

**EL PASO COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS MEETING MINUTES**

**TUESDAY, FEBRUARY 14, 2017 – 3:00 P.M.
EIGHTH FLOOR BOARD ROOM**

<u>PRESENT</u>	<u>GUESTS</u>
Steve DeGroat, Chairman Miguel Fernandez, Board Secretary Carmen Arrieta-Candelaria, Board Member Steve Anderson, Board Member R. Jacob Cintron, President & CEO Maria Zampini, Chief Operating Officer Joe Garcia, Chief Nursing Officer Lorena Navedo, Chief Administrative Office Christina Ford, Chief Legal Officer Cathy Gibson, Chief Waiver/Compliance Officer Sabrina Addison, Recording Secretary Jennifer Maxwell, Executive Assistant to the BOM Leticia Flores, Corporate Controller	Michael Rooney, Citizen Dennece Knight, UMC Foundation Dr. Veronica Greer, Chief of Staff, TTUHSC JoEllen Alva, UMC Ryan Mielke, UMC Bruce Yetter, Assistant County Attorney Javier Saenz, Assistant County Attorney Janice Harris, UMC Dr. Richard Lange, TTUHSC James Booher, UMC Salvador Baeza, UMC Xochiquetzalli Gamboa, UMC Jerry Akin, Broaddus & Associates Laurel Huston, Assistant County Attorney Michael Wyatt, Assistant County Attorney Todd Moultrie, UMC David Stevens, UMC Roberto Valadez, UMC Susie Byrd, Citizen Aileen Flores, El Paso Times
<u>ABSENT</u> James Volk, Vice Chairman Joy Martinez, Board Member Henry Gallardo, Board Member Frank Dominguez, President & CEO of El Paso First	

1, 2, & 3. CALL TO ORDER

Meeting was called to order at 3:00 p.m. on February 14, 2017 by Mr. Steve DeGroat, Chairman. After establishing that a quorum was present, Mr. DeGroat led in the Pledge of Allegiance.

CONSENT AGENDA

ACTION: MOTION to approve the Consent Agenda items 4-8 was made by Ms. Arrieta-Candelaria and seconded by Mr. Anderson. The vote was: Mr. Fernandez, Yes; Mr. Anderson, Yes; Mr. DeGroat, Yes; and Ms. Arrieta, Yes. Motion Carried.

4. Approve the minutes of the Board of Managers meeting for January 10, 2017.
(TAB A)

CONCLUSION: Item presented and approved as part of the Consent Agenda.

5. Review and approve the Financial Statements for the El Paso County Hospital District, El Paso First Health Plans, Inc., and the El Paso Children's Hospital for November and December 2016.
(TAB B)

CONCLUSION: Item presented and approved as part of the Consent Agenda.

6. Review and take appropriate action on the following Medical Staff requests:
(TAB C)

- A. Medical Staff Initial Applications**
- B. Initial applications for Allied Health Professional**
- C. Advancement from provisional status**
- D. Medical Staff reappointment applications**
- E. Reappointment application for Allied Health Professional**
- F. Focus Professional Practice Evaluations**
- G. Ongoing Professional Practice Evaluations**
- H. Additional Privileges**
- I. Change in Status/Privileges**
- J. Leave of Absence/Resignation/Relocation**
- K. Suspensions and Reinstatements**
- L. Automatic termination per Bylaws Article VIII 8.1.6**
- M. Delineation of Privileges Revisions and Approvals**

CONCLUSION: Item presented and approved as part of the Consent Agenda.

7. Review and approve the Quarterly Investment Report for period ended December 31, 2016.
(TAB D)

CONCLUSION: Item presented and approved as part of the Consent Agenda.

This item was previously reviewed and approved at the Finance Committee.

8. Review and take appropriate action on the following policies:
A. Hospital Policy C-6, *Value Analysis Council*
B. Hospital Policy F-11, *Investment*
(TAB E)

CONCLUSION: Item presented and approved as part of the Consent Agenda.

REGULAR AGENDA

9. Receive and approve the following reports:

- A. El Paso County Hospital District CEO Report:** Mr. Cintron verbally reported the following items:
- Noted that Ryan Mielke handed out copies of the UMC annual report to the Board Members.

- The Eastside clinic is 99.5% complete and the Westside clinic is 97% complete. Began working with Ryan Mielke and Maria Zampini on the promotion of the event to include radio announcements, direct mail pieces, signage, as well as community days and tours for those living the respective communities.
- Ms. Cindy Ann Stout joined UMC as the Chief Nursing Officer. She has more than ten (10) years of experience. Ms. Stout is currently in orientation and will be introduced at the next Board meeting.
- Children's Hospital celebrated their 5th Anniversary this morning in the lobby. We had a good turn-out, the Media was present. We had the opportunity to hear a great testimony from a family about their experience with Children's Hospital. The celebration was well received and it was great to be there in support.
- Beginning to notice a seasonal spike in flu cases. We've had about 17 new cases. Although we are beginning to see an increase late in the season, we are ready for it.
- New SANE Certification program for sexual assaults. Nurses go through specialized training that can take as much as a year to year to complete. We now offer 24-7 coverage at UMC. In house, on staff, the only Hospital that provides this service at this time.
- Given that it's the 85th Legislative Session, we have been meeting with Commissioner Smith over at Health Human Services as well as with the Teaching Hospitals of Texas related to the legislative agenda. One critical item is the rate enhancement with the MCO's that is getting a lot of traction. El Paso and San Antonio will probably be the first to go live with us. We are expected to initiate the program September 1st. The payors and providers have been in agreement and we continue to reach out to our other partners such as Parkland, Houston and some of the other areas that are also coming online that are a little further behind. We will continue to keep the Board informed as we get closer to the program being approved. This will be a good program for us. Congressman O'Rourke was helpful in talking to CMS at the National level in D.C. in support of this program. Senator Rodriguez and his staff have been supportive at the State level working with HHC and getting this program promoted. We've been thankful for the Commissioner and his support in getting this program moving along.

B. University Medical Center Foundation Quarterly Report:

CONCLUSION: Item was tabled.

ACTION: MOTION to approve item 9.A., CEO Report, was made by Mr. Anderson and seconded by Mr. Fernandez. The vote was: Mr. Fernandez, Yes, Mr. Anderson, Yes, Mr. DeGroat, Yes, and Ms. Arrieta, Yes. Motion Carried.

10. Review and take appropriate action on the Outsourced Medical Necessity Compliance and Physician Advisor Services Agreement between the El Paso County Hospital District d/b/a University Medical Center of El Paso and Executive Health Resources, Inc., and authorize the President and CEO to negotiate and execute the agreement.

(TAB G)

CONCLUSION: Ms. Cathy Gibson presented this item. Ms. Gibson noted that UMC has contracted with EHR since September 2010. This contract coincided with the kickoff of the permanent Medicare RAC program. UMC engaged with this company as the sole source initially before this current contract renewal. An RFP was submitted and we had two respondents. RFP Committee has four members and all four chose EHR as the preferred company for this service. The two major services provided by EHR are:

1. Reviews for inpatient billing status by physician experts using an extensive database of about 13 million cases. UMC has approximately a 70% success rate of converting patient status to inpatient status with EHR services. Those same patients who would not have otherwise qualified under the Hospital process.
2. Defending the Hospital in the Medicare RAC appeals program. EHR has over 7 million appeal cases in their database to work with. UMC has an approximate 90% success rate in overturning appeals with EHR services.

EHR reduced their fees to \$230.00 per case inclusive of all reviews that they conduct. The new case rate should provide an annual cost savings of approximately \$140,000. Management recommends approval of the Outsourced Medical Necessity Compliance and Physician Advisor Services Agreement between the El Paso County Hospital District d/b/a University Medical Center of El Paso and Executive Health Resources, Inc. based on the approximate cost savings and success rates.

ACTION: MOTION to approve item was made by Mr. Anderson and seconded by Ms. Arrieta. The vote was: Mr. Fernandez, Yes; Mr. Anderson, Yes; Mr. DeGroat, Yes; and Ms. Arrieta, Yes. Motion Carried.

11. Receive Centers for Medicare and Medicaid Services claims resolution update. (TAB H)

CONCLUSION: Ms. Cathy Gibson presented item #11. Ms. Gibson noted that this item is for information purposes only. Ms. Gibson stated that this item is in reference to a settlement offer from CMS that directly relates to the program previously discussed under item #10. Institutions that have a large amount of appeals sitting at the ALJ level may now have the opportunity to settle for 66% of the claim amount. This is due to the fact that the ALJ has been back logged with appeals since the RAC program began about six years ago. Three years ago CMS offered a settlement to providers and UMC opted to not accept the settlement at that time and wait to see if the back log would decrease and our appeals would be processed in a timely manner; however, since that time only a few claims were overturned valued at about \$60,000. CMS is offering a settlement again. There are about 178 claims going back to 2008 valued at approximately \$1.2 million. The settlement amount will be just under \$800,000 and UMC will be accepting the settlement at this time. UMC will continue to work with EHR to appeal these claims because the alternative is to lose the entire claim or re-bill at a much lower patient rate.

ACTION: No action required.

12. Review and approve Cytogenetics Laboratory Services Agreement between El Paso County Hospital District d/b/a University Medical Center of El Paso and Texas Tech University Health Sciences Center, and authorize the President and CEO to negotiate and execute the contract. (TAB I)

CONCLUSION: Ms. Maria Zampini presented this item. Ms. Zampini stated that the scope of services in this lab agreement is for genetic testing with Texas Tech in Lubbock. UMC of El Paso has been working with Texas Tech for the past seven years with good results. The lab and the providers are satisfied with the quality and the overall relationship in the agreement. This type of genetic testing is the standard of care in assisting the physician to identify and treat cancer. Dr. Tonk is the Board Certified Ph.D. with Texas Tech who interprets this type of testing. We send about 180 patient tests per year. The agreement covers 24/7 consultation. Ms. Zampini recommends an agreement not to exceed \$140,000 per year for a three year term. Ms. Zampini conducted a price comparison with another provider which showed a 40% increase in pricing as opposed to this agreement. Ms. Zampini recommends approval of this agreement.

This item was previously reviewed and approved at the Finance Committee.

ACTION: MOTION to approve item was made by Mr. Fernandez and seconded by Mr. Anderson. The vote was: Mr. Fernandez, Yes; Mr. Anderson, Yes; Mr. DeGroat, Yes; and Ms. Arrieta, Yes. Motion Carried.

13. Review and adopt Resolution in support of the University Medical Center of El Paso Level I Comprehensive Trauma Facility Re-Designation.
(TAB J)

CONCLUSION: Ms. Sandra Gonzalez noted that it was time again to seek approval of a resolution letter in support of the Level I Trauma program. ACS requires that approval in support of the Trauma program is acquired from the Board of Managers every three years. ACS is expected to make a visit in July 2017.

ACTION: MOTION to approve item was made by Mr. DeGroat and seconded by Mr. Anderson. The vote was: Mr. Fernandez, Yes; Mr. Anderson, Yes; Mr. DeGroat, Yes; and Ms. Arrieta, Yes. Motion Carried.

14. Review and adopt a Resolution approving the University Medical Center of El Paso Trauma Services SANE Program, Victim Assistance-Victims of Crime Act Formula Grant Program Application.
(TAB K)

CONCLUSION: Ms. Sandra Gonzales noted that this resolution is to support an application of a grant for the Trauma SANE program. Ms. Gonzalez deferred to Ms. Xochiquetzalli Gamboa to present the resolution since she assisted with the grant application. Ms. Gamboa requested permission from the Board of Managers to submit a grant proposal on behalf of the Hospital for services for general victims' assistance. She stated that the purpose of the program is to enhance the 24-7 coverage of services by providing an experienced social worker clinician that can provide crisis intervention counseling, after care follow up, and specified referrals for patients who present to UMC in need of SANE exams. In addition, the program will allow the Hospital to have the funds to provide training opportunities for community nurses that seek SANE certification, maintain their certification, or for renewal of their certification. In addition, the funding will provide our current SANE nurses the opportunity to obtain specialized training to provide better services for patients at UMC, conduct outreach, and evaluation services.

Ms. Arrieta asked the question about the process of budgeting for this item. Mr. Nunez stated that it will hit the bottom line and will be reported as an unbudgeted variance on the expense and revenue side. Ms. Arrieta also raised the point that upon review of the resolution, she understood that if there is an issue with the grant whether a loss or misuse, the grant will have to be returned in full. Ms. Gamboa confirmed Ms. Arrieta's point.

ACTION: MOTION to approve item was made by Ms. Arrieta and seconded by Mr. Anderson. The vote was: Mr. Fernandez, Yes; Mr. Anderson, Yes; Mr. DeGroat, Yes; and Ms. Arrieta, Yes. Motion Carried.

15. Review and adopt a Resolution approving the appointment of Blake Anderson, Michelle Lowery and Chantal Ancell Crews to the University Medical Center Foundation of El Paso Board of Directors.
(TAB L)

CONCLUSION: Ms. Dennece Knight verbally presented a brief summary of the bio for each Board member candidate. She noted that bio details are provided in the Board of Managers materials. The following bullet points were presented for each Board candidate:

Blake Anderson

- Family history of support, medallion in the floor of the lobby
- Deloitte background, excellent head for Finance
- President of Surecare Pharmacy Services, a provider and compounding pharmacy
- Committed to the mission of UMC and El Paso Children's Hospitals

Michelle Lowery

- Previously a pre-med student
- Young family with connections to other young families in the community which are the focus to bring up and through the donor base
- Natural philanthropist given her family history
- Hosted many fund raisers and excited to work with the organization
- Family history of supporters of both organizations

Chantal Ancell Crews

- Well known and respected lawyer in community
- Former Chair of Junior League
- Point person when the Family Resource Center was established at El Paso Children's Hospital
- Serves in many capacities within the community

Ms. Dennece Knight respectfully requested approval of the three Board member candidates. The Board commented that the three candidates were excellent choices. Mr. DeGroat asked the Board if anyone had questions. Mr. Anderson brought to the attention of the Board that he is related to Blake Anderson to ensure that everyone is aware and that there would not be a conflict of interest. No other comments or questions were raised.

ACTION: MOTION to approve item was made by Mr. Anderson and seconded by Ms. Arrieta. The vote was: Mr. Fernandez, Yes; Mr. Anderson, Yes; Mr. DeGroat, Yes; and Ms. Arrieta, Yes. Motion Carried.

16. Review and adopt a Resolution approving the Restated Bylaws of University Medical Center Foundation of El Paso. (TAB M)

CONCLUSION: Ms. Dennece Knight gave a brief history of the Foundation. In 2010, the Foundation changed its IRS status from a supporting foundation to a public charity which allowed the Foundation to begin receiving grants. The bylaws had remained unchanged since 2010. She noted that a redline version is included in the Board of Managers materials and pointed out that there is not much left of the original due to the fact that the old bylaws were no longer a true representation of who the Foundation is today given the change in how Boards are conducted today. Below are some of the changes that Ms. Dennece highlighted:

- Directors may phone in for three meetings during a year
- Created Emeritus Directors that have served as a Chair on a Board for a couple of years
- Achieve quorum with seven members as long as two are members of the Executive Committee
- Three year terms for a total of six
- Resolutions may be passed with a 2/3 vote
- CEO is an ex-officio non-voting
- Different layers of oversight both fiscally and strategically
- Issues previously faced with quorum are addressed with the proposed bylaw changes which will allow the Foundation Board to be much more active and engaged
- Currently have the same Board members

A discussion took place in regards to the CEO position being ex-officio, non-voting. Mr. Nunez raised the question about his status as a Board member of the Foundation. Mr. Yetter confirmed that Mr. Nunez is no longer a Board member based on the changes made to the bylaws. Mr. Yetter noted that Mr. Nunez may become a Board member but his "position" is no longer required.

ACTION: MOTION to approve item was made by Ms. Arrieta and seconded by Mr. Fernandez. The vote was: Mr. Fernandez, Yes; Mr. Anderson, Yes; Mr. DeGroat, Yes; and Ms. Arrieta, Yes. Motion Carried.

ADDENDUM ITEM:

1. Receive report and recommendations regarding the Legislative Agenda for the El Paso County Hospital District for the State of the Texas 85th Legislative Session and take appropriate action.
(TAB N)

CONCLUSION: Mr. Michael Wyatt presented the following topics for consideration of support in the current Legislative Session:

1. Amendment to the Open Meetings Act

Counties currently have the benefit of being able to go into closed session to discuss the financial and business details of a contract being negotiated. The amendment would allow all Hospital Districts to have this same benefit. This will allow for discussion of a contract being negotiated without a competitor having the ability to know what the details of a potential contract are.

2. Teaching Hospitals of Texas (THOT) Agenda

THOT has developed an agenda and would like all of their constituents to support the agenda. Since we are a constituent member of THOT, we recommend we support the agenda. In brief some of the items on the agenda are:

- Greater funding for medical education to expand and support the teaching role of our Hospital
- Improving and supporting Medicaid funding/financing
- Item related to trauma funds – there is a dedicated fund in Texas that assists us in providing assistance to our trauma unit. This is a dedicated source of funds that may be eliminated in this Legislative Session but it would be important that we support a bill that would ensure that the financing continue to exist.

Mr. Wyatt introduced Mr. Salvador Baeza to present the third item for consideration.

3. Texas Poison Control Network Source of Funds

Mr. Baeza stated that funding is primarily received from the Commission on State Emergency Communication (CSEC). Although funding is received from CSEC, the network is not fully funded. Mr. Baeza noted that there is a dedicated fund balance that receives \$.06 per phone line, per month. This fund is expected to have a positive balance of approximately \$39 million by fiscal year end. The request is for support that Legislature will appropriate the funds for their intended use which is to support the States Poison Center Program and the Poison Center at UMC.

4. MCO Rate Enhancements

Ms. Christina Ford noted that the fourth item relates to the MCO Rate enhancements.

ACTION: MOTION to approve items presented for support was made by Ms. Arrieta and seconded by Mr. Anderson. The vote was: Mr. Fernandez, Yes; Mr. Anderson, Yes; Mr. DeGroat, Yes; and Ms. Arrieta, Yes. Motion Carried.

By consensus of the Board, Mr. DeGroat moved the meeting into Executive Session on February 14, 2017 at 3:46p.m. in order to review and discuss item #17. Items #18 and #19 were tabled.

EXECUTIVE SESSION

17. Receive legal advice and consultation regarding prevailing wage rate complaint, pursuant to Texas Government Code §551.071.

18. Discuss potential real property acquisition, disposition or exchange of sites in Central El Paso and discussion of possible funding sources for future growth needs of the University Medical Center, pursuant to Texas Government Code §551.072.

19. Receive legal advice and discuss various legal options including use of proceeds regarding the Series 2013 Combination Tax and Revenue Certificates of Obligation, pursuant to Texas Government Code §551.072.

Any action taken as a result of this discussion will be taken at the opening of this meeting after closed session, or at a subsequent meeting.

OPEN SESSION

The Board reconvened into Open Session on February 14, 2017 at 3:58p.m.

20. Discuss and take appropriate action concerning prevailing wage complaint.

CONCLUSION: Ms. Ford noted that a motion was required to approve a finding for prevailing wage complaints on two individuals, Martina Lopez and Richard Madrid.

ACTION: MOTION to approve this item was made by Ms. Arrieta and seconded by Mr. Fernandez. The vote was: Mr. Fernandez, Yes; Mr. Anderson, abstain; Mr. DeGroat, Yes; and Ms. Arrieta, Yes. Motion Carried.

21. Review and take appropriate action regarding scope of 2013 Combination Tax and Revenue Certificates of Obligation and authorize President and CEO to negotiate and execute the transaction.

CONCLUSION: Item tabled.

22. Discuss and take appropriate action on potential real property acquisition of site in Central El Paso for future growth needs of the University Medical Center and authorize President and CEO to negotiate and execute the transaction.

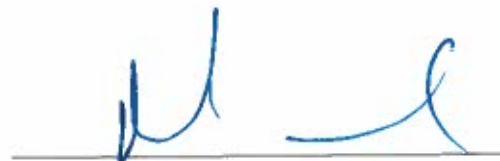
CONCLUSION: Item tabled.

23. Discuss and take appropriate action on potential real property disposition or exchange of sites in Central El Paso for future growth needs of the University Medical Center and authorize President and CEO to negotiate and execute the transaction.

CONCLUSION: Item tabled.

24. Adjournment

ACTION: Mr. DeGroat adjourned the meeting on February 14, 2017 at 4:00 p.m.


Steve DeGroat, Board Chairman
Miguel Fernandez, Board Secretary