The Centers for Medicare and Medicaid Services, and The Joint Commission, have conditions of participation which include its compliance with the standards of the Life Safety Code. Staff has determined that it is best practice to engage a third party life safety consultant to ensure the design team incorporates these elements of NFPA 101 Life Safety Code into the construction documents. In addition, this consultant will perform field inspections during the construction phase to verify as-built compliance of these elements. This service is available through the Premier Healthcare Solutions, Inc., which is part of the Premier Group Purchasing Organization; therefore, it is considered to have been competitively bid. Premier Healthcare Solutions, Inc. will perform this work in association with Jensen Hughes dba Russell Phillips Associates. The total fee for this service is \$278,005. The Project's design phase is on schedule. The A/E team of Marmon Mok/ZGF is currently developing construction documents for the Heart/Vascular and Endoscopy Center (HVE). Schematic design for the Garage and the Women's and Children's Tower has recently been completed. Staff has reviewed and negotiated the fees from Premier Healthcare Solutions, Inc. associated with the review of the Life Safety Code in the Project's construction drawings and the field inspections of the construction phase. The following is a summary of the design fees for the document reviews and construction administration.

HVE	\$ 86,430
Tower	<u>\$ 158,570</u>
Sub-total	\$ 245,000
Allowance for	
Reimbursable Expenses	<u>\$ 33,005</u>
<b>Total Fees</b>	<b>\$ 278,005</b>

- Fees for this contract will be paid from Board designated funds for the Women's and Children's Tower project. Jensen Hughes is a global consulting engineering firm; its workforce composition was provided for the Board's review. Premier Healthcare Solutions, Inc., working in concert with its team member, Jensen Hughes promotes using small, women, minority and service disabled veteran-owned businesses for our internal business operations and project sub-consulting services. It consults with local and regional small and minority business support centers and the Small Business Administration's Dynamic Small Business Database to find qualified subcontractors for our projects.
- RECOMMENDATION: Staff recommends the Board of Managers approve a contract with Premier Healthcare Solutions, Inc. to provide regulatory services in an amount not to exceed \$278,005 and authorize the President/Chief Executive Officer to execute a contract agreement in that amount.
- ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.
- EVALUATION: The Life Safety Code is the most widely used source for strategies to protect people based on building construction, protection, and occupancy features that minimize the effects of fire and related hazards. Regarding the workforce composition for Premiere Healthcare Solutions, Inc., Dr. Jimenez noted that the numbers are not very good. He would like to see data on the people doing the actual work. He understands the numbers are due to the specialized nature of the work performed by highly trained individuals. How can the Board help them increase their minority participation so that minority workers can obtain higher skills? Mr. Adams agreed - Premiere Healthcare Solutions is a rather complicated organization and suspects that the numbers do not represent the people doing the work. Mr. Adams asked Mr. Ryden to try to obtain the workforce data that Dr. Jimenez is asking for.
- FOLLOW-UP: Mr. Ryden will ask Premier Healthcare Solutions to share the workers composition data with Dr. Jimenez.

## **PRESENTATIONS AND EDUCATION:**

### **OPERATIONS REPORT — EDWARD BANOS**

- SUMMARY: The Health System has seen significant growth in ambulatory since the opening of the Robert B. Green (RBG) Campus and the R.L. Hilliard Health Center, as well as increased admissions with the opening of the 420-bed Sky Tower. The continued alignment of the Health System and UT Health San Antonio has created notable results that have increased access to services and improved efficiency in the inpatient and outpatient continuum of care.
- Currently, the Health System is licensed for 1,034 beds which includes 321 beds that were inactivated in Rio & Horizon when the Sky Tower opened.
  - 2014 (May-Dec): included a total of 26 beds in 9 Rio (never closed) and 24 OBS beds that are now Pedi ED (eliminated in 2015).
  - 2018: included 25 Sky Tower ICU beds downgraded to adult medicine beds. 29 additional adult beds reopened in Horizon and Rio.



- 2019: Added 9 more beds on 9 Rio, 12 beds on Horizon. Converted 12 beds from general pediatrics to accommodate Adult Young Adolescent services.
- Since 2014, there has been an increase of 24.8 percent in overall volume.
- 24.8 percent of adult emergency room visits result in an admission (17,250).
- 66 percent of UHS admission are medical emergency (non-trauma)
- 17 percent Elective
- 11 percent newborns
- 6 percent trauma
- In 2018, University Hospital had 30,858 admissions. 50.1 percent were admitted to the adult hospitalist service (15,443). Hospital Medicine admissions has grown 58.4 percent since 2013.
- Since 2013 the demand for medicine beds has grown from 180 beds on a daily basis to 261 beds in 2018.
- 86 percent of the patients are discharged home
- 9 percent to a skilled facility or rehab
- 1.6 percent expire
- Since 2014 total surgical volume has grown 29.8 percent.
- In 2017, the Board authorized the build out of 7 additional operating suites.
- Anticipated growth for 2019 is estimated to increase 3 percent in 2019
- The MARC campus has seen an increase of 7 percent in volume from 2014 to 2018, with expected growth in ophthalmology, orthopedics, and GI services.
- Without the RBG and MARC this would be over 10,000 cases done at the main facility
- The MARC campus has seen an increase of 7 percent in volume from 2014 to 2018, with expected growth in ophthalmology, orthopedics, and GI services.
- Without the RBG and MARC this would be over 10,000 cases done at the main facility.
- Advanced radiologic diagnostic procedures performed at the hospital and at off site locations increased 46.7 percent.
- The following growth was seen within the hospital:
  - Ultrasound-86.6 percent
  - MRI- 25.8 percent
  - Nuclear Medicine- 16.7 percent
  - CT- 55.8 percent
- Mr. Banos presented Adult Occupancy Percentages for the last 15 months, which ranged from 95 percent in January 2018; to 90 percent in January 2019; 92 percent in February 2019, and 93 percent in March 2019.

Future Needs

- At a conservative 3 percent growth in the ED with the same admission rate would require an additional 20 inpatient medicine beds per day per year above and beyond current capacity (a need of over 60 beds daily by the time the Women’s and Children’s tower opens).
- At a conservative 3 percent growth in elective surgical services at the same rate of admissions this will require an additional 5 inpatient beds per day per year above and beyond current capacity (a need of over 15 beds daily by the time the Women’s and Children’s tower opens).
- This additional capacity does not factor in the continued recruitment of new UT Health specialists, which will put increased demand for beds above and beyond the current projections.

Addressing Growth and Improving Throughput

- Continue to improve the throughput metrics in the Emergency Department to meet or exceed the Academy of Administrators in Academic Emergency Medicine (AAAEM) benchmarks.
- Opportunity to reduce Length of Stay with early referral to Palliative Care.

	# PCS Pts	Variable direct cost savings	Improved Net Margin *	Avoided Bed Days	Avoided ICU Days**
Early Palliative Care	370	\$2,359,384	\$4,583,575	2066	923
Later Palliative Care	756	\$425,722	--^	--^	--^
<b>Summary</b>	<b>1126</b>	<b>\$2,785,106</b>	<b>\$4,583,574</b>	<b>2066</b>	<b>923</b>

\* Improved net margin defined as difference in average net margin for PCS cases compared to average net margin for comparable cases  
 \*\* Subset of avoided bed days  
 ^ Not estimated

- December 2018, *Power Through!* began to improve discharges by noon. Case Management and outpatient care transitions team is working on reducing length of stay with appropriate outpatient referral and follow-up care
- Reallocation of resources to accommodate shift in surgical cases from the main hospital to an appropriate ambulatory setting will increase access to the operating room.
- Evaluation of advanced imaging capital equipment and additional locations to accommodate growth in ambulatory settings is being developed.

RECOMMENDATION: This report was provided for informational purposes only.  
 ACTION: No action by the Board of Managers was required.  
 EVALUATION: None.  
 FOLLOW-UP: None.

**SMWVBE PROGRAM UPDATE — EDWARD CRUZ, JR./ANTONIO CARRILLO**

SUMMARY: Mr. Hurley introduced Mr. Antonio Carrillo, Executive Director/Procurement Services, and Edward Cruz, Jr., Director for Supplier Diversity. Mr. Cruz is new addition to the Procurement Services area and has 15 years’ experience in supplier diversity. He is an accredited member of the nationally recognized American Contract Compliance Association. The Supplier Diversity model within the Health System is a proactive business program that encourages the use of minority, women, veteran-owned and small businesses as suppliers of

goods and services. The program is driven from the top with the utmost support coming from not only the President/CEO, but the Board of Managers as well. Mr. Hurley yielded the floor to Messieurs Carrillo and Cruz for the following overview:

**Why a Supplier Diversity Program?**

- Broadens Market Competition
- Spurs business innovation & creative problem solving
- Develops economic growth for a better local and overall economy
- Sustains a culture of inclusion with the local vendor community
- Creates wealth in diverse communities

**Supplier Diversity Major Project Impact: Sky Tower**

Sky Tower Total	Contracted	SMWVBE	% SMWVBE	Local	% Local
Professional: Broaddus Munoz Perkins & Will Sebesta Blomberg	\$72,324,147	\$35,460,234	49%	\$44,278,607	61%
Construction: Zachry Vaughn Layton	\$541,222,217	\$204,007,133	38%	\$402,309,587	74%
<b>TOTAL Sky Tower</b>	<b>\$613,546,364</b>	<b>\$239,467,367</b>	<b>39%</b>	<b>\$446,588,194</b>	<b>73%</b>

**SMWVBE Breakout**

Small	\$41,079,469
Hispanic	\$78,410,807
African American	\$8,917,584
Other Minority	\$40,104,244
Woman	\$56,629,984
Veteran	\$14,325,278

\*SMWVBE Breakout as a % of total contracted spend.

**Supplier Diversity Major Project Impact: Robert B Green Clinical Services Building**

RBG Clinical Services Building Total	Contracted	SMWVBE	% SMWVBE	Local	% Local
Professional: Parsons RTKL EEI	\$17,018,384	\$3,044,275	18%	\$4,885,272	29%
Construction: Bartlett Cocke	\$91,477,882	\$56,568,615	62%	\$90,167,513	99%
<b>TOTAL RBG Clinical Services Building</b>	<b>\$108,496,266</b>	<b>\$59,612,890</b>	<b>55%</b>	<b>\$95,052,785</b>	<b>88%</b>

\*SMWVBE Breakout as a % of total contracted spend

**SMWVBE Breakout**

Small	\$15,816,003
Hispanic	\$13,837,829
African American	\$5,685,135
Other Minority	\$1,879,483
Woman	\$21,520,428
Veteran	\$874,013

**Supplier Diversity Major Project Impact:  
 Robert Hilliard Health Center**

Hilliard Health Center Total	Contracted	SMWVBE	% SMWVBE	Local	% Local
Professional: KAI	792,397	792,397	100%	792,397	100%
Construction: Turner	6,293,219	2,499,982	40%	4,327,105	69%
TOTAL Hilliard Health Center	7,085,616	3,292,379	46%	5,119,502	72%

**SMWVBE Breakout**

Small	\$1,534,190
Hispanic	\$501,894
African American	\$1,184,455
Woman	\$71,840

*\*SMWVBE Breakout as a % of total contracted spend*

**Women’s & Children Tower Strategy: Achieve and Improve on Major Project Success**

- Public relations & media plan
- Subcontractor vendor fair
- Ensure prime vendors provide opportunities for local & SMWVBE vendors
- Prime vendors to establish Tier II mentoring & education program
- Enhanced reporting & tracking of Tier II vendors
- Embedded contract specialist in PDC

**Supplier Diversity Program**

**Snapshot Integration with Procurement Department**

- Unbundling contracts to increase local & SMWVBE opportunities
- Premier GPO
- Supplier Diversity Committee membership
- Improved SMWVBE opportunities & tracking
- Partnership with advocacy & certification organizations
- Internal education, development & mentoring programs
- Restructured Procurement to create stronger specialty staff

**Strategic Opportunities**

- Supplier information sessions and mentoring programs
- Organize a Healthcare Supplier Diversity peer group
- Improve policies, goals, reports, and appropriate metrics
- UHS SMWVBE committee for alignment & collaboration
- Mandate Tier II reporting and metrics within B2G
- Partnerships with Corporate vendors that align with SMWVBE strategy

RECOMMENDATION: This report was provided for informational purposes only.  
 ACTION: No action by the Board of Managers was required.  
 EVALUATION: None.  
 FOLLOW-UP: None.

**INFORMATION ONLY ITEMS:**

**EPIC ELECTRONIC HEALTH RECORD PROJECT UPDATE — GEORGE B. HERNÁNDEZ, JR.**

**UPDATE ON PLANNING, DESIGN AND CONSTRUCTION ACTIVITIES — DON RYDEN**

**UNIVERSITY HEALTH SYSTEM FOUNDATION UPDATE — LOURDES CASTRO-RAMÍREZ**

**REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS — LENI KIRKMAN**

**REPORT ON THE 86<sup>TH</sup> LEGISLATIVE SESSION — ANDREW SMITH**

SUMMARY:	Mr. Adams directed his colleagues' attention to the five 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.

**ADJOURNMENT:**

There being no further business, Mr. Adams adjourned the Board meeting at 7:45 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