



University Health System

BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

Tuesday, September 25, 2018

6:00 p.m.

Board Room

Texas Diabetes Institute

701 S. Zarzamora

San Antonio, Texas 78207

MINUTES

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 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, Ph.D., Chief Nurse Executive, University Health System
Awoala Banigo, Senior Vice President/Chief Revenue Officer, University Health System
Edward Banos, Executive Vice President/Chief Operating Officer, University Health System
Jerry Collazo, Director, Fleet Services, University Health System
Antonio Carrillo, Executive Director, Procurement Services, University Health System
Ted Day, Executive Vice President, Strategic Planning and Business Development, University Health System
Theresa De La Haya, Senior Vice President, Health Promotion/Clinical Prevention, University Health System – Texas Diabetes Institute
Sergio Farrell, Senior Vice President/Chief, Ambulatory Services, University Health System - Robert B. Green Campus
Roe Garrett, Vice President/Controller, University Health System
Greg Gieseman, President/Chief Executive Officer, Community First Health Plans, Inc.; and Vice President/Managed Care, University Health System
Barbara Holmes, Vice President/Chief Financial 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
Monika Kapur, M.D., President/Chief Executive Officer, University Medicine Associates
Leni Kirkman, Senior Vice President, Strategic Communications and Patient Relations, University Health System

Brian Lewis, Vice President/Quality, University Health System
Elliott Mandell, Senior Vice President/Chief Pharmacy Officer, University Health System
Bill Mundt, Deputy Chief Information Officer/Information Services, University Health System
Joshua Nieto, J.D., Interim Chief Integrity Officer, University Health System
Rosa Olivarez, Administrative Resident, Trinity University
Bill Phillips, Senior Vice President/Chief Information Officer, Information Services, University Health System
Maulik P. Purohit, M.D., Vice President/Chief Medical Information Officer, Brain Injury Medicine, and Neuro-Rehabilitation, University Health System
Serina Rivela, Interim Chief Legal Officer, University Health System
Ron Rodriguez, M.D., Professor and Chairman, Department of Urology/Long School of Medicine, UT Health San Antonio
Carlos Rosende, Thom F. Hogan, Jr., Distinguished Professorship in Complicated Ophthalmology, Long School of Medicine, UT Health San Antonio
Michael Roussos, Administrator, University Hospital
Armando J. Sandoval, Chief of Police, University Health System
Theresa Scepanski, Senior Vice President/Administrative Chief Officer, University Health System
Travis Smith, Deputy Chief Financial Officer, University Health System
Allen Strickland, Vice President, Hospital Administration, University Hospital
Anna Taranova, M.D., Executive Director, Research, University Health System
Sally Taylor, M.D., Senior Vice President/Chief, Behavioral Health, University Health System
Emily Volk, M.D., Senior Vice President/Clinical Services, University Health System
James Willis, Associate Administrator, University Hospital
Robert Guevara, Chief Operating Officer, The Center for Health Care Services
Quentin Thomas, Director of Justice Programs, The Center for Health Care Services
Troy Mayer, Regional Vice President, Acadian Ambulance Service
And other attendees.

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

Mr. Adams called the meeting to order at 6:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Adams introduced Fr. Casimir Dike, Chaplain, University Hospital, for the invocation and he led the pledge of allegiance.

CITIZEN'S PARTICIPATION: None.

APPROVAL OF MINUTES OF PREVIOUS MEETING(S): AUGUST 21, 2018 (SPECIAL MEETING)

SUMMARY:	The minutes of the Special Board meeting of Tuesday, August 21, 2018, were submitted for approval.
RECOMMENDATION:	Staff recommends approval of the minutes as submitted.
ACTION:	A MOTION to APPROVE staff's recommendation was made by Mr. Hasslocher, SECONDED by Mr. Engberg, and PASSED UNANIMOUSLY .
EVALUATION:	None.
FOLLOW UP:	None.

REPORT FROM UT HEALTH SAN ANTONIO – ROB HROMAS, M.D., FOR WILLIAM HENRICH, M.D., PRESIDENT

SUMMARY: Dr. Hromas reported that the Long School of Medicine is in the final stages of the Pediatric and Ob/Gyn chair searches. Today we had two candidates interviewing and this week they will finish up with the both finalists positions. These decisions will be made in consensus with University Health System leadership since the Women’s and Children’s tower is critical to the futures of both organizations. It is crucial to select someone who can fill the new tower and create large community practices. UT Health SA just closed the books on this past fiscal year, September 1, 2017, to August 31, 2018. The School of Medicine saw 22 percent new patients in the outpatient practice, a year-over-year increase. Payer mix continues to be 45 percent commercial insured, and about 30 percent Medicare which is outstanding. All of those procedures are done at either University Health System Surgical Center or at University Hospital. About 80 percent of UT Medicine patients are admitted to University Hospital. UT Medicine saw 1.8 million patients last year; it is a large community practice. The New Chancellor for The University of Texas System is J.D. Milliken, he is former chancellor of City University of New York, and was the sole finalist for the position. Mr. Milliken is a throat cancer survivor. He was in town today visiting with Dr. Henrich and a few medical students as well. Dr. Hromas thanked Messrs. Banos, Hurley, and Roussos for conducting really reasonable base care contract negotiations. He heard that in the past, the process was very acrimonious, and that was not the case this year. Every decision was based on data, need, or productivity and the process was very productive. The School of Medicine has 60 new faculty physicians who started this past summer; the faculty is growing enormously. Finally, Dr. Hromas noted that he and Dr. Jimenez are reading the exact same biography on John D. Rockefeller.

RECOMMENDATION: This report was provided for informational purposes, only.
ACTION: No action was required by the Board of Managers.
EVALUATION: Mr. Smith visited a new Methodist Healthcare Ministries clinic on Southcross (Dixon Health & Wellness) and was informed by an Ob/Gyn physician who delivers children at Methodist Stone Oak Hospital that they also have an issue with not enough patient beds. They are packing in the pregnant patients who come from San Antonio, South Texas, and from all over the state, with Medicaid funding. Dr. Hromas stated that the Health System will be in direct competition with Stone Oak Methodist once the new tower opens up. During a recent clinic visit, Mr. Adams was approached by several technicians who informed him that things feel different these days working side by side their UT Health colleagues. It feels like they actually work together at the same place, as team members. Mr. Adams thanked Drs. Hromas and Ron Rodriguez for their work in helping to develop a seamless partnership.
FOLLOW UP: None.

CONSENT AGENDA – JIM ADAMS, CHAIR

CONSIDERATION AND APPROPRIATE ACTION REGARDING MEDICAL-DENTAL

STAFF RECOMMENDATIONS FOR STAFF MEMBERSHIP — KRISTEN A. PLASTINO, M.D., PRESIDENT, MEDICAL/DENTAL STAFF

CONSIDERATION AND APPROPRIATE ACTION REGARDING 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 – Kristen A. Plastino, M.D., President, Medical/Dental Staff - Monthly Credentials Committee Report (listing of providers in accordance with the Health System's Credentialing and Privileging Process); and Focused/Ongoing Professional Performance Evaluation Reports submitted to the Board of Managers for approval.

Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) — Antonio Carrillo/Travis Smith - A total of twelve (12) contracts with a value of \$77,933,122 were presented to the Board of Managers during the September 25, 018 meeting. The following contracts require approval by the BCHD Board of Managers: Seven (7) consent contracts with a total value of \$4,420,913; and five (5) presented contracts with a total value of \$73,512,209. During the month of September 2018 there were four (4) contracts classified as a Small, Minority, Woman, or Veteran Owned Business Enterprises (SMWVBE). September 2018 SMWVBE Status Report reflects items being submitted for Board approval today.

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. Smith, and **PASSED UNANIMOUSLY**.
EVALUATION: None.
FOLLOW UP: None.

ACTION ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING SELECTED PURCHASING ITEMS:

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH ACADIAN AMBULANCE SERVICE OF TEXAS, LLC FOR AMBULANCE AND WHEELCHAIR TRANSPORT SERVICES, CONVEYANCE OF EXISTING AMBULANCES, AND LEASE OF HEALTH SYSTEM PROPERTY — REED HURLEY

SUMMARY: As discussed at the Board of Managers meeting on Tuesday, September 18, 2018, the Health System issued an RFP to evaluate outsourcing ground ambulance services. Over 40 percent of ambulance transports in 2017 were conducted by a contracted vendor and outsourcing the service would provide a sole contractor to efficiently manage the service and business aspect of ambulance and wheelchair transports. Staff has explored alternatives that would utilize a community ambulance provider to cover all

of the Health System's ambulance services and could improve service delivery for patients with the following as minimum requirements:

- 24 hour, 7 days a week dispatch service of Basic Life Support, Advanced Life Support, Medical Intensive Care Unit, Pediatric Intensive Care Unit, Neonatal Intensive Care Unit (BLS, ALS, MICU, PICU, NICU), Maternal and Bariatric levels, and wheelchair service;
- 20 minute response for emergent transports, 40 minutes response for non-emergent transports;
- Immediate response to ED out-of-town transport requests;
- Vendor management of third-party insurance billing; and
- Transition plan for existing staff interested in joining awarded vendor.

Three vendors responded to the RFP: Acadian Ambulance Service, Allegiance Mobile Health, and SuperiorCare Ambulance. Each respondent submitted a plan that would accomplish the minimum requirements of the RFP and each held individual strengths. After deliberate consideration, the RFP scoring team was unanimous in recommending approval of the Acadian Ambulance Service proposal for the following reasons:

- Acadian is an employee-owned entity and the company is best positioned to support a positive transition for involved staff members with salaries at, or above, current offering;
- Actively involved in the local community including consistent attendance in the Southwest Texas Regional Advisory Council (STRAC), provider of existing 911 ambulance service in unincorporated Bexar County since 2009, and will support the Health System's outreach mission at no additional cost;
- Experience with supporting ambulance service as preferred vendor with embedded transport coordinators for local health systems (Baptist, Methodist) and others large, state-wide health systems (Parkland, Seton);
- Ability to scale up service during peak transport times with existing 68 ambulances, 32 transport vans, 2 bariatric units, and 2 buses located in Bexar County and supported by over 325 employees in South-Central Texas;
- Central office located in San Antonio with 6 additional local substations and the Texas Medical Director, Dr. Emily Kidd, Assistant Professor at UT Health San Antonio and is based in San Antonio;
- Intended purchase of the Health System's ambulance fleet, which will be dedicated to our needs and remain branded as University Health System;
- Intended lease of RBG EMS substation to better serve Health System patients in the downtown location; and
- Expertise in ambulance billing to third-party insurance and will embed a transport coordinator within the Health System to efficiently obtain authorization and coordinate logistics of patient transport to appropriate level of care.

This Ambulance Service agreement is for a three year term, with two additional one-year extensions, for a total amount over the five year period of \$3,731,481.

Contract Year	Annual Expense
Year 1	\$675,304
Year 2 (base + estimated 5% growth)	\$709,069
Year 3 (Year 2 + estimated 5% growth)	\$744,523
Year 4 (Year 3 + estimated 5% growth)	\$781,749
Year 5 (Year 4 + estimated 5% growth)	\$820,836
Total Contract Amount	\$3,731,481

Acadian Ambulance Service is a large, regional, employee-owned vendor with a total of 4,449 employees. The workforce composition data was provided for the Board's review.

RECOMMENDATION: Staff recommends the Board of Managers approve and authorize the President/Chief Executive Officer to execute the following agreements with Acadian Ambulance Service of Texas, LLC d/b/a Acadian Ambulance for the following:

1. An agreement for ambulance and wheelchair transport service in an amount not to exceed \$3,731,481;
2. A bill of sale for the conveyance of ambulance fleet, related supply, and equipment; and
3. A lease agreement for the EMS hub located at Robert B. Green Campus.

ACTION: Staff recommends approval of the items listed on the consent agenda. A **MOTION** to **APPROVE** staff's recommendation was made by Mr. Hassloch, **SECONDED** by Mr. Engberg, and **PASSED UNANIMOUSLY**.

EVALUATION: Mr. Hurley clarified for Mr. Adams that this proposed agreement for ambulance services is for intra-facility transfers only. The agreement for Unincorporated Bexar County is a separate one with substantially different terms; that agreement offers very small performance stipends. Dr. Jimenez thanked Mr. Travis Smith for the great presentation. He expressed concern that the proposed vendor may not know who it is doing business with. The workforce breakdown is dismal at best in regards to minority representation, particularly in the professional category. This is disturbing to Dr. Jimenez because the Board of Managers often urges vendors to re-consider opportunities for minorities. Since the Health System is paying so much money for ambulance services, what is the Health System staff doing to encourage them? Do they have an equal opportunity policy or plan to hire more minorities? San Antonio College produces EMTs every semester and the Health System is located within a minority city. Dr. Jimenez agrees with the quality of the services offered by Acadian, however, the Board has a policy to encourage opportunities when they see something like this. Staff has been known to talk with vendors before their item is presented to the Board so that they can report back that the vendor is cognizant of this fact and they are working on it. Mr. Adams seconded Dr. Jimenez's concern, and Mr. Engberg added that the vendor's large, regional status does not justify the workforce composition numbers. He would be interested to see what a revised local workforce guide looks like with minority representation. Mr. Adams asked staff to relay the Boards' concern regarding minority interests in their workforce, in light of the value of this contract. Mr. Hernandez assured the Board he will discuss with Acadian management representative during the signing of the

FOLLOW UP: contract, the types of changes that can be made to diversify their workforce. This company was not the lowest bid; it was the best value. Mr. Hernandez will report back to the Board about his meeting with Acadian representatives.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A LICENSE AND SUPPORT AGREEMENT AND A HOSTING SERVICES AGREEMENT FOR THE EPIC ELECTRONIC MEDICAL RECORD PROJECT — GEORGE B. HERNÁNDEZ, JR./EDWARD BANOS

SUMMARY: In February 2018, the Health System Board of Managers approved the recommendation to transition the Health System to Epic. The Health System will be implementing Epic's Foundation System, their best practice system assuring the highest quality. Mr. Hernandez presented the Health System's Epic improvement strategy: Transition from Allscripts EMR to Epic EHR platform; develop UT-UHS joint system policies; and standardize clinic operations between UT and UHS. Benefits to patients include: One patient EMR portal; patient health record; flexibility to self-schedule appointments; preadmission paperwork completion; and improved communication with providers. The following Epic Foundation implementation cost schedule was reviewed with the Board in February 2018:

- Implement in 24 months to minimize total expense, 3 fiscal years.

Post "Go-Live" Cost -	\$ 15.4M
One-time expenses -	52M operating
	<u>115M capital</u>
	\$ 167M Total

The cost of Epic implementation includes expenses that are operational and capital in nature. The operational expenses include software maintenance estimated at \$3.3 million annually. Hosting expenses are estimated at \$3.7 million annually. Epic licensing fees and one-time implementation services are capitalized and are estimated at \$33,704,200. Board designated funds are being requested to fund capitalized items.

Licensing Agreement

The first agreement is the initial one-time Epic licensing fees of \$16,623,700. The first payment will be in the amount of \$1.662 million upon execution of the contract. There will be a monthly cost of \$235,582 for a period of 60 months. Included in the licensing agreement is an operating expense for annual software maintenance estimated at \$3.3 million. This will be an on-going annual expense based on changes in volume, *MyChart* usage, and contract increases after go-live. Also included in the licensing agreement is the cost of implementation and training fees in the amount of \$17,080,500. These fees will be spread over two years at an average of \$600,000 per month with an estimated payment of \$3.1 million for months 23 and 24. The increased amounts for these months are due to the milestones achieved during the pre and post go-live phase of the Project. The licensing and implementation fees will be capitalized and depreciated over a 15-year period commencing on the Epic go-live date, currently projected as October 2020.

Hosting Services Agreement

The second contract is for Epic Hosting services. The total cost of this agreement is estimated at \$20,184,776 (see table below). This contract covers the implementation time period and five years after go-live. There is an allowance for a maximum 2 percent annual increase in the hosting fee each year.

<u>Monthly Expense</u>	<u># of months</u>	<u>Implementation Expense</u>
\$74,950	15	\$1,124,250
		<u>Annual Expense</u>
\$305,220	12	\$3,662,640
\$311,324	12	\$3,735,893
\$317,551	12	\$3,810,611
\$323,902	12	\$3,886,823
<u>\$330,380</u>	<u>12</u>	<u>\$3,964,559</u>
	75	\$20,184,776

Hosting fees during implementation will not start until the fifth month and will not increase until the system is in production ready mode, which is estimated at 20 months into the Project. Epic Systems Corporation has a total of 7,047 employees. It is a privately held healthcare software company.

RECOMMENDATION: Staff recommends the Board of Managers to authorize and direct the President/CEO to formally execute a License and Support agreement that includes the Epic portion of implementation and training in the amount of \$33,704,200; and a hosting agreement in the amount of \$20,184,776 with Epic Systems Corporation and Epic Hosting. Further, staff recommends the allocation of Board designated capital funds in the amount of \$33,704,200 for the projected capital portion of the License and Support agreement listed above.

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

EVALUATION: As a result of the Epic implementation, the Health System anticipates improvements in overall system availability and functionality, resulting in improved productivity. Hospital estimated increase in revenue of 3 percent (\$15 million per year) due to increased charge capture and coding improvements. The Health System will also see a decrease in expenses: \$12 million annually in third party software expenses after go live; and \$1 million decreased per year in capital needs for computer storage. Dr. Jimenez noted the project's complexity and asked if the Health System's legal team had reviewed both agreements, to which Mr. Hernandez replied that Ms. Serina Rivela, Interim Chief Legal Officer, negotiated with Epic's attorneys on behalf of the Health System. She reported that Epic was willing to accommodate many of the Health System's terms and conditions, and there were certain terms that they stood firm with, which leads her to believe they stand firm with other organizations as well. As far as comparison of the hosting agreement to others, Mr. Phillips stated that from an industry standpoint, this is one of the best he has seen. The agreement includes performance guarantees at the discretion of the Health System's Chief Information Officer (CIO). If Epic's performance falls below an acceptable standard, the Health System can ask for credit on certain costs. If the Epic system availability falls below an acceptable standard, in the Health System's CIO's opinion, those costs will fall back into credit. Epic also monitors the system 24 hours per day, 7 days per week for any deviations in performance and they will correct those deviations before the Health

System team even knows there was a problem, so they are very proactive. Today, the Health System waits for an end user to report that the system is slow, and then Computer Help Desk staff gets involved. Mr. Philips noted that it is rare to see guarantees of performance for system availability and response time in a hosting agreement that allows for credit. Epic will take ownership, provide the technical component, upgrades, DBAs and they will manage the infrastructure. Another benefit is that Epic provides a ghosting solution whenever the Health System upgrades for downtime. In addition, it takes Allscripts 24 hours to perform upgrades due to downtime, while it takes Epic only one hour. The Epic System is also transparent to end users, syncing takes place behind the scenes. Mr. Smith asked for an estimated 10-year period cost of ownership, which Mr. Banos responded is approximately \$170 million. Mr. Hasslocher asked about future capital needs, as indicated in the graph below, which was explained by Mr. Hurley. Projected amounts for 2018 year-end future capital needs drops to \$14 million. The Health System will have almost \$200 million encumbered at that time, and \$308 million worth of bond proceeds must be used first for the new tower, \$165 million in capital reserves will remain in the Board's designated account, until \$308 million worth of bonds are depleted.

Note 1

University Health System

Assets Limited as to Use Detail	Actual 12/31/2017	Actual 8/31/2018	Projected 12/31/2018	Projected 12/31/2019	Projected 12/31/2020	Projected 12/31/2021
Capital - Encumbered	13,508	166,327	195,027	196,227	157,627	117,627
Capital - Future needs	134,410	47,897	14,197	33,550	61,646	132,417
Emergency Operating Account	255,216	268,228	268,228	294,524	305,338	315,109
Self Insurance Account	5,103	5,105	5,105	5,105	5,105	5,105
Total Assets Limited as to Use	408,237	487,557	482,557	512,212	460,389	533,186

Epic capital will be paid out during the two years of implementation. The Health System will write a check for a little over \$1 million and thereafter, it will be a monthly draw. The staff is currently working a Request for Proposals (RFP) for the Epic project manager and consultant. From a cash standpoint the Health System continues to fund the Emergency Operating Account. Regarding the two large ongoing projects – the new tower and Epic – Mr. Banos discussed that staff has been emphasizing workforce diversity with vendors. Cash flow during both projects has been “stress tested” by the staff. There are many unknowns with federal supplemental funding, however, the good news is that the timing to engage in such large projects is now; these are the most stable years of the 1115 Waiver renewal; DSRIP revenue is also going away in its last year. Mr. Engberg expressed confidence in the staff's work; staff presented a strong case for the financing of Epic. He agreed with other Board members regarding their inability to keep track of many ongoing projects, and he praised the staff's presentation for reflecting what the Board agreed to months ago by providing carry-forward schedules (also known as “crosswalks”). What was presented to, and approved by, the Board of Managers in February is a strong and very expensive case made up of many different parts and pieces. When the staff presents the Board with \$22 million and \$33 million pieces, it's

difficult for the Board to put together and keep track of what is going on. He urged the staff to continue with reporting on a carry-forward basis. Mr. Engberg looks forward to the Board retreat which is currently being planned to take place in lieu of a day Board meeting on October 23. He emphasized the importance of having multi-year projections that encompass and cover the full operation. What the staff is going to share with the Board will provide detail, which will be helpful, and should at some point include operation plans for the new tower. Dr. Burns acknowledged that implementing an electronic health record (EHR) is a very difficult process. She has been impressed just listening to the presentation, and is even more impressed that the staff is taking a look at the impact Epic will have on patients and providers. An EHR is such a learning curve for providers and minimizing the impact for them as much as possible is appropriate. Staff is focused not only on the financial aspect of Epic, but also patient care. Mr. Adams suggested documentation, in some fashion, of the collective commitments made by Mr. Hernandez and Dr. Hromas for Epic to be operated as uniformly as possible in their efforts to make it work, this time around. Mr. Hernandez agreed, and replied that the first futile attempt was in 2003. This time around, Mr. Hernandez and Dr. Hromas have made those comments to each other's Epic integration teams. Both institutions are keeping the same committee's that were developed previously. The Health System is looking to Dr. Hromas to help with physician leaders on the inpatient side, since UT Health already has very good Epic outpatient experience. Both are committed and have expressed it at this forum. Mr. Hernandez noted that his commitment was referenced in today's presentation in the improvement strategy slide. Dr. Hromas echoed Mr. Hernandez's remarks about commitment. Dr. Jimenez asked about the Health System's data technology center and whether it would have to be expanded to accommodate storage of Epic files, to which Mr. Hernandez replied that it would not be necessary since Epic has two of its own data centers and Health System staff was allowed to tour the data center in Wisconsin. Dr. Hromas thanked Mr. Hernandez for the work that has been done with and without UT Health

FOLLOW UP:

Staff will review responses to RFPs for Epic Project Managements; detailed implementation plan review, with a Board Retreat in October; and ongoing Health System-UT Health Integration Teamwork.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT FOR LEGACY ELECTRONIC MEDICAL RECORD SUPPORT WITH ALLSCRIPTS HEALTH SOLUTIONS, INC. — BILL PHILLIPS

SUMMARY:

Since 2005 the Health System has been using the Allscripts Electronic Medical Record (EMR) and Clinical Repository System to provide physicians, nurses and other clinical staff the capability to document patient care electronically throughout the organization. To date, the Health System has 144 terabytes of EMR data and 136 interfaces connecting various systems for orders, results and integration. As the Health System begins the transition to the Epic software platform the staff needs to ensure this legacy system is updated and maintained. There are five key staff members from the existing EMR team that will

now be part of the Epic implementation team and will no longer support the Allscripts environment. This is a request for a consulting agreement that will include an onsite Clinical Director, four onsite Clinical Analysts and 8,000 hours of offshore services. The cost of this contract is \$2,804,005 for a 24-month period. The positions of the five individuals that are transitioning to the Epic team will not be refilled. The cost of these five (5) positions over the 24-month period including benefits is \$1,334,044. This result is a net difference of \$1,469,961 to provide this critical legacy system support. Allscripts provided a copy of their Equal Opportunity plan in lieu of workforce composition data.

RECOMMENDATION: Staff recommends approval by the Board of Managers for the acquisition of consulting services from Allscripts Healthcare Solutions, Inc. in the amount of \$2,804,005. The contract period will be October 1, 2018 through September 30, 2020.

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

EVALUATION: None.

FOLLOW UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING AN AGREEMENT WITH ALAMO AREA RESOURCE CENTER TO PROVIDE HOUSING ASSISTANCE SERVICES TO RYAN WHITE CLIENTS — ROBERTO VILLARREAL, M.D./ANNA TARANOVA, M.D.

SUMMARY: HIV/Housing Opportunities for Persons with AIDS (HOPWA) Program funds are administered by the Texas Department of State Health Services (TDSHS) and fund services that allow eligible HIV positive individuals and their families to access housing services. Last year the Bexar County Department of Community Resources Ryan White Program transferred to the University Health System (Health System). The Ryan White Program's mission has been to administer the funds awarded from TDSHS to the San Antonio HSDA. These grants are provided on a cost-reimbursement basis. On August 9, 2017, the Administrative Agency (AA) and related RW grant funding transferred from Bexar County to the Health System. The AA administers the funds by contracting with health care providers and non-profit agencies to provide services to affected individuals. The purpose of this Agreement is to provide HOPWA Program Funds to AARC, in the form of monetary reimbursement only, for Eligible Activities and Eligible Services performed for the benefit of or provided to Eligible Persons who live in the HSDA which include Atascosa County, Bandera County, Bexar County, Comal County, Frio County, Guadalupe County, Gillespie County, Karnes County, Kerr County, Kendall County, Medina County, Wilson County. The Ryan White Grants consist of multiple parts, with each part having its own budget and objectives. State Services Program includes the following categories for AARC during fiscal years 2018-19: Tenant-Based Rental Assistance; Short-Term Rent, Mortgage, and Utilities; Supportive Services, and Administration. TDSHS awarded the Health System additional HOPWA funding in the amount of \$187,802. The total additional funding of \$187,802 will be awarded to AARC and the original contract in the amount of \$136,391 will be amended (Amendment No. 1) to include the

additional funds. The term of this agreement is February 1, 2018 through January 31, 2019. Contract Amounts:

Original Contract Amount: \$136,391.00

Amendment No.1 Amount: \$187,802.00

Total Contract Amount: \$324,193.00

The workforce composition data for Alamo Area Resource Center was provided for the Board's review.

RECOMMENDATION: Staff recommends approval of a new agreement with the Alamo Area Resources Center, a sub-recipient of Ryan White HIV/AIDS Program funds, to enhance services for Ryan White-eligible patients, for a total of \$324,193.

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

EVALUATION: None.

FOLLOW UP: None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING THE COMMUNITY ALTERNATIVES TO INCARCERATION PROGRAM AGREEMENT WITH THE CENTER FOR HEALTH CARE SERVICES — SALLY TAYLOR, M.D./TED DAY

SUMMARY: The 1115 waiver approved in December 2011, expanded the Medicaid managed care program statewide and created two new supplemental payment programs called the Uncompensated Care (UC) Pool and the Delivery System Reform Incentive Payment (DSRIP) program. Through the DSRIP program, The Center for Health Care Services (Center) established a Deferred Institutionalization Program (DIP) designed to provide behavioral health treatment and support to individuals with mental illness who are involved in the justice system. The DIP is comprised of multiple treatment services including, but not limited to, psychiatric evaluations, pharmacological management, coordination of care and referrals to other Center programs as needed, and individual or group counseling/training. Due to the changes in the DSRIP program starting September 1, 2018, this program is now at risk; where previously the Center's outcome measures were limited to the specific population served in the DIP program, under new DSRIP rules, the outcome measures would apply to the Center's entire patient base. The Health System desires to enter into an agreement with the Center to allow for the continuation of the Deferred Institutionalization Program, to be renamed Community Alternatives to Incarceration Program (CAIP). Since the program's inception October 1, 2013 through August 31, 2018, the Center has served 1,387 unduplicated patients, surpassing targets defined by DSRIP. Additionally, the recidivism rate (new arrests/charges) remained under the target goal of 15% throughout the project. Currently, the program services 219 clients, exceeding the required target of 180. The proposed agreement with the Center for the Community Alternatives to Incarceration Program will be for a one year period, renewable at the Health System's discretion. The cost for the initial year of this agreement is \$1,207,734, a majority of which supports the personnel needed to run the CAIP. This expense is being incorporated into the Health System's 2019 budget. The Center's workforce composition data was provided for the Board's review.

- RECOMMENDATION:** Staff recommends the Board of Managers approve and authorize the President/CEO to execute an agreement with The Center for Health Care Services for the Community Alternatives to Incarceration Program in the amount of \$1,207,734 for one year, beginning September 1, 2018 through August 31, 2019.
- ACTION:** A **MOTION** to **APPROVE** staff's recommendation was made by Mr. Smith, **SECONDED** by Mr. Hasslocher, and **PASSED UNANIMOUSLY**.
- EVALUATION:** Mr. Smith asked if this program is available to veterans, to which Dr. Taylor replied yes, Bexar County's Veteran Treatment Court often makes referrals to the Center. Dr. Jimenez was happy to learn that veterans are included in this targeted group since many with a history of substance abuse started using while actively serving in the military. Dr. Taylor acknowledged that housing is a big issue with veterans. According to Dr. Jimenez, veterans also reside at the Bexar County Jail due to their veteran status where they are unable to access mental healthcare because the Veterans' Administration Hospital wants nothing to do with them. Many of these veterans fought in Iran or Afghanistan and were discharged from the military without a mental health/substance abuse diagnosis. Congress is trying to change that; however, at this time, the government does not know the number of veterans discharged due to substance abuse. Dr. Taylor optimistically reported that the VA Hospital was at the table when the Law Enforcement Navigation and Nix Psychiatric Emergency Service agreement was being negotiated among the local healthcare systems. The contract addresses an urgent community need for acute emergent/urgent care for patients with high-acuity behavioral health needs. Mr. Hasslocher echoed Dr. Jimenez's concern. Mr. Banos reported that all local healthcare systems are looking at the homeless issue and also the number of high Emergency Department utilizers through agreements with the Southwest Texas Regional Advisory Council (STRAC). Methodist Healthcare Ministries is taking the lead in funding efforts for increased mental healthcare initiatives by working with Federally Qualified Healthcare Centers.
- FOLLOW UP:** None.

CONSIDERATION AND APPROPRIATE ACTION REGARDING A CONTRACT WITH NIX HEALTH CARE SYSTEM FOR INPATIENT PSYCHIATRIC BEDS — SALLY TAYLOR, M.D./ED BANOS

- SUMMARY:** The Psychiatric Unit at University Hospital was designed in 1989 and consists of beds licensed for behavioral health inpatient treatment. The unit has 20 operational beds in ten semi-private patient rooms, with an average daily census of 12 patients and an average length of stay of approximately four days. This is a separate and distinct bed type category and must meet specific architectural elements according to the Texas Department of State Health Services (TDSHS) licensure requirements to ensure the safety and well-being of both the patient and the caregiver. The Joint Commission (TJC) Suicide Panel's November 2017 special report on suicide prevention issued recommendations for inpatient psychiatric units related to patient safety and ligature mitigation and The Centers for Medicare & Medicaid Services (CMS) has now incorporated

these findings into its interpretive guidance. The unit will need to undergo construction and remodeling for safety mitigation including making patient rooms, bathrooms and corridors ligature-resistant with attention to such items as door hardware, transitions between patient rooms and patient bathrooms, and solid ceilings in patient rooms. This treatment area must also have furniture which eliminates sustainable points of attachment of a cord, rope, bed sheet, or other material that could pose as a safety concern. During the construction, to avoid disruption in patient care and potential safety hazards for patients, the unit will need to close temporarily. The proposed contract is to provide adult inpatient psychiatric services for the period of construction to assure ongoing care for those adult patients who present to the University Hospital Emergency Department or who need transfer to psychiatric inpatient care once stabilized medically on inpatient medicine/surgery units. Staff proposes contracting for 10 beds with Nix Hospitals System, d/b/a Nix Behavioral Health Care Services, for a period of 130 days, the estimated time needed for construction. The proposed contract is for a capacity of ten beds, at \$557 per diem, for a period of 130 days, for a total of \$724,100. The UT Health, San Antonio, Department of Psychiatry faculty and resident physicians will provide care for these patients at Nix Behavioral Health Hospital through a separate contract between UT Health and Nix. Workforce composition data for the Nix Health Care System was provided for the Board's review.

RECOMMENDATION: Staff recommends the Board of Managers approve funding in the amount of \$724,100 and authorize the President/Chief Executive Officer to execute a contract with Nix Hospitals System, LLC d/b/a Nix Behavioral Health Services for inpatient adult psychiatric beds for a period of 130 days, commencing in 2018.

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

EVALUATION: The total amount of \$724,100 will be offset by any facility collections obtained by the Nix from third party payers. The inpatient psychiatry nurses who are displaced during construction will be assigned to other areas of University Hospital, such as the Emergency Department, since Dr. Jimenez pointed out that psychiatry nurses are cross trained to work in medical/surgical environments.

FOLLOW UP: None.

At this point during the meeting, Mr. Adams reported that he had assigned Dr. Burns to lead an ad hoc committee for the nomination of the election of Board officers. Dr. Burns announced that the ad hoc committee members include Ms. Janie Barrera and Mr. Jimmy Hasslocher and that they would be making direct contact with every Board member for feedback and nominations. The Board Bylaws call for this action to take place during the regular meeting in September of each year, or as soon as thereafter as possible. Therefore, because Mr. Adams did not assign the ad hoc committee until recently, the ad hoc committee will be present their recommendation to the full Board of Managers in October.

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

SUMMARY: In August clinical activity (as measured by inpatient discharges) was up 6.8% for the month compared to budget. Community First Health Plan (CFHP) fully-insured membership was down 0.2%. On a consolidated basis, gain from operations was \$2.4 million, \$4.1 million worse than budget. The consolidated bottom line gain (before financing activity) was \$462 thousand, essentially flat to budget. Higher revenue and investment income was offset by operating expenses that exceed budget in employee compensation and supplies. CFHP experienced a bottom line loss of \$1.4 million which was \$1.6 million worse than budget due primarily to a one-time recoupment of premiums by Texas Health and Human Services. Debt Service Revenue was \$5.3 million which is equal to the budgeted Debt Service payment of \$5.3 million. Mr. Hurley noted a slight drop in payer mix to 73 percent for the month, or 74.6 year to date. In August, there were 44 non-U.S citizens who delivered babies at University Hospital. Of those, only 14 plan to remain in the country so staff is able to help qualify them for Medicare. Staff is assessing the various services to see if this is an issue in any other area. Mr. Smith asked about deliveries in general, to which Mr. Banos replied that there were 309 deliveries last month, the first time this year that deliveries exceed 300. Mr. Hurley reviewed notable increases and/or decreases from the December 31, 2017 consolidated balance sheet in detail.

RECOMMENDATION: Staff recommends acceptance of the final report subject to audit.

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

EVALUATION: Mr. Smith wondered how benchmarks for providers are set. Mr. Hurley explained the use of national benchmarking standards (by specialty) which provides metrics for every physician, known as RVUs, or relative value units. The Health System encourages its physicians to be in the 50th percentile, and they are allowed to document by complexity or by time for RVU's. Another driver for CFHP is a State recoupment of \$2.4 million in August out of Per Member Per Month (PMPM) fees for pharmacy. After the contract was signed the State notified CFHP of an overpayment; however, there will be a price increase in their PMPM payment structure on September 1 going forward, and staff anticipates that remaining months will be in the black. Staff has narrowed down the CFHP bottom line losses to STAR Kids for complicated cases with the utilization of private duty nursing. Mr. Gieseeman and team have plans to get private duty nursing under control. Other operating indicators include days in Accounts Receivable at 54 (excluding CareLink and Skilled Nursing Facilities); the goal is 60 days and the Health System was at 71 days at the end of 2017. Mr. Engberg noted that the variance issues in today's report are repetitive from the last several months: 1) Expenses in compensation due to over budgeted benefits in the amount of \$2.3 million; 2) Supply costs over budget \$4.0 million in August, primarily due to higher operating room costs, and over budget \$14.3

million year to date, which continues to be a pretty significant item, albeit these are being offset in some way that staff does not have specifics about, but generally brings in additional revenue; and 3) bottom line losses for CHFP. These are the three items that continue to show up in the financial reports. The Health System is in a strong position in terms of a projected bottom line; Mr. Engberg is confident that the reports are indicating the strength of the institution. Mr. Smith asked about standardization of tools, supplies, and equipment as indicated during the Epic presentation. Mr. Banos explained that the Operating Room is driven by physician preference cards, and one of the Epic System's capabilities is to store purchase information per patient case. The Epic System will give staff that type of information right away so that the physician will know how much each hip replacement costs, for example, as compared to their peers. Epic will allow the staff to look at deviations and will note anything that is different. Mr. Smith was also interested in knowing how standardization will impact providers. Mr. Roussos replied that standardization must include input from the physicians to assure quality devices for the patient. This is not a physician issue, they want to help save money, and are interested in patient outcomes. At this time, the staff cannot give providers what they want. However, once the staff collects data and can demonstrate that outcomes are the same for the patients with less expensive implants or devices, staff can begin to have these discussions with the physicians. He reiterated that decisions will not be made without physician input. Dr. Hromas interjected that there are several physicians on currently serving on supply chain committees to help the staff standardize as much as possible. Regarding the CFHP issue that the Board has been addressing over the last several months, Mr. Engberg is not alarmed. He agreed with Dr. Jimenez that this year's numbers are not good. However, with the PMPM price increase effective in September 2018, and the general outlook for next year, the health plan should be in a better position. He would be much more concerned if the Health System relied solely on CFHP as its only source of revenue.

FOLLOW UP:

None.

PRESENTATIONS AND EDUCATION:

OPERATIONS REPORT — EDWARD BANOS

SUMMARY:

Mr. Banos yielded the floor to Mr. Mike Roussos, Administrator, University Hospital, and Mr. Jim Willis, Associate Administrator, for an update regarding Cardiology Services. Since 2009, Health System leadership has been working with UT Health San Antonio leadership to increase access to cardiology consults for patients. Starting in 2015, clinic visits increased along with new services offered to patients. As University Medicine Associates (UMA) and hospital volume has grown in 2016, the demand for cardiology services has exceeded the number of available appointments resulting in a consistent queue of roughly 250 patients with a wait time of 80-90 days for a new visit. Mr. Roussos provided a brief historical review:

- Growing queue of unseen cardiac patients throughout 2016 and 2017
 - 250+ patients each month
 - 80-90 day waiting periods for new visits

- Declining RBG consults 2016-2017 due to physician vacancies
- March, 2017: Cardiologist hired by UMA to address queue
 - Treated 730 new patients in 2017, but queue continued to grow
 - January, 2018: total queue at 551 unseen patients
- May, 2018: BOM approved a contract for UMA to hire additional cardiologists to increase access
- New clinic opened July 9, 2017

Cardiac Queue Volumes 2018

- Jan – May 2018: UMA cardiologist injured. Reduced work schedule
- June 2018: UT increased from 10 to 14 work sessions per week. UMA Clinic began scheduling queue patients for appointments in July/August 2018
- August – Sept 2018: Queue at historical low
- July 9: UMA clinic opened scheduling 10 patients/day
- July 23: UMA scheduling 14 patients/day
- August 14: UMA scheduling 20 patients/day
- NEXT STEPS: UMA Clinic to begin accepting ED patients. Estimated start date October 15, 2018

Procedures Ordered by New Clinic

July 2018

- Cardiac Cath – 5
- Nuclear – 52
- Echo – 86
- EKG – 132
- Other – 31

August 2018

- Cardiac Cath – 11
- Nuclear – 40
- Echo – 74
- EKG – 118
- Other – 32

RECOMMENDATION: This report was provided for informational purposes only.
ACTION: No action was required by the Board of Managers.
EVALUATION: None.
FOLLOW UP: Dr. Jimenez requested a presentation on hypertension.

THIRD QUARTER QUALITY REPORT- *BRYAN ALSIP, M.D.*

SUMMARY: In the interest of time, Mr. Adams postponed the Third Quarter Quality Report until the October Board meeting.
RECOMMENDATION: None.
ACTION: None.
EVALUATION: None.
FOLLOW UP: None.

INFORMATION ONLY ITEMS:

**UPDATE ON PLANNING, DESIGN AND CONSTRUCTION ACTIVITIES — DON RYDEN
UNIVERSITY HEALTH SYSTEM FOUNDATION UPDATE — LOURDES CASTRO-
RAMIREZ**

REPORT ON RECENT RECOGNITIONS AND UPCOMING EVENTS — LENI KIRKMAN

SUMMARY:	Mr. Adams directed his colleagues' attention to the two 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—JIM ADAMS, CHAIR

There being no further business, Mr. Adams adjourned the meeting at 8:10 p.m.

Jim Adams
Chair, Board of Managers

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

Sandra D. Garcia, Recording Secretary