



## BEXAR COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS

Tuesday, August 27, 2024  
6:00 pm  
Cypress Room, University Hospital  
4502 Medical Drive  
San Antonio, Texas 78229

### MINUTES

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

James R. Adams, Chair  
Jimmy Hasslocher, Vice Chair  
Margaret Kelley, MD, Secretary  
Anita L. Fernandez  
Patricia (Pat) Jasso  
Dianna Burns, MD

#### **OTHERS PRESENT:**

Edward Banos, President/Chief Executive Officer, University Health  
Bill Phillips, Executive Vice President/Interim 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  
Serina Rivela, Vice President / Chief Legal Officer, University Health  
Don Ryden, Vice President/Project, Design & Construction, University Health  
Dr. Bryan Alsip, Executive VP, Chief medical Officer, University Health  
Dr. Juan Garza, Sr. Vice President, Chief Quality & Health Informatics Officer  
Travis Smith, Sr. Vice President, Chief Financial Officer, Clinical Operations  
Katherine Reyes, Sr. Vice President, Pre-Acute Services, University Health  
Dr. Monika Kapur, President, CEO, University Medicine Associates, University Health  
Anna Taranova, Deputy Chief of Public Health, Innovation and Equity Officer, University Health  
Dina Perez-Graham, Sr. Vice President, Chief Nursing Executive, University Health  
Andrew Smith, Executive Director, Government Relations and Public Policy  
Horacio Vasquez, Executive Director, Supply Chain Management, University Health  
Francisco Cigarroa, Acting Dean, School of Medicine, Professor of Surgery and Director, Alvarez  
Transplant Center, UT Health SA  
Michael Little, MD, President, Medical/Dental Staff, University Health; and Associate Professor,  
Department of Anesthesiology, UT Health SA  
Robert Leverence, MD, Acting Vice President of Medical Affairs  
Theresa Scepaniski, President and CEO, Community First Health Plans  
Carol Huber, Deputy Chief Public Health & Equity Officer  
Jennifer Rodriguez, Vice President, Chief Pharmacy Officer, Pharmacotherapy & Pharmacy Services  
Sherrie King, Chief of Police, BCHD Protective Services, University Health

## **BCHD Board of Managers Meeting**

**Tuesday, August 27, 2024**

**Page 2 of 24**

---

Sara Alger, President, University Health Foundation  
Lisa Sanchez, Vice President, Care Transitions  
Latifah Jackson, Director, Supplier Diversity, University Health  
Larry Wallis, Director, Internal Audit, University Health  
Trey Wineglass, Administrative Resident, University Health  
Nathan Thompson, Executive Director, Facilities Management, University Health  
And other attendees.

### **CALL TO ORDER:**

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

### **INVOCATION AND PLEDGE OF ALLEGIANCE — JIM ADAMS, CHAIR**

Invocation – Heather H. Dobie, University Health Employee — *Jim Adams, Chair*

Mr. Adams led the pledge of allegiance.

**PUBLIC COMMENT:** None

### **SPECIAL REPORT:** University Health Foundation 2024 Nursing Scholars — *Sara Alger*

**SUMMARY:** Sara Alger introduced Renee Yanta, Board Chair, University Health Foundation and she provided brief comments before the presentation. Sara Alger presented the Nursing & Allied Health Scholarship Award winners as follows. Congratulations to all the winners.

**Arturo Alvarado**, RN, Director Ambulatory Services, Ambulatory Services Cardiology/Vascular/UMA Hospitalists pursuing his Master of Science in Nursing at the University of Texas at Tyler

**Chesney Diaz**, Medical – Surgical Tech, 5 ACU pursuing his Bachelor of Science in Nursing at Alamo Colleges District, San Antonio College

**Elma Fonseca**, RN, Center for Clinical Excellence pursuing Doctor of Nurse Practice at Texas A&M University Corpus Christi

**Kara Hernandez**, RN, Psychiatry pursuing her Master of Science in Nursing at the University of Texas at Tyler

**Karina Llamas**, Medical Laboratory Technician, Pathology/Microbiology pursuing her Bachelor of Science, Medical Laboratory Scientist at UAMS Health

**Fatema Maha**, Transfer Center Specialist, Patient Placement Center pursuing her Bachelor of Science in Nursing at UT Health San Antonio

**Jacob Mathew**, Patient Care Coordinator, UH WC 12 Medicine ACU pursuing his Master of Science in Nursing at The International University

**Sarah Shaw**, Maternal Transport Specialist, Labor & Delivery pursuing her Bachelor of Science In Nursing at Western Governors University

**Michelle Villasenor**, Patient Care Coordinator, Paternal/Neonatal pursuing her Master of Science in Nursing at The International University

**Virginia Read**, Physical Therapist, OP Rehab Reeves Pavilion pursuing her Doctorate of Physical Therapy at Shenandoah University

**Walter Magramo**, RN, ADC Endoscopy pursuing his Doctor of Nurse Practice at Walden University

**BCHD Board of Managers Meeting**

**Tuesday, August 27, 2024**

**Page 3 of 24**

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**APPROVAL OF MINUTES OF PREVIOUS MEETING:** August 27, 2024 (Regular Meeting)

**SUMMARY:** The minutes of the Board meetings of Tuesday, August 27, 2024 were submitted for the Board's approval.

**RECOMMENDATION:** Staff recommends approval of the minutes as submitted.

**COMMENTS /DISCUSSIONS:** None

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

**EVALUATION:** None

**FOLLOW UP:** None

**Report from UT Health San Antonio — *Francisco Cigarroa, MD.***, Acting Dean, School of Medicine, Professor of Surgery and Director, Alvarez Transplant Center, UT Health San Antonio

**SUMMARY:** Dr. Cigarroa provided an update on the merger of UT Health San Antonio and UTSA to create a premier university that brings all of their individual academic, research and clinical strengths together to build a unified and profoundly impactful university of the future. Dr. Cigarroa commented on the 800<sup>th</sup> lung transplant at University Hospital which took place this weekend. Mr. Adams commented on the exceptional collaboration between University Health and UT Health.

**NEW BUSINESS – CONSENT AGENDA – JIMMY HASSLOCHER, VICE CHAIR**

**Consideration and Appropriate Action Regarding Medical-Dental Staff Membership and Privileges — *Michael Little, M.D., President, Medical/Dental Staff***

**SUMMARY:** The Credentials Committee met on July 29, 2024 and reviewed the credential files of the individuals listed on the attached Credentials Report and the Professional Performance Evaluation Report. In its meeting of August 6, 2024, the Executive Committee of the Medical-Dental Staff recommended approval of the Credentials Committee Report.

**Consideration and Appropriate Action Regarding Medical-Dental Staff Recommendations for Professional Practice Evaluations and Delineation of Privileges — *Michael Little, M.D., President, Medical/Dental Staff***

**SUMMARY:** The Credentials Committee met on July 29, 2024 and reviewed proposed revisions to Delineation of Privilege and the Professional Performance Evaluation Report and forms. In its meeting of August 6, 2024, the Executive Committee of the Medical-Dental Staff recommended approval the attached Delineation of Privileges and Focused/Ongoing Professional Performance Evaluation Report.

**Consideration and Appropriate Action Regarding the Following Corporate Policies:**

**a. Corporate Policy 6.01, Procurement Services — *Travis Smith***

**SUMMARY:** University Health, established as a political sub-division of Bexar County, is committed to a fair and equitable procurement process. The guidelines and strategy to achieve this commitment is established in the Procurement Services Policy 6.01 that uses the framework of the Local Government Code, Chapter 262, Purchasing and Contracting Authority of Counties, to establish parameters that ensure transparency of the procurement process. Due to the variable nature of healthcare service delivery, University Health slightly modifies the parameters, where appropriate, to procure routine medical supply and services to allow business flexibility and efficiently support the change in patient volumes. In addition, Procurement Policy 6.01 establishes controls and approval authority of purchases to ensure sound business principles are secured while establishing transparency in the process and award of University Health resources.

As compared to the previous approved version of the University Health Procurement Services Policy 6.01, the proposed version has been updated to reflect the current guidelines established to ensure transparency in the procurement process for governmental entities. Reasonable flexibility of the policy allows University Health to address the varying medical service demands of our patient population with exemptions for routine medical supply and use of the Group Purchasing Organization (GPO) to support the competitive bidding process. Transparency of the procurement process is ensured by requiring all contracts and awards exceeding \$250,000 are presented and approved by the University Health Board of Managers. Incremental changes to a contract that exceed the Board award threshold will be re-presented for consideration and approval by the Board of Managers.

**b. Corporate Policy 10.02.01, Orders for Outpatient Services by Practitioners not Appointed to the Medical Staff (New) — *Bryan Alsip***

**SUMMARY:** University Health defined the authority for practitioners who are not appointed to the Medical-Dental Staff to place orders for eligible outpatient services that may be accepted at University Health facilities. University Health ensures that orders for clinical services are accepted by practitioners who are verified to be appropriately licensed, and acting within the practitioner's scope of practice, through an established mechanism and process.

**Consideration and Appropriate Action Regarding the following Items for Community First Health Plans, Inc.:**

**1. Reappointments to the Community First Health Plans, Inc. Board of Directors — *Jimmy Hasslocher, Chair, Nominating Committee***

**SUMMARY:** The Bylaws of Community First Health Plans, Inc. state that the Bexar County Hospital District Board of Managers as the governing body for the sole member of the corporation shall approve the appointment of the Board of Directors to manage the affairs of the corporation.

There are seven members on the Board of Directors. The following members' terms expire on September 30, 2024:

Bryan Bayles, Ph.D., MPH  
Rene Escobedo  
Reed Hurley  
Paul Nguyen

The Nominating Committee recommends the re-appointment of the board members as noted for two-year terms beginning September 30, 2024, through September 30, 2026. All members have expressed an interest and a willingness to continue to serve, and respectively, each brings a wealth of knowledge, expertise, and continuity to the organization.

**2. Contract Renewal with SPH Analytics, a Press Ganey Solution, for Member and Provider Survey Services** — *Theresa Scepaniski, President/CEO, Community First Health Plans, Inc.*

**SUMMARY:** In 2013, Community First Health Plans (Community First) embarked on a strategic quality improvement journey, to demonstrate compliance with national standards for health plan administration. Community First leadership selected to pursue accreditation from the most rigorous of two national health plan accreditation organizations in the United States, the National Committee on Quality Assurance (NCQA), whose mission is similar to that of Community First, to improve the quality of health care. As a requirement for NCQA Health Plan Accreditation, Community First works with the provider network over a five-month review period, to capture and document the outstanding clinical health care services available to Community First members and to demonstrate ongoing quality improvement efforts through a series of clinical measures called Healthcare Effectiveness Data and Information Set (HEDIS®). In addition, Community First engages a NCQA-Certified survey vendor to evaluate those components of the member and provider experience which cannot be measured through clinical metrics, called Consumer Assessment of Healthcare Providers and Systems (CAHPS®). Member and provider satisfaction surveys and network adequacy surveys are completed through an independent reviewer as a component of the Health Plan Accreditation.

The contract for member and provider survey services was initially released for competitive bid. A total of nine (9) NCQA-Certified survey vendors were notified of the bid opportunity and one vendor responded with a proposal. The bid was evaluated for administrative and financial criteria. SPH Analytics, a Press Ganey Solution, provided the best value for the following reasons: (1) a well-designed survey process and timeline which meets NCQA requirements; (2) an experienced survey team with a 20-year partnership history with Community First; (3) the vendor staff are familiar with our provider network and the member community; and (4) value-added benefit of providing exclusive reports for the Texas Association of Community Health Plans (TACHP) consortium for regional benchmarking.

The current contract with SPH Analytics allows for a three-year renewal; this contract request exercises the renewal option. The requested contract with SPH Analytics is for a three-year period. There is no increase in cost for the extension period. The total estimated cost is \$533,142 over the three-year contract period. The requested contract shall be for a three-year term beginning September 1, 2024 and ending August 31, 2027, unless earlier terminated pursuant to the Community First Health Plans Standard Purchase Terms and Conditions.

**3. A Contract Renewal with Softheon for Billing and Enrollment Services for Individual Health Insurance Plans — Theresa Scepanski, President/CEO, Community First Health Plans, Inc.**

**SUMMARY:** In pursuit of program diversification, in 2021, Community First was successful in securing a Health Insurance Exchange contract with the Centers for Medicare and Medicaid Services (CMS) and the Texas Department of Insurance (TDI). Community First’s approach is to identify and target a specific subset of the community that is between 100-300 percent of the Federal Poverty Limit (FPL) for this product. Moving this targeted population to an Individual Insurance Health Plan on the Texas Exchange within Community First’s Exclusive Provider Organization (EPO) network reduces the need for county funds by replacing the cost with federal funds thereby benefitting members, University Health, and Bexar County, and is in alignment with Community First’s strategic goal of enhancing integration with University Health. Since 2023, key initiatives were achieved including increased membership by 339%, by successfully enrolling over 1,750 CareLink members into the Community First Marketplace, compared to 450 members in 2022.

A billing and enrollment professional services solution for individual insurance products offered on the Health Insurance Exchange (HIE) is required as Community First’s existing infrastructure requires a billing and enrollment solution to satisfactorily administer the EPO line of business. Community First initially received two (2) proposals for billing and enrollment professional services: Cognizant and Softheon. Both vendors submitted their comprehensive billing and enrollment solutions for evaluation and participated in formal demonstrations. The proposals were evaluated for overall experience and qualifications in the industry, experience in HIE products, implementation timeline, and pricing.

The current contract with Softheon allows for a three-year renewal; this contract request exercises the renewal option. There is a three (3%) increase for each year or \$5,769.00 in total cost for the extension period. The total estimated cost is \$192,951 over the three-year contract period. The requested contract shall be for a three-year term beginning September 1, 2024, and ending August 31, 2027, unless earlier terminated pursuant to the Community First Health Plans Standard Purchase Terms and Conditions. This is a planned expense and funding is included in the Annual Operating Budget. Softheon uses a comprehensive process to ensure that Community First is able to administer a billing and enrollment solution that is compliant with both CMS and TDI. Additionally, Softheon is a trusted partner of CMS to support Enhanced Direct Enrollment (EDE). This designation has allowed Softheon to partner closely with CMS and other governmental entities to remain aware of any new regulations while partnering to create the solutions. Lastly, Softheon undergoes a series of regulatory audits on an annual basis, which are performed by independent third-party assessors. Currently, Softheon performs SOC1 Type II and SOC2 Type II assessments and includes the results to partners as part of their annual compliance package.

Softheon has 190 employees. The workforce composition data is as follows:

<b>Professional Workforce</b>	<b>Asian American</b>	<b>African American</b>	<b>Hispanic or Latino</b>	<b>Two or More Ethnic Groups</b>	<b>White</b>	<b>Not Specified</b>	<b>TOTAL</b>
Female Total	21	2	7	2	43	4	79
Male Total	30	4	4	1	63	9	111
<b>Total Workforce</b>	51	6	11	3	106	13	190
	27%	3%	6%	1%	56%	7%	100%

**Consideration and Appropriate Action Regarding the following Items for University Health System Pension — *Reed Hurley***

**1. An Amendment to the University Health System Pension Bylaws**

**SUMMARY:** The University Health System Pension Plan (the “Plan”) was initially established effective January 1, 1974, for the exclusive benefit of the eligible employees of the Bexar County Hospital District d/b/a University Health (University Health). The Plan is a “public retirement system” as defined in and authorized by Section 810.001 of the Texas Government Code and a “governmental plan” within the meaning of Internal Revenue Code Section 414(d). Section 802.201 of the Texas Government Code requires that the assets of the Plan be held in trust for the benefit of employees and their beneficiaries. On April 30, 1999, University Health approved the terms of the University Health System Pension Trust Agreement to describe the duties of the Trustees appointed to serve thereunder by the University Health's Board of Managers. In order to provide for the orderly implementation of the provisions of the Plan and to carry out the authority granted to them by the Pension Trust Agreement, the Trustees adopted Bylaws which were last amended in 2021.

The Pension Trust has been well managed and has performed better than benchmark over the past 20 years. With an asset value in excess of \$600 million, the trust has grown significantly since inception. Members on the Board of Pension Trustees do not receive any pay or financial benefit from participating on the Board. Vital to the Board efficacy, is ensuring that its Trustees have the appropriate skill sets, experience and content expertise to execute their fiduciary responsibilities. Trustees have a term limit of 16 years with a carryover provision until a replacement is approved by the Board of Managers. Each year election of officers occurs at the first meeting of year.

To assure orderly implementation and administration of the Pension Trust, the Pension Board has two recommended edits to the current Bylaws.

- To assure Officers are always in place, new language is recommended to be added to Article VI Officers.

“If no quorum is present at the first quarterly meeting, then officers shall be elected at the next quarterly meeting in which a quorum of Trustees is present.”

- For members that can't attend meetings in person, new language is recommended for Article VII Meetings of the Board of Pension Trustees to allow participation remotely.

“Once a quorum has been established, other Trustees may participate in the meeting by means of a conference telephone or similar communications equipment, including Internet, by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section H shall constitute attendance at such a meeting but may not vote.”

**2. An Agreement with Callan, LLC for Investing Consulting Services**

**SUMMARY:** The University Health System Pension Plan (the “Plan”) was initially established effective January 1, 1974, for the exclusive benefit of the eligible employees of the Bexar County Hospital District d/b/a University Health (University Health).

**BCHD Board of Managers Meeting**

**Tuesday, August 27, 2024**

**Page 8 of 24**

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The Plan is a “public retirement system” as defined in and authorized by Section 810.001 of the Texas Government Code and a “governmental plan” within the meaning of Internal Revenue Code Section 414(d). Section 802.201 of the Texas Government Code requires that the assets of the Plan be held in trust for the benefit of employees and their beneficiaries.

The Pension Board of Trustees manages the investments of the Pension Trust and the OPEB Trust where funds are held. To assist the Pension Trustees an investment consultant is utilized for various duties required to maintain compliance with the Pension Review Board (PRB) rules, monitor the performance of the trusts, and assist with the Investment Manager selection. The Investment Policy Statement (IPS) for the Pension requires a review for these investment consultant services on a five year schedule. This is considered a best practice by the Texas Pension Review Board (PRB).

Based on the IPS, a Request for Qualifications (RFQ) was issued for investment consultant services and multiple firms responded. The top three scoring firms were selected to provide in-person presentations to the Pension Board of Trustees. Callan, who has provided investment consultant services for the University Health System Pension and OPEB plans for over 15 years, was rated highest among the presenting firms and is recommended for contract award.

Callan is a respected national firm that provides investment consulting services to multiple industries including healthcare and governmental clients. Callan has over 550 clients and \$4 trillion under some form of consulting or management services.

Annual fees for consultant services are estimated at \$184,000 with a 3% annual escalator (\$162,000 for the Pension Plan and \$22,000 for the OPEB). This fee schedule is 5% lower than the current annual fee and the escalator is reduced from 4% to 3%. Additional fees will be charged for other optional services that may be required from time to time to satisfy PRB reporting requirements. The total amount requested for the three year engagement and the two one year extensions is \$996,881.

Year 1	\$ 184,000
Year 2	\$ 189,520
Year 3	\$ 195,206
Optional Year 4	\$ 201,062
Optional Year 5	\$ 207,094
Estimated Other Fees	\$ 20,000
<b>Total</b>	<b>\$ 996,881</b>

Callan, LLC has a total of 202 employees. The workforce composition data is as follows:

Category	Asian American		African American		Hispanic		White		Other	
	#	%	#	%	#	%	#	%	#	%
Non Professional	18	8.9%	6	3.0%	8	4.0%	39	19.3%	1	0.5%
Professional	21	10.4%	4	2.0%	7	3.5%	95	47.0%	3	1.5%
Total	39	19.3%	10	5.0%	15	7.4%	134	66.3%	4	2.0%



**Consideration and Appropriate Action Regarding an Agreement with Forvis Mazars LLP, Formally Forvis LLP, for Audit Services — *Reed Hurley***

**SUMMARY:** Securing an annual audit of University Health's financial records is an important fiduciary responsibility of the Board of Managers. The audit serves as an outside review to ensure the proper recording of financial transactions in accordance with Generally Accepted Accounting Principles (GAAP). The annual financial audits are required and reviewed by various outside organizations including bond rating agencies, bond investors, banks, governmental payers, Bexar County, Pension Review Board, and other regulatory and oversight entities.

As of June 2024 Forvis, LLP merged with Mazars, LLP another large global accounting firm to become Forvis Mazars, LLP. This merger of these two large accounting firms makes Forvis Mazars, LLP a top 10 global accounting firm. The 2024 audit will be the twelfth annual audit engagement for Forvis Mazars, LLP. They are currently engaged to perform the audits on all University Health entities including University Health (Consolidated), Community First, Foundation, University Health System Services of Texas, Inc., Pension Plan, OPEB Plan, Financial Assistance programs (Single Audit), University Health Cost Report filing, the Foundation Form 990 and all other required tax returns.

During the twelve previous years, accounting guidance has increased the level of reporting of the Pension Plan and OPEB Plan in the consolidated report at the same time the Pension Plan has diversified its investment portfolio to assets that are more complicated and are more difficult to value. Using one firm to complete all audits and tax returns is more efficient than using multiple firms by enhancing the coordination of fieldwork, interaction with University Health accounting staff and preparation of audited financial statements.

Forvis Mazars, LLP will be required to engage the assistance of a local, small, women, minority, or veteran owned accounting firm to provide fieldwork staff. This will expose the small, local firm to a larger firm's processes and technology. The smaller firm will provide 20% of hours on the audits similar to the current contract. Having Forvis Mazars, LLP select and manage the minority firm will assure that the audit work is well planned and staffed appropriately. Forvis Mazars, LLP is currently assisting staff with the guidance on the implementation of GASB 101 relative to Compensated Absences that are required for the 2024 audit.

The fees proposed for 2024 audit, cost report, and tax returns completed by Forvis Mazars, LLP are \$61,468 or 9.34% higher than the total amount for 2023 service. The additional fee structure accommodates an increased administrative fee of five percent (5%) to cover certain technological and administrative costs. Additional reasonable travel costs (not to exceed \$50,000), cost associated with expected GASB 101 services of \$15,000, and additional University Health Single Audit Program Audits of \$84,000 are factored in to the overall request. The Community First Board of Directors will separately consider and approve the services and fees related to Community First.

**Consideration and Appropriate Action Regarding a Contract Extension with Acadian Ambulance Service, Inc. to Provide EMS Services to Unincorporated Bexar County — *Reed Hurley***

**SUMMARY:** Bexar County Hospital District, d/b/a University Health has provided ambulance EMS services in the unincorporated areas of Bexar County since 1998. In 2019, Acadian Ambulance Service, Inc. (Acadian Ambulance) was awarded the contract to provide ambulance services to the unincorporated areas of Bexar County in connection with an RFP conducted in January of 2019.

**BCHD Board of Managers Meeting**

**Tuesday, August 27, 2024**

**Page 10 of 24**

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An RFP is underway to select a vendor to provide these services, the current contract with Acadian Ambulance expired on July 31, 2024. Extending the contract with Acadian Ambulance for up to 120 days will allow continuation of EMS service to the Bexar County unincorporated areas while the RFP selection process is completed and new contract is negotiated and awarded.

Acadian Ambulance has provided services to the unincorporated areas of Bexar County for the past five years with a fleet of over 63 local ground ambulance vehicles and 340 highly trained staff. In addition, during disaster or times of additional need, Acadian can scale up service deliverables by calling upon their region-wide fleet of 673 ground ambulance transport vehicles, 138 transport vans, 22 bariatric transport units, and over 5,000 staff across their service area. Key deliverables of the contract include:

- providing sufficient MICU level ambulances and staff to provide twenty-four hours per day, seven days per week emergency medical services coverage and transport for all unincorporated areas of Bexar County;
- providing support to first responders on scene when requested to do so and shall also serve as the scene EMS transport provider for first responders serving all unincorporated areas of Bexar County; and
- providing ambulance dispatch service twenty-four hours per day, seven days per week.

Acadian Ambulance responded to over 15,000 911 calls in 2023 and achieved a better than target response rate.

Year	Volume	Avg. Response Time	Compliance %	Target
2019	13,569	10:24	70.87%	<11min; 70% Compliance
2020	12,204	10:27	70.76%	<11min; 70% Compliance
2021	14,344	10:14	73.14%	<11min; 70% Compliance
2022	14,693	10:18	72.18%	<11min; 70% Compliance
2023	15,678	9:53	73.56%	<11min; 70% Compliance
2024 - YTD	8,266	10:01	72.37%	<11min; 70% Compliance

In addition, Acadian Ambulance has been a key member of the Bexar County healthcare community with service in support of the following initiatives:

- Actively involved in the local community including consistent attendance in STRAC;
- Experience with supporting ambulance service as preferred vendor with embedded transport coordinators for other local health systems and other large, state-wide health systems;
- Central office located in San Antonio with additional local substations;
- Texas Medical Director, Dr. Emily Kidd, Assistant Professor at UT Health San Antonio based in San Antonio; and
- Expertise in ambulance billing to third-party.

**Consideration and Appropriate Action Regarding the Following Leases — Don Ryden**

**1. A Lease Amendment with Harveston-Sab North, LLC and Harveston-Sab South, LLC for the Babcock Surgery and the Babcock Behavioral Clinics Located at 2425 Babcock Road, San Antonio, Texas 78229**

**SUMMARY:** In July 2019, University Health entered into a Lease Agreement for space located at 2425 Babcock Road, Suite 110, designated for its General Surgery Outpatient Clinic. The lease was later amended in October 2020 in order to include Suite 111 to house its Behavioral and Pain Management Clinics.

This facility offers 8,540 square feet of clinical space, providing convenience for patients and being situated near the University Health Hospital Campus. However, there have been ongoing issues with the fire alarm panel at the location. Property Management has enlisted the help of an external vendor to resolve the persistent alarm issues, and it has been 2.5 months since the last incident involving the fire alarm panel.

The original lease term for both suites is set to conclude on September 30, 2024. However, University Health possesses two (2) options for renewal, each lasting three years. Due to the advantageous location of the lease, University Health personnel are seeking to activate the first of these two renewal options. This renewal period will commence on October 1, 2024, and will terminate on September 30, 2027. Additionally, it includes a provision allowing for lease termination should any issues arise with the fire alarm panel during the first year of the renewal period. University Health will enter into a three-year lease amendment agreement with a monthly base rent starting at of \$14,233, which annualized is a \$0.50 per square foot increase from the previous year.

The total base rent obligation for the three-year Renewal Option Period amounts to \$525,204, which will be budgeted utilizing operational funds.

<b>Dates</b>	<b>Rent/SF</b>	<b>Monthly Rent</b>	<b>Total</b>
10/1/24 – 9/30/25	<b>\$20.00</b>	\$14,233	\$170,796
10/1/25 – 9/30/26	<b>\$20.50</b>	\$14,589	\$175,068
10/1/26 – 9/30/27	<b>\$21.00</b>	\$14,945	\$179,340
		<b>Sub-Total</b>	<b>\$525,204</b>

Operational Expenses will include property taxes, utilities, operating costs and maintenance. University Health will be responsible a pro-rata share equivalent to about 30.46%. Landlord will provide an annual estimate of costs that will be paid in twelve (12) monthly installments. The following additional rental expenses can be estimated:

<b>Dates</b>	<b>Rent/SF</b>	<b>Monthly Rent</b>	<b>Total</b>
10/1/24 – 9/30/25	<b>\$9.23</b>	\$6,569	\$78,828
10/1/25 – 9/30/26	<b>\$9.42</b>	\$6,704	\$80,448
10/1/26 – 9/30/27	<b>\$9.61</b>	\$6,839	\$82,068
		<b>Sub-Total</b>	<b>\$241,344</b>
<b>Total Rent &amp; CAM Expenses</b>			<b>\$766,548</b>

The lease expense will be budgeted utilizing operational funds.

**2. A Lease Amendment with HPIV San Antonio, LLC, Successor in Interest to 9618 Huebner Partners, LLC for the Huebner Specialties Clinic Located at 9618 Huebner Rd, San Antonio, Texas 78240**

**SUMMARY:** In December 2022, University Health (UH) entered into a lease agreement with 9618 Huebner Partners, LLC for 10,777 rentable square feet of clinic space located at 9618 Huebner Road that is now known as Huebner Specialties Clinic. This leased space supported the initiative to accommodate rising patient volumes for Audiology and ENT Services.

The Huebner Specialties Clinic provides Adult and Pediatric Hearing and Balance Services that include physician clinic, auditory brainstem response testing, cochlear implants, hearing evaluations and hearing aids. Additionally, the clinic provides Pediatric ENT services to address conditions such as ear, nose and throat abnormalities, hearing loss and recurrent ear infections.

In 2024, 9618 Huebner Partners, LLC sold the building and associated lease agreements to HPIV San Antonio, LLC.

As operations began, Clinic leaders raised two opportunities related to the patients and the property. The first opportunity was the need for additional external signage. High volume of late patients was a recurring theme and the root cause was confusion on identifying the appropriate building for UH. The 9618 Huebner building sits back away from Huebner Road, but also utilizes a driveway shared by multiple surrounding medical buildings, both of which were factors associated with this challenge. UH then petitioned the Landlord for external building signage that would make identification of the correct building, containing our clinic operations, easy for the patients. The Landlord has agreed and this First Lease Amendment contains approval for UH to install approved building signage. The external building signage proposal has been received and approved by landlord. The cost of the external building signage is \$15,939, which will be paid through Operational Expenses. The Base rent will not be impacted by this Lease Amendment.

The second opportunity was the need for additional staff/patient parking. The building is busy and with surrounding medical buildings in the area, parking can be challenging at peak times. The Landlord, aware of this challenge, purchased a nearby property that will allow for expanded parking capabilities for the tenants. This Lease Amendment incorporates the additional parking into the definition of premises, which will increase parking spaces and related future Common Area Maintenance (CAM) rates.

The original Lease 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. UH's pro-rata share is updated to account for the revised RSF due to the ratio of UH's square footage to rental square footage. Tenant Pro-Rata Share is revised from 19.073% to 20.63%. The lease costs will be a budgeted operational expense.

**3. A Lease Agreement with Mission Medical Plaza, LLC for Space Located at 600 E. Amber Street, San Antonio, Texas 78221 for the Temporary Relocation of the South Flores Clinic**

**SUMMARY:** In 2023, the Board of Managers approved an agreement for the demolition and replacement of the current South Flores Clinic, with a modular building. The South Flores Clinic provides Women's and Pediatric care to the South Side of San Antonio.

**BCHD Board of Managers Meeting**

**Tuesday, August 27, 2024**

**Page 13 of 24**

---

Demolition of the current S. Flores Clinic is scheduled to begin in October 2024 and in order to continue patient care, a temporary location is being sought. The S. Flores Clinic Project is estimated to complete the 3<sup>rd</sup> Quarter of 2025.

Staff has identified and is recommending a short-term lease for 1,532 square feet of clinic space located at 600 E. Amber, Suite 101, which is already finished out and currently operating as a time-shared medical office. The property will allow both existing S. Flores Clinic Physicians to continue to support patient care within four (4) exam rooms. 600 E. Amber St is .3 miles away from the existing S. Flores Clinic, which will support our patient population by keeping them from traveling longer distances and into unfamiliar areas. For those patients within the S. Flores community, they can easily travel and find the temporary clinic at 600 E. Amber, which is an easy 7-minute walk or 2- minute drive from the existing S. Flores Clinic.

The proposed lease agreement for Suite 101 would be for a duration of twelve (12) month term, with an option to terminate after completing a six (6) month lease term, with a 60-day written notice. This triple net lease will have a rental rate of \$30 per square foot. The lease will contain an Option to renew on a month-to-month basis, following the initial twelve (12) month term, which is subject to landlord approval.

The rental expense over the term of the lease is as follows:

<b>Dates</b>	<b>Rent/SF</b>	<b>Monthly Rent</b>	<b>Total</b>
Months 1-12	\$30	\$3,830	\$45,960
		<b>Sub-Total</b>	<b>\$45,960</b>

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. The following additional rental expenses can be estimated:

<b>Dates</b>	<b>Rent/SF</b>	<b>Monthly Rent</b>	<b>Total</b>
Months 1-12	\$9	\$1,149	\$13,788
		<b>Sub-Total</b>	<b>\$13,788</b>
		<b>Total Rent &amp; CAM Expenses</b>	<b>\$59,748</b>

The lease expense will be budgeted utilizing operational funds.

**Consideration and Appropriate Action Regarding an Agreement for Anesthesia Services between University Medicine Associates and Qurbee Anesthesia and Pain Interventions, PLLC — *Monika Kapur, M.D.***

**SUMMARY:** In recent years, University Health has added additional operating rooms, opened the Advanced Diagnostic Clinic and currently plans to expand its Ambulatory Surgery Centers. The Department of Anesthesia at the University of Texas Health Science Center at San Antonio (UT Health) has worked diligently to increase the number of anesthesia providers available for our patients. In spite of these efforts, UT Health has been unable to provide adequate coverage all University Health facilities and service lines.

University Health leadership has met with an anesthesiologist currently leased through UT Health who is wanting to transition to University Health/UMA as a 1099 independent contractor. She is ready and able to provide additional anesthesia services for University Health patients. As a member of the military, this individual has earned and received full benefit packages from the United States government. Because of this status, the provider will work as an independent contractor for University Medicine Associates, and as such will receive no employment benefits, i.e. health care coverage, retirement benefits, etc. She will also be fully responsible for her self-employment, income taxes and worker's compensation insurance coverage.

The provider is credentialed as faculty. She will serve as the Assistant Medical Director under Dr. Lee Ann Carlisle and will provide oversight for all areas of the Advanced Diagnostic Center with the exception of cardiac cases requiring cardiac anesthesia services. She will also provide coverage as needed for all University Health ASCs, eliminating the need to transfer staff from the main ORs during periods of high surgical services demand. UT Health Anesthesia is supportive of these agreements.

The term of the contract will begin September 1, 2024 and continues through August 31, 2026. The contract is with a Professional Limited Liability Company owned by the individual anesthesiologist as set out below:

Qurbee Anesthesia and Pain Interventions, PLLC, Jacqueline Curbelo, DO: Total contract amount: **\$1,175,000**

These are planned expenses and are included in the 2024/2025 Annual Operating Budget.

**Consideration and Appropriate Action Regarding an Amendment to the Agreement with PAM Specialty Hospital to Increase Funding — *Bill Phillips***

**SUMMARY:** The Agreement will provide University Health with the option of transferring long-term University Hospital acute care patients to PAM Specialty Hospital Facility when clinically deemed the more appropriate setting for continued acute care delivery. The Agreement arranges for payments from University Health to PAM Specialty Hospital for authorized Covered Services at the negotiated rates. Input on Agreement terms was solicited from University Health – Legal Accounts and University Health – Case Management department and provisions included to address points raised wherever possible. It is anticipated that the University Health – Case Management department will be responsible for managing this relationship once implemented.

Based on acceptable performance by PAM Specialty Hospital, In November 2023 staff recommended a new contract with a one-year term of December 27, 2023 – December 27, 2024. It is now necessary to request additional funds to fulfill this Agreement. To ensure optimal care and good communication between University Health and PAM Specialty Hospital weekly clinical updates will be provided to Katherine Losoya, Assistant Director Case Management or designee.

The cost/benefit to University Health is services could be delivered in a more clinically appropriate setting and at a lower cost; allowing additional ICU capacity at University Health during peak capacity events. This is a planned expense and operating funds have been included in the Year 2024 Operating Budget.

The original contract value in the amount of \$250,000.00 was approved November 2023. Modification #1 in the amount of \$150,000.00 is requested. The cost of this Agreement including modification #1 is not exceed \$400,000.00.

**Consideration and Appropriate Action Regarding an Agreement with Alamo Area Resource Center, Funded through the Health Resources and Services Administration, in Support of Operation BRAVE Services Program Serving HIV-Affected Clients —*Anna Taranova, M.D.***

**SUMMARY:** The purpose of this Agreement is to amend the existing contract with Alamo Area Resource Center (AARC) to further expand the capacity in meeting needs of individuals living with HIV and provide medical and support services related to HIV care. University Health received carryover funds from the Health Resources and Services Administration (HRSA) for ending the HIV Epidemic initiative from the FY23-24 funding period to be utilized in FY24-25. This funding is in conjunction with the existing Ryan White Parts A and B funding and supports the University Health Operation BRAVE Program to reduce new HIV diagnosis and to provide services to persons living with HIV (PLWH). The allocated funding will allow AARC to provide access to housing services for persons affected by HIV and AIDS who live in the San Antonio Health Service Delivery Area.

AARC is a local non-profit 501(c)3 organizations and long-term partner of University Health on ending the HIV epidemic and providing care and services for people affected by HIV/AIDS and their families. They offer a range of wraparound services and continuum of care for people affected by HIV/AIDS in Bexar County and surrounding areas.

AARC is subject to all federal, state, and local laws, ordinances, rules, regulations, standards, and guidelines for HRSA HIV/AIDS Bureau (HAB) Grantees. University Health and all sub awardees will abide by the HIV/AIDS guidelines for care and testing services and the HRSA HAB policy and performance measures.

The overall impact of the program and the sub-award agreement with AARC is budget neutral. The activities for the Operation BRAVE Agreement are funded through the HRSA award number UT8HA33921. The existing agreement with AARC allocated \$499,846.00 to the agency. This amendment will include the additional amount of \$504,000.00 making it a total of \$1,003,846.00 allocated funds to provide services budgeted as part of the ending the HIV Epidemic Program – Operation BRAVE.

**Consideration and Appropriate Action Regarding Purchasing Activities (See Attachment A) — *Reed Hurley/Travis Smith***

**SUMMARY:** University Health’s Purchasing Consent attachment for the month of August 2024 includes 21 proposed contracts for Board of Managers action. The total requested Board of Managers approval for these 21 contracts is \$28,789,455. Additional Presented contracts during the August 2024 Board of Managers meeting total \$11,135,756 and are considered for approval separate from the Purchasing Consent.

**RECOMMENDATION:** Staff recommends Board of Manager’s approval of:  
1) Purchasing Consent Agenda Items; and,  
2) Purchasing Consent Attachment “A” in the amount of \$28,789,455

**COMMENTS /DISCUSSIONS:** None

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

**EVALUATION:** None.

**FOLLOW UP:** None

**Action Items:**

**Consideration and Appropriate Action Regarding Selected Purchasing Items:**

**Consideration and Appropriate Action Regarding Commissioning of a Peace Officer for Bexar County Hospital District — *Chief Sherrie King/Edward Banos***

**SUMMARY:** University Health is authorized by the Texas Health & Safety Code to appoint and commission peace officers to provide a safe and secure environment for patients, visitors, staff, and facilities. A peace officer's authority is limited to property owned or controlled by University Health, including an abutting street, right of way or easement in the property. The Texas Code of Criminal Procedure identifies persons commissioned by the Board of Managers of University Health as peace officers. The credentials of Micah Hoevelman have been reviewed by the Chief of Police as meeting all of the requirements of a University Health Peace Officer.

As required of all University Health peace officers, Mr. Hoevelman has completed all necessary training requirements. The commissioning of this Peace Officer will be filling one open position due to a budgeted New Full Time Employee position.

**RECOMMENDATION:** Staff recommends Board of Managers' approval to commission Micah Hoevelman as a Bexar County Hospital District Peace Officer.

**COMMENTS /DISCUSSIONS:** None

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

**EVALUATION:** None.

**FOLLOW UP:** None

**Consideration and Appropriate Action Regarding an Interlocal Agreement for The South Central Texas Regional Certification Agency d/b/a Supply SA in Furtherance of University Health's Supply Diversity Initiatives — *Latifah Jackson/Travis Smith***

**SUMMARY:** University Health follows a fair and equitable procurement process to ensure the goods and services used to care for our patients are obtained in a transparent method. One of the goals of the procurement process is to obtain those goods and services from local and diverse vendors that reflect the demographics of Bexar County. Through several initiatives, University Health has partnered with the Bexar County Small Business and Entrepreneurial Department and other local agencies who advocate for local, small businesses to improve the business relationships with public entities. University Health constantly surveys the local business environment to determine better ways to reach these businesses through outreach, education, and support in their efforts to certify as a Small, Minority, Woman, or Veteran-owned Business Enterprise (SMWVBE).

Supply SA is a coordinated effort that began in late 2022 by Bexar County leaders, including Secretary Henry Cisneros and Congressman Joaquin Castro, to improve access for local small businesses.



**BCHD Board of Managers Meeting**

**Tuesday, August 27, 2024**

**Page 17 of 24**

---

This effort focuses on using the ‘Procurement Economy’ as a tool to improve the overall economic development of Bexar County by raising the outcomes of small and minority-owned business and improve upon the 15-20% of procurement opportunities that were awarded to Latino and Black owned businesses in San Antonio. Supply SA has facilitated these efforts by coordinating an improved procurement approach among the 13 involved public agencies (City of San Antonio, CPS Energy, San Antonio Water Systems, Brooks City Base, VIA Transportation, Opportunity Homes, University Health, Bexar County, Alamo Colleges District, San Antonio River Authority, UTSA, Texas A&M San Antonio and SAISD).

Many of these process improvements are underway with the agency CEO’s strategizing on efforts to simplify the procurement process across their agencies and the South Central Texas Regional Certification Agency (SCTRCA). SCTRCA is the local small and minority certification agency which will now do business as Supply SA. The Supply SA Inter-local Agreement formalizes the inter-agency coordination among participating entities and establishes a more robust approach to overcoming the barriers for small businesses and delivering measurable performance outcomes.

University Health has historically supported the local agency that certifies businesses as historically disadvantaged, the SCTRCA, with sponsoring annual membership dues which were \$67,095 for 2024. The University Health investment to further the Bexar County procurement economy with Supply SA will be approximately \$125,432 for fiscal year 2025 and \$112,321 for fiscal year 2026. The additional investment to Supply SA will result in a more robust infrastructure to support local, small businesses to overcome barriers, deliver measurable performance outcomes, and enhance the Bexar County economy.

**RECOMMENDATION:** Staff recommends Board of Manager’s approval of the Inter-local Agreement for the South Central Texas Regional Certification Agency d/b/a Supply SA and approve the funding amount of \$237,753 over the next two years.

**COMMENTS /DISCUSSIONS:** None Mr. Hasslocher asked who is the Supply SA CEO? Presently they are conducting a nationwide search for the vacant position of CEO and other key staff. Mr. Adams thanks Travis Smith and Latifah Jackson for their report.

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

**EVALUATION:** None.

**FOLLOW UP:** None

**Consideration and Appropriate Action Regarding Selected Purchasing Items:**

**Consideration and Appropriate Action Regarding an Agreement with UT Health San Antonio for Professional Orthotic and Prosthetic Services — *Edward Banos***

**SUMMARY:** As an integral part of quality patient care, university Health provides prosthetics and orthotics services to in patients. Since 2008, these devices have been custom designed and fit to individual patient specifications by the UT Health San Antonio Department of Rehabilitation Medicine. They consist of spinal support, upper and lower extremity bracing and supports, show wear and prosthetic devices.

**BCHD Board of Managers Meeting**

**Tuesday, August 27, 2024**

**Page 18 of 24**

---

The purpose of this agreement is to continue to secure prosthetic and orthotic services for University Health inpatients who are either uninsured or whose insurance will not pay for the devices due to their inpatient status. These services include the actual appliances as well as the services of certified orthotists. These prosthetic and orthotic devices are essential for stabilization, proper recovery, and timely discharge following surgical procedures and/or injury and disease treatments. The orthotic devices include spine braces, upper and lower extremity devices that allow early mobilization of the patient and efficient discharge from the hospital. Select devices also assist in preventing the diabetic patient from developing foot and leg ulcerations.

The cost of the current agreement is \$325,000 per year. Due to the increased cost of the source material used to produce these devices due to inflationary pressure, the cost will increase to \$395,000 per year for the new agreement. This increase is based on the costs incurred during the previous twelve month period.

As mentioned in the Analysis, significant savings have been and will continue to be achieved by reducing the length of stay of approximately 400 inpatients per year who would be required to stay in the hospital but for the application and use of these devices. The initial term of this agreement will be a one-year period from September 1, 2024 through August 31, 2025 at a cost of \$395,000. It will include an option to renew for one additional twelve-month period at a cost of \$395,000. This is a planned expense and is included in the 2024 operating budget.

**RECOMMENDATION:** Staff recommends the Board of Managers approve and authorize the President/Chief Executive Officer to execute a one year Agreement with UT Health San Antonio through its Department of Rehabilitation Medicine for the provision of orthotic and prosthetic services at a cost of \$395,000, with an option to renew for an additional twelve month period at a cost of \$395,000, for a total cost not to exceed \$790,000.

**COMMENTS /DISCUSSIONS:** None

**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 Professional Services Agreement between University Medicine Associates and UT Health San Antonio for Specialty Critical Care Services for the 9<sup>th</sup> Floor Sky Tower Intensive Care Unit — *Edward Banos***

**SUMMARY:** University Health Critical Care Transplant, Cardiothoracic Surgery and Cardiology inpatients are co-located and cared for in the Sky Tower 9th Floor Intensive Care Unit. These patients require 24/7/365 on-site care management, the vast majority of which had been previously provided by UT Health faculty physicians and advanced practice providers from the Departments of Transplant and Cardiothoracic Surgery and the Cardiology Division. Each of these provider groups have been hampered by the time commitments created by their respective patient coverage obligations. In 2022, University Health and UT Health leadership collaborated to develop a plan to assign a group of Critical Care Physicians from the Departments of Anesthesiology and Surgery, supported by University Medicine Associates (UMA) advanced practice providers, to provide the required on-site coverage for these patients.

**BCHD Board of Managers Meeting**

**Tuesday, August 27, 2024**

**Page 19 of 24**

---

A Professional Services Agreement (PSA) was developed and executed by UT Health and UMA effective October 1, 2022 to provide this coverage.

This agreement also freed up additional time for Transplant, Cardiothoracic Surgery, Cardiology, and Surgery Trauma providers to grow and enhance their respective programs at University Health facilities. The current PSA consists of 24/7/365 on-site coverage provided by Critical Care faculty physicians who are leased from UT Health by UMA. UMA will bill and collect all professional fees generated by the leased UT Health providers for professional services rendered. The current agreement expires September 30, 2024.

UMA will compensate UT Health an amount not to exceed \$4,449,376 per year for up to 13,143 on-site faculty hours at \$338.54 per hour. The Critical Care team is including an additional 4,383 coverage hours to the new agreement. This new support will provide a second day shift to accommodate for the growing patient volume on the ICU. Average daily census has grown 19% over the past six months. Additionally, support for a Critical Care Medical Director in the amount of \$124,583 was not previously included in this agreement, although this amount will be partially offset by a \$70,000 reduction in support provided pursuant to the Annual Operating Agreement for Medical Directors. The medical director serves as the clinician who oversees and guides the care that is provided by the Critical Care team. They monitor quality initiatives, manage daily operations, and directly supervise the faculty providing direct patient care. The cost of this agreement will be partially offset by annual professional fee collections generated by the leased providers of approximately \$372,000, which results in a net annual cost to UMA of \$4,007,376. This is a planned expense and is included in the 2024 and 2025 Operating Budgets.

**RECOMMENDATION:** Staff recommends Board of Managers' approval to execute a one year agreement with UT Health for up to 13,143 on-site faculty physician hours at an amount not to exceed \$4,449,376 for the period from October 1, 2024 through September 30, 2025, with an option to renew for an additional one year period under the same terms and conditions, for a total expense not to exceed \$8,898,752.

**COMMENTS/DISCUSSIONS:** Mr. Banos added that they did calculate additional Intensivist hours because of the Transplant Program growing so much, this will allow more added bed coverage and add additional medical staff for the 9<sup>th</sup> floor ICU. Dr. Kelley asked at any given day how many Intensivists are available. Mr. Banos answered at this time there is one Intensivists and one Nurse Practitioner around the clock 24 hours, seven days a week. Further discussion ensued.

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

**EVALUATION:** None.

**FOLLOW UP:** None

**Consideration and Appropriate Action Regarding the Financial Report for July 2024 — *Reed Hurley***

**SUMMARY:** University Health's consolidated bottom line for the month of July 2024 reflects a gain of \$34.0 million, \$30.2 million better than the budgeted gain of \$3.7 million. This gain to budget is primarily due to patient activity driving positive net patient revenue of \$11.4 million, and higher than budget supplemental revenue of \$12.2 million.

## **BCHD Board of Managers Meeting**

**Tuesday, August 27, 2024**

**Page 20 of 24**

---

In July, clinical activity (as measured by inpatient patient days) was up by 12.3% and inpatient discharges were higher than budget by 20.8%. Volumes exceeded budget across all key service delivery areas. Community First experienced a bottom line gain of \$3.3 million, which was \$2.0 million higher than the budgeted gain of \$1.3 million.

Although Community First fully insured membership was down 18.6% to budget due to faster than anticipated Medicaid disenrollment, the gain to budget was driven by a lower than budgeted claims expense.

### **Year to Date Operating Revenue**

- Net patient revenue is over budget \$95.5 million driven by high patient volumes, acuity of inpatient services, and the continued growth of retail pharmacy volumes.
- Supplemental revenue is over budget \$43.6 million due to the deferral of DSH cuts, an unexpected increase in the HARP program for 2024 and the reconciliation payment of FFY 2023 TIPPS.
- Community First premium revenue is under budget \$75.0 million related to lower than budgeted Medicaid membership which was impacted by the State's disenrollment process.

### **Year to Date Operating Expense**

- Purchased Services are under budget \$25.5 million related to the re-class of year to date software maintenance contract expense to lease amortization expense.
- Supplies are over budget \$30.2 million due to \$20.4 million in higher pharmaceuticals expense from the retail pharmacy programs and \$8.6 million in higher medical supplies from the operating room and procedural departments
- Community First claims expense is under budget \$66.8 million primarily driven by the lower than budgeted Medicaid membership.

### **Year to Date Non-Operating Expense**

- Investment income of \$53.9 million was higher than budget by \$16.4 million.
- An unrealized gain of \$18.2 million was higher than a budgeted zero.

### **Consolidated Balance Sheet**

- Days Revenue in Patient Accounts Receivable: 36.9 days on a budget of 38.0 days. Improved cash collections and AR cleanup has moved this metric in a positive direction.
- The Women's and Children's Hospital and associated projects has a budget of \$838 million, \$776 million has been paid to date leaving a balance of \$62 million. A large portion of the remaining balance is encumbered and expected to be paid on the project.
- The Community Hospitals project has a budget of \$1.55 billion, \$132 million has been paid to date with a reserved cash balance of \$985 million. Additional cash reserves will be allocated to the project over the next two years.
- Unencumbered funds reserved for future capital needs has a balance of \$54 million.
- University Health's Net Asset Value has increased \$223.3 million year to date on a Generally Accepted Accounting Principles (GAAP) basis including debt service tax revenue and interest expense on bonds.

## **BCHD Board of Managers Meeting**

**Tuesday, August 27, 2024**

**Page 21 of 24**

---

**RECOMMENDATION:** Staff's recommendation to approve the August 2024 Financial Report as presented to the Board of Managers subject to Audit.

**COMMENTS/DISCUSSIONS:** Mr. Hasslocher thank Reed Hurley and the staff for their hard work as we have in the past and continue to have another good month.

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

**EVALUATION:** None.

**FOLLOW UP:** None

### **Presentations and Education:**

#### **Annual Community First Health Plans, Inc. Board Report — Theresa Scepanski**

**SUMMARY:** In 2023, Community First Health Plans, Inc. (Community First) achieved strong results associated with high-quality and operational performance outcomes, some of which are highlighted below:

- Completed 100% of annual reporting from across the organization, to remain compliant with our Health Plan Accreditation from the National Committee on Quality Assurance (NCQA) for Medicaid and Commercial programs and Distinction status for Long Term Services and Support (LTSS). In addition, steps were taken to pursue NCQA Health Plan Accreditation for Marketplace, Health Equity and Health Equity Plus Accreditation.
- Launched readiness teams and activities in preparation for the launch of the STAR+PLUS program effective September 1, 2024. We anticipate initial enrollment to exceed 10,000 STAR+PLUS members.
- Experienced positive membership growth in the Marketplace. Community First's approach was to target a specific subset of the CareLink population that is between 100-300 percent of the Federal Poverty Limit (FPL) for this product.

The following processes are also monitored through an internal assessment of workflow and feedback by the provider community:

- Electronic Data Interchange (EDI)
- QNXT Claim Workflow and Lifecycle
- Electronic Remittance Advice (ERA) or 835
- Quality and Accuracy of Claims Processing

Results of key performance indicators at year-end 2023 compared to 2022 is:

<b>Key Performance Indicators</b>		
	<b>December 2022</b>	<b>December 2023</b>
<b>Auto-Adjudication Rate</b>	77%	81%

Community First’s average processing time, aging claims inventory, and auto-adjudication rates have remained at high-performance levels. Community First’s quarterly Claims Summary Report (CSR) submissions to the Texas Health and Human Services Commission (HHSC) continue to exceed the minimum requirement resulting in 100% timeliness of clean claims adjudicated within 30 days from initial receipt of the claim. The current turn-around time is averaging seven (7) days.

In 2023, Community First, screened over 6,500 members using its NMDoH needs assessment. Approximately 5,200 members screened positive for social barriers. The social barriers rising to the top five (5) needs were food insecurity, housing instability, transportation needs, and new this year, clothing for families, and finances. Also of note, in addition to social needs, many members screened identified as pregnant, exhibited a behavioral health concern, and/or had at least one chronic condition.

Additionally, we have strengthened and expanded partnerships with community-based organizations (CBOs), targeted messaging to empower members to achieve health equity, and developed a health equity toolkit for Providers. Our team continues to work with Findhelp.org and has recently partnered with Unite Us as its referral platform to refer members to community organizations and assist members with navigation. The Unite Us referral platform offers a software solution with an expansive network of resources and care options, including reporting capabilities with meaningful outcomes data and analytics.

Community First serves a diverse population. In previous years, English and Spanish have been the standard languages for all member materials. However, when reviewing the language requests made in 2023, Pashto was identified as meeting the threshold for members who require vital information in that language. Focusing on health equity, health literacy, and existing resources within the organization, we have designed a framework and model for health equity.

Community First has adopted, with the approval of the Board of Directors, a Health Equity Model that reduces disparities, invests in our community, addresses NMDoH, and influences policy. We educate our workforce and network providers on the impact culture and language have on health and wellness, how members and their caregivers perceive illness and disease, and how person-centered care is delivered by our health plan.

In 2021, Community First was named a Healthy People 2030 Champion by the U.S. Department of Health and Human Services Office of Disease Prevention and Health Promotion. Community First was selected as a Champion resulting from our commitment to improving the health and well-being of the people in our community. This is evident through community partnerships and our mission: “To promote the good health of the community by providing access to the highest quality health care and creating partnerships to reduce the number of uninsured in South Texas.” As Healthy People 2030 Champions, Community First is and will continue working to improve the health and well-being of the Bexar Service Delivery Area through the assistance of the Healthy People program and community-based organization partners.

Since 2023, key initiatives were achieved including increased membership by 339%, by successfully enrolling over 1,750 CareLink members into the Community First Marketplace, compared to 450 members in 2022. For year-end 2023, Community First generated a Net Income of \$32.1M compared to budgeted Net Income of \$10.8M. Net Income is \$32.1M compared to a budgeted net income of \$10.8M for a favorable variance of \$21.3M.

Theresa Scepaniski commented on Dr. Burns upcoming retirement from the UH Board of Managers and the Community First Health Plans Board of Directors and expressed her gratitude for Dr. Burns since the inception of Community First as Dr. Burns assisted with the CFHP Bylaws and appreciated her participation and dedication to her patients as a Provider and serving on the Board over the years.

**COMMENTS/DISCUSSIONS:** Miss Jasso asked where does the food come from for the Food Pantries? Food drives are conducted throughout the year. Additionally CFHP has developed a concept where an organization adopts the food pantry and they also commit to keeping it stocked. A list is provided of what the pantry needs and also includes non-traditional items for example back to school supplies and miscellaneous items during the winter season. There are some individuals that lend their time to construct the pantries. Mr. Hasslocher expressed his gratitude to Theresa and her team for their efforts at CFHP within the community.

**ADDITIONAL COMMENTS/DISCUSSIONS:**

Mr. Adams commented on the upcoming Nominations Committee that will be chaired by Dr. Kelley.

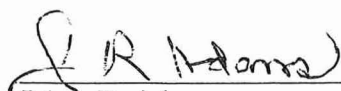
Mr. Banos commented on his first sixty days and how it is an incredible role to sit back and actually be the CEO and feel the enormity of the job and how he never understood the amount of hours that Mr. Hernández worked after hours. So far it has been an eye opening experience and is excited with everything that is going on.

**Information Only Items:**

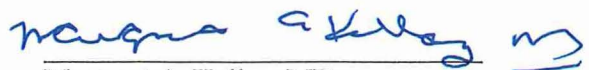
- A. Second Quarter Supplier Diversity Report — *Latifah Jackson/Horacio Vasquez/Travis Smith*
- B. Update on the Community Hospitals and Associated Projects — *Don Ryden*
- C. University Health Foundation Update — *Sara Alger*
- D. Report on Recent Recognitions and Upcoming Events — *Leni Kirkman*

**Adjournment:** — *Jim Adams, Chair*

There being no further business Mr. Adams adjourned the public meeting at 7:25pm., for a closed session.



James R. Adams  
Chair, Board of Managers



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



Janie M. Guevara, Recording Secretary

**BCHD Board of Managers Meeting**

**Tuesday, August 27, 2024**

**Page 24 of 24**

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*The Board of Managers may recess during the open meeting in order to hold a closed meeting. Alternatively, a closed meeting may be held before the open meeting or after its adjournment.*

**Closed Meeting:** A closed meeting will be held pursuant to TEX. GOV'T CODE, Section 551.085 to receive information regarding pricing, market data and/or financial and planning information relating to the arrangement or provision of proposed new services and/or product lines.

**Closed Meeting:** A closed meeting will be held pursuant to TEX. GOV'T CODE, Section 551.085 to receive information regarding pricing or financial planning information relating to a bid or negotiation for the arrangement or provision of services or product lines to another person if disclosure of the information would give advantage to competitors of the hospital district.