



**BEXAR COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**

Tuesday, October 19, 2021
6:00 p.m.
Cypress Room, University Hospital
4502 Medical Drive
San Antonio, Texas 78229

MINUTES

BOARD MEMBERS PRESENT:

James R. Adams, Chair
Ira Smith, Vice Chair
Margaret Kelley, M.D., Secretary
Anita L. Fernandez
Jimmy Hasslocher

BOARD MEMBERS ABSENT:

Roberto L. Jimenez, M.D., Immediate Past Chair
L.P. Buddy Morris

OTHERS PRESENT:

George B. Hernández, Jr., President/Chief Executive Officer, University Health
Bryan J. Alsip, MD, Executive Vice President/Chief Medical Officer, University Health
Edward Banos, Executive Vice President/Chief Operating Officer, University Health
Ted Day, Executive Vice President, Strategic Planning/Business Development, University Health
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health
Rob Hromas, MD, Dean, Long School of Medicine, UT Health, San Antonio
Leni Kirkman, Executive Vice President/Chief Marketing, Communications, and Corporate Affairs
Officer, University Health
Shelley Koehler, Senior Public Relations Manager, Corporate Communications, University Health
Bill Phillips, Senior Vice President/Chief Information Officer, University Health
Serina Rivela, Vice President/Chief Legal Officer, University Health
Don Ryden, Vice President/Project, Design, and Construction, University Health
Sally Taylor, MD, Senior Vice President/Chief, Behavioral Health, University Health
Juanita Salinas, Bexar County Resident
And other attendees.

CALL TO ORDER:

Mr. Adams called the meeting to order at 6:02 pm.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Mr. Adams introduced Ms. Paula King Harper of The Ecumenical Center for Religion and Health, for the invocation, and he led the Pledge of Allegiance.

PUBLIC COMMENT: None.

At this time, Mr. Adams asked Dr. Hromas to provide a UT Health SA update. Dr. Hromas expressed appreciation for the partnership between UT Health and University Health because relationships do matter. He informed the Board that San Antonio had been left off of some revenue funding legislation at the Texas senate level with zero funds allocated to UT Health. Dr. Hromas contacted Mr. Hasslocher for assistance knowing that Mr. Hasslocher has a relationship with Senator Donna Campbell, MD (Senate District 25) who went to war on behalf of UT Health. Senate Bill 8 was approved last night with \$60 million allocated for UT Health Biggs Institute for Alzheimer’s and Neurodegenerative Diseases. He would not have met Mr. Hasslocher if it were not for the Board of Managers. Mr. Hasslocher was motivated to help as the late Glen Biggs was his father’s best friend. Dr. Hromas thanked Mr. Hasslocher and the Board of Managers for their support.

CONSENT AGENDA – JIM ADAMS, CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING A PROFESSIONAL SERVICES AGREEMENT WITH BKD, LLP FOR FINANCIAL AUDIT AND TAX RETURNS FOR 2021 — REED HURLEY

SUMMARY:

The 2021 audit will be the tenth annual audit engagement for BKD, they are currently engaged to perform the audits on all Health System entities including University Health consolidated, Community First, Foundation, Pension Plan, OPEB Plan, Financial Assistance programs, the Foundation Form 990 and all other required tax returns. The current agreement requires BKD to allocate 20% of engagement hours to a local, small, women, minority, or veteran owned accounting firm. The fees proposed for all audits and tax returns by BKD compared to the prior year are as follows:

	<u>2020</u>	<u>2021</u>
University Health	\$300,000	\$310,000
Community First	\$ 72,500	\$ 75,000
Foundation	\$ 16,000	\$ 16,500
Pension Plan	\$ 21,000	\$ 21,500
Single Audit	\$ 25,500	\$ 26,250
OPEB Audit	\$ 16,000	\$ 16,500
Foundation Form 990	\$ 3,700	\$ 3,800
UHS Services of Texas, Inc., - Tax	\$ 3,650	\$ 3,750
Totals	\$458,350	\$473,300

Fees proposed for 2021 are \$14,950 or 3.3 percent higher than the total amount for 2020 audits and tax returns. BKD’s workforce composition data was provided for the Board’s review Staff recommends Board of Managers’ approve the selection of BKD, LLP along with a local, small, women, minority, or veteran owned firm of their choice to perform the financial audits and tax returns for 2021 in an amount not to exceed \$473,300. Staff further recommends that the Chair of the Board of Managers be authorized to execute the engagement agreements.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AMENDMENT TO THE LEASE AGREEMENT WITH DOMINION MEDICAL PROPERTIES, L.P. FOR THE CLINIC LOCATED AT 21727 IH 10 WEST, SAN ANTONIO, BEXAR COUNTY, TEXAS — DON RYDEN

SUMMARY:

University Health has been leasing space from Dominion Medical Properties, L.P. (formerly Karta Real Estate LP, the original owner), at Dominion Crossing along IH-10 in northwest San Antonio since 2016. This clinic provides primary and specialty care at this location. The proposed first amendment to the agreement extends the lease for five (5) years with two (2) additional 1-year options. The rate increases year-over-year are commensurate with fair market value. The commencement date for the renewal term is December 1, 2021. During the Extension Term, the lease expense per square foot is \$31.30 in year one; \$31.80 in year two; \$32.30 in year three; \$32.80 in year four; and \$33.30 in year five for a total of \$678,461 for the five-year period. The agreement is based on a triple net lease expense, which includes a common area maintenance (CAM) charge for the tenant pro-rata share of taxes, insurance and other related real estate expenses. Assuming a 2 percent escalation per year in operating expenses, the following additional rental expenses, per square feet, will be incurred during the five-year period: Year one – \$11; Year two – \$11.22; Year three - \$11.44; Year four - \$11.67; and Year five – \$11.90, for a total of \$240,437. Total rent and expense for the five-year lease is estimated at \$918,898. Dominion Medical Properties, LP, is a single purpose real estate entity and has zero employees. Staff recommends the Board of Managers approve the renewal of the lease agreement for a new 5-year term with Dominion Medical Properties, L.P., for a total of \$918,898 and authorize the President/Chief Executive Officer to sign the agreement.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH THE CENTER FOR HEALTH CARE SERVICES FOR BEHAVIORAL HEALTH SERVICES FOR CARELINK MEMBERS — VIRGINIA MIKA/ROBERTO VILLARREAL, MD

SUMMARY:

University Health, through its CareLink Program, provides medical services to uninsured residents of Bexar County. University Health has had a contract with The Center for Health Care Services (Center) for behavioral health services since January 2002 to meet the health care needs of its members. The purpose of this agreement is to continue to secure professional psychiatric and behavioral health services for CareLink members and uninsured residents of Bexar County for mental health disorders, substance use disorders, and intellectual/developmental disabilities. In 2020, the Center provided services to 591 CareLink members. As of August 31, 2021, the Center has provided services to 615 CareLink members. In 2020, CareLink paid the Center \$156,121, which was lower than expected due to the COVID-19 pandemic. During the first eight (8) months of 2021 (January – August) the average monthly amount paid was \$15,447. Based on this average, staff estimates the 2021 annual amount to be \$185,000. The contract is negotiated at 100 percent of the current Medicare Fee Schedule. The estimated total amount requested for approval for 2022 is \$185,000. This agreement shall be renewed for up to two successive one (1) year terms if the Center meets all performance standards and patient satisfaction metrics. The

estimated total value of the contract for all three years is \$555,000. The Center's workforce composition data was provided for the Board's review. Staff recommends the Board of Managers approve and authorize the President/Chief Executive Officer to execute an Agreement with The Center for Health Care Services for a total estimated contract amount of \$555,000 for three (3) years.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH THE CENTER FOR HEALTH CARE SERVICES AND DETOXIFICATION AND SUBSTANCE USE DISORDER SERVICES FOR CARELINK MEMBERS — VIRGINIA MIKA/ROBERTO VILLARREAL, MD

SUMMARY:

University Health has had a contract with The Center for Health Care Services (Center) since July 2009, for intensive residential detoxification services and outpatient substance use disorder treatment services for CareLink members and uninsured residents of Bexar County. During CY2020, the Center's detoxification and substance abuse programs provided 18,475 units of service (representing 5,326 hours of patient contact) to 189 (unduplicated) CareLink members and uninsured Bexar County residents. These clients had a 43.6 percent successful completion rate in long-term outpatient treatment programs, and a 52.6 percent rate of successful medical detoxification, which is in line with the program's overall success rate. The purpose of this agreement is to continue to secure these services to alleviate the demands at University Hospital's Emergency Department. The Center agrees that it will have at least three (3) detoxification beds available at all times for patients who are referred by University Health. This agreement includes performance standards that address quality of care, access, appropriate utilization, and patient satisfaction. The overall satisfaction rate for long-term outpatient treatment program services was 98 percent and for medical detoxification services, the satisfaction rate was 93 percent. In 2020, CareLink paid the Center \$362,340 due to a decrease in activity caused by the COVID-19 pandemic. Through September 30, 2021, they have been paid \$142,786, which is lower than anticipated, but Center has faced continued obstacles due to the on-going pandemic. The number of beds has been reduced by 22 percent in order to improve social distancing. Clients have also been hesitant to enter a residential program, further depressing utilization rates. The intensive outpatient program has seen similar issues with clients hesitant to participate in activities with prolonged face-to-face contact. They have also seen a decrease in referrals from their usual referral sources. However, with increasing vaccination rates and pent up demand, they expect to see a return to their usual levels soon. Therefore, the total amount requested for approval is \$750,000 for each renewal year for a total of \$2,250,000 for the three-year contract period. Staff recommends the Board of Managers approve and authorize the President/Chief Executive Officer to execute an Agreement with The Center for Health Care Services for a total estimated contract amount not to exceed \$750,000 annually or \$2,250,000 for 3 years.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH UNIVERSITY MEDICINE ASSOCIATES FOR MEDICAL SERVICES FOR CARELINK MEMBERS — VIRGINIA MIKA/ROBERTO VILLARREAL, MD

SUMMARY: Since 2003, University Health has had a contract with University Medicine Associates (UMA) for primary care services for its CareLink members and uninsured residents of Bexar County. Services include family planning, immunizations, nutritional counseling and preventive care. This is a request to renew the contract for a period of one year with automatic renewal for up to four successive one-year terms, with an increase in costs due to an increase in activity. Staff estimates the value of the contract to be \$8,900,000 for a period of one year and a total contract value of \$44,500,000 over the five (5) year contract period. UMA provided services to over 20,000 CareLink members in 2020. Through July 30, 2021, UMA provided services to approximately 18,000 CareLink members within established appointment standards, thus allowing for more expedited and appropriate primary care. This Agreement is fee-for-service and based at 100 percent of the current Medicare fee schedule for all professional services. In 2020, CareLink paid UMA \$5,693,530. As of June 30, 2021 CareLink has paid UMA \$4,444,793. Based on previous payments, we estimate the value of the contract to be \$8,900,000 for a period of one year and a total contract value of \$44,500,000 over the five (5) year contract period. The workforce composition was provided for the Board's review. Staff recommends the Board of Managers approve and authorize the President/Chief Executive Officer to execute an Agreement with UMA for a total estimated contract value of \$44,500,000 over a five-year contract period effective January 1, 2022.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE RESCISSION OF CERTAIN CORPORATE POLICIES — REBECCA O. CEDILLO/GEORGE B. HERNÁNDEZ, JR.

SUMMARY: During the regular, ongoing policy review process, senior leadership has been separating Board policy matters from day-to-day procedure and process, and making rescission recommendations regarding corporate policies based on their relevance to the Board's purview as the corporate governing body. This review is a matter of operational efficiency for University Health, and as such, staff recommends two policies for rescission at this time:

Policy 6.03—Re-Use of Single-Use Medical Devices - The Food and Drug Administration released a guidance document on single-use devices reprocessed by third parties or hospitals. Third party and hospital reprocessors of single use devices are subject to all regulatory requirements currently applicable to original equipment manufacturers, including premarket submission regulations. For this reason, healthcare providers should refer to the FDA for the latest guidance instead of maintaining an internal corporate policy. The Materials Management Department handles reprocessed single-use devices per contract.

Policy 8.02—Admission and Discharge of Patients - This policy is redundant of another established corporate policy. The Plan for the

Provision of Patient Care, 9.11, discusses the commitment to delivering “quality, compassionate, culturally sensitive care through its network of integrated inpatient and outpatient services and departments.” The policy highlights the admission and discharge of patients as well as their transitioning patients to the next level of care.

CONSENT

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

CONSENT

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

CONSENT

EVALUATION: None.

CONSENT

FOLLOW-UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A RENEWAL OF THE MEMORANDUM OF UNDERSTANDING FOR A LOCAL MATCH WITH THE CENTER FOR HEALTH CARE SERVICES FOR STATE FY 2022 — SALLY TAYLOR, M.D.

SUMMARY:

This Local Match Memorandum of Understanding (MOU) renews the agreement that provides payment of a direct monetary contribution as part of the local match requested by HHSC for State Fiscal Year 2022, in furtherance of University Health’s sponsorship commitment. The current renewal covers SFY22 (September 1, 2021 – August 31, 2022), with two successive one-year renewal terms. In addition, in 2021, the Center was provided funding to be applied retroactively for State Fiscal Year 2020 and 2021, and is therefore requesting additional matching funds of \$18,982 for each year (\$37,964 total), to be included in this renewal MOU. The Local Match MOU includes provision of 1.5 FTE of Center personnel as in-hospital liaisons covering 7 days per week at University Hospital. The liaisons provide intake for Center services for patients being discharged from University Hospital, face-to-face assessments required prior to transfer of patients to inpatient state funded beds at other hospitals, and care transition case management and navigation for patients between discharge and initial outpatient behavioral health follow-up. In addition, University Health is guaranteed outpatient referral access for at least twenty adult patients per month who are not active with the Center at the time of University Health outpatient visit or University Hospital encounter. University Health’s local match dollars for SFY 2022 will be allocated as follows:

- Restoration and Transformation Services (61%)
- Adult Mental Health Services (20%)
- Children’s Mental Health Services (19%)

RECOMMENDATION: Staff recommends the Board of Managers approve and authorize the President/CEO to execute a Renewal of the Local Match Memorandum of Understanding with The Center for Health Care Services in the amount of \$2,745,032 for State Fiscal Year 2022 (September 1, 2021 – August 31, 2022), payable quarterly, and to include two successive one-year renewals. Staff also recommends approval of additional funds applicable to SFY 2020 and SFY 2021 of \$18,982 for each year, for a total of \$37,964, to be paid with the SFY22 Q1 payment. Total request for SFY22 is \$2,782,996.

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

EVALUATION: None.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A RENEWAL OF THE MEMORANDUM OF UNDERSTANDING FOR A LOCAL MATCH WITH THE ALAMO AREA COUNCIL OF GOVERNMENTS FOR STATE FY 2022 — SALLY TAYLOR, M.D.

SUMMARY: This Memorandum of Understanding (MOU) with the Alamo Area Council of Governments (AACOG) renews the agreement that provides a direct monetary contribution as part of the local match requested by the Health and Human Services Commission (HHSC) for State Fiscal Year 2022, in furtherance of University Health’s sponsorship commitment. The current renewal covers State Fiscal Year 2022 with two successive one-year renewal terms. AACOG serves as the single point of access for authorization of services and supports for individuals with Intellectual and Developmental Disability (IDD) in Bexar County. AACOG also receives daily alerts from Healthcare Access San Antonio, a health information exchange, when individuals currently enrolled in AACOG services present to local hospitals. The Local Match MOU for SFY20 added one full-time equivalent AACOG in-hospital liaison at University Hospital to provide care coordination and participate in discharge planning. The liaison also communicates with families and community providers, provides support for patients with complex behavioral and medical needs who present to the emergency department or are admitted, and provides guidance and training for hospital staff in caring for this patient population. University Health has determined its level of support for AACOG’s SFY22 as \$308,085 payable in four (4) equal installments of \$77,021.25 each quarter beginning September 1, 2021 through August 31, 2022. This amount derives from the HHSC formula based on Bexar County’s per capita income and the level of General Revenue allocation from HHSC to Bexar County for purposes of supporting IDD services, and is calculated at nine percent of General Revenue funding. The cost of this agreement is incorporated into University Health’s 2022 budget. The SFY22 local match remains unchanged from SFY21. University Health’s local match dollars for SFY22 will be allocated as follows:

- Intake (60%)
- Forensic Services (10%)
- University Health In-Hospital Liaison (30%)

AACOG’s workforce data composition was provided for the Board’s review.

RECOMMENDATION: Staff recommends the Board of Managers approve and authorize the President/CEO to execute a Renewal of the Local Match Memorandum of Understanding with the Alamo Area Council of Governments in the amount of \$308,085 for AACOG's State Fiscal Year 2022, payable quarterly, and to include two successive one-year renewals.

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

EVALUATION: Mr. Hasslocher has previously served as AACOG's chair and currently serves on the AACOG Board representing the Board of Managers.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A LEASE AGREEMENT WITH MJC FAMILY, L.P. FOR CLINIC SPACE AT 1831 SOUTH GENERAL MCMULLEN DRIVE, SAN ANTONIO, BEXAR COUNTY, TEXAS — DON RYDEN

SUMMARY: University Health has been providing prenatal and preventive care at the Salinas Clinic, a clinic that was acquired from the City of San Antonio in 2008, at 630 S. General McMullen, a facility now owned by the San Antonio Housing Authority (SAHA). There is no lease agreement or payment between University Health and SAHA. The Salinas Clinic is small and does not meet University Health's future needs, particularly for women's and children's services. University Health has negotiated a five (5) year lease commencing on May 1, 2022 with a base rent of \$16.75 psf/year with annual increases beginning year four (4) based on the Consumer Price Index for Urban areas. University Health will be provided a Tenant Improvement Allowance equal to \$30 per sq. ft. (approximately \$219,000) to offset the construction cost. At our option, University Health may extend the term of the lease for two (2) additional terms of five (5) years each. If University Health is able to occupy the premises prior to the commencement date, University Health will not be responsible for rent or expenses until the commencement date. The lease expense is shown below assuming 3 percent rent increases beginning in year four (4) raised the rent per square foot to \$17.25 for an annual amount of \$125,925; and in year five (5) to \$17.78 square feet for an annual amount of \$129,794. Total for the five-year period is estimated at \$622,544. The agreement is based on a triple net lease which includes a common area maintenance (CAM) charge for the tenant pro-rata share of taxes, insurance and other related real estate expenses. Assuming a 3 percent escalation per year in operating expenses, the following additional rental/operational expenses, per square foot, will be incurred: Year one - \$3.60; Year two - \$3.71; Year three - \$3.82; Year four - \$3.93; and Year five - \$4.05 for the total amount of \$139,503. Total rent and expense for the five year period is \$762,047. University Health will be responsible for Project Costs including design and construction; furniture, fixtures, equipment; IT; signage and moving expenses in the total amount of \$1,646,000. MJC Family, L.P., is a single purpose real estate entity and has zero (0) employees.

RECOMMENDATION: Staff recommends the Board of Managers' approve the new five (5) year lease for the property located at 1831 General McMullen, San Antonio, Texas; and authorize the President/Chief Executive Officer to execute the Lease Agreement with MJC Family, L.P. for \$762,047. Staff

recommends the Board of Managers' approval of the Project Costs for \$1,646,000 for design and construction; furniture, fixtures and equipment; IT; security/access control; signage and moving expenses.

ACTION: A **MOTION** to approve staff's recommendation was made by Ms. Fernandez, **SECONDED** by Dr. Kelley, and **PASSED UNANIMOUSLY**.

EVALUATION: This clinic will be a one-stop shop; the location will accept Tricare and is conveniently located near Kelley AFB and Lackland AFB. It is also located across the street from Kennedy High School and can serve as a school-based clinic for those students and the staff.

FOLLOW-UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE PURCHASE OF PATIENT MONITORING MEDICAL EQUIPMENT FOR THE WOMEN'S AND CHILDREN'S HOSPITAL FROM VARIOUS VENDORS — DON RYDEN

SUMMARY: In response to medical planner inquiries, Philips North America, LLC and Stryker Communications were invited by senior leadership to develop and provide a proposed equipment list and associated cost proposal for the Women's and Children's Hospital. This review and coordination process resulted in specific equipment selections for the patient monitoring systems. The proposed equipment selections of Philips patient monitoring systems and Stryker room cameras are recommended for purchase at this time to minimize impact to ongoing construction and to maintain effective construction sequencing and schedule. Total quoted cost for this purchase is \$15,613,617 in accordance with the medical planner's solicitations. University Health procurement guidelines and policies will be followed for the acquisition of the described equipment. The acquisition of these items and systems will be funded from existing Board-approved Project funds. Estimated shipping and freight charges have been included with the vendor quotes. Workforce composition data for Philips North America, LLC, and Stryker Communications were provided for the Board's review.

RECOMMENDATION: Staff recommends the Board of Managers approve the procurement of patient monitoring Medical Equipment items for the Women's and Children's Hospital in the amount of \$15,613,617.

ACTION: A **MOTION** to approve staff's recommendation was made by Mr. Hasslocher, **SECONDED** by Ms. Fernandez, and **PASSED**. Mr. Ryden informed the Board that University Health has been standardizing monitors across the campus with Philips monitors obtained through the Group Purchasing Organization, Philips North America, LLC was selected to provide the monitors because they gave University Health a better price than would have been achieved through the GPO. Mr. Smith raised questions and asked for assurances regarding stress factors upon lower floors according to estimated loads during the remaining construction of the Women's & Children's Hospital. Mr. Ryden expressed confidence in the quality control and quality assurance process which is being conducted by AEI Structural Engineers on behalf of University Health. Mr. Adams thanked Mr. Ryden for finding the answers when questioned by the Board.

FOLLOW-UP: None.

ANNOUNCEMENTS:

ADJOURNMENT:

There being no further business, Mr. Adams adjourned the meeting at 6:45 pm.

James R. Adams
Chair, Board of Managers

Margaret A. Kelley, MD.
Secretary, Board of Managers

Sandra D. Garcia, Recording Secretary