

**MINUTES OF THE BOARD OF MANAGERS
OF
UMC HEALTH SYSTEM**

MONDAY, SEPTEMBER 23, 2019

The regular meeting of the Board of Managers of University Medical Center was called to order at 9:00 a.m. on Monday, September 23, 2019 by Mr. Mike McDougal, Chairman, in the UMC Health System Board Room, 602 Indiana Avenue, with the following members present:

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|------------------|-----------------|---------------|
| Gary Greenstreet | Mike McDougal | Jolyn Wilkins |
| Curtis Griffith | Cindy Whitehead | |

MEMBERS ABSENT

| | | |
|-------------------|---------------|---------------|
| Steven Berk, M.D. | Wendell Davis | Carlos Garcia |
|-------------------|---------------|---------------|

OTHERS PRESENT

| | | |
|--------------------|-------------------|-------------------|
| Teresa Barron | Jim Johnson | Terrell Thrasher |
| Jeff Dane | Brent King | Phillip Waldmann |
| Lana Daniel | Heather Martinez | Kristi Ward |
| Bill Eubanks | Mike Ragain, M.D. | Tammy Williams |
| Mark Funderburk | Greg Roberts | Lois Wischkaemper |
| Allan Haynes, M.D. | Nick Skeen | Jan Brumley |
| Jeff Hill | Chris Smith | |

INVOCATION

Mr. Mark Funderburk voiced the invocation.

QUORUM

With five voting members present, a quorum was established.

EXECUTIVE SESSION

The Board of Managers went into a Closed Meeting under Government Code Sections 551.071, 551.072, 551.073, 551.074, 551.076 and 551.085 at 9:00 a.m. to consult with attorney concerning pending or contemplated litigation, settlement offers, and confidential legal matters, to deliberate the purchase, exchange, lease, or value of real property, deliberate personnel matters; to deliberate financial planning information relating to negotiation for provision of services or product lines; to deliberate proposed new services or product lines and to review Professional Staff credentials (Health and Safety Code Section 161.031 et seq.).

OPEN SESSION

The Board of Managers entered into open session at 10:27 a.m.

APPROVAL OF THE MINUTES

The following minutes were approved as presented:

- Performance Improvement Oversight Committee Meeting – August 26, 2019
- Board of Managers Meeting – August 26, 2019

ACTION: Ms. Wilkins moved to approve the minutes as presented. The motion was seconded by Ms. Whitehead and approved unanimously.

CREDENTIALS RECOMMENDATIONS

Mike Ragain, M.D., Senior Vice President and Chief Medical Officer, presented the recommendations to the Board of Managers from the Executive Committee meeting held on September 9, 2019.

It was the staff's recommendation to approve as presented.

ACTION: Ms. Whitehead moved to approve the UMC Professional Staff recommendations as presented. The motion was seconded by Ms. Wilkins and approved unanimously.

PRESIDENT'S REPORT

Mr. Mark Funderburk, President and Chief Executive Officer, reviewed the UMC scorecard and hospital utilization report. Mr. Funderburk reported that UMC was surveyed by DNV on September 10th, 11th, and 12th. The survey went very well with many favorable comments from the surveyors. He further stated that UMC has recently had successful bariatric and clinical laboratories surveys as well.

It was the staff's recommendation to approve as presented.

ACTION: Ms. Wilkins moved to accept the President's reports as presented. The motion was seconded by Mr. Greenstreet and approved unanimously.

CHIEF FINANCIAL OFFICER'S REPORT

Mr. Jeff Dane, Executive Vice President, Administrator and Chief Financial Officer, reviewed the August financial statements. It was the staff's recommendation to approve as presented.

ACTION: Ms. Wilkins moved to accept the August financial statements as presented. The motion was seconded by Mr. Griffith and approved unanimously.

TTUHSC REPORT

This report was deferred.

BID PROPOSALS AND SERVICE AGREEMENTS

The Board considered all of the following bid proposals and service agreements.

A. MOP II Third Floor Dimensions Relocation

Mr. Jim Johnson, Pharm D., Senior Vice President of Support Services, presented the MOP II third floor Dimensions relocation to the Board. Dr. Johnson explained that this project will relocate Dimensions Breast Imaging to the third floor of MOP II.

Staff recommends the purchase from the lowest compliant vendor, Teinert Construction, for a total cost of \$1,878,698. This will be paid for out of the 2019/2020 budgeted funds.

B. Manometry Equipment

Ms. Heather Martinez, Vice President of ICU Services, presented the manometry equipment to the Board. Ms. Martinez explained that this equipment is used to test esophageal and rectal motility to diagnose causes for reflux, swallowing problems or, chest pain after anything cardiac related is ruled out. It is often done in preparation for reflux or bariatric surgery. The module on the equipment is no longer working and in need of repair. The current equipment was purchased in 2011 and in need of replacement. The current manometry patients are being sent to LDDA for these procedures.

Staff recommends the purchase from Covidien, a Premier vendor for a total cost of \$103,251. This will be paid for out of the 2019 unbudgeted funds.

C. Defibrillators (79)

Ms. Heather Martinez, Vice President of ICU Services, presented the defibrillators to the Board. Ms. Martinez explained that this request is to replace the existing Phillips defibrillators. Phillips has lost the ability to produce defibrillators and does not have any equipment planned for production in the near future. Additionally, there are no parts in the after-market to keep the equipment operational.

Staff recommends the purchase from Stryker, a Premier vendor, for a total cost of \$945,327. This will be paid for out of the 2019 and 2020 budgeted funds with the shortfall being covered by 2019 undesignated funds.

At this time, Chairman McDougal gave members an opportunity to ask questions or voice objections. Hearing no objections, he asked for a motion.

ACTION: Ms. Whitehead moved to accept staff's recommendation of the bid proposals and service agreements presented. The motion was seconded by Ms. Wilkins and approved unanimously.

AGREEMENTS, PROPOSALS, POLICIES AND DISCUSSION ITEMS

The Board considered all of the following agreements, proposals, policies and discussion items.

A. Contract Management Report

The Board was provided a report of UMC’s contract management system report. The data is completed for the Det Norske Veritas (DNV) survey and is for information purposes. No action is necessary.

B. Agreement for Faculty Support, Mark Reedy, M.D.

Mr. Nick Skeen, Senior Vice President of Service Line Development, presented the agreement for faculty support for Mark Reedy, M.D. Mr. Skeen explained that Dr. Reedy is a surgical oncologist, working as a full-time faculty member at Texas Tech University Health Sciences Center. Dr. Reedy will provide medical and hospital care to UMC patients. Mr. Skeen explained that UMC will have the only two GYN surgical oncologists in the region. This agreement is a deficit support contract with a value up to \$375,000. UMC will pay a one-time amount of \$10,000, payable by September 30, 2019. The term of this agreement is August 1, 2019 through July 31, 2020.

C. Crux Quality Solutions Agreement

Mr. Nick Skeen, Senior Vice President of Service Line Development, presented the Crux Quality Solutions agreement to the Board. Mr. Skeen explained that this agreement is an expansion to the staffing agreement to include an outsourcing of dosimetry and the shifting of the last physicist. The dosimetry team takes and develops the radiation plan based on the parameters of the prescribed radiation treatment and develops the full treatment plan. The compensation will be based on a tier with a per-study volume threshold:

| Treatment Plans Per Month | Plan Package Rate Per Month |
|---------------------------|-----------------------------|
| 1-30 studies | 13,500 USD |
| 30-40 studies | 17,000 USD |
| 40 – 50 studies | 19,500 USD |
| 50-60 studies | 22,000 USD |

D. 2020 Proposed Health Plan

Mr. Brent King, Senior Vice President and Chief Development Officer, presented the 2020 proposed Health Plan to the Board. Mr. King explained that these are the 2019 proposed changes for Telemedicine Services. The summary is a proposed 2019 plan change for Telemedicine services, in which the twenty-dollar copay deductible will be waived. The 2020 proposed Health Plan changes were also reviewed with an out-of-pocket maximum of \$8,150 for individuals and \$16,300 for family. Primary Care visits are thirty dollars, with a ten percent coinsurance for labs and x-rays and the deductible is waived. Specialist visits are sixty dollars with a ten percent coinsurance for labs and x-rays and the deductible is waived. The 2020 premium rates were also presented with the base and discount coverage for each category.

E. Digitech

Mr. Jeff Hill, Senior Vice President of Support Services, presented the DigiTech item to the Board. Mr. Hill explained that this agreement is to outsource the EMS billing functions. Digitech will code EMS patient care reports, bill, and collect appropriate fees from payors. Digitech will receive 4.25% of the monthly EMS billing collections. Total fee estimate is \$323,813 per year, resulting in an additional \$1 million in estimated revenue after Digitech’s fee.

F. Biomedical Engineering Services Agreement

Mr. Jim Johnson, Pharm D., Senior Vice President of Support Services, presented the Philips Biomedical Engineering service agreement to the Board. Dr. Johnson explained that this agreement is for preventive maintenance and repair of all medical equipment in UMC inventory, which is approximately 11,000 pieces. The total annual agreement price is \$2,477,765. The term of this agreement is December 1, 2019 through November 20, 2025.

G. DeRoyal Continuum

Mr. Phillip Waldmann, Executive Vice President of Operations, presented the DeRoyal Continuum item to the Board. Mr. Waldmann explained that DeRoyal is an agreement to participate in the Continuum Negative Pressure Wound Therapy (NPWT) program. DeRoyal will provide management of all NPWT units for patients' use. Units will be stored in a secured vault provided by DeRoyal and will be located on UMC property. DeRoyal will maintain inventory and ensure par levels are met. Changing companies will produce an annual savings of \$303,722 through decreased rental and disposable costs. The term of this agreement is October 1, 2019 through September 30, 2022.

H. Off Site Central Stores Lease

Mr. Jeff Dane, Executive Vice President, Administrator and Chief Financial Officer, presented the Off-Site Central Stores Lease to the Board. Mr. Dane explained that this agreement is for the lease of a 33,185 square foot warehouse and office space located at 530 32nd street in Lubbock, Texas. The landlord is Charles Frank Skibell. This space will be used for an off-site Central Stores capacity, consolidation of existing off-site storage, and as a storage space for equipment and furniture. The rate is triple net, UMC will be responsible for paying for taxes and insurance. Compensation is as follows:

| | |
|--------------------------|--------------------------|
| 10/1/2019 to 11/20/2019 | \$0 / month |
| 12/01/2019 to 11/30/2021 | \$8,000 / month (\$2.89) |
| 12/01/2021 to 11/30/2023 | \$8,500 / month (\$3.07) |
| 12/01/2023 to 11/30/2025 | \$9,200 / month (\$3.32) |
| 12/01/2025 to 11/30/2026 | \$9,800 / month (\$3.54) |

The term of this agreement is October 1, 2019 through November 30, 2026.

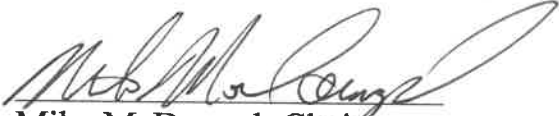
After all the agreements, proposals, and policies were presented, Chairman McDougal gave members an opportunity to ask questions or voice objections. Hearing no objections, he asked for a motion.

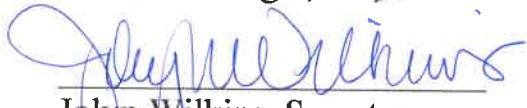
ACTION: Mr. Greenstreet moved to accept staff's recommendation of the agreements, proposals and policies presented. The motion was seconded by Ms. Wilkins and approved unanimously.

ADJOURNMENT

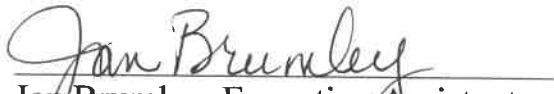
With no further business to come before the Board, the meeting adjourned at 11:15 a.m.

**Board of Managers
UMC Health System
September 23, 2019**


Mike McDougal, Chair


Jolyn Wilkins, Secretary

APPROVED AS TO FORM:


Jan Brumley, Executive Assistant